Deloitte.

FRS 102 Group (Ireland) Limited.

Annual report and financial statements For the year ended 31 December 20XX

November 2013

Leading business advisers

Note to users:

These example financial statements illustrate the typical disclosures which would be required of an unlisted company with subsidiaries and associates, reporting under FRS 102 for the first time for both the company and consolidated financial statements. It has been assumed that the company does not qualify as a small or medium-sized, or for any group account exemption.

In many cases the wording used in these financial statements is purely illustrative and in practice will need to be modified to reflect the circumstances of the group.

Certain disclosure requirements under FRS 102 are not considered in the example financial statements as they relate to areas of accounting treatment which are not directly relevant for FRS 102 Group (Ireland) Limited. These include the following:

- The group does not engage in specialised activities (agriculture, extractive activities or service concession arrangements) and holds no heritage assets. No companies within the group are financial institutions, retirement benefit plans or public benefit entities;
- The group has no financial instruments at fair value that are not held as part of a trading portfolio and are not derivatives within the meaning of FRS 102, Section 11 paragraph 48A;
- The group has no investments in joint ventures;
- No companies within the group act as lessors; and
- The group is assumed not to have previously applied SSAP 25 *Segmental Reporting* and therefore is assumed not to be required to apply IFRS 8 *Operating Segments* in full.

FRS 102 Group (Ireland) Limited

Contents

FRS 102 Group (Ireland) Limited Directors' Report

The directors present their annual report on the affairs of the Group, together with the financial statements and auditors' report, for the year ended 31 December 20XX.

Principal activities

The principal activities of the Group comprise *[describe]*.

The subsidiary and associated undertakings principally affecting the profits or net assets of the Group in the year are listed in note 18 to the financial statements.

Business review

[Describe, for example, results for the period, major changes in the business, development of new products or markets, acquired or discontinued operations and other factors materially affecting the business.]

[All companies, other than those qualifying as small, must prepare and include a business review in their directors' report. The disclosure requirements are outlined in section 158 of the Companies Act,1963 and section 13 and section 14 of the Companies(Amendment) Act, 1986 as amended by S.I. No. 496 of 2009 (amended by S.I. No. 83 of 2010). It is not practical to illustrate a model business review for a group and companies should ensure that the requirements of company law are met reflecting the circumstances, size and complexity of the group and its business.

The review should cover the following:

a) A fair review of the company's business; and

b) A description of the principal risks and uncertainties facing the company.

The review required is a balanced and comprehensive analysis of:

a) The development and performance of the company's business during the financial year; and

b) The company's position at the end of that year consistent with the size and complexity of the business.

The review must, to the extent necessary for an understanding of the development, performance or position of the business, include:

a) Analysis using financial key performance indicators; and

b) Where appropriate, analysis using other key performance indicators, including information relating to environmental matters and employee matters (small and medium sized companies are exempt).

The directors expect the general level of activity to *[comment on expected future developments]*.

The Group continues to invest in research and development. This has resulted in a number of new products being launched recently which are expected to make significant contributions to the growth of the business. The directors regard investment in this area as a prerequisite for success in the medium to long-term future.

[Indicate the existence of branches of the Company outside Ireland, if relevant.]

Details of significant events since the balance sheet date are contained in note 30 to the financial statements.

Going Concern

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

Financial risk management objectives and policies

[In practice, a more extensive description than that illustrated below should be given, of the Group's financial risk management objectives and policies including the policy for hedging each major type of forecasted transaction for which hedge accounting are used, dealing with the Group's particular circumstances. This should include a description of the Group's exposure to price risk, credit risk, liquidity risk and cash flow risk.

Where the group is a financial institution and so includes the additional disclosures required by Section 34 of FRS 102, it is permissible to cross refer to the disclosures in the relevant notes to the financial statements to avoid duplication.]

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for on-going operations and future developments, the company uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the statement of accounting policies in the financial statements.

Dividends

The directors recommend a final dividend of €__ (__ c per ordinary share) to be paid on *[date]* to ordinary shareholders on the register on *[date]* which, together with the interim dividend of €__ (__ c per ordinary share) paid on *[date]*, makes a total of €__ for the year (20YY - €__). The dividend on the __ per cent redeemable preference shares, amounting to €__ (__ c per share), was paid on *[date]*.

Directors

The directors, who served throughout the year except as noted, were as follows:

[Include full list of directors]

Political contributions

Political donations were made by *[name of subsidiary company]* to *[name of political organisation]* amounting to €__ during the year.

Auditors

In accordance with section 160(2) of the Companies Act, 1963 the Auditors', Deloitte & Touche will continue in office.

Approved by the Board and signed on its behalf by:

[Signature] ______________________ [Signature] ______________________

[Director] ______________________ [Director] ______________________

[Date] [______________________

FRS 102 Group (Ireland) Limited
Directors' Report (continued)

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of group and company and of the profit of the group for that period. Under that law the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice (Accounting Standards promulgated by Chartered Accountants Ireland and applicable law). In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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 keeping proper books of accounts which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2012. 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 the Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of FRS 102 group (Ireland) Limited

We have audited the financial statements of FRS 102 Group (Ireland) Limited for the year ended 31 December 20XX which comprise the group financial statements: the consolidated profit and loss account, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity and the consolidated cash flow statement; the parent company financial statements: company balance sheet and company statement of changes in equity and the related notes 1 to 34. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the groups and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the group's financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the group's affairs as at 31 December 20XX and of its profit for the year then ended;
- the parent company balance sheet gives a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland as applied in accordance with the provisions of the Companies Acts, 1963 to 2012 of the state of the parent company's affairs as at 31 December 20XX; and
- The financial statements have been properly prepared in accordance with the requirements of the Companies Acts, 1963 to 2012.

Matters on which we are required to report by the Companies Acts, 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of accounts have been kept by the parent company.
- The parent company balance sheet is in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the parent company, as stated in the parent company balance sheet are more than half of the amount of its called up share capital and, in our opinion, on that basis there did not exist at 31 December 20XX a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the parent company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts, 1963 to 2012 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

[Space for audit partner's signature]

[Print of Audit Partner's name]

For and on behalf of *[Deloitte & Touche]*

Chartered Accountants and Statutory Audit Firm

[City] ____________________

[Date] ____________________

FRS 102 Group (Ireland) Limited

Consolidated profit and loss account

For the year ended 31 December 20XX

	Note	Continuing operations 20XX €	Discontinued operations 20XX €	Total 20XX €	Continuing operations 20YY €	Discontinued operations 20YY €	20YY Total 20YY €
Turnover	3						
Cost of sales							
Gross profit							
Administrative expenses							
Distribution expenses							
Other operating income							
Profit on disposal of operations							
Operating profit							
Share of results of associated undertakings							
Finance costs (net)	4						
Profit on ordinary activities before taxation	5						
Tax on profit on ordinary activities	8						
Profit for the financial year	9						

The financial statements were approved by the board of directors and authorised for issue on *[date]*.
They were signed on its behalf by:

[Signature] ______________________ [Signature] ______________________

Director ______________________ Director ______________________

FRS 102 Group (Ireland) Limited

Consolidated statement of comprehensive income

For the year ended 31 December 20XX

	Note	20XX €	20YY €
Profit for the financial year			
Hedges of variable interest rate risk and foreign exchange risk	24		
Gains/(losses) arising during the period			
Less: reclassified to profit or loss			
Currency translation difference on foreign currency net investments			
Gains arising on revaluation of tangible fixed assets	13		
Re-measurement of net defined benefit liability	29		
Other comprehensive income			
Tax relating to components of other comprehensive income			
Share of other comprehensive income of associates			
Other comprehensive income for the period			

Profit for the period attributable to:		
Non-controlling interest		
Equity shareholders of the Company		

Total comprehensive income for the period attributable to:		
Non-controlling interest		
Equity shareholders of the Company		

FRS 102 Group (Ireland) Limited

Consolidated balance sheet

At 31 December 20XX

	Note	20XX €	20YY €
Fixed assets			
Development costs, patents and trademarks	12		
Goodwill	12		
Negative goodwill	12		
Goodwill – net balance	12		
Intangible assets	12		
Tangible assets	13		
Associates	14		
Other investments	14		
Current assets			
Stocks	17		
Debtors	18		
– due within one year	18		
– due after one year	18		
Investments	19		
Cash at bank and in hand			
Creditors: Amounts falling due within one year	20		
Net current assets			
Total assets less current liabilities			
Creditors: Amounts falling due after more than one year	21		
Provisions for liabilities	22		
Net assets			

FRS 102 Group (Ireland) Limited

Consolidated balance sheet - (continued)

At 31 December 20XX

	Note	20XX €	20YY €
Capital and reserves			
Called-up share capital	25		
Share premium account	25		
Revaluation reserve	25		
Equity reserve	25		
Hedging reserve	25		
Profit and loss account	25		
Shareholders' funds			
Non-controlling interest			
Total capital employed			

The financial statements approved by the board of directors and authorised for issue on *[date]*.
They were signed on its behalf by:

[Signature] ______________________ [Signature] ______________________

Director ______________________ Director ______________________

FRS 102 Group (Ireland) Limited
Company balance sheet

At 31 December 20XX

	Note	20XX €	20YY €
Fixed assets			
Intangible assets	12		
Tangible assets	13		
Investments	14		
Current assets			
Stocks	17		
Debtors			
– due within one year	18		
– due after one year	18		
Investments	19		
Cash at bank and in hand			
Creditors: Amounts falling due within one year	20		
Net current assets			
Total assets less current liabilities			
Creditors: Amounts falling due after more than one year	21		
Provisions for liabilities	22		
Net assets			
Capital and reserves			
Called-up share capital	25		
Share premium account	25		
Revaluation reserve	25		
Equity reserve	25		
Profit and loss account	25		
Shareholders' funds			

The financial statements were approved by the board of directors and authorised for issue on *[date]*.
They were signed on its behalf by:

[Signature] ________________ [Signature] ________________

Director ________________ Director ________________

FRS 102 Group (Ireland) Limited

Consolidated statement of changes in equity

For the year ended 31 December 20XX

	Called-up share capital €	Share premium account €	Revaluation reserve €	Equity reserve €	Profit and loss account €	Hedging Reserve €	Total €	Non-controlling interest €	Total €
At 31 December 20ZZ as previously stated									
Changes on transition to FRS 102 (see note 34)									
At 1 January 20YY as restated									
Profit for the financial year									
Hedges of variable interest rate risk and foreign exchange risk									
Currency translation difference on foreign currency net investments									
Gains arising on revaluation of tangible fixed assets									
Re-measurement of net defined benefit liability									
Tax relating to items of other comprehensive income									
Share of other comprehensive income of associates									
Total comprehensive income									
Issue of share capital									
Expenses of equity share issues									
Dividends paid on equity shares									
Credit to equity for equity settled share-based payment									
Recognition of equity component of convertible loan notes									
At 31 December 20YY									
Profit for the financial year									
Hedges of variable interest risk and foreign exchange risk									
Currency translation difference on foreign currency net investments									
Re-measurement of net defined benefit liability									
Tax relating to items of other comprehensive income									

FRS 102 Group (Ireland) Limited

Consolidated statement of changes in equity - (continued)

For the year ended 31 December 20XX

	Called-up share capital €	Share premium account €	Revaluation reserve €	Equity reserve €	Profit and loss account €	Hedging Reserve €	Total €	Non-controlling interest €	Total €
Share of other comprehensive income of associates									
Total comprehensive income									
Issue of share capital									
Expenses of equity share issues									
Dividends paid on equity shares									
Credit to equity for equity settled share-based payment									
Recognition of equity component of convertible loan notes									
At 31 December 20XX									

FRS 102 Group (Ireland) Limited

Company statement of changes in equity

For the year ended 31 December 20XX

	Called-up share capital €	Share premium account €	Revaluation reserve €	Equity reserve €	Profit and loss account €	Total €
At 31 December 20ZZ as previously stated						
Changes on transition to FRS 102 (see note 34)						
At 1 January 20YY as restated						
Re-measurement of net defined benefit liability						
Tax relating to items of other comprehensive income						
Total comprehensive income						
Issue of share capital						
Expenses of equity share issues						
Dividends paid on equity shares						
Credit to equity for equity settled share-based payment						
Recognition of equity component of convertible loan notes						
At 31 December 20YY						
Re-measurement of net defined benefit liability						
Tax relating to items of other comprehensive income						
Total comprehensive income						
Issue of share capital						
Expenses of equity share issues						
Dividends paid on equity shares						
Credit to equity for equity settled share-based payment						
Recognition of equity component of convertible loan notes						
At 31 December 20XX						

FRS 102 Group (Ireland) Limited

Consolidated cash flow statement

For the year ended 31 December 20XX

	Note	20XX €	20YY €
Net cash flows from operating activities	26		
Cash flows from investing activities			
Proceeds from sale of equipment			
Proceeds from sale of investment properties			
Purchase of equipment			
Interest received			
Dividends received from associates			
Dividends received from trading investments			
Proceeds on disposal of trading investments			
Disposal of subsidiary			
Acquisition of investment in an associate			
Purchases of trading investments			
Purchases of patents and trademarks			
Acquisition of subsidiary			
Net cash flows from investing activities			
Cash flows from financing activities			
Dividends paid			
Repayments of borrowings			
Repayments of obligations under finance lease			
Proceeds on issue of convertible loan notes			
Proceeds on issue of shares			
New bank loans raised			
Net cash flows from financing activities			
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of year			
Effect of foreign exchange rate changes			
Cash and cash equivalents at end of year			
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand at end of year			
Cash equivalents			
Cash and cash equivalents at end of year			

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

FRS 102 Group (Ireland) Limited is a company incorporated in the Ireland under the Companies Acts, 1963 to 2012. The address of the registered office is given on page ___. The nature of the group's operations and its principal activities are set out in the directors' report on pages __ to __.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council, and promulgated for use in Ireland by Chartered Accountants Ireland.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 34. *[Where FRS 102 is adopted early, this fact should be stated.]*

The functional currency of FRS102 Group (Ireland) Limited is considered to be euro because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in euro. Foreign operations are included in accordance with the policies set out below.

[Include this paragraph if the parent company intends to take and meets the criteria for taking the disclosure exemptions as a qualifying entity and provide a brief narrative summary of the exemptions it has taken.] FRS102 Group (Ireland) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside these consolidated financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash-flow statement, intra-group transactions and remuneration of key management personnel.

b. Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

c. Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review which forms part of the directors' report. The directors' report also describes the financial position of the Group; its cash flows, liquidity position and borrowing facilities; the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Group meets its day to day working capital requirements through an overdraft facility which is due for renewal on *[date]*. The current economic conditions create uncertainty particularly over (a) the level of demand for the Group's products; (b) the exchange rate between euro and *[currency X]* and thus the consequence for the cost of the Group's raw materials; and (c) the availability of bank finance in the foreseeable future.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility. The Group will open renewal negotiations with the bank in due course and has at this stage not sought any written confirmation that the facility will be renewed. However, the Group has held discussion with its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms.

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

d. Intangible assets – goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is *[number]* years. Provision is made for any impairment.

Negative goodwill is similarly included in the balance sheet and is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the profit and loss account in the periods expected to benefit.

[In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations affected prior to the date of transition.]

1. Accounting policies (continued)

e. Intangible assets – research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the Group is expected to benefit. This period is between three and five years. Provision is made for any impairment.

f. Intangible assets – patents and trademarks

Separately acquired patents and trademarks are included at cost and amortised in equal annual instalments over a period of *[number]* years which is their estimated useful economic life. Provision is made for any impairment.

Intangible assets acquired as part of a business combination are measured at fair value at the acquisition date.

g. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a *[straight-line/reducing balance]* basis over its expected useful life, as follows:

Freehold buildings [__ years / __% per annum]

Leasehold land and buildings [__ years / __% per annum/term of lease]

Plant and machinery [__ years / __% per annum]

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

h. Revaluation of properties

[*(Where the Company adopts a policy of revaluation)*
Individual freehold and leasehold properties [other than investment properties] are revalued to fair value every year with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. .]

i. Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort on an on-going basis are measured at fair value annually with any change recognised in the profit and loss account.

j. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Non-current debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.

(b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.

(d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

1. Accounting policies (continued)

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

In the Company balance sheet, investments (including investments in associates) are measured at cost less impairment.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

(iv) Convertible loan notes

The component parts of compound instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. On initial recognition the financial liability component is recorded at its fair value. At the date of issue, in the case of a convertible bond denominated in the functional currency of the issuer that may be converted into a fixed number of equity shares, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity and is not subsequently remeasured.

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on their relative fair values at the date of issue. The portion relating to the equity component is charged directly against equity.

The finance costs of the financial liability are recognised over the term of the debt using the effective interest method.

(v) Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

(vi) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique.

(vii) Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of variable interest rate risk of the cash flows associated with recognised debt instruments measured at amortised cost and in respect of foreign exchange risk in firm commitments and highly probable forecast transactions.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with the clear identification of the risk in the hedged item that is being hedged by the hedging instrument. Furthermore, at the inception of the hedge and on an on-going basis, the Group assesses whether the hedging instrument is highly effective in offsetting the designated hedged risk.

1. Accounting policies (continued)

The effective portion of changes in the fair value of the designated hedging instrument is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time is reclassified to profit or loss when the hedged item is recognised in profit or loss. When a forecast transaction is no longer expected to occur, any gain or loss that was recognised in other comprehensive income is reclassified immediately to profit or loss.

k. Associates

In the Group financial statements investments in associates are accounted for using the equity method. Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of the profit or loss and other comprehensive income of the associate. Goodwill arising on the acquisition of associates is accounted for in accordance with the policy set out above. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

In the Company financial statements investments in associates are accounted for at cost less impairment. *[Note that there is an accounting policy choice to account for investments in associates in separate financial statements using a) the cost model b) the fair value model (through OCI) or c) at fair value through profit or loss.]*

l. Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and a proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

m. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ("CGU") of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

n. Taxation

Current tax, including Irish corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1. Accounting policies (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the 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.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

o. Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

p. Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

1. Accounting policies (continued)

q. Barter transactions

Turnover is recognised in respect of barter transactions only where services are exchanged for dissimilar services and the transaction is deemed to have commercial substance. Such transactions are measured at the fair value of the services received, adjusted by any amount of cash and cash equivalents transferred.

r. Retirement benefits

For defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

s. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. . Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reported under equity.

t. Leases

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term. *[In accordance with the transitional provisions of FRS 102, lease incentives on leases which were in existence prior to the date of transition have been spread over the shorter of the lease term and the period to the first review date on which the rent is first expected to be adjusted to the prevailing market rate.]*

u. Borrowing costs

Borrowing costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

1. Accounting policies (continued)

v. Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income. *[Note that the performance model is also an option under FRS 102 and this is an accounting policy choice. If the performance model is selected, government grants would be recognised to the extent that performance-related conditions have been met.]*

w. Share-based payment

The Company issues equity-settled share options and cash-settled share appreciation rights to certain employees within the Group. Equity-settled share-based payment transactions are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured by use of the Black Scholes pricing model which is considered by management to be the most appropriate method of valuation. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

A liability equal to the portion of the goods or services received is recognised at and remeasured to the current fair value determined at each balance sheet date for cash-settled share appreciation rights, with any changes in fair value recognised in profit or loss.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

Expenditure was required in the year for rectification work carried out on goods supplied to one of the Group's major customers. These goods were delivered to the customer in the months of __ to __ 20XX, and shortly thereafter the defects were identified by the customer. Following negotiations, a schedule of works was agreed, which will involve expenditure by the Group until 20WW. In the light of the problems identified, management was required to consider whether it was appropriate to recognise the revenue from these transactions of €__ in the current period, in line with the Group's general policy of recognising revenue when goods are delivered, or whether it was more appropriate to defer recognition until the rectification work was complete.

In making its judgement, management considered the detailed criteria for the recognition of revenue from the sale of goods set out in FRS 102 Section 23 *Revenue* and, in particular, whether the Group had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed quantification of the Group's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with recognition of an appropriate provision for the rectification costs.

Key source of estimation uncertainty - impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was €__after an impairment loss of €__ was recognised during 20XX.

3. Turnover

An analysis of the Group's turnover by class of business is set out below.

Turnover:	20XX €	20YY €
Business class X		
Business class Y		

An analysis of the Group's turnover by geographical market is set out below.

Turnover:	20XX €	20YY €
Geographical market X		
Geographical market Y		

An analysis of the Group's turnover is as follows:

	20XX €	20YY €
Sale of goods		
Rendering of services		
Income from construction contracts		
Royalties		
Dividends		
Commissions		
Interest		
Grants		
[Any other significant types of revenue]		

Grants represent amounts received in respect of *[explain nature of grant]*. The Group has not directly benefited from any other forms of government assistance.

Notes to the financial statements - (continued)

For the year ended 31 December 20XX

4. Finance costs (net)

	20XX €	20YY €
Interest payable and similar charges		
Less: Investment income		
Other finance costs/(income)		

Investment income

	20XX €	20YY €
Income from fixed asset investments		
Income from current asset investments		
Interest receivable and similar income		

Interest receivable and similar income includes net exchange gains on foreign currency borrowings of €__ (20YY: €__) less deposits of €__ (20YY: €__).

Interest payable and similar charges

	20XX €	20YY €
Bank loans and overdrafts		
% Cumulative preference share dividends		
Convertible loan notes		
Finance leases and hire purchase contracts		
Other loans		
Net exchange loss on foreign currency borrowings less deposits		
Borrowing costs capitalised	( )	( )

Borrowing costs have been capitalised based on a capitalisation rate of __ per cent (20YY __ per cent) *[which is the weighted average of rates applicable to the Group's general borrowings outstanding during the year]*.

4. Finance costs (net) (continued)

Other finance costs (income)

	20XX €	20YY €
Unwinding of discounts on provisions		
Net interest on defined benefit liability (see note 28)		

5. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/ (crediting):

	20XX €	20YY €
Depreciation of tangible fixed assets		
Impairment of tangible fixed assets		
Reversal of past impairment losses on fixed assets		
Amortisation of intangible assets		
Impairment of intangible assets		
Reversal of past impairment losses on intangible assets		
Research and development		
Amortisation of goodwill		
Impairment of goodwill		
Negative goodwill credited to profit or loss		
Government grants		
Operating lease rentals		
Foreign exchange loss (gain)		
Cost of stock recognised as an expense		
Impairment of stock recognised as an expense		
Reversal of impairment of stock		
(Gain)/loss on disposal of fixed assets		
(Profit)/loss on fair value movement of investments		

Impairments and reversal of impairments of fixed assets, intangible assets and stocks are included in cost of sales. Impairments of goodwill are included in administrative expenses.

Amortisation of intangible assets is included in administrative expenses.

[Disclose a description of the events and circumstances that led to the recognition or reversal of each impairment loss.]

FRS 102 Group (Ireland) Limited

Notes to the financial statements - (continued)

For the year ended 31 December 20XX

5. Profit on ordinary activities before taxation (continued)

The analysis of the auditors' remuneration is as follows:

Company Auditors' remuneration for work carried out for the company in respect of the financial year is as follows:	Year ended 20XX €	Year ended 20YY €
Audit of individual company accounts		
Other assurance services		
Tax advisory services		
Other non-audit services		

Group Auditors' remuneration for work carried out for the group in respect of the financial year is as follows:	Year ended 20XX €	Year ended 20YY €
Audit of group accounts		
Other assurance services		
Tax advisory services		
Other non-audit services		

There is an exemption from the above disclosure for subsidiaries in regulation 120(5)(c) of S.I. No. 210 of 2010 provided certain conditions are met (the subsidiary is included in group accounts prepared under the Group Accounts or the Credit Institutions or the Insurance Undertakings Regulations and equivalent disclosure is made in the notes to the group accounts). As FRS 102 Group (Ireland) Limited is not a subsidiary it is not exempt from this disclosure.

6. Staff costs

The average monthly number of employees (including executive directors) was:

	20XX Number	20YY Number
Production		
Distribution		
Sales		
Administration		

Their aggregate remuneration comprised:	Year ended 20XX €	Year ended 20YY €
Wages and salaries		
Social security costs		
Other pension costs (see note 29)		

'Other pension costs' includes only those items included within operating costs. Items reported elsewhere have been excluded.

7. Directors Remuneration

The directors' salaries and payments analysed under the headings required by company law are set out below:

	20XX €	20YY €
Emoluments		
For services as director		
For other services		
Pensions		
For services as director		
For other services		
Compensation for loss of office		
For services as director, paid by or receivable from		
The company		
The company's subsidiaries		
Any other person		
For other services, paid by or receivable from		
The company		
The company's subsidiaries		
Any other person		

Pensions above refer to pensions paid by the company via its payroll to past directors (as opposed to those paid by a pension fund); employer pension's contributions paid by the company for serving directors are included within emoluments.

Directors' advances, credits and guarantees

Details of transactions with directors during the year are disclosed in note 31.

8. Tax on profit on ordinary activities

The tax charge comprises:

	20XX €	20YY €
Current tax on profit on ordinary activities		
Irish corporation tax		
Double tax relief		
Foreign tax		
Adjustments in respect of prior years		
Irish corporation tax		
Foreign tax		
Total current tax		
Deferred tax		
Origination and reversal of timing differences		
Effect of increase in tax rate on opening liability		
Effect of a change in the tax status of the entity or its shareholders		
Decrease in estimate of recoverable deferred tax asset		
Total deferred tax (see note 22)		
Total tax on profit on ordinary activities		

Total current and deferred tax relating to items of other comprehensive income		

[Include details of any expiry dates on timing differences, unused tax losses and unused tax credits.

If relevant, include an explanation of the nature of the potential income tax consequences that would result from the payment of dividends to its shareholders.]

8. Tax on profit on ordinary activities (continued)

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of Irish corporation tax to the profit before tax is as follows:

	20XX €	20YY €
Profit on ordinary activities before tax		
Group profit on ordinary activities before tax		
Tax on Group profit on ordinary activities at standard Irish corporation tax rate of XX% (20YY: YY %)		
Effects of:		
- Expenses not deductible for tax purposes		
- Income not taxable in determining taxable profit		
- Utilisation of tax losses not previously recognised		
- Change in unrecognised deferred tax assets		
- Higher tax rates on overseas earnings		
- Adjustments to tax charge in respect of previous periods		
Group total tax charge for period		

9. Profit attributable to the Company

Profit after taxation for the year attributable to equity shareholders amounting to € ________ (20YY: €________) has been accounted for in the financial statements of the Company. In accordance with Section 148(8) of the Companies Act 1963, the Company is availing of the exemption from presenting its individual Income Statement to the Annual General Meeting. The Company has also availed of the exemption from filing its individual Income Statement with the Registrar of Companies as permitted by Section 7(1A) of the Companies (Amendment) Act 1986.

10. Dividends on equity shares

Amounts recognised as distributions to equity holders in the period:

	20XX €	20YY €
Final dividend for the year ended 31 December 20YY of __p (20ZZ: __p) per ordinary share		
Interim dividend for the year ended 31 December 20XX of __p (20YY: __p) per ordinary share		
Proposed final dividend for the year ended 31 December 20XX of __p (20YY: __p) per ordinary share		

The proposed final dividend is subject to approval by the shareholders and has not been included as a liability in these financial statements.

The Company's redeemable preference shares are included in the balance sheet as a liability and accordingly the dividends payable on them are included in net finance costs.

11. Share-based payments

Equity-settled share option schemes

The Company has a share option scheme for all employees of the Group. The Company takes part in this group share-based payment plan, and recognises and measures its allocation of the share-based payment expense on a pro-rata basis. *[Note that ultimate parent companies may take exemption from the requirements of 26.18(b), 26.19-26.21 and 26.23, provided that the share-based payment arrangement concerns its own equity instruments and its separate financial statements are presented alongside the consolidated financial statements of the group.]*

Options are exercisable at a price equal to the estimated fair value of the Company's shares on the date of grant. The vesting period is three years. If the options remain unexercised after a period of five years from the date of grant the options expire. Options are forfeited if the employee leaves the Group before the options vest.

Details of the share options outstanding during the year are as follows:

	20XX		20YY	
	Number of share options	Weighted average exercise price (€)	Number of share options	Weighted average exercise price (€)
Outstanding at beginning of period				
Granted during the period				
Forfeited during the period				
Exercised during the period				
Expired during the period				
Outstanding at the end of the period				
Exercisable at the end of the period				

The fair value of the share options at the grant date was calculated using the Black Scholes model, which is considered to be the most appropriate generally accepted valuation method of measuring fair value.

During 20XX, the Group re-priced certain of its outstanding options. The strike price was reduced from €__ to the then current estimated fair value of €__. The incremental fair value of €__ will be expensed over the remaining vesting period (two years). The Group used the inputs noted above to measure the fair value of the old and new options.

The Group recognised total expenses of €__ and €__ related to equity-settled share-based payment transactions in 20XX and 20YY respectively.

12. Intangible fixed assets

	Group					Company		
	Development costs €	Patents and trademarks €	Goodwill €	Negative goodwill €	Total €	Development costs €	Patents and trademarks €	Total €
Cost								
At 1 January 20XX								
Additions								
Disposals								
Exchange adjustment								
At 31 December 20XX								
Amortisation								
At 1 January 20XX								
Charge for the year								
Impairment losses								
Reversal of past impairment losses								
Exchange adjustment								
At 31 December 20XX								
Net book value								
At 31 December 20XX								
At 31 December 20YY								

Negative goodwill is being written back on a straight line basis over a period of *[number]* years which is equal to the period over which the related non-monetary assets of the acquired business are being depreciated.

Development costs have been capitalised in accordance with the requirements of FRS 102 and are therefore not treated, for dividend purposes, as a realised loss.

[Insert a description, the carrying amount and remaining amortisation period of any individual intangible asset that is material to the entity's financial statements.][For intangible assets acquired by way of a grant and initially recognised at fair value, disclose the fair value initially recognised for these assets and their carrying amounts. Disclose the existence and carrying amounts of intangible assets to which the entity has restricted title or that are pledged as security for liabilities and the amount of any contractual commitments in respect of intangible assets.]

13. Tangible fixed assets

	Land and buildings					
Group	Investment properties €	Freehold €	*[Long/short]* leasehold €	Plant and machinery €	Payments on account and assets in the course of construction €	Total €
Cost or valuation						
At 1 January 20XX						
Additions						
Acquisition of subsidiary undertaking						
Revaluations						
Disposals						
Transfers						
Exchange adjustment						
At 31 December 20XX						
Depreciation						
At 1 January 20XX						
Charge for the year						
Impairment losses						
Reversal of past impairment losses						
Adjustments on revaluations						
Disposals						
Exchange adjustment						
At 31 December 20XX						
Net book value						
At 31 December 20XX						
At 31 December 20YY						

Leased assets included above:

Net book value						
At 31 December 20XX						
At 31 December 20YY						

13. Tangible fixed assets (continued)

	Land and buildings					
Company	Investment properties €	Freehold €	[Long/short] leasehold €	Plant and machinery €	Payments on account and assets in the course of construction €	Total €
Cost or valuation						
At 1 January 20XX						
Additions						
Revaluations						
Disposals						
Transfers						
At 31 December 20XX						
Depreciation						
At 1 January 20XX						
Charge for the year						
Impairment losses						
Reversal of past impairment losses						
Adjustments on revaluations						
Disposals						
At 31 December 20XX						
Net book value						
At 31 December 20XX						
At 31 December 20YY						

Leased assets included above:

Net book value						
At 31 December 20XX						
At 31 December 20YY						

13. Tangible fixed assets (continued)

Freehold and leasehold land and buildings were professionally valued by XYZ Surveys Limited, Chartered Surveyors, an independent valuer, to fair value at *[date]*, with subsequent additions at cost.

Investment properties, which are all freehold, were valued to fair value at 31 December 20XX, based on a valuation undertaken by *[name and qualification of surveyors]*, an independent valuer with recent experience in the location and class of the investment property being valued the method of determining fair value was *[insert method]* and significant assumptions applied were as follows: *[insert significant assumptions]*. There are no restrictions on the realisability of investment property.

Freehold land and buildings with a carrying amount of €__ million (20YY: €__ million) have been pledged to secure borrowings of the Company. The Company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

The Company has entered into non-cancellable contractual commitments in respect of property, plant and equipment of €___ (20YY: €___). The Company is additionally contractually obliged to carry out annual repairs and maintenance in respect of investment property, which in the current year amounted to €___ (20YY: €___).

[Give details of significant leasing arrangements including, for example, information about contingent rent, renewal or purchase options and escalation clauses, subleases, and restrictions imposed by lease arrangements.]

If land and buildings had not been revalued they would have been included at the following amounts:

	20XX			20YY		
	Investment properties €	Freehold €	*[Long/ short]* leasehold €	Investment properties €	Freehold €	*[Long/ short]* leasehold €
Group						
Cost						
Depreciation						
Net book value						
Company						
Cost						
Depreciation						
Net book value						

14. Fixed asset investments

Principal Group investments

The parent Company and the Group have investments in the following subsidiary undertakings, associates and other investments which principally affected the profits or net assets of the Group. To avoid a statement of excessive length, details of investments which are not significant have been omitted.

	Group		Company	
	20XX €	20YY €	20XX €	20YY €
Subsidiary undertakings				
Associates				
Other investments and loans				

	Country of incorporation or principal business address	Principal activity	Holding*	%
Subsidiary undertakings				
[names]				
Associates and joint ventures				
[names]				
Other investments				
[names]				

+ Held directly by Group Limited. *[Place this symbol against directly owned investments in the above listing.]*

* *[Describe identity or class of shares.]*

14. Fixed asset investments (continued)

Subsidiary undertakings

	€
Cost	
At 1 January 20XX	
Additions (see note 15)	
Disposals (see note 16)	
Impairment losses	
At 1 January 20XX	
Written off	
Written back	
Disposals	
At 31 December 20XX	
Net book value	

Although Group Limited owns 45% of the ordinary share capital of *[name of undertaking]*, it has been treated as a subsidiary undertaking because the Group controls this investment, directing its financial and operating policies so as to obtain benefits from its activities.

All subsidiary undertakings have been included in the consolidation with the exception of *[name of undertaking]* which has been excluded because the Group's interest is held exclusively with a view to subsequent resale.

14. Fixed asset investments (continued)

Associates

	Group €	Company €
Share of net assets/cost		
At 1 January 20XX		
Additions		
Share of retained profit for the year		
Disposals		
At 31 December 20XX		
Impairment losses		
At 1 January 20XX		
Written off		
Written back		
Disposals		
At 31 December 20XX		
Goodwill		
At 1 January 20XX		
Additions		
Amortisation		
Disposals		
At 31 December 20XX		
Net book value		

The fair value of listed investments in associates was €___ (20YY: €___) at the reporting date. The carrying value of listed investments so presented was €___ (20YY: €___). Fair value was determined with reference to the quoted market prices at the reporting date. During the year the Company received dividends from investments in associates amounting to €___ (20YY: €___).

14. Fixed asset investments (continued)

Other investments and loans

	Group				Company			
	Listed investments €	Other investments €	Loans €	Total €	Listed Investments €	Other investments €	Loans €	Total €
Carrying amount								
At 1 January 20XX								
Additions								
Disposals								
At 31 December 20XX								
Adjustment for the fair value of listed investments								
Impairment losses								
At 1 January 20XX								
Written off								
Written back								
Disposals								
At 31 December 20XX								
Net book value (see note 23)								

The fair value of listed investments was determined with reference to the quoted market price at the reporting date. The cost of the shares on acquisition was €X. Other investments are held at cost less impairment.

15. Acquisition of subsidiary undertaking

On *[date]* the Company acquired __ per cent of the issued share capital of *[name of undertaking]*, a company whose primary activity is *[insert here]*, for consideration comprising the issue of *[number]* ordinary shares of __ each in the Company and *[give details of any other consideration]*. The fair value of the total consideration was €__.

The acquisition has been accounted for under the acquisition method. The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group:

	Book value €	Revaluation €	Accounting policy alignment €	Other adjustments €	Fair value to Group €
Fixed assets					
Intangible					
Tangible					
Current assets					
Stocks					
Debtors					
Cash					
Total assets					
Creditors					
Bank loans					
Trade creditors					
Accruals					
Provisions					
Pensions					
Taxation					
Total liabilities					
Net assets					
Non-controlling interest					
Goodwill					

15. Acquisition of subsidiary undertaking (continued)

	Book value €	Revaluation €	Accounting policy alignment €	Other adjustments €	Fair value to Group €
Satisfied by					
Cash					
Shares issued					
[Describe other consideration]					

In the year ended 31 December 20XX, turnover of €___ and profit of €___ was included in the consolidated profit and loss account in respect of *[insert name of newly acquired subsidiary]* since the acquisition date. *[NB. This disclosure may be provided in aggregate for business combinations that occurred during the reporting period which, individually, are not material.]*

16. Sale of subsidiary undertaking

On *[date]* the Group sold its __ per cent interest in the ordinary share capital of *[name of undertaking]*. The profit of *[name of undertaking]* up to the date of disposal was €__, and for its last financial year was €__.

Net assets disposed of and the related sale proceeds were as follows:

	€
Fixed assets	
Current assets	
Creditors	
Provisions	
Net assets	
Minority interest	
Related goodwill	
Profit on sale	
Sale proceeds	
Satisfied by:	
Cash	
Loan notes	
[Describe other consideration]	
Net cash inflows in respect of the sale comprised:	
Cash consideration	
Cash at bank and in hand sold	
Bank overdrafts sold	

17. Stocks

	Group		Company	
	20XX €	20YY €	20XX €	20YY €
Raw materials and consumables				
Work in progress				
Finished goods and goods for resale				

[State any material difference between the balance sheet value of stocks and their replacement cost. If any stock has been pledged as security for liabilities, state that fact].

18. Debtors

	Group		Company	
	20XX €	20YY €	20XX €	20YY €
Amounts falling due within one year:				
Trade debtors				
Gross amount due from customers for contract work				
Amounts owed by Group undertakings				
Amounts owed by associates				
VAT				
Other debtors				
Prepayments and accrued income				
Defined contribution pension scheme prepayments				
Amounts falling due after more than one year:				
Trade debtors				
Gross amount due from customers for contract work				
Amounts owed by Group undertakings				
Amounts owed by associates				
VAT				
Other debtors				
Prepayments and accrued income				
Derivative financial assets (see note 24)				

19. Current asset investments

	Group		Company	
	20XX €	20YY €	20XX €	20YY €
Listed investments – at fair value				
Unlisted investments – at cost less impairment				

The fair value of listed investments, which are all traded in active markets, was determined with reference to the quoted market price at the reporting date.

20. Creditors – amounts falling due within one year

	Group		Company	
	20XX €	20YY €	20XX €	20YY €
[__%] convertible unsecured loan stock *[date]*				
Bank loans and overdrafts (see note 21)				
Obligations under finance leases and hire purchase contracts (see note 21)				
Other loans (see note 21)				
Payments received on account				
Trade creditors				
Bills of exchange payable				
Amounts owed to Group undertakings				
Amounts owed to associates				
Corporation tax				
Other taxation and social security				
Other creditors				
Government grants				
Accruals and deferred income				
Defined contribution pension scheme accrual				
Gross amounts due to customers for contract work				

The Company has granted a floating charge on its assets to secure bank overdrafts of €__ (20YY: €__).

The convertible loan notes were issued on *[date]*. The notes are convertible into ordinary shares of the Company at any time between the date of issue of the notes and their settlement date. On issue, the loan notes were convertible at __ shares per €__ loan note. If the notes have not been converted, they will be redeemed on *[date]* at par. Interest of __ per cent will be paid annually up until that settlement date.

The net proceeds received from the issue of the convertible loan notes have been split between the liability element and an equity component, representing the fair value of the embedded option to convert the liability into equity of the Group, as follows:

	€
Nominal value of convertible loan notes issued	
Equity component	( )
Liability component at date of issue	
Interest charged	
Interest paid	( )
Liability component at 31 December 20XX falling due within one year	

The interest charged for the year is calculated by applying an effective interest rate of __ per cent to the liability component.

21. Creditors – amounts falling due after more than one year

	Group		Company	
	20XX €	20YY €	20XX €	20YY €
Other creditors				
Bank loans				
Obligations under finance leases and hire purchase contracts				
Other loans				
Payments received on account				
Trade creditors				
Bills of exchange payable				
Amounts owed to Group undertakings				
Amounts owed to associates				
Other creditors				
Government grants				
Accruals and deferred income				
% Cumulative redeemable preference shares				
Derivative financial instruments (see note 24)				
Net defined benefit pension scheme liability (see note 28)				
Gross amounts due to customers for contract work				

The bank loans are secured on freehold properties of certain subsidiary undertakings with a carrying value of €___ (20YY: €___). The terms of the loans restrict the Group from making significant acquisitions or disposals without the consent of the lender. Interest is payable on the [__] year bank loan at a variable rate of EURIBOR + [__] % on the principal amount.

[Give details of any defaults or breaches on loans payable, including the carrying amount of such loans at the reporting date and whether the breach or default has been remedied prior to the date of approval of the financial statements.]

Cumulative redeemable preference shares carry an entitlement to dividend at the rate of __p per share per annum, payable on *[date]* every year and may be redeemed at €__ per share at any time after *[date]* at the option of the holder and, in any event, will be redeemed at €__ per share on *[date]*. Holders of the redeemable preference shares have the right on a winding-up to receive, in priority to any other classes of shares, the sum of €__ per share together with any arrears of dividend.

[Give details of unfulfilled conditions and other contingencies attaching to government grants that have not been recognised in income.]

The Group has leased *[insert description]* which are considered to meet the definition of finance leases and are accounted for accordingly. Specific leasing arrangements include *[insert detail here on, for example, contingent rent, renewal or purchase options and escalation clauses, subleases and restrictions imposed by lease arrangements]*.

21. Creditors – amounts falling due after more than one year (continued)

Borrowings are repayable as follows:

	Group		Company	
	20XX €	20YY €	20XX €	20YY €
Convertible debt				
Between one and two years				
Between two and five years				
After five years				
On demand or within one year				
Bank loans				
Between one and two years				
Between two and five years				
After five years				
On demand or within one year				
Finance leases				
Between one and two years				
Between two and five years				
After five years				
On demand or within one year				
Total borrowings including finance leases				
Between one and two years				
Between two and five years				
After five years				
On demand or within one year				

22. Provisions for liabilities

	Deferred taxation €	Deferred consideration €	Product warranties €	Total €
Group				
At 1 January 20XX				
Charged to profit and loss account				
Charged to other comprehensive income				
Released unused				
Acquisition of subsidiary undertaking				
Sale of subsidiary undertaking				
Utilisation of provision				
Unwinding of discount				
Adjustment for change in discount rate				
Exchange difference				
At 31 December 20XX				
Company				
At 1 January 20XX				
Charged to profit and loss account				
Charged to other comprehensive income				
Released unused				
Utilisation of provision				
Unwinding of discount				
Adjustment for change in discount rate				
At 31 December 20XX				

22. Provisions for liabilities (continued)

Deferred tax

Deferred tax is provided as follows:

	20XX €	20YY €
Group		
Accelerated capital allowances		
Other timing differences		
Deferred tax arising in relation to retirement benefit obligations		
Tax losses available		
Provision for deferred tax		
Company		
Accelerated capital allowances		
Other timing differences		
Deferred tax arising in relation to retirement benefit obligations		
Tax losses available		
Provision for deferred tax		

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity. *[Disclose the expiry date, if any, of timing differences, unused tax losses and unused tax credits.]*

Deferred consideration

The provision for deferred consideration is in respect of the acquisition of *[name of undertaking]*, is payable on *[date]* and is an estimate. The actual amount payable will depend on the profits of the acquired Company in the three years to *[date]* but is limited to a maximum of €__.

Product warranties

The provision for product warranties relates to expected warranty claims on products sold in the last three years. It is expected that the majority of this expenditure will be incurred in the next financial year and that all will be incurred within three years of the balance sheet date.

23. Financial instruments

The carrying values of the Group and Company's financial assets and liabilities are summarised by category below:

	Group		Company	
	20YY €	20YY €	20YY €	20YY €
Financial assets				
Measured at fair value through profit or loss				
• Investments in listed equity instruments (see note 14)				
• Current asset listed investments (see note 18)				
Measured at fair value and designated in an effective hedging relationship				
• Derivative financial assets (see note 24)				
Designated in an effective hedging relationship:				
Debt instruments measured at amortised cost				
• Long term loans receivable (see note 14)				
Measured at undiscounted amount receivable				
• Trade and other debtors (see note 18)				
• Amounts due from related undertakings (see note 18)				
Equity instruments measured at cost less impairment				
• Fixed asset investments in unlisted equity instruments (see note 14)				
• Current asset unlisted investments (see note 18)				
Financial liabilities				
Measured at fair value and designated in an effective hedging relationship				
• Derivative financial liabilities (see note 24)				
Measured at amortised cost				
• Loans payable (see note 20, 21)				
• Redeemable cumulative preference shares (see note 20, 21)				
• Liability component of convertible loan stock (see note 20)				
• Obligations under finance leases (see note 20, 21)				
Measured at undiscounted amount payable				
• Bank overdraft (see note 20)				
• Trade and other creditors (see note 20)				
• Amounts owed to related undertakings (see note 20)				
• Bills of exchange payable (see note 20)				

23. Financial instruments (continued)

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	Group	
	20YY €	20YY €
Interest income and expense		
Total interest income for financial assets at amortised cost		
Total interest expense for financial liabilities at amortised cost		
Fair value gains and losses		
On financial assets (including listed investments) measured at fair value through profit or loss		
Impairment losses		
On financial assets measured at amortised cost		
On unlisted equity instruments measured at cost less impairment		

24. Derivative financial instruments

	Current		Non-current	
	20YY €	20YY €	20YY €	20YY €
Group				
Derivatives that are designated and effective as hedging instruments carried at fair value				
Assets				
Forward foreign currency contracts				
Interest rate swaps				
Liabilities				
Forward foreign currency contracts				
Interest rate swaps				

Forward foreign currency contracts are valued using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

Interest rate swaps are valued at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

24. Derivative financial instruments (continued)

Forward foreign currency contracts

The following table details the forward foreign currency contracts outstanding as at the year end:

Outstanding contracts	Average contractual exchange rate		Notional value		Fair value	
	20XX *[rate]*	20YY *[rate]*	20XX €	20YY €	20XX €	20YY €
Sell [Currency B]						
Less than 3 months						

The Group has entered into contracts to supply goods to customers in *[B Land]*. The Group has entered into forward foreign currency contracts to hedge the exchange rate risk arising from these anticipated future transactions, which are designated as hedges of foreign exchange risk in a highly probable forecast transaction. The hedged cash flows are expected to occur and to affect profit or loss within the next financial year.

Gains of €___(20YY: gains of €___) were recognised in other comprehensive income and gains of €___ (20YY: gains of €___) in excess of the fair value of hedging instruments over the change in the fair value of expected cash flows were recognised in profit or loss. €___ (20YY: €___) was reclassified to profit or loss for the period.

24. Derivative financial instruments (continued)

Interest rate swap contracts

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the reporting date:

Interest rate swap contracts designated as hedges of variable interest rate risk of recognised financial liabilities

Outstanding receive floating pay fixed contracts	Average contract fixed interest rate		Notional principal value		Fair value	
	20XX %	20YY %	20XX €	20YY €	20XX €	20YY €
Less than 1 year						
1 to 2 years						
2 to 5 years						
5 years +						

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is three months' LIBOR. The Group will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts are designated as hedges of variable interest rate risk of the Group's floating rate borrowings. The hedged cash flows are expected to occur and to affect profit or loss over the period to maturity of the interest rate swaps.

Gains of €___(20YY: gains of €___) were recognised in other comprehensive income and gains of €___ (20YY: gains of €___) in excess of the fair value of hedging instruments over the change in the fair value of expected cash flows were recognised in profit or loss. €___ (20YY: €___) was reclassified to profit or loss for the period.

25. Called-up share capital and reserves

	20XX €	20YY €
Allotted, called-up and fully-paid		
[Number] ordinary shares of ___ each		
[Number] __% redeemable preference shares of ___ each		

[Include a reconciliation of the number of shares outstanding at the beginning and at the end of the period, if relevant. Qualifying entities can take an exemption from this requirement.]

The Company has one class of ordinary shares which carry no right to fixed income.

The redeemable preference shares are presented as a liability (see note 21) and accordingly are excluded from called-up share capital in the balance sheet.

During the year the Company allotted *[number]* ordinary shares with a nominal value of €__ in connection with the acquisition of *[name of undertaking]*.

Options have been granted under the *[describe share option schemes]* to subscribe for ordinary shares of the Company as follows:

Number of shares under option	Subscription price per share	Exercise period

The Group and Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares.

The profit and loss reserve represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties.

The equity reserve represents the equity component of convertible debt instruments.

The hedging reserve represents the cumulative portion of gains and losses on hedging instruments deemed effective in hedging variable interest rate risk of recognised financial instruments or foreign exchange risk in firm commitments or highly probable forecast transactions. Amounts accumulated in this reserve are reclassified to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends.

The revaluation reserve represents the cumulative effect of revaluations of freehold land and buildings which are revalued to fair value at each reporting date.

26. Cash flow statement

Reconciliation of operating profit to cash generated by operations

	20XX €	20YY €
Operating profit		
Adjustment for:		
Impairment loss on property, plant and equipment		
Share-based payment expense		
(Increase)/decrease in fair value of investment property		
Depreciation and amortisation		
Profit on sale of tangible fixed assets		
Operating cash flow before movement in working capital		
Increase in stocks		
Decrease in debtors		
Increase in creditors		
Decrease in provisions		
Adjustment for pension funding		
Other *[describe]*		
Cash generated by operations		

Non-cash transactions

During the year the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of €__ (20YY: €__). A certain proportion of the consideration for the acquisition and disposal of subsidiary undertakings during the year comprised shares and loan notes. Further details are given in notes 15 and 16.

27. Financial commitments

Capital commitments are as follows:

	Group		Company	
	20YY €	20YY €	20YY €	20YY €
Contracted for but not provided for				
- finance leases entered into				
- other				

Total future minimum lease payments under non-cancellable operating leases are as follows:

	20XX		20YY	
	Land and buildings €	Other €	Land and buildings €	Other €
Group				
- within one year				
- between one and five years				
- after five years				
Company				
- within one year				
- between one and five years				
- after five years				

Total future minimum lease payments under non-cancellable finance leases are as follows:

	20XX		20YY	
	Plant and equipment €	Other €	Plant and equipment €	Other €
Group				
- within one year				
- between one and five years				
- after five years				
Company				
- within one year				
- between one and five years				
- after five years				

28. Retirement benefit schemes

Defined contribution schemes

The Group operates defined contribution retirement benefit schemes for all qualifying employees of its *[Industry A]* division in *[A Land]*. The total expense charged to profit or loss in the period ended 31 December 20XX was €___ (20YY: €___).

Defined benefit schemes

The Group operates defined benefit schemes for qualifying employees of its subsidiaries in *[D Land]*, and previously for the employees of *[name of company]*. Under the schemes, the employees are entitled to retirement benefits varying between __ and __ per cent of final salary on attainment of a retirement age of __. No other post-retirement benefits are provided. The schemes are funded schemes.

The most recent actuarial valuations of scheme assets and the present value of the defined benefit obligation were carried out at 31 December 20XX by Mr _______, Fellow of the Institute of Actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost were all measured using the projected unit credit method.

	Valuation at	
	20XX	20YY
Key assumptions used:		
Discount rate		
Medical cost trend rates		
Future pension increases		
Inflation		

Mortality assumptions:

Investigations have been carried out within the past three years into the mortality experience of the Group's defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	Valuation at	
	20XX years	20YY years
Retiring today:		
Males		
Females		
Retiring in 20 years:		
Males		
Females		
[Disclose any other material assumptions made.]		

28. Retirement benefit schemes (continued)

Amounts recognised in the profit and loss account in respect of these defined benefit schemes are as follows:

	20XX €	20YY €
Current service cost		
Net interest cost		
Plan introductions, changes, curtailments and settlements		
Recognised in other comprehensive income		
Total cost relating to defined benefit scheme		

The amount included in the balance sheet arising from the Group's obligations in respect of its defined benefit retirement benefit schemes is as follows:

	20XX €	20YY €
Present value of defined benefit obligations		
Fair value of scheme assets		
Deficit		
Net liability recognised in the balance sheet		

28. Retirement benefit schemes (continued)

Movements in the present value of defined benefit obligations were as follows:

	20XX €	20YY €
At 1 January		
Service cost		
Interest cost		
Actuarial gains and losses		
Contributions from scheme participants		
Benefits paid		
Losses/(gains) on curtailments		
Liabilities extinguished on settlements		
Liabilities assumed in a business combination		
[Other]		
At 31 December		

Movements in the fair value of scheme assets were as follows:

	20XX €	20YY €
At 1 January		
Interest income		
Actuarial gains and losses		
Return on plan assets (excluding amounts included in net interest cost)		
Contributions from the employer		
Contributions from scheme participants		
Benefits paid		
Assets acquired in a business combination		
Assets distributed on settlements		
[Other]		
At 31 December		

28. Retirement benefit schemes (continued)

The analysis of the scheme assets at the balance sheet date was as follows:

	Fair value of assets	
	20XX	20YY
	€	€
Equity instruments		
Debt instruments		
Property		
Other assets *[e.g. derivative instruments if material]*		

Included in the fair value of plan assets are shares in the Company with a value of €___ (20YY: €___) and a property occupied by the Group which is valued at €___ (20YY €___).

[For each category of other long-term benefits provided, disclose the nature of the benefit, the amount of its obligation and the extent of funding at the reporting date.]

[For each category of termination benefits that an entity provides to its employees, disclose the nature of the benefit, its accounting policy, and the amount of its obligation and the extent of funding at the reporting date.]

29. Contingent liabilities

A claim has been lodged by a customer against the Group in respect of a major contract. The claim calls for rectification and for compensation for alleged damage to the customer's business. It has been estimated that the maximum liability should the action be successful is of the order of €__. The Group has taken legal advice to the effect that the action is unlikely to succeed and accordingly no provision has been made in the financial statements. In the event that the claim were to succeed, the first €__ would be covered by insurance.

Certain subsidiary undertakings have provided unsecured guarantees to third parties in respect of *[describe]*. At 31 December 20XX, guarantees outstanding amounted to €__ (20YY: €__).

30. Subsequent events

On *[date]* the premises of *[name of undertaking]* were seriously damaged by fire. Insurance claims have been put in hand but refurbishment is currently expected to exceed these by €__.

31. Related party transactions

Directors' transactions

Loan to director:

An unsecured __ per cent loan, repayable on *[date]*, made to a director was outstanding during the year. The amount of the liability including interest to the Company at the beginning of the year was €__, the maximum during the year was €__ and at the end of the year was €__. Interest charged during the year amounted to €__. During the year €__ of the loan was repaid.

Credit transaction with director:

€__ is included in debtors in respect of goods and services supplied at favourable rates by a subsidiary undertaking to a director. The total arm's length value of these transactions was €__. The whole amount has been repaid since the balance sheet date.

Security for loan:

During the year the Company guaranteed by a floating charge on its fixed assets a housing loan of €__ taken out by a director. The loan is due to be repaid by the director in *[number]* instalments by *[date]*. The total liability of the director at the year end was €__, which represents the maximum for which the Company would be liable. The loan was guaranteed in order to enable the director to carry out his duties as a director following his appointment to the Board.

Other related party transactions

An unsecured __ per cent loan, repayable on *[date]* was made to a member of key management personnel, who is not a director and was outstanding during the year. The amount of his liability, including interest to the Company at the beginning of the year was €__, the maximum during the year was €__ and at the end of was €__. Interest charged during the year amounted to €__.

The total remuneration for key management personnel for the period totalled €___ (20YY: €___), being remuneration disclosed in note 7 of €___ (20YY: €___) and share-based payment expenses of €___) 20YY: €___).

During the year the Group purchased goods in the ordinary course of business from [name of undertaking], an associate, at a cost of €__ (20YY: €__). Amounts owed by and to associates at the reporting date were €___ (20YY: €___). These amounts all relate to trading balances except for short-term loans of €__ (20YY: €__) included in debtors.

[Provide details of any advances, credits or guarantees with directors (or any other key management personnel) to meet the requirements of section 41 of the Companies Act, 1990.]

32. Controlling party

Mr. ____________ , a director of the Company, and members of his close family, control the Company as a result of controlling, directly or indirectly, __ per cent of the issued share capital of the Company.

33. off balance-sheet arrangements

[Include information required by company law regarding any off-balance sheet arrangements not included elsewhere in the financial statements]

34. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous Irish GAAP were for the year ended 31 December 20YY and the date of transition to FRS 102 was therefore 1 January 20YY. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard. *[Describe the nature of each change in accounting policy.]*

Reconciliation of equity

	Group		Company	
Note	At 1 January 20YY €	At 31 December 20YY €	At 1 January 20YY €	At 31 December 20YY €
Equity reported under previous Irish GAAP				
Adjustments to equity on transition to FRS 102				
1. [Adjustment 1]				
2. [Adjustment 2]				
Equity reported under FRS 102				

Notes to the reconciliation of equity at 1 January 20YY

[Appropriate notes should be given to the reconciliation of equity to explain how the transition from previous GAAP to FRS 102 affected the financial position of the entity. Sufficient detail should be given to enable users to understand the material adjustments.]

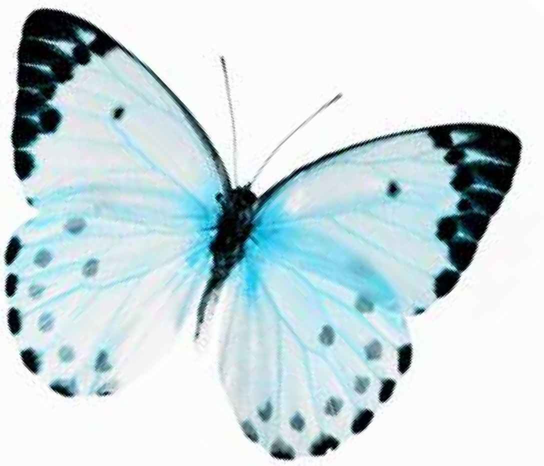
Reconciliation of profit or loss for 20YY

Note	Group €	Group €
Profit for the financial year under previous Irish GAAP		
1. [Adjustment 1]		
2. [Adjustment 2]		
Profit for the financial year under FRS 102		

Notes to the reconciliation of profit or loss for 20YY

[Appropriate notes should be given to the reconciliation of profit or loss to explain how the transition from previous GAAP to FRS 102 affected the financial performance of the entity. Sufficient detail should be given to enable users to understand the material adjustments. If an entity becomes aware of errors made under its previous financial reporting framework, the reconciliations required by paragraph 35.13(b) and (c) must distinguish the correction of those errors from changes in accounting policies.]

Contacts



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