THE REGISTER OF ELECTRICAL CONTRACTORS OF IRELAND LIMITED

Company Limited by Guarantee

FINANCIAL STATEMENTS

31st DECEMBER 2010

THE REGISTER OF ELECTRICAL CONTRACTORS OF IRELAND LIMITED
COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2010

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THE REGISTER OF ELECTRICAL CONTRACTORS OF IRELAND LIMITED
COMPANY LIMITED BY GUARANTEE

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	J. Rice C. Madden J. O'Dwyer M. Ryan K. Reid D. Judge D. Butler D. Higgins J. Murphy
Company secretary	Paul Waldron
Registered office	Unit 9 KCR Industrial Estate Ravensdale Park Dublin 12
Auditor	Grant Thornton Chartered Accountants & Registered Auditor 24 - 26 City Quay Dublin 2
Bankers	Allied Irish Bank 9 Terenure Road East Rathgar Dublin 6
Solicitors	Daly Lynch Crowe and Morris The Corn Exchange Burgh Quay Dublin 2

THE REGISTER OF ELECTRICAL CONTRACTORS OF IRELAND LIMITED
COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT

YEAR ENDED 31st DECEMBER 2010

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2010.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year is to be a non profit - making regulatory body for the electrical contracting industry. On 21 October 2008 the company was appointed by the Commissioner for Energy regulation (CER) to be the electrical safety supervisory body under S9D(1)(a) of the Electricity Regulation Act 1999 (as amended) for a period of 7 years from the "go live date", 5 January 2009. Under the terms of agreement with CER the company must operate on a not-for-profit basis. Any surplus arising on regulated activities cannot be distributed to members of the company but used to fund future regulated activities. In addition to regulated activities the company may conduct permitted activities which are not subject to regulation by CER and any surplus arising on permitted activities shall be available to the members.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Economic risk

The risk of unrealistic increases in wages or infrastructural cost impacting adversely on competitiveness of the company and its principal customers.

These are managed by strict control of costs.

Competitor risk

The directors of the company manage competition through close attention to customer service levels.

Financial risk

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage credit, liquidity and other financial risk. All key financial figures are monitored on an ongoing basis.

People in our business

The continued success of the company has been achieved by the people working in it. There are many quality members of staff and the relatively low turnover of personnel reflects the general policy of providing good terms and conditions of employment while dealing with staff as well as the other stakeholders in the business, in a fair and consistent manner.

RESULTS

The results for the year are set out in the company Profit and Loss Account on page 7. The directors have not recommended a dividend.

IMPORTANT EVENTS SINCE THE YEAR END

There have been no significant events affecting the company since the year end.

DIRECTORS

The directors and secretary who served the company during the year were as follows:

J. Rice	
C. Madden	
J. O'Dwyer	
M. Ryan	
K. Reid	(Appointed 9th February 2010)
D. Judge	(Appointed 29th May 2010)
D. Butler	(Appointed 29th May 2010)
D. Higgins	(Appointed 19th October 2010)
J. Murphy	(Appointed 29th May 2010)
T. Heffernan	(Retired 29th May 2010)
S. McGrath	(Retired 15th January 2010)
J. Desmond	(Retired 29th May 2010)
M. Kelly	(Retired 29th May 2010)
B. Leavey	(Retired 29th May 2010)
I. Hammond	(Retired 29th May 2010)
D. Phelan	(Retired 15th January 2010)

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by The Institute of Chartered Accountants in Ireland.

Irish 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 the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent; 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 confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Companies Acts, 1963 to 2009. The directors 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.

BOOKS OF ACCOUNT

The board of directors have designated their general manager to have the responsibility for maintaining proper books and records.
The books and records are maintained at the company's offices at Unit 9, KCR Industrial Estate, Dublin 12.

AUDITOR

The auditor, Grant Thornton, will continue in office in accordance with section 160(2) of the Companies Act 1963.

Signed on behalf of the directors

J. Rice	C. Madden
Director	Director

Approved by the directors on 22nd March 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE REGISTER OF ELECTRICAL CONTRACTORS OF IRELAND LIMITED FOR THE YEAR ENDED 31st DECEMBER 2010

We have audited the financial statements of The Register of Electrical Contractors of Ireland Limited for the year ended 31st December 2010 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As described in the Statement of Directors' Responsibilities on pages 2 to 4, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and 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 auditor's 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.

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with the Companies Acts, 1963 to 2009. We also report to you whether in our opinion: proper books of account have been kept by the company; whether, at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and whether the information given in the directors' report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE REGISTER OF ELECTRICAL CONTRACTORS OF IRELAND LIMITED FOR THE YEAR ENDED 31st DECEMBER 2010 ***(continued)***

OPINION

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at 31st December 2010 and of its profit and cash flows for the year then ended; and

- have been properly prepared in accordance with the requirements of the Companies Acts, 1963 to 2009.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the Directors' Report on pages 2 to 4 is consistent with the financial statements.

GRANT THORNTON
Chartered Accountants
& Registered Auditor

24 - 26 City Quay
Dublin 2

29th March 2011

THE REGISTER OF ELECTRICAL CONTRACTORS OF IRELAND LIMITED
COMPANY LIMITED BY GUARANTEE

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31st DECEMBER 2010

	Note	2010 €	2009 €
GROSS PROFIT		280,788	316,002
Administrative expenses		214,175	285,893
OPERATING PROFIT	**2**	66,613	30,109
Interest receivable		287	502
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		66,900	30,611
Tax on profit on ordinary activities	**5**	(3,541)	3,750
PROFIT FOR THE FINANCIAL YEAR		70,441	26,861
Balance brought forward		508,914	482,053
Balance carried forward		579,355	508,914

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

These financial statements were approved by the directors on the 22nd March 2011 and are signed on their behalf by:

J. Rice
Director

C. Madden
Director

The notes on pages 11 to 15 form part of these financial statements.

THE REGISTER OF ELECTRICAL CONTRACTORS OF IRELAND LIMITED
COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

31st DECEMBER 2010

	Note	2010 €	2010 €	2009 €	2009 €
FIXED ASSETS					
Tangible assets	**6**		408,897		410,359
CURRENT ASSETS					
Stocks	**7**	39,879		60,025	
Debtors	**8**	113,365		128,630	
Cash at bank and in hand		122,175		76,672	
		275,419		265,327	
CREDITORS: Amounts falling due within one year	**9**	104,961		166,772	
NET CURRENT ASSETS			170,458		98,555
TOTAL ASSETS LESS CURRENT LIABILITIES			579,355		508,914
RESERVES	**12**				
Profit and loss account			579,355		508,914
MEMBERS' FUNDS			579,355		508,914

These financial statements were approved by the directors and authorised for issue on 22nd March 2011, and are signed on their behalf by:

J. Rice
Director

C. Madden
Director

The notes on pages 11 to 15 form part of these financial statements.

THE REGISTER OF ELECTRICAL CONTRACTORS OF IRELAND LIMITED
COMPANY LIMITED BY GUARANTEE

CASH FLOW STATEMENT

YEAR ENDED 31st DECEMBER 2010

	2010		2009	
	€	€	€	€
NET CASH INFLOW FROM OPERATING ACTIVITIES		82,922		116,820
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	287		502	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		287		502
TAXATION		(170)		3,013
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets	(37,536)		(153,708)	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(37,536)		(153,708)
CASH INFLOW/(OUTFLOW) BEFORE USE OF LIQUID RESOURCES		45,503		(33,373)
MANAGEMENT OF LIQUID RESOURCES				
Cash placed in short term deposits	(120,779)		–	
NET CASH OUTFLOW FROM MANAGEMENT OF LIQUID RESOURCES		(120,779)		–
DECREASE IN CASH		(75,276)		(33,373)

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2010	2009
	€	€
Operating profit	66,613	30,109
Depreciation	38,998	32,664
Decrease in stocks	20,146	29,718
Decrease/(increase) in debtors	15,613	(42,004)
(Decrease)/increase in creditors	(58,448)	66,333
Net cash inflow from operating activities	82,922	116,820

The notes on pages 11 to 15 form part of these financial statements.

THE REGISTER OF ELECTRICAL CONTRACTORS OF IRELAND LIMITED
COMPANY LIMITED BY GUARANTEE

CASH FLOW STATEMENT

YEAR ENDED 31st DECEMBER 2010

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2010		2009	
	€	**€**	€	€
Decrease in cash in the period	(75,276)		(33,373)	
Cash used to increase liquid resources	120,779		–	
		45,503		(33,373)
Change in net funds		45,503		(33,373)
Net funds at 1 January 2010		76,672		110,045
Net funds at 31 December 2010		122,175		76,672

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2010	**Cash flows**	**At 31 Dec 2010**
	€	**€**	**€**
Net cash:			
Cash in hand and at bank	76,672	45,503	122,175
Less: deposits treated as liquid resources	–	(120,779)	(120,779)
	76,672	(75,276)	1,396
Liquid resources:			
Deposits included in cash	–	120,779	120,779
Net funds	76,672	45,503	122,175

The notes on pages 11 to 15 form part of these financial statements.

1. ACCOUNTING POLICIES

Basis of accounting
The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland, and Irish statute comprising the Companies Acts, 1963 to 2009.

Turnover
The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets
All fixed assets are initially recorded at cost.

Depreciation
Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	2% (Straight Line)
Equipment	-	25% (Straight Line)

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs
The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation
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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax. Timing differences are differences between the profit as computed from taxation purposes and profit as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Deferred set up costs
Set up costs in relation to the contract with the commission for energy regulation are being released to the profit and loss account over the period of the contract,7 years.

1. ACCOUNTING POLICIES *(continued)*

Policy on allocation of costs between regulated activities and permitted activities the company allocates the cost of staff between regulated activities and permitted activities on the basis of the number of staff employed in each cost centre and allocated overhead costs on the basis of actual costs where applicable and apportions shared costs on the basis of activity levels.

Accounting policy on reserves
Under the terms of agreement with cer the company must operate regulated activities on a not-for-profit basis. Any surplus arising on regulated activities cannot be distributed to members of the company but used to fund future regulated activities. In addition to regulated activities the company may conduct permitted activities where are not subject to regulation by cer and any surplus arising on permitted activities shall be availble to the members.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2010	2009
	€	€
Depreciation of owned fixed assets	18,896	19,280
Auditor's remuneration		
- as auditor	9,000	8,500

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2010	2009
	No	No
Number of administrative staff	8	8
Number of other staff - inspectors	8	8
Number of other staff - directors and secretaries	10	10
	26	26

The aggregate payroll costs of the above were:

	2010	2009
	€	€
Wages and salaries	614,569	613,364
Social welfare costs	57,150	59,055
Staff pension costs	30,243	30,986
	701,962	703,405

4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2010	2009
	€	€
Aggregate remuneration	13,020	22,860

5. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2010	2009
	€	€
Current tax:		
Irish Corporation tax based on the results for the year at 12.50% (2009 - 12.50%)	72	3,750
Over/under provision in prior year	(3,613)	-
Total current tax	(3,541)	3,750

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in Ireland of 12.50% (2009 - 12.50%).

	2010	2009
	€	€
Profit on ordinary activities before taxation	66,900	30,611
Profit on ordinary activities by rate of tax	8,363	3,826
Expenses not deductible / Income not taxable	(8,363)	(1,951)
Adjustments to tax charge in respect of previous periods	(3,613)	-
Additional tax arising on profits chargeable at 25%	72	1,875
Total current tax (note 5(a))	(3,541)	3,750

6. TANGIBLE FIXED ASSETS

	Freehold Property €	Equipment €	Total €
COST			
At 1st January 2010	438,960	353,825	792,785
Additions	2,038	35,498	37,536
At 31st December 2010	440,998	389,323	830,321
DEPRECIATION			
At 1st January 2010	86,057	296,369	382,426
Charge for the year	8,821	30,177	38,998
At 31st December 2010	94,878	326,546	421,424
NET BOOK VALUE			
At 31st December 2010	346,120	62,777	408,897
At 31st December 2009	352,903	57,456	410,359

7. STOCKS

	2010 €	2009 €
Finished goods	39,879	60,025

8. DEBTORS

	2010 €	2009 €
Trade debtors	18,932	19,951
Amounts owed by group undertakings	52,782	52,658
Corporation tax repayable	348	–
VAT recoverable	–	9,795
Prepayments and accrued Income	41,303	46,226
	113,365	128,630

	2010		2009	
	€	€	€	€

9. CREDITORS: Amounts falling due within one year

	2010	2009
	€	€
Trade creditors	39,809	92,727
Corporation tax	–	3,363
PAYE and social welfare	23,322	28,058
VAT	3,443	–
Accruals and deferred income	38,387	42,624
	104,961	166,772

10. PENSIONS

The company operates a defined contribution pension scheme. The assets of the company are held separately from those of the company.

Pension costs amounted to €30,243 (2009 - €30,986).

11. RELATED PARTY TRANSACTIONS

The company was under the control of the directors during the current year.

The following related party transactions occurred during the year;

Electro Technical Council of Ireland (ETCI) is a related party due to common directors. During the year the company purchased goods amounting to €74,689 (2009: €88,199) from ETCI. At the year end the company owed ETCI €9,793 (2009: €17,021).

The Register of Gas Installers of Ireland Limited (RGII) is a related party due to common directors. During the year the company incurred costs on behalf of RGII in the amount of €300,619 (2009: €328,375). The balance owed to the company at year end amounted to €52,782.

During the year the company charged RGII €14,500 for facility usage.

12. COMPANY LIMITED BY GUARANTEE

The Register of Electrical Contractors of Ireland Limited is a company limited by guarantee without a share capital.