

**THE REGISTER OF ELECTRICAL
CONTRACTORS
OF IRELAND LIMITED**

Company Limited by Guarantee

FINANCIAL STATEMENTS

31st DECEMBER 2012

**THE REGISTER OF ELECTRICAL CONTRACTORS OF IRELAND
LIMITED
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2012**

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Independent auditor's report to the members	5
Profit and loss account	7
Balance sheet	8
Cash flow statement	9
Notes to the financial statements	11

**THE REGISTER OF ELECTRICAL CONTRACTORS OF IRELAND
LIMITED
COMPANY LIMITED BY GUARANTEE
OFFICERS AND PROFESSIONAL ADVISERS**

The board of directors

J. Rice
J. O'Dwyer
M. Ryan
D. Butler
D. Higgins
M. Hand
J. Fletcher
B. Hegarty

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 2012

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2012.

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 Commission 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 competitive risk 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. 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.

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

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31st DECEMBER 2012

DIRECTORS

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

J. Rice	
J. O'Dwyer	
M. Ryan	
D. Butler	
D. Higgins	
M. Hand	(Appointed 26th May 2012)
J. Fletcher	(Appointed 20th January 2012)
C. Madden	(Retired 26th May 2012)
K. Reid	(Retired 20th January 2012)
D. Judge	(Retired 12th June 2012)
J. Murphy	(Retired 30th November 2012)

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 2012. 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.

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

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31st DECEMBER 2012

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. O'Dwyer
Director

M. Ryan
Director

Approved by the directors on 14th May 2013

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
REGISTER OF ELECTRICAL CONTRACTORS OF IRELAND LIMITED
FOR THE YEAR ENDED 31st DECEMBER 2012**

We have audited the financial statements of The Register of Electrical Contractors of Ireland Limited for the year ended 31st December 2012 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 2012. 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.

**THE REGISTER OF ELECTRICAL CONTRACTORS OF IRELAND
LIMITED
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
REGISTER OF ELECTRICAL CONTRACTORS OF IRELAND LIMITED
FOR THE YEAR ENDED 31st DECEMBER 2012 *(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 2012 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 2012.

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.

24 - 26 City Quay
Dublin 2

15th May 2013

TURLOUGH MULLEN FCA
For and on behalf of
GRANT THORNTON
Chartered Accountants
& Registered Auditor

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

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31st DECEMBER 2012

	Note	2012 €	2011 €
GROSS PROFIT		342,920	293,262
Administrative expenses		<u>179,536</u>	<u>169,195</u>
OPERATING PROFIT	2	163,384	124,067
Interest receivable		9,197	3,225
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>172,581</u>	<u>127,292</u>
Tax on profit on ordinary activities	5	2,213	509
PROFIT FOR THE FINANCIAL YEAR		<u>170,368</u>	<u>126,783</u>
Balance brought forward		706,138	579,355
Balance carried forward		<u>876,506</u>	<u>706,138</u>

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 14th May 2013 and are signed on their behalf by:

J. O'Dwyer
Director

M. Ryan
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 2012

	Note	2012 €	€	2011 €	€
FIXED ASSETS					
Tangible assets	6		378,032		404,745
CURRENT ASSETS					
Stocks	7	16,111		22,631	
Debtors	8	55,753		89,017	
Cash at bank and in hand		577,021		335,229	
		<u>648,885</u>		<u>446,877</u>	
CREDITORS: Amounts falling due within one year	9	<u>150,411</u>		<u>145,484</u>	
NET CURRENT ASSETS			<u>498,474</u>		<u>301,393</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>876,506</u>		<u>706,138</u>
RESERVES					
Profit and loss account	12		876,506		706,138
MEMBERS' FUNDS			<u>876,506</u>		<u>706,138</u>

These financial statements were approved by the directors and authorised for issue on 14th May 2013, and are signed on their behalf by:

J. O'Dwyer
Director

M. Ryan
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 2012

	2012		2011	
	€	€	€	€
NET CASH INFLOW FROM OPERATING ACTIVITIES		259,919		254,181
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	<u>9,197</u>		<u>3,225</u>	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		9,197		3,225
TAXATION		(2,321)		(495)
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets	<u>(25,003)</u>		<u>(43,857)</u>	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(25,003)		(43,857)
CASH INFLOW BEFORE USE OF LIQUID RESOURCES		241,792		213,054
MANAGEMENT OF LIQUID RESOURCES				
Cash placed in short term deposits	<u>(21,149)</u>		<u>48,574</u>	
NET CASH (OUTFLOW)/INFLOW FROM MANAGEMENT OF LIQUID RESOURCES		(21,149)		48,574
INCREASE IN CASH		<u>220,643</u>		<u>261,628</u>
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES				
		2012		2011
		€		€
Operating profit		163,384		124,067
Depreciation		51,716		48,009
Decrease in stocks		6,520		17,248
Decrease in debtors		33,372		24,334
Increase in creditors		<u>4,927</u>		<u>40,523</u>
Net cash inflow from operating activities		<u>259,919</u>		<u>254,181</u>

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 2012

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2012		2011	
	€	€	€	€
Increase in cash in the period	220,643		261,628	
Cash used to increase/decrease liquid resources	<u>21,149</u>		<u>(48,574)</u>	
		<u>241,792</u>		<u>213,054</u>
Change in net funds		241,792		213,054
Net funds at 1 January 2012		<u>335,229</u>		<u>122,175</u>
Net funds at 31 December 2012		<u><u>577,021</u></u>		<u><u>335,229</u></u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2012 €	Cash flows €	At 31 Dec 2012 €
Net cash:			
Cash in hand and at bank	335,229	241,792	577,021
Less: deposits treated as liquid resources	<u>(72,205)</u>	<u>(21,149)</u>	<u>(93,354)</u>
	<u>263,024</u>	<u>220,643</u>	<u>483,667</u>
Liquid resources:			
Deposits included in cash	<u>72,205</u>	<u>21,149</u>	<u>93,354</u>
Net funds	<u><u>335,229</u></u>	<u><u>241,792</u></u>	<u><u>577,021</u></u>

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**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2012

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 2012.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2012

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 which are not subject to regulation by cer and any surplus arising on permitted activities shall be available to the members.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2012	2011
	€	€
Depreciation of owned fixed assets	25,470	21,650
Auditor's remuneration		
- as auditor	<u>9,500</u>	<u>9,750</u>

3. PARTICULARS OF EMPLOYEES

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

	2012	2011
	No	No
Number of administrative staff	6	6
Number of other staff - inspectors	6	7
Number of other staff - directors and secretaries	8	9
	<u>20</u>	<u>22</u>

The aggregate payroll costs of the above were:

	2012	2011
	€	€
Wages and salaries	484,941	529,126
Social welfare costs	50,083	53,753
Staff pension costs	<u>26,470</u>	<u>24,285</u>
	<u>561,494</u>	<u>607,164</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2012

4. DIRECTORS' REMUNERATION

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

	2012	2011
	€	€
Aggregate remuneration	<u>14,107</u>	<u>12,880</u>

5. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2012	2011
	€	€
Current tax:		
Irish Corporation tax based on the results for the year at 12.50% (2011 - 12.50%)	<u>2,213</u>	<u>509</u>
Total current tax	<u>2,213</u>	<u>509</u>

(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% (2011 - 12.50%).

	2012	2011
	€	€
Profit on ordinary activities before taxation	<u>172,581</u>	<u>127,292</u>
Profit on ordinary activities by rate of tax	21,573	15,912
Expenses not deductible / Income not taxable	(21,573)	(15,912)
Additional tax arising on profits chargeable at 25%	<u>2,213</u>	<u>509</u>
Total current tax (note 5(a))	<u>2,213</u>	<u>509</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2012

6. TANGIBLE FIXED ASSETS

	Freehold Property €	Equipment €	Total €
COST			
At 1st January 2012	440,998	433,180	874,178
Additions	–	25,003	25,003
At 31st December 2012	<u>440,998</u>	<u>458,183</u>	<u>899,181</u>
DEPRECIATION			
At 1st January 2012	103,699	365,734	469,433
Charge for the year	8,821	42,895	51,716
At 31st December 2012	<u>112,520</u>	<u>408,629</u>	<u>521,149</u>
NET BOOK VALUE			
At 31st December 2012	<u>328,478</u>	<u>49,554</u>	<u>378,032</u>
At 31st December 2011	<u>337,299</u>	<u>67,446</u>	<u>404,745</u>

7. STOCKS

	2012 €	2011 €
Finished goods	<u>16,111</u>	<u>22,631</u>

The replacement cost of stock did not differ significantly from the figure shown above.

8. DEBTORS

	2012 €	2011 €
Trade debtors	4,829	3,032
Amounts owed by group undertakings	26,015	55,047
Corporation tax repayable	442	334
Prepayments and accrued Income	24,467	30,604
	<u>55,753</u>	<u>89,017</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2012

9. CREDITORS: Amounts falling due within one year

	2012	2011
	€	€
Trade creditors	69,361	58,106
PAYE and social welfare	25,411	25,262
VAT	10,227	18,023
Accruals and deferred income	45,412	44,093
	<u>150,411</u>	<u>145,484</u>

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 €26,470 (2011 - €24,285).

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 €67,331 (2011: €55,793) from ETCI. At the year end the company owed ETCI €11,500 (2011: €5,758).

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 €261,477 (2011: €296,140). The balance owed to the company at year end amounted to €26,015 (2011: €55,047).

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.

	Members Permitted	CER Regulated	Total
	€	€	€
RESERVES			
At 1st January 2012	673,685	32,453	706,138
Profit /(Loss) for the year after tax	89,261	81,107	170,368
At 31st December 2012	<u>762,946</u>	<u>113,560</u>	<u>876,506</u>