THE REGISTER OF ELECTRICAL CONTRACTORS OF IRELAND LIMITED

Company Limited by Guarantee

FINANCIAL STATEMENTS

31ST DECEMBER 2013

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

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

CONTENTS	PAGE

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 J. McManus B. Hegarty
Company secretary	Paul Waldron
Registered office	Unit 9 KCR Industrial Estate Ravensdale Park Kimmage 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

DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2013

The directors present their report and the financial statements of the company for the year ended 31st December 2013.

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:

Principal risks

The principal risk faced by the company is the redesignation process for awarding the Safety Supervisory Body contract when the existing contract comes to an end on 5th January 2016. The directors are taking every step to ensure the company meets its agreed performance targets with the Commission for Energy Regulation.

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.

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
J. Fletcher
B. Hegarty
J. McManus (Appointed 16th April 2013)

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 Financial Reporting Council and promulgated 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 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 2013. 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. O'Dwyer	M. Ryan
Director	Director

Approved by the directors on 15th April 2014.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE REGISTER OF ELECTRICAL CONTRACTORS OF IRELAND LIMITED FOR THE YEAR ENDED 31ST DECEMBER 2013

We have audited the financial statements of The Register of Electrical Contractors of Ireland Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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 (Generally Accepted Accounting Practice in Ireland).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 3 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 [APB's] Ethical Standards for Auditors.

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.

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 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 Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 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 2013 and of its profit for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY THE COMPANIES ACTS 1963 TO 2013

- We have obtained all the information and explanations which 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 is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQURIED TO REPORT BY EXCEPTION

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

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

24 - 26 City Quay
Dublin 2
Ireland

15th April 2014

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

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2013

	Note	2013 €	2012 €
TURNOVER	**2**	1,179,000	1,196,282
Cost of sales		(778,034)	(853,362)
GROSS PROFIT		400,966	342,920
Administrative expenses		(202,490)	(179,536)
OPERATING PROFIT	**3**	198,476	163,384
Interest receivable		8,718	9,197
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		207,194	172,581
Tax on profit on ordinary activities	**6**	(1,523)	(2,213)
PROFIT FOR THE FINANCIAL YEAR		205,671	170,368

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

Statement of total recognised gains and losses
There are no recognised gains or losses other than the profit of €205,671 attributable to the members for the year ended 31st December 2013 (2012 - profit of €170,368).

These financial statements were approved by the directors on the 15th April 2014 and are signed on their behalf by:

J. O'Dwyer
Director

M. Ryan
Director

The notes on pages 11 to 16 form part of these financial statements.

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

BALANCE SHEET

31ST DECEMBER 2013

	Note	2013 €	2013 €	2012 €	2012 €
FIXED ASSETS					
Tangible assets	**7**		372,466		378,032
CURRENT ASSETS					
Stocks	**8**	13,014		16,111	
Debtors	**9**	93,468		55,753	
Cash at bank and in hand		707,904		577,021	
		814,386		648,885	
CREDITORS: Amounts falling due within one year	**10**	104,675		150,411	
NET CURRENT ASSETS			709,711		498,474
TOTAL ASSETS LESS CURRENT LIABILITIES			1,082,177		876,506
RESERVES	**13**				
Profit and loss account	**14**		1,082,177		876,506
MEMBERS' FUNDS			1,082,177		876,506

These accounts were approved by the directors and authorised for issue on 15th April 2014, and are signed on their behalf by:

J. O'Dwyer
Director

M. Ryan
Director

The notes on pages 11 to 16 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 2013

	2013		2012	
	€	**€**	€	€
NET CASH INFLOW FROM OPERATING ACTIVITIES		162,926		259,919
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	8,718		9,197	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		8,718		9,197
TAXATION		(1,637)		(2,321)
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets	(39,124)		(25,003)	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(39,124)		(25,003)
CASH INFLOW BEFORE USE OF LIQUID RESOURCES		130,883		241,792
MANAGEMENT OF LIQUID RESOURCES				
Cash placed in short term deposits	47,805		(21,149)	
NET CASH INFLOW/(OUTFLOW) FROM MANAGEMENT OF LIQUID RESOURCES		47,805		(21,149)
INCREASE IN CASH		178,688		220,643

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013	2012
	€	€
Operating profit	198,476	163,384
Depreciation	44,690	51,716
Decrease in stocks	3,097	6,520
(Increase)/decrease in debtors	(37,601)	33,372
(Decrease)/increase in creditors	(45,736)	4,927
Net cash inflow from operating activities	162,926	259,919

The notes on pages 11 to 16 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 2013

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2013		2012	
	€	**€**	€	€
Increase in cash in the period	178,688		220,643	
Cash used to decrease/increase liquid resources	(47,805)		21,149	
		130,883		241,792
Change in net funds		130,883		241,792
Net funds at 1 January 2013		577,021		335,229
Net funds at 31 December 2013		707,904		577,021

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2013	**Cash flows**	**At 31 Dec 2013**
	€	**€**	**€**
Net cash:			
Cash in hand and at bank	577,021	130,883	707,904
Less: deposits treated as liquid resources	(93,354)	47,805	(45,549)
	483,667	178,688	662,355
Liquid resources:			
Deposits included in cash	93,354	(47,805)	45,549
Net funds	577,021	130,883	707,904

The notes on pages 11 to 16 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 2013.

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.

1. ACCOUNTING POLICIES *(continued)*

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.

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. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2013	2012
	€	€
Republic of Ireland	1,179,000	1,196,282

3. OPERATING PROFIT

Operating profit is stated after charging:

	2013	2012
	€	€
Depreciation of owned fixed assets	21,091	25,470
Auditor's remuneration		
- as auditor	9,500	9,500

4. PARTICULARS OF EMPLOYEES

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

	2013	2012
	No	No
Number of administrative staff	6	6
Number of other staff - inspectors	6	6
Number of other staff - directors and secretaries	9	8
	21	20

The aggregate payroll costs of the above were:

	2013	2012
	€	€
Wages and salaries	471,825	484,941
Social welfare costs	50,304	50,083
Staff pension costs	26,217	26,470
	548,346	561,494

5. DIRECTORS' REMUNERATION

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

	2013	2012
	€	€
Aggregate remuneration	14,723	14,107

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2013	2012
	€	€
Current tax:		
Irish Corporation tax based on the results for the year at 12.50% (2012 - 12.50%)	1,737	2,213
Over/under provision in prior year	(214)	-
Total current tax	1,523	2,213

(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% (2012 - 12.50%).

	2013	2012
	€	€
Profit on ordinary activities before taxation	207,194	172,581
Profit on ordinary activities by rate of tax	25,899	21,573
Expenses not deductible / Income not taxable	(24,810)	(21,573)
Timing differences	(220)	-
Adjustments to tax charge in respect of previous periods	(214)	-
Additional tax arising on profits chargeable at 25%	868	2,213
Total current tax (note 6(a))	1,523	2,213

7. TANGIBLE FIXED ASSETS

	Freehold Property	**Equipment**	**Total**
	€	**€**	**€**
COST			
At 1st January 2013	440,998	458,183	899,181
Additions	–	39,124	39,124
At 31st December 2013	440,998	497,307	938,305
DEPRECIATION			
At 1st January 2013	112,520	408,629	521,149
Charge for the year	8,821	35,869	44,690
At 31st December 2013	121,341	444,498	565,839
NET BOOK VALUE			
At 31st December 2013	319,657	52,809	372,466
At 31st December 2012	328,478	49,554	378,032

8. STOCKS

	2013	2012
	€	€
Finished goods	13,014	16,111

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

9. DEBTORS

	2013	2012
	€	€
Trade debtors	1,950	4,829
Amounts owed by related entities	58,219	26,015
Corporation tax repayable	556	442
Prepayments and accrued Income	32,743	24,467
	93,468	55,753

10. CREDITORS: Amounts falling due within one year

	2013	2012
	€	€
Trade creditors	31,675	69,361
PAYE and social welfare	25,263	25,411
VAT	233	10,227
Accruals and deferred income	47,504	45,412
	104,675	150,411

11. PENSIONS

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

Pension costs amounted to €26,217 (2012 - €26,470).

12. 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 €59,957 (2012: €67,331) from ETCI. At the year end the company owed ETCI €4,126 (2012: €11,500).

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 €219,898 (2012: €261,477). The balance owed to the company at year end amounted to €58,219 (2012: €26,015).

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

13. COMPANY LIMITED BY GUARANTEE

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

14. RESERVES

	Members Permitted €	CER Regulated €	Total €
At 1st January 2013	762,946	113,560	876,506
Profit for the year after tax	125,422	80,249	205,671
At 31st December 2013	888,368	193,809	1,082,177