



Consolidated Financial Statements

MTM Engineering Limited

For the financial year ended 31 December 2021

Registered number: 270239

Company Information

Directors

Martin Mee (resigned 31 January 2022)
Patricia Mee (resigned 31 January 2022)
Martin Pdraig Mee (resigned 31 January 2022)
Eilis Mee (resigned 31 January 2022)
Brendan Mee
Richard Daly
Sean Sweeney (resigned 31 January 2022)
Thomas Mulryan (appointed 31 January 2022)

Company secretary

Patricia Mee (resigned 31 January 2022)
Thomas Mulryan (appointed 31 January 2022)

Registered number

270239

Registered office

Grangegeeth
Slane
Co. Meath
C15 X751

Independent auditor

Grant Thornton
Chartered Accountants & Statutory Audit Firm
13-18 City Quay
Dublin 2

Bankers

Ulster Bank
Monaghan Town
Co. Monaghan
Ireland

Solicitors

Arthur Cox
Ten Earlsfort Terrace
Dublin 2
Co. Dublin
Ireland
D02 T380

Contents

	Page
Directors' report	1 - 3
Directors' responsibilities statement	4
Independent auditor's report	5 - 8
Consolidated statement of comprehensive income	9
Consolidated statement of financial position	10
Company statement of financial position	11 - 12
Consolidated statement of changes in equity	13
Company statement of changes in equity	14
Consolidated Statement of cash flows	15
Consolidated Analysis of debt	16
Notes to the financial statements	17 - 34

Directors' report

For the financial year ended 31 December 2021

The directors present their annual report and the audited financial statements for the financial year ended 31 December 2021.

Principal activities and business review

The principal activity of the group is specialised containment and cable installation, termination and testing of electrical systems. The directors have monitored the performance of the Group by reference to certain financial and non-financial key performance indicators (KPIs). The financial indicators include profitability, revenues and cash generation. Non-financial KPIs include the numbers deployed, customer satisfaction and staff turnover. The results for the financial year are in line with the directors' expectation.

Group sales increased by 78% in 2021, compared with the same period in 2020, from €22,562,355 to €40,180,377. Operating profit increased by a corresponding 16% from €3,311,905 to €3,825,779.

The directors are satisfied with the performance of the Group during the financial year.

Results and dividends

The profit for the financial year, after taxation, amounted to €3,227,683 (2020 - €2,810,237).

The Group paid a dividend of €26,333 (2020: €Nil) in the year.

Directors and their interests

In accordance with Section 329 of the Companies Act 2014, the directors who served during the financial year and their beneficial shares of the Company were as follows:

	Ordinary shares of €1 each 31/12/20	Ordinary shares of €1 each 1/1/20
Martin Mee (resigned 31 January 2022)	0.19	0.19
Patricia Mee (resigned 31 January 2022)	0.19	0.19
Martin Padraig Mee (resigned 31 January 2022)	0.25	0.25
Eilis Mee (resigned 31 January 2022)	0.25	0.25
Brendan Mee	0.25	0.25
Richard Daly	-	-
Sean Sweeney (resigned 31 January 2022)	-	-
Thomas Mulryan (appointed 31 January 2022)	-	-
	<u>1.13</u>	<u>1.13</u>

The directors and secretary who held office on 31 December 2021 held no beneficial interest in the shares of other companies except as disclosed above.

Directors' report (continued)

For the financial year ended 31 December 2021

Principal risks and uncertainties

The directors consider that the principle risk and uncertainties faced by the Group and its subsidiaries are in the following categories.

Finance risk

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

Economic risk

The risk of increased interest rates and or inflation having an adverse impact on served markets. Our pipeline of future works is continually monitored and capacity levels understood.

Competition risk

The directors of the Group manage competition risk through monitoring our tender wins and being aware of our competitor's workloads and projects awarded.

Covid-19

The Board and Management have implemented appropriate responses to ensure the Group continues to successfully deliver services for the foreseeable future during the Covid-19 pandemic. The Board and Management are comfortable that with the responses implemented the exposure to this risk has been reduced to an appropriate level. The Board and Management expects exposure to this risk to decrease further as the pandemic comes to an end.

Inflationary risk

The risk that unanticipated inflation will reduce the value of an asset or income stream. The Board and Management are monitoring inflationary data carefully to ensure any risks arising on existing income streams from increased inflation are addressed by appropriate responses in a timely manner.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's accounting records are maintained at the Company's registered office at Grangegeeth, Slane, Co. Meath, C15 X751.

Future developments

The directors are satisfied with the progress of the business and look forward to continued growth in the coming year.

Research and development activities

The Group did not engage in any research or development activities during the current or prior financial year.

Directors' report (continued)

For the financial year ended 31 December 2021

Statement on relevant audit information

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

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

Branches outside the State

The group has branches outside the Republic of Ireland, the branches are located in Denmark, Sweden, Finland, Switzerland and the Netherlands.

Compliance Statement

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

To ensure that the Company has achieved material compliance with its relevant obligations, the director confirms that he has:

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

Post balance sheet events

There have been no significant events affecting the Group since the financial year end, which require adjustment to or disclosure in these financial statements.

Auditor

The auditor, Grant Thornton, continues in office in accordance with section 383(2) of the Companies Act 2014.

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

.....
Brendan Mee
Director

.....
Thomas Mulryan
Director

Date:

Directors' responsibilities statement

For the financial year ended 31 December 2021

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

Irish company law requires the directors to prepare the Group and Company financial statements for each financial year. Under the law, the directors have elected to prepare the Group and Company financial statements in accordance with Generally Accepted Accounting Practice in Ireland, including the Companies Act 2014 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law, the directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group as at the financial year end date, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

In preparing each of the group and company financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for ensuring that the Group keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Group and Company, enable at any time the assets, liabilities, financial position and profit or loss of the Group to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

.....
Brendan Mee
Director

.....
Thomas Mulryan
Director

Date:

Independent auditor's report to the members of MTM Engineering Limited

Opinion

We have audited the financial statements of MTM Engineering Limited (the 'Company') and its subsidiaries (the 'Group'), which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated Statement of cash flows, the Consolidated and Company Statement of changes in equity for the financial year ended 31 December 2021, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (Generally Accepted Accounting Practice in Ireland).

In our opinion, MTM Engineering Limited's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the assets, liabilities and financial position of the Group and the Company as at 31 December 2021 and of the group financial performance and cash flows for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities, and the responsibilities of the directors, with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of MTM Engineering Limited (continued)

Other information

Other information comprises information included in the Annual Report, other than the financial statements and our auditor's report thereon, including the Directors' report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Group and the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' Report has been prepared in accordance with the requirements of the Companies Act 2014.

Matters on which we are required to report by exception

Based on our knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Under the Companies Act 2014, we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act have not been made. We have no exceptions to report arising from this responsibility.

Independent auditor's report to the members of MTM Engineering Limited (continued)

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS102, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.

Independent auditor's report to the members of MTM Engineering Limited (continued)

Responsibilities of the auditor for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The Auditor shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

Where the auditor is reporting on the audit of a group, the auditor's responsibilities are to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. The auditor is responsible for the direction, supervision and performance of the audit, and the auditor remains solely responsible for the auditor's opinion.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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.

Dan Holland
for and on behalf of
Grant Thornton
Chartered Accountants &
Statutory Audit Firm
13 - 18 City Quay
Dublin 2

Date:

Consolidated statement of comprehensive income

For the financial year ended 31 December 2021

	Note	2021 €	2020 €
Turnover	4	40,180,377	22,562,355
Cost of sales		(31,782,028)	(15,310,149)
Gross profit		8,398,349	7,252,206
Administrative expenses		(4,671,687)	(4,172,354)
Other operating income	5	99,117	232,053
Operating profit	6	3,825,779	3,311,905
Interest payable and similar expenses	9	(14,031)	(30,325)
Profit before taxation		3,811,748	3,281,580
Tax on profit	10	(584,065)	(471,343)
Profit for the financial year		3,227,683	2,810,237
Profit for the financial year attributable to:			
Owners of the parent Company		3,227,683	2,810,237
		3,227,683	2,810,237

All amounts relate to continuing operations.

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

Signed on behalf of the board:

.....
Brendan Mee

Director

Date:

.....
Thomas Mulryan

Director

Consolidated statement of financial position

As at 31 December 2021

	Note	2021 €	2020 €
Fixed assets			
Tangible assets	12	2,590,456	2,433,336
Financial assets	13	271,251	221,595
Investment property	14	206,423	206,423
		<u>3,068,130</u>	<u>2,861,354</u>
Current assets			
Stocks	15	1,680,933	1,319,186
Debtors: amounts falling due within one year	16	5,139,052	3,707,240
Cash at bank and in hand	17	5,512,404	3,256,560
		<u>12,332,389</u>	<u>8,282,986</u>
Current liabilities			
Creditors: amounts falling due within one year	18	<u>(3,588,006)</u>	<u>(2,465,073)</u>
Net current assets			
		<u>8,744,383</u>	<u>5,817,913</u>
Total assets less current liabilities			
		<u>11,812,513</u>	<u>8,679,267</u>
Creditors: amounts falling due after more than one year	19	<u>(52,119)</u>	<u>(120,223)</u>
Net assets			
		<u><u>11,760,394</u></u>	<u><u>8,559,044</u></u>
Capital and reserves			
Called up share capital presented as equity	22	1	1
Other reserves	23	(1,499,412)	(1,499,412)
Profit and loss account	23	13,259,805	10,058,455
Shareholders' funds			
		<u><u>11,760,394</u></u>	<u><u>8,559,044</u></u>

The financial statements were approved and authorised for issue by the board:

.....
Brendan Mee
 Director

.....
Thomas Mulryan
 Director

Date:

The notes on pages 17 to 34 form part of these financial statements.

Company statement of financial position

As at 31 December 2021

	Note	2021 €	2020 €
Fixed assets			
Tangible assets	12	2,590,456	2,433,336
Financial assets	13	271,253	221,597
Investment property	14	206,423	206,423
		<u>3,068,132</u>	<u>2,861,356</u>
Current assets			
Stocks	15	1,680,933	1,319,186
Debtors: amounts falling due within one year	16	4,885,684	2,975,721
Cash at bank and in hand	17	5,474,911	2,284,302
		<u>12,041,528</u>	<u>6,579,209</u>
Current liabilities			
Creditors: amounts falling due within one year	18	<u>(6,842,986)</u>	<u>(4,308,981)</u>
Net current assets		<u>5,198,542</u>	<u>2,270,228</u>
Total assets less current liabilities		<u>8,266,674</u>	<u>5,131,584</u>
Creditors: amounts falling due after more than one year	19	<u>(52,119)</u>	<u>(120,223)</u>
Net assets		<u><u>8,214,555</u></u>	<u><u>5,011,361</u></u>
Capital and reserves			
Called up share capital presented as equity	22	1	1
Other reserves	23	(1,499,412)	(1,499,412)
Profit and loss account brought forward		6,510,772	5,285,678
Other changes in the profit and loss account	11	(26,333)	-
Profit for the financial year		<u>3,229,527</u>	<u>1,225,094</u>
Profit and loss account carried forward	23	<u>9,713,966</u>	<u>6,510,772</u>
Shareholders' funds		<u><u>8,214,555</u></u>	<u><u>5,011,361</u></u>

Company statement of financial position (continued)

As at 31 December 2021

The financial statements were approved and authorised for issue by the board:

.....
Brendan Mee

Director

Date:

.....
Thomas Mulryan

Director

The notes on pages 17 to 34 form part of these financial statements.

Consolidated statement of changes in equity

For the financial year ended 31 December 2021

	Called up share capital	Other reserves	Profit and loss account	Total equity
	€	€	€	€
At 1 January 2021	1	(1,499,412)	10,058,455	8,559,044
Comprehensive income for the year				
Profit for the financial year	-	-	3,227,683	3,227,683
Dividends: Equity capital	-	-	(26,333)	(26,333)
At 31 December 2021	1	(1,499,412)	13,259,805	11,760,394

The notes on pages 17 to 34 form part of these financial statements.

Consolidated statement of changes in equity

For the financial year ended 31 December 2020

	Called up share capital	Other reserves	Profit and loss account	Total equity
	€	€	€	€
At 1 January 2020	1	(1,499,412)	7,248,218	5,748,807
Comprehensive income for the year				
Profit for the financial year	-	-	2,810,237	2,810,237
At 31 December 2020	1	(1,499,412)	10,058,455	8,559,044

The notes on pages 17 to 34 form part of these financial statements.

Company statement of changes in equity

For the financial year ended 31 December 2021

	Called up share capital	Other reserves	Profit and loss account	Total equity
	€	€	€	€
At 1 January 2021	1	(1,499,412)	6,510,772	5,011,361
Comprehensive income for the year				
Profit for the financial year	-	-	3,229,527	3,229,527
Dividends: Equity capital	-	-	(26,333)	(26,333)
At 31 December 2021	1	(1,499,412)	9,713,966	8,214,555

The notes on pages 17 to 34 form part of these financial statements.

Company statement of changes in equity

For the financial year ended 31 December 2020

	Called up share capital	Other reserves	Profit and loss account	Total equity
	€	€	€	€
At 1 January 2020	1	(1,499,412)	5,285,678	3,786,267
Comprehensive income for the year				
Profit for the financial year	-	-	1,225,094	1,225,094
At 31 December 2020	1	(1,499,412)	6,510,772	5,011,361

The notes on pages 17 to 34 form part of these financial statements.

Consolidated statement of cash flows

For the financial year ended 31 December 2021

	Note	2021 €	2020 €
Cash flows from operating activities			
Profit for the financial year		3,227,683	2,810,237
Adjustments for:			
Depreciation of tangible assets	12	368,407	252,703
Bad debt provision		(65,320)	-
Government grants	5	-	(159,455)
Taxation charge	10	584,065	471,343
Interest paid		6,217	21,475
Changes in non-cash working capital items			
Increase in stocks		(361,747)	(81,328)
Increase in debtors		(1,367,040)	(1,255,616)
Increase in creditors		907,627	1,241,110
Corporation tax paid		(278,012)	(661,357)
Net cash generated from operating activities		3,021,880	2,639,112
Cash flows from investing activities			
Purchase of tangible fixed assets	12	(525,527)	(807,038)
Purchase of unlisted and other investments	13	(49,656)	(221,593)
Government grants received	5	-	159,455
Net cash used in investing activities		(575,183)	(869,176)
Cash flows from financing activities			
Repayment of loans		-	(493,510)
Dividends paid	11	(26,333)	-
Finance lease interest and repayments		(164,520)	(200,911)
Finance lease received		-	268,434
Net cash used in financing activities		(190,853)	(425,987)
Net increase in cash and cash equivalents		2,255,844	1,343,949
Cash and cash equivalents at beginning of financial year	17	3,256,560	1,912,611
Cash and cash equivalents at the end of financial year		5,512,404	3,256,560
Cash and cash equivalents at the end of financial year comprise:			
Cash at bank and in hand	17	5,512,404	3,256,560
		5,512,404	3,256,560

The notes on pages 17 to 34 form part of these financial statements.

Consolidated Analysis of Net Debt

For the financial year ended 31 December 2021

	At 1 January 2021 €	Cash flows €	Other non- cash changes €	At 31 December 2021 €
Cash at bank and in hand	3,256,560	2,255,844	-	5,512,404
Finance leases	(278,693)	164,520	(6,217)	(120,390)
	<u>2,977,867</u>	<u>2,420,364</u>	<u>(6,217)</u>	<u>5,392,014</u>

The notes on pages 17 to 34 form part of these financial statements.

Notes to the financial statements

For the financial year ended 31 December 2021

1. General information

MTM Engineering Limited is a private company limited by shares and incorporated in the Republic of Ireland registered under the number 270239 with a registered office at Grangegeeth, Slane, Co. Meath.

The parent company and its subsidiaries ("the group") are involved in industrial and commercial projects in the Republic of Ireland and the Rest of Europe in respect of the installation of specialised containment and cable installation, termination and testing of electrical systems.

Details of the Company's interests in subsidiaries are contained in note 13.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The Company has taken advantage of the exemption allowed under section 304 of the Companies Act 2014 and has not presented its own Statement of comprehensive income in these financial statements. The parent company's profit for the year was €3,251,495.

The financial statements are presented in Euro (€), which is both the Company's functional and presentational currency, and all values represent absolute amounts except when otherwise indicated.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Notes to the financial statements

For the financial year ended 31 December 2021

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Group's and Company's functional and presentational currency is Euros (€).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Euros at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Notes to the financial statements

For the financial year ended 31 December 2021

2. Accounting policies (continued)

2.4 Revenue (continued)

A construction contract's stage of completion is assessed by management by reference to a survey of work performed on the contract. Only those costs that reflect work performed are included in costs incurred to date. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately in profit or loss. Variations in contract work and claims included in the contract revenue to the extent that they have been agreed with the customer and are capable of being reliably measured.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Notes to the financial statements

For the financial year ended 31 December 2021

2. Accounting policies (continued)

2.9 Tangible fixed assets

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

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

Depreciation is provided straight line on the following basis:

Freehold property	- 50 years (land is not depreciated)
Plant and machinery	- 8 years
Motor vehicles	- 8 years
Fixtures and fittings	- 8 years
Office equipment	- 8 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Stocks

A construction contract's stage of completion is assessed by management by reference to a survey of work performed on the contract. Only those costs that reflect work performed are included in costs incurred to date. When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognised immediately in profit or loss. The gross amount due from customers for contract work is presented within work in progress for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. The gross amount due to customers for contract work is presented within other liabilities for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

2.11 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2.12 Investments

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Notes to the financial statements

For the financial year ended 31 December 2021

2. Accounting policies (continued)

2.13 Impairment of assets

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2.14 Debtors

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

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

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

2.16 Creditors

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

2.17 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

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

Notes to the financial statements

For the financial year ended 31 December 2021

2. Accounting policies (continued)

2.17 Financial instruments (continued)

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

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

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

When preparing financial statements, management makes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Critical management judgments in applying accounting policies

Impairment of trade and other receivables

Adequate amount of allowance is made and provided for specific group of accounts where objective evidence of impairment exists. The Group evaluates these accounts, including, but not limited to, the length of the Group's relationship with its contracting parties, contracting parties' current credit status, average age of accounts, settlement experience and historical loss experience. The impairment allowance recognised at 31 December 2021 was €69,949 (2020: €135,754).

Recoverability of amounts due under construction contracts

The directors considered the recoverability of amounts due under construction contracts which is included in the statement of financial position at 31 December 2021 amounting to €6,205,923 (2020: €4,531,973). The directors have reviewed the relevant costs incurred to date and expected costs to completion. They have also assessed the ability of these customers to discharge their contractual obligations as they fall due. Based on these reviews, the directors are satisfied with the recoverability of balances due under construction contracts at the reporting date.

Notes to the financial statements

For the financial year ended 31 December 2021

3. Judgments in applying accounting policies (continued)

Fair value of investment property

The fair value of investment properties is determined is estimated based on appraisals performed by the directors at each reporting date. The appraisal was carried out using a market approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the property in question, including plot size, location, encumbrances and current use. The significant unobservable input is the adjustment for factors specific to the property in question. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgment, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

Key sources of estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Construction contract revenue recognition

Recognised amounts of constructions contract revenues and related work in progress reflect management's best estimate of each contract's outcome and stage of completion. This includes the assessment of the profitability of on-going contracts in particular, costs to complete and contract profitability are subject to an element of estimation uncertainty.

Estimating useful lives of depreciable assets

The Group estimates the useful lives of tangible fixed assets based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of tangible fixed assets in based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

Going concern

In order to assess whether it is appropriate for the group to be reported as a going concern, the directors apply judgment. Having undertaken appropriate inquiries and considered the business activities, the Group's principal risks and uncertainties and the detailed forecasts and cashflow projections the directors have a reasonable expectation the group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements. In arriving at this judgment there are a number of assumptions and estimates involved in calculating the future cash flow projections. This includes management's expectations of revenue, EBITDA, timing and quantum of future capital expenditure and estimates and cost of future funding.

Notes to the financial statements

For the financial year ended 31 December 2021

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 €	2020 €
Sales - construction contracts	40,180,377	22,562,355
	<u>40,180,377</u>	<u>22,562,355</u>

Analysis of turnover by country of destination:

	2021 €	2020 €
Republic of Ireland	17,279,214	5,810,650
Rest of Europe	22,901,163	16,751,705
	<u>40,180,377</u>	<u>22,562,355</u>

5. Other operating income

	2021 €	2020 €
Net rents receivable	46,600	50,800
Government Covid grants	-	159,455
Sundry income	52,517	21,798
	<u>99,117</u>	<u>232,053</u>

6. Profit on ordinary activities before taxation

The operating profit is stated after charging:

	2021 €	2020 €
Depreciation of tangible fixed assets	368,407	252,703
Audit fees	40,833	45,604
Exchange differences	(2,915)	(5,570)
Defined contribution pension cost	305,239	134,583
Bad debts	(65,320)	30,739
	<u>(65,320)</u>	<u>30,739</u>

During the year the auditor's fee for subsidiaries recognized in the consolidated statement of comprehensive income is €Nil (2020: €10,565).

Notes to the financial statements

For the financial year ended 31 December 2021

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 €	2020 €
Wages and salaries	22,314,730	13,561,108
Cost of defined contribution scheme	305,239	134,583
	<u>22,619,969</u>	<u>13,695,691</u>

Capitalised employee costs during the financial year amounted to €NIL (2020 - €NIL).

The average monthly number of employees, including the directors, during the financial year was as follows:

	2021 No.	2020 No.
Contract	246	184
Administration	38	37
	<u>284</u>	<u>221</u>

8. Directors' remuneration

	2021 €	2020 €
Directors' emoluments	935,928	987,970
Cost of defined contribution pension schemes	22,947	10,333
	<u>958,875</u>	<u>998,303</u>

Key management compensation during the financial year amounted to €958,875 (2020: €998,303).

Other than the amounts disclosed above, any further required disclosures under section 305 and 306 of the Companies Act 2014 were €Nil for the current financial year.

9. Interest payable and similar expenses

	2021 €	2020 €
Interest payable to credit institutions	14,031	30,325
	<u>14,031</u>	<u>30,325</u>

Notes to the financial statements

For the financial year ended 31 December 2021

10. Taxation

	2021 €	2020 €
Corporation tax		
Current tax on profits for the financial year	584,065	484,318
Adjustments in respect of previous periods	-	(12,975)
Total current tax	584,065	471,343

Factors affecting tax charge for the financial year

The tax assessed for the financial year is lower than (2020 - lower than) the standard rate of corporation tax in the Republic of Ireland of 12.5% (2020 - 12.5%). The differences are explained below:

	2021 €	2020 €
Profit on ordinary activities before tax	3,811,748	3,281,580
Profit on ordinary activities multiplied by standard rate of corporation tax in the Republic of Ireland of 12.5% (2020 - 12.5%)	476,469	410,198

Effects of:

Expenses not deductible for tax purposes	3,678	15,644
Capital allowances for the financial year in excess of depreciation	(2,879)	(6,919)
Non taxable income	-	(2,711)
Higher tax at 25%	8,475	4,763
Danish branch tax charge	19,998	63,703
Dutch branch tax charge	22,630	30,375
Adjustments to tax charge in respect of prior periods	-	(12,975)
Finish branch tax charge	2,095	74,540
Swedish branch tax charge	219,212	-
Other timing differences	(170,068)	(105,275)
Swiss branch tax charge	4,225	-
Trading losses carried forward	230	-
Total tax charge for the financial year	584,065	471,343

Factors that may affect future tax charges

The Company does not have any factors that may affect future tax charges.

Notes to the financial statements

For the financial year ended 31 December 2021

11. Dividends

	2021 €	2020 €
Dividends analysis - €4.83 per ordinary share (2020: €Nil)	26,333	-
	<u>26,333</u>	<u>-</u>

12. Tangible fixed assets

Group and Company

	Freehold property €	Plant and machinery €	Motor vehicles €	Fixtures and fittings €	Office equipment €	Total €
Cost or valuation						
At 1 January 2021	756,958	1,866,068	840,015	262,808	68,920	3,794,769
Additions	18,251	329,246	144,803	3,350	29,877	525,527
At 31 December 2021	<u>775,209</u>	<u>2,195,314</u>	<u>984,818</u>	<u>266,158</u>	<u>98,797</u>	<u>4,320,296</u>
Depreciation						
At 1 January 2021	64,613	651,566	558,939	77,202	9,113	1,361,433
Charge for the financial year	15,459	240,138	64,830	33,126	14,854	368,407
At 31 December 2021	<u>80,072</u>	<u>891,704</u>	<u>623,769</u>	<u>110,328</u>	<u>23,967</u>	<u>1,729,840</u>
Net book value						
At 31 December 2021	<u>695,137</u>	<u>1,303,610</u>	<u>361,049</u>	<u>155,830</u>	<u>74,830</u>	<u>2,590,456</u>
At 31 December 2020	<u>692,345</u>	<u>1,214,502</u>	<u>281,076</u>	<u>185,606</u>	<u>59,807</u>	<u>2,433,336</u>

All depreciation charges are included within administration expenses in the statement of comprehensive income.

Included within freehold property assets is land valued at €16,997 (2020: €16,997).

The group has pledged the freehold property as security for its loan owed to credit institutions.

Notes to the financial statements

For the financial year ended 31 December 2021

12. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 €	2020 €
Motor vehicles	101,595	134,944
Plant and machinery	101,219	368,407
	<u>202,814</u>	<u>503,351</u>

13. Financial assets

Company

	Investments in subsidiary companies €	Other investments €	Total €
Cost or valuation			
At 1 January 2021	2	221,595	221,597
Additions	-	49,656	49,656
At 31 December 2021	<u>2</u>	<u>271,251</u>	<u>271,253</u>

The financial assets relate to investment in subsidiary entity MTM Engineering (Europe) Limited.

Other investments comprise of cash investment made during the year into various equity portfolios.

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	CRO number	Registered office	Country of incorporation	Principal activity	Class of shares	Holding
MTM Engineering (Europe) Limited	606100	Grangegeeth, Slane, Co. Meath	Ireland	Contractual work on the installation of specialised sub mains cabling	Ordinary	100%

Notes to the financial statements

For the financial year ended 31 December 2021

14. Investment property

Group and Company

	Freehold investment property €
Valuation	
At 1 January 2021	206,423
At 31 December 2021	<u>206,423</u>

The 2021 valuations were made by the directors on an open market value for existing use basis. There was no material difference between the cost and fair value of the investment property.

15. Stocks

	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
Work in progress	1,680,933	1,319,186	1,680,933	1,319,186
	<u>1,680,933</u>	<u>1,319,186</u>	<u>1,680,933</u>	<u>1,319,186</u>

Work in progress represents the value of amount recoverable on contracts in progress for work completed but not certified at the financial year end.

16. Debtors: Amounts falling due within one year

	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
Trade debtors	4,524,990	3,212,787	4,271,622	2,515,674
Other debtors	179,021	212,160	179,021	195,245
Prepayments	435,041	282,293	435,041	264,802
	<u>5,139,052</u>	<u>3,707,240</u>	<u>4,885,684</u>	<u>2,975,721</u>

Trade debtors are after provision for impairment of €69,949 (2020: €135,754).

Notes to the financial statements

For the financial year ended 31 December 2021

17. Cash and cash equivalents

	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
Cash at bank and in hand	5,512,404	3,256,560	5,474,911	2,284,302
	<u>5,512,404</u>	<u>3,256,560</u>	<u>5,474,911</u>	<u>2,284,302</u>

18. Creditors: Amounts falling due within one year

	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
Trade creditors	345,298	323,575	345,298	275,491
Amounts owed to group undertakings	-	-	3,280,568	2,162,966
Corporation tax	506,186	200,133	506,186	134,060
Taxation and social insurance	2,019,184	1,219,283	1,998,596	1,042,689
Obligations under finance lease and hire purchase contracts (Note 20)	68,271	158,470	68,271	158,470
Other creditors	368,079	404,309	368,079	404,009
Accruals	280,988	159,303	275,988	131,296
	<u>3,588,006</u>	<u>2,465,073</u>	<u>6,842,986</u>	<u>4,308,981</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Trade and other creditors are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms.

Corporation tax and other taxes including social insurance are payable at various dates over the coming months in accordance with the applicable statutory provisions.

The terms of the accrual are based on their underlying contracts.

	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
PAYE/NI control	502,948	562,703	482,360	386,109
Foreign payroll taxes	1,363,153	644,367	1,363,153	644,367
RCT tax	153,083	12,213	153,083	12,213
	<u>2,019,184</u>	<u>1,219,283</u>	<u>1,998,596</u>	<u>1,042,689</u>

Notes to the financial statements

For the financial year ended 31 December 2021

19. Creditors: Amounts falling due after more than one year

	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
Net obligations under finance leases and hire purchase contracts (Note 20)	52,119	120,223	52,119	120,223
	<u>52,119</u>	<u>120,223</u>	<u>52,119</u>	<u>120,223</u>

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 €	Group 2020 €
Within one year	68,271	158,470
Between 1-5 years	52,119	120,223
	<u>120,390</u>	<u>278,693</u>

21. Financial instruments

	Group 2021 €	Group 2020 €
Financial assets		
Financial assets measured at fair value through profit or loss	5,783,655	3,256,560
Financial assets measured at amortised cost	4,704,011	3,424,947
	<u>10,487,666</u>	<u>6,681,507</u>
Financial liabilities		
Financial liabilities measured at amortised cost	994,365	(887,187)
	<u>994,365</u>	<u>(887,187)</u>

Notes to the financial statements

For the financial year ended 31 December 2021

21. Financial instruments (continued)

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand and investments.

Financial assets measured at amortised cost comprise of trade and other debtors.

Financial liabilities measured at amortised cost comprise of trade and other creditors and accruals.

The Group's local currency is the Euro, however, some of its purchases are denominated in Danish Krone, Swiss Franc and Swedish Krona. As a result, the Group and Company are subject to foreign exchange risk due to exchange rate movements between the Euro, Danish Krone, Swiss Franc and Swedish Krona. The Group does not see this as a significant risk and has not entered into forward contracts.

22. Share capital

	2021	2020
	€	€
Authorised, allotted, called up and fully paid		
5,452 Ordinary shares of €0.00025 each	<u>1</u>	<u>1</u>

23. Reserves

Share capital

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

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

Other reserves

Other reserves represent the value paid by the entity to re-acquire its issued shares.

24. Pension commitments

The pension cost charge represents contributions payable by the Group to the employee's and directors' pension schemes and amounted to €305,239 (2020: €134,583). Contributions totalling €141,755 (2020: €135,306) were payable to the pension schemes at the reporting date and are included in accruals.

25. Commitments

The Group and the Company have no other commitments to disclose.

Notes to the financial statements

For the financial year ended 31 December 2021

26. Related party transactions

There were no transactions other than disclosed below, with related parties which are required to be disclosed under Financial reporting Standard 102 Section 33.

During the year, the Group advanced a total of €110,000 to a director. At year end the total amounts advanced to the director due to the Group by the director was €Nil.

For key management personnel compensation refer to note 8.

27. Financial risk management

The Group has exposures to the following main areas of risk:

Liquidity risk

The objective of the Group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the group has credit facilities available.

Customer credit exposure

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

Interest rate risk

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

Inflationary risk

The Group operates in an economic environment which is exposed to the impact of unanticipated inflation. The Group is at the risk that unanticipated inflation will reduce the value of an asset or income stream. The Board and Management are monitoring inflationary data carefully to ensure risks arising from inflationary pressure on the income streams are responded to appropriately and in a timely manner.

Covid -19

The Group operates both in Ireland and in the rest of Europe. The locations may or may not have local government imposed covid-19 economic restrictions. The Group is exposed to the impacts of covid-19 government imposed economic restrictions and therefore the Group is at risk of the adverse economic effects arising from those restrictions imposed in those regions. The Board and Management have implemented responses to mitigate this risk.

28. Post balance sheet events

There have been no significant events affecting the Group since the financial year end, which require adjustment to or disclosure in these financial statements.

29. Controlling party

The ultimate controlling parties are Martin Mee, Patricia Mee, Martin Padraig Mee, Eilis Mee, Brendan Mee and Andrew Mee.

Notes to the financial statements

For the financial year ended 31 December 2021

30. Approval of financial statements

The board of directors approved these financial statements for issue on

Registered number: 270239

MTM Engineering Limited

Management information

For the financial year ended 31 December 2021

Company detailed profit and loss account

For the financial year ended 31 December 2021

	2021 €	2020 €
Turnover	40,180,377	16,278,141
Cost of sales	<u>(31,797,071)</u>	<u>(11,977,127)</u>
Gross profit	<u>8,383,306</u>	<u>4,301,014</u>
Gross profit %	20.9 %	26.4 %
Other operating income	<u>99,117</u>	<u>1,141,456</u>
Less: overheads		
Administration expenses	<u>(4,654,944)</u>	<u>(3,979,994)</u>
Operating profit	<u>3,827,479</u>	<u>1,462,476</u>
Interest payable	(13,887)	(28,613)
Tax on profit	<u>(584,065)</u>	<u>(208,769)</u>
Profit for the financial year	<u>3,229,527</u>	<u>1,225,094</u>

MTM Engineering Limited**Schedule to the detailed accounts**

For the financial year ended 31 December 2021

	2021 €	2020 €
Turnover		
Sales	40,180,377	16,278,141
	<u>40,180,377</u>	<u>16,278,141</u>
	2021 €	2020 €
Cost of sales		
Direct costs	8,549,756	3,181,539
Wages and salaries	19,797,656	8,531,821
Subcontract labour	3,395,601	221,508
Maintenance	54,058	42,259
	<u>31,797,071</u>	<u>11,977,127</u>
	2021 €	2020 €
Other income		
Management charges	-	909,403
Rental income	46,600	50,800
Government grants receivable	-	159,455
Investment income	52,517	21,798
	<u>99,117</u>	<u>1,141,456</u>

Schedule to the detailed accounts

For the financial year ended 31 December 2021

	2021 €	2020 €
Administration expenses		
Directors salaries	935,928	987,970
Directors pension costs - defined contribution schemes	22,947	10,333
Staff salaries	1,795,576	1,568,264
Staff pension costs - defined contribution schemes	67,862	124,250
Staff training	161,765	48,242
Motor running costs	464,532	185,804
Hotels, travel and subsistence	238,417	206,313
Printing and stationery	50,468	22,961
Telephone and fax	38,358	33,924
Computer costs	79,885	70,273
General office expenses	59,579	38,257
Advertising and promotion	22,031	18,782
Trade subscriptions	54,754	35,165
Charity donations	4,000	-
Legal and professional	364,690	326,549
Bad debts	(65,320)	20,739
Difference on foreign exchange	(2,696)	(13,698)
Rates	8,421	5,733
Light and heat	10,225	7,719
Insurances	180,107	153,695
Repairs and maintenance	11,690	20,843
Depreciation - motor vehicles	64,830	47,356
Depreciation - office equipment	14,854	6,197
Depreciation - fixtures and fittings	33,126	28,970
Depreciation - freehold property	15,459	(704)
Recruitment expenses	13,981	11,913
Clothing costs	9,475	14,144
	<u>4,654,944</u>	<u>3,979,994</u>
	2021 €	2020 €
Interest payable		
Interest payable	13,887	28,613
	<u>13,887</u>	<u>28,613</u>