

Company Registration No. 212757 (Republic of Ireland)

**DORNAN ENGINEERING LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

# DORNAN ENGINEERING LIMITED

## COMPANY INFORMATION

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**Directors**

Brian Acheson  
David Dukelow  
Paul Flynn  
William Flynn  
Brendan Herbert (Appointed 1 July 2023)  
Derek Hogan (Appointed 1 July 2023)  
David Myers  
Micheál O'Connor  
Barry O'Hea (Appointed 1 July 2023)  
Darren Tutty

**Secretary** Darren Tutty

**Company number** 212757

**Registered office** 10 Eastgate Avenue  
Eastgate  
Little Island  
Co. Cork

**Auditor** Crowley & McCarthy  
Building G  
West Cork Technology Park  
Clonakilty  
Co. Cork

**Bankers** Bank of Ireland  
32 South Mall  
Cork

**Solicitors** J.W. O'Donovan Solicitors  
53 South Mall  
Cork

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# DORNAN ENGINEERING LIMITED

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# DORNAN ENGINEERING LIMITED

## DIRECTORS' RESPONSIBILITIES STATEMENT

### FOR THE YEAR ENDED 31 DECEMBER 2023

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

Irish company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with applicable Irish accounting standards, including "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS102) issued by the Financial Reporting Council ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for that financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and 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 company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

David Myers  
**Director**

Darren Tutty  
**Director**

24 April 2024

# DORNAN ENGINEERING LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBER OF DORNAN ENGINEERING LIMITED

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#### Opinion

We have audited the financial statements of Dornan Engineering Limited (the 'company') for the year ended 31 December 2023 which comprise the profit and loss account, the balance sheet, the statement of changes in equity, the statement of cash flows and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been 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 *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and 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 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.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other 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 or apparent material misstatements, 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.

# DORNAN ENGINEERING LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBER OF DORNAN ENGINEERING LIMITED

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### **Opinions on other matters prescribed 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 company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

### **Matters on which we are required to report by exception**

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is 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, the directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our 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.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

### **Other matter**

We have reported separately on the group financial statements of Dornan Engineering Limited for the year ended 31 December 2023.

# **DORNAN ENGINEERING LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBER OF DORNAN ENGINEERING LIMITED**

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This report is made solely to the company's member, 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 member those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed.

**Derry Crowley**  
**for and on behalf of Crowley & McCarthy**

**Chartered Accountants and Statutory Audit Firm**  
Building G  
West Cork Technology Park  
Clonakilty  
Co. Cork

24 April 2024

# DORNAN ENGINEERING LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

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		2023	2022
	Notes	€	€
<b>Turnover</b>	<b>5</b>	455,963,457	403,871,501
Cost of sales		(397,305,846)	(356,678,009)
<b>Gross profit</b>		<u>58,657,611</u>	<u>47,193,492</u>
Administrative expenses		(43,105,135)	(31,654,308)
<b>Operating profit</b>	<b>7</b>	15,552,476	15,539,184
Interest receivable and similar income	<b>9</b>	627,227	425,946
Interest payable and similar expenses	<b>10</b>	(156,359)	(151,468)
<b>Profit before taxation</b>		<u>16,023,344</u>	<u>15,813,662</u>
Tax on profit	<b>11</b>	(2,759,934)	(2,672,037)
<b>Profit for the financial year</b>		<u><u>13,263,410</u></u>	<u><u>13,141,625</u></u>

There is no other comprehensive income, other than that passing through the profit and loss account.

# DORNAN ENGINEERING LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		€	€	€	€
<b>Fixed assets</b>					
Tangible assets	13	3,292,855		2,261,360	
Financial assets	14	1,129,780		1,129,900	
		<u>4,422,635</u>		<u>3,391,260</u>	
<b>Current assets</b>					
Debtors	16	145,824,404	152,076,830		
Cash at bank and in hand		43,395,773	21,838,510		
		<u>189,220,177</u>	<u>173,915,340</u>		
<b>Creditors: amounts falling due within one year</b>	17	<u>(97,363,858)</u>	<u>(96,469,024)</u>		
<b>Net current assets</b>		<u>91,856,319</u>		<u>77,446,316</u>	
<b>Total assets less current liabilities</b>		<u>96,278,954</u>		<u>80,837,576</u>	
<b>Creditors: amounts falling due after more than one year</b>	18	<u>(5,723,922)</u>	<u>(3,545,954)</u>		
<b>Net assets</b>		<u>90,555,032</u>		<u>77,291,622</u>	
<b>Capital and reserves</b>					
Called up share capital presented as equity	22	1,270,000	1,270,000		
Share premium account	23	41,344	41,344		
Profit and loss reserves	24	89,243,688	75,980,278		
<b>Shareholders' equity</b>		<u>90,555,032</u>		<u>77,291,622</u>	

Approved by the board of directors and signed on its behalf by:

David Myers  
Director

Darren Tutty  
Director

24 April 2024

# DORNAN ENGINEERING LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

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	Notes	Share capital €	Share premium account €	Profit and loss reserves €	Total €
<b>Balance at 1 January 2022</b>		1,270,000	41,344	74,672,034	75,983,378
<b>Year ended 31 December 2022:</b>					
Profit and total comprehensive income for the year		-	-	13,141,625	13,141,625
Dividends	12	-	-	(11,833,381)	(11,833,381)
<b>Balance at 31 December 2022</b>		1,270,000	41,344	75,980,278	77,291,622
<b>Year ended 31 December 2023:</b>					
Profit and total comprehensive income for the year		-	-	13,263,410	13,263,410
<b>Balance at 31 December 2023</b>		1,270,000	41,344	89,243,688	90,555,032

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# DORNAN ENGINEERING LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 €	€	2022 €	€
<b>Net cash flows from operating activities</b>	<b>33</b>		22,704,341		(5,849,576)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(2,164,143)		(1,449,204)	
Proceeds on disposal of tangible fixed assets		551,004		328,341	
Proceeds on disposal of subsidiaries		120		-	
Purchase of subsidiaries		-		(8)	
Interest received		627,227		420,695	
Dividends received		-		5,251	
<b>Net cash flows from investing activities</b>			(985,792)		(694,925)
<b>Financing activities</b>					
Net movement of finance leases obligations		(139,706)		(216,826)	
Dividends paid		-		(11,833,381)	
<b>Net cash flows from financing activities</b>			(139,706)		(12,050,207)
<b>Net increase/(decrease) in cash and cash equivalents</b>			21,578,843		(18,594,708)
Cash and cash equivalents at beginning of year			21,763,851		40,358,559
<b>Cash and cash equivalents at end of year</b>			43,342,694		21,763,851
<b>Relating to:</b>					
Cash at bank and in hand			43,395,773		21,838,510
Bank overdrafts included in creditors payable within one year			(53,079)		(74,659)
			43,342,694		21,763,851

# DORNAN ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Company information

Dornan Engineering Limited is a limited company domiciled and incorporated in the Republic of Ireland. The registered office is 10 Eastgate Avenue, Eastgate, Little Island, Co. Cork and its company registration number is 212757.

#### 2 Accounting convention and basis of preparation

##### Accounting convention

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention. They have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”), issued by the Financial Reporting Council, and the requirements of the Companies Act 2014.

##### Functional currency

The financial statements are prepared in euros, which is the functional currency of the company.

##### FRS 102 exemptions

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 33 ‘Related Party Disclosures’ – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Dornan Engineering Holdings Limited. These consolidated financial statements are available from its registered office, 10 Eastgate Avenue, Eastgate, Little Island, Co. Cork.

##### Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 3 Accounting policies

##### 3.1 Turnover and revenue recognition

Turnover is stated net of trade discounts, VAT and similar taxes and derives from the provision of goods and services falling within the company’s ordinary activities.

Turnover from long term contracts is billed based on agreed billing schedules and certifications and any profit arising thereon is calculated so as to equate with the deemed stage of completion.

##### 3.2 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# DORNAN ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 3 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on a straight line basis as follows:

Plant and Machinery	12.5% Straight Line
Furniture and Equipment	20% - 33% Straight Line
Motor Assets	12.5% Straight Line
Leased Vehicles	12.5% Straight Line

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively. The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 3.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### 3.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where there is objective evidence that the recoverable amount of an asset is less than its carrying value the carrying amount of the asset is reduced to its recoverable amount resulting in an impairment loss. Impairment losses are recognised immediately in the profit and loss account, with the exception of losses on previously revalued tangible fixed assets, which are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset.

Where the circumstances causing an impairment of an asset no longer apply, then the impairment is reversed through the profit and loss account, except for impairments on previously revalued tangible assets, which are treated as revaluation increases to the extent that the revaluation was recognised in equity.

# DORNAN ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 3 Accounting policies

(Continued)

The recoverable amount of tangible fixed assets, goodwill and other intangible fixed assets is the higher of the fair value less cost to sell of the asset and its value in use. The value in use of these assets is the present value of the cash flows expected to be derived from those assets. This is determined by reference to the present value of the future cash flows of the company which is considered by the directors to be a single cash generating unit.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 3.5 Construction contracts

When the outcome of a long term contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion.

The outcome of a long term contract can be estimated reliably when all the following conditions are satisfied:

- total contract revenue can be measured reliably;
- it is probable that the economic benefits associated with the contract will flow to the company;
- both the contract costs to complete and the stage of contract completion at the end of the reporting period can be measured reliably; and
- the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion is measured by the certified turnover as a percentage of total expected turnover for the contract.

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

When the outcome of a long term contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may they have been agreed with the customer and are capable of being reliably measured.

#### 3.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

#### **Ordinary share capital**

The ordinary share capital of the company is presented as equity.

# DORNAN ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 3 Accounting policies

(Continued)

##### ***Cash and cash equivalents***

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### ***Basic financial assets***

Basic financial assets, which include trade and other receivables, and cash and bank balances, are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

##### ***Other financial assets***

Trade debtors and amounts recoverable on long term contracts, are initially measured at the undiscounted amount of cash receivable from that customer, which is normally the invoice price, and are subsequently measured at amortised cost less impairment, where there is objective evidence of an impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the profit and loss account.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

##### ***Classification of financial liabilities***

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

All loans and borrowings, both assets and liabilities are initially recorded at the present value of cash payable to the lender in settlement of the liability discounted at the market interest rate. Subsequently loans and borrowings are stated at amortised cost using the effective interest rate method. The computation of amortised cost includes any issue costs, transaction costs and fees, and any discount or premium on settlement, and the effect of this is to amortise these amounts over the expected borrowing period. Loans with no stated interest rate and repayable within one year or on demand are not amortised. Loans and borrowings are classified as current assets or liabilities unless the borrower has an unconditional right to defer settlement of the liability for at least twelve months after the financial year end date.

# DORNAN ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 3 Accounting policies

(Continued)

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

#### 3.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Final dividends to the company's equity shareholders are recognised as a liability of the company when approved by the company's shareholders. Interim dividends are recognised when paid.

#### 3.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The charge for taxation is based on the profit for the financial year and is calculated with reference to the tax rates applying at the financial year end date in the jurisdiction where the tax is applied.

##### **Deferred tax**

Deferred taxation is calculated on the differences between the company's taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Full provision for deferred tax assets and liabilities is made at current tax rates on differences that arise between the recognition of gains and losses in the financial statements and their recognition in the tax computation, including differences arising on the revaluation of fixed assets. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### 3.9 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

# DORNAN ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 3 Accounting policies

(Continued)

##### 3.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 3.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The company operates defined contribution pension schemes for certain employees. The assets of the schemes are held separately from those of the company in an independently administered fund. Other employees are covered under Construction Industry Federation Schemes. Contributions are charged to the profit and loss account in the period in which they are incurred.

##### 3.12 Leases

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet and are depreciated over their useful lives with the corresponding lease or hire purchase obligation being recognised as a liability. The interest element of the finance lease rentals is charged to the profit and loss account over the period of the lease and represent a constant periodic rate of interest on the balance of capital repayments outstanding.

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the lease term.

##### 3.13 Foreign exchange

Transactions in currencies other than euros are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### 4 Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The following are the company's key sources of estimation uncertainty:

##### Long term contracts

Profit on long term contracts is recognised using the percentage of completion method. A portion of estimated profit on individual contracts is taken into account based on the stage of completion. Revisions in estimates are reflected in the accounting period when revision becomes known. Expected losses are charged to income entirely when the losses become evident.

# DORNAN ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 5 Turnover and other revenue

Turnover is stated net of value added tax and is attributable to continuing activities. The total turnover for the year has been derived from mechanical, electrical and instrumental contracting. In the view of the directors, disclosure of segmental information would be seriously prejudicial to the interests of the company. Accordingly, as permitted the directors have availed of Paragraph 65(6) of Schedule 3 to the Companies Act 2014 and have not disclosed an analysis of turnover.

#### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Administration	105	98
Contracting	589	558
Total	<u>694</u>	<u>656</u>

Their aggregate remuneration comprised:

	2023 €	2022 €
Wages and salaries	69,896,379	63,428,094
Social security costs	6,987,786	5,876,340
Pension costs	3,501,585	4,421,375
	<u>80,385,750</u>	<u>73,725,809</u>

#### 7 Operating profit

	2023 €	2022 €
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(597,306)	986,309
Audit fees	57,500	55,350
Depreciation of owned tangible fixed assets	789,563	489,963
Profit on disposal of tangible fixed assets	(207,919)	(174,843)
	<u></u>	<u></u>

# DORNAN ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 8 Directors' remuneration

	2023 €	2022 €
Remuneration for qualifying services	2,128,307	1,393,896
Company pension contributions to defined contribution schemes	419,773	1,326,469
	<u>2,548,080</u>	<u>2,720,365</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 9 (2022: 7).

### 9 Interest receivable and similar income

	2023 €	2022 €
<b>Interest income</b>		
Interest on bank deposits	29,626	1,257
Interest receivable from group companies	597,601	419,438
	<u>627,227</u>	<u>420,695</u>
<b>Total interest revenue</b>	627,227	420,695
<b>Income from financial assets</b>		
Income from shares in group undertakings	-	5,251
	<u>-</u>	<u>5,251</u>
<b>Total income</b>	<u>627,227</u>	<u>425,946</u>

### 10 Interest payable and similar expenses

	2023 €	2022 €
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	47,247	108,412
Interest payable to group undertakings	-	12,327
Interest on finance leases and hire purchase contracts	-	23,574
	<u>47,247</u>	<u>144,313</u>
<b>Other finance costs:</b>		
Other interest	109,112	7,155
	<u>109,112</u>	<u>7,155</u>
	<u>156,359</u>	<u>151,468</u>

# DORNAN ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 11 Taxation

	2023	2022
	€	€
<b>Current tax</b>		
Corporation tax on profits for the current period	2,997,499	2,683,647
Adjustments in respect of prior periods	(236,986)	59,693
Total current tax	<u>2,760,513</u>	<u>2,743,340</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(579)	(71,303)
Total tax charge	<u><u>2,759,934</u></u>	<u><u>2,672,037</u></u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	€	€
Profit before taxation	<u>16,023,344</u>	<u>15,813,662</u>
Expected tax charge based on the standard rate of corporation tax of 12.50% (2022: 12.50%)	2,002,918	1,976,708
Tax effect of expenses that are not deductible in determining taxable profit	112,674	61,194
Depreciation on assets not qualifying for tax allowances	32,791	38,798
Effect of overseas tax rates	724,305	483,070
(Over)/under provided in prior years	(236,986)	59,693
Dividend income	-	(656)
Other tax adjustments	124,232	53,230
Tax expense for the year	<u><u>2,759,934</u></u>	<u><u>2,672,037</u></u>

#### 12 Dividends

	2023	2022
	€	€
Interim paid	<u>-</u>	<u>11,833,381</u>

# DORNAN ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 13 Tangible fixed assets

	Plant and Machinery	Furniture and Equipment	Motor Assets	Leased Assets	Total
	€	€	€	€	€
<b>Cost</b>					
At 1 January 2023	752,459	826,839	1,569,930	1,136,344	4,285,572
Additions	188,001	610,004	1,366,138	-	2,164,143
Disposals	-	(235,800)	(343,385)	(686,051)	(1,265,236)
At 31 December 2023	940,460	1,201,043	2,592,683	450,293	5,184,479
<b>Depreciation and impairment</b>					
At 1 January 2023	296,640	518,185	339,054	870,333	2,024,212
Depreciation charged in the year	79,818	319,113	299,120	91,512	789,563
Eliminated in respect of disposals	-	(235,800)	(81,977)	(604,374)	(922,151)
At 31 December 2023	376,458	601,498	556,197	357,471	1,891,624
<b>Carrying amount</b>					
At 31 December 2023	564,002	599,545	2,036,486	92,822	3,292,855
At 31 December 2022	455,819	308,654	1,230,876	266,011	2,261,360

#### 14 Financial assets

	Notes	2023 €	2022 €
Investments in subsidiaries	15	1,129,780	1,129,900

In the opinion of the directors the shares in and loans to the companies detailed above are worth at least the amounts at which they are stated in the Balance Sheet.

#### Movements in fixed asset investments

	Shares in group undertakings €
<b>Cost or valuation</b>	
At 1 January 2023	1,129,900
Disposals	(120)
At 31 December 2023	1,129,780
<b>Carrying amount</b>	
At 31 December 2023	1,129,780
At 31 December 2022	1,129,900

# DORNAN ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 15 Subsidiaries

Details of the company's subsidiaries at 31 December 2023 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held		
			Direct	Indirect	
Baddesley O&M Limited	England and Wales	Operation and maintenance of waste to energy facility	Ordinary	100	-
Dornan AG	Switzerland	Engineering Contracting	Ordinary	100	-
Dornan Engineering Germany Limited	Republic of Ireland	Engineering Contracting	Ordinary	100	-
Dornan Engineering Services Limited	England and Wales	Engineering Contracting	Ordinary	100	-
Kantor Energy Limited	England and Wales	Specialist district energy design and build contractor	Ordinary	100	-

The company has established subsidiary companies as vehicles for expansion of its sphere of operation in the U.K. and Europe. Dornan Engineering Services Limited and Kantor Energy Limited are U.K. registered companies carrying on contracting operations in Britain. Dornan Engineering Germany Ltd. is an Irish registered company which has branch activities in Germany. Dornan AG is a company registered in Switzerland carrying on contracting operations in Switzerland. Baddesley O & M Limited is a U.K. registered company which operates and maintains a waste to energy facility. The immediate parent company is Dornan Engineering Holdings Limited, a company registered in Ireland and Brian Acheson Limited, a company registered in Ireland, is the ultimate parent undertaking.

### 16 Debtors

	2023	2022
Amounts falling due within one year:	€	€
Trade debtors	71,996,988	81,474,012
Amounts recoverable on contracts	48,822,458	45,815,488
Corporation tax recoverable	799,993	-
Amount due from parent undertaking	854,239	5,018,860
Amounts due from fellow group undertakings	18,221,520	13,858,403
Other debtors	2,550,960	3,139,627
Prepayments and accrued income	2,439,222	2,631,995
	<u>145,685,380</u>	<u>151,938,385</u>
Deferred tax asset (note 21)	139,024	138,445
	<u><u>145,824,404</u></u>	<u><u>152,076,830</u></u>

Included above under amounts recoverable on contracts are retention amounts of €18,166,695 (2022: €13,479,556 ) which are due after more than one year.

# DORNAN ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 17 Creditors: amounts falling due within one year

	Notes	2023 €	2022 €
Bank loans and overdrafts	26	53,079	74,659
Obligations under finance leases and hire purchase contracts		-	131,206
Trade creditors		10,835,206	15,828,518
Amounts accrued on contracts		76,157,479	70,700,253
Amounts due to group undertakings		318,880	1,298,089
Corporation tax		-	258,915
Other taxation and social security		7,073,051	5,850,711
Accruals		2,926,163	2,326,673
		<u>97,363,858</u>	<u>96,469,024</u>

Included in other taxation and social security creditors are the following amounts:

Value added tax	3,500,958	2,367,850
PAYE/PRSI	2,398,113	2,775,726
Other taxes	1,173,980	707,135
	<u>7,073,051</u>	<u>5,850,711</u>

Trade creditors and other creditors are payable at various dates after the financial year-end in accordance with the companies usual and customary credit terms. Tax and social insurance are repayable at various dates after the financial year-end in accordance with the applicable statutory provisions.

#### 18 Creditors: amounts falling due after more than one year

	Notes	2023 €	2022 €
Obligations under finance leases	19	-	8,500
Amounts accrued on contracts		5,723,922	3,537,454
		<u>5,723,922</u>	<u>3,545,954</u>

# DORNAN ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 19 Obligations under finance leases and hire purchase agreements

	2023	2022
	€	€
Future minimum lease payments due under finance leases:		
Within one year	-	148,380
In two to five years	-	9,866
		<hr/>
	-	158,246
Less: future finance charges	-	(18,540)
		<hr/>
	-	139,706
		<hr/> <hr/>

### 20 Financial instruments

	2023	2022
	€	€
<b>Financial assets</b>		
Debt instruments measured at amortised cost:		
Trade debtors	71,996,988	81,474,012
Amounts recoverable on contracts	48,822,458	45,815,488
Amount due from parent undertaking	854,239	5,018,860
Amounts due from fellow group undertakings	18,221,520	13,858,403
Other debtors	386,775	394,022
Cash at bank and in hand	43,395,773	21,838,510
	<hr/>	<hr/>
Total debt instruments measured at amortised cost	183,677,753	168,399,295
Equity instruments measured at cost less impairment	1,129,780	1,129,900
	<hr/> <hr/>	<hr/> <hr/>
<b>Financial liabilities</b>		
Measured at amortised cost:		
Bank loans and overdrafts	53,079	74,659
Obligations under finance leases	-	139,706
Trade creditors	10,835,206	15,828,518
Amounts accrued on contracts	81,881,401	74,237,707
Amounts due to group undertakings	318,880	1,298,089
Accruals	2,926,163	2,326,673
	<hr/>	<hr/>
Total measured at amortised cost	96,014,729	93,905,352
	<hr/> <hr/>	<hr/> <hr/>

# DORNAN ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 21 Deferred taxation

	<b>Assets 2023</b>	<b>Assets 2022</b>
	€	€
<b>Balances:</b>		
Accelerated capital allowances	8,541	7,827
Retirement benefit obligations	46,610	55,618
Other timing differences	83,873	75,000
	<u>139,024</u>	<u>138,445</u>
		<b>2023</b>
		€
Asset at 1 January 2023		(138,445)
Credit to profit or loss		(579)
Asset at 31 December 2023		<u>(139,024)</u>

### 22 Share capital

	<b>2023</b>	<b>2022</b>
	€	€
<b>Ordinary share capital</b>		
<b>Authorised equity</b>		
8,500,000 A Ordinary Shares of €1.27 each	10,795,000	10,795,000
1,500,000 B Ordinary Shares of €1.27 each	1,905,000	1,905,000
	<u>12,700,000</u>	<u>12,700,000</u>
<b>Issued and fully paid equity</b>		
850,000 A Ordinary Shares of €1.27 each	1,079,500	1,079,500
150,000 B Ordinary Shares of €1.27 each	190,500	190,500
	<u>1,270,000</u>	<u>1,270,000</u>

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

### 23 Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

### 24 Profit and loss reserves

Profit and loss account represents cumulative gains and losses recognised in the profit and loss account, net of transfers to and from other reserves and dividends.

# DORNAN ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 25 Retirement benefit schemes

	2023	2022
Defined contribution schemes	€	€
Charge to profit or loss in respect of defined contribution schemes	3,501,585	4,421,375

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At the balance sheet date an amount of €372,882 (2022: €444,934) was due to the fund.

#### 26 Financial commitments, guarantees and contingent liabilities

In accordance with the provisions of Section 357(1(b)) of the Companies Act 2014, the company has irrevocably guaranteed all liabilities, commitments and losses of its subsidiary undertaking, Dornan Engineering Germany Limited, in respect of the financial year as are referred to in Part III, Section A, Paragraph 14 of that Act, for the purposes of enabling the subsidiary to claim exemption from the requirement to file its own financial statements.

Valuable security has not been provided by the company in respect of these guarantees. The above disclosure has been made merely to comply with statutory requirements concerning the filing exemption referred to, as in the opinion of the directors, the likelihood of crystallisation of the contingency is remote.

The company has provided guarantees in respect of certain construction contracts entered into by its subsidiary companies.

#### **Borrowings and Security**

As security for sums advanced the Governor and Company of the Bank of Ireland holds the following:-

- A fixed and floating charge over assets of the company and of Dornan Engineering Holdings Limited
- A cross company guarantee from Dornan Engineering Holdings Limited and its subsidiaries, Dornan Engineering Limited and Dornan Engineering Services Limited
- A counter indemnity from Dornan Engineering Holdings Limited and its subsidiaries in respect of all guarantees and bonds
- A cross company indemnity from Dornan Engineering Holdings Limited for Dornan Engineering Limited and Dornan Engineering Services Limited in respect of invoice discounting facilities
- Letters of indemnity from certain directors
- Debt purchase agreements in respect of invoice discounting facilities

#### **Performance Bonds and Security**

The company has provided warranties to customers in respect of contracts undertaken. These warranties are in turn supported by demand bonds and performance bonds which can be called on within certain agreed timescales. Bonds in place at year end covered maximum potential liabilities of €5,925,689 all expiring at different dates the latest being 24 March 2025.

# DORNAN ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 27 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	€	€
Within one year	290,316	339,813
Between two and five years	888,007	1,161,264
In over five years	-	194,559
	<u>1,178,323</u>	<u>1,695,636</u>

#### 28 Events after the reporting date

There have been no significant events affecting the company since the balance sheet date.

#### 29 Related party transactions

The company has taken advantage of the exemption under FRS102 not to disclose certain intercompany transactions.

#### 30 Comparative figures

In preparing the financial statements for 31 December 2023, if necessary, changes to the comparative figures may have been made to ensure consistency of the figure reported for 31 December 2023.

#### 31 Analysis of changes in net funds

	1 January 2023	Cash flows	31 December 2023
	€	€	€
Cash at bank and in hand	21,838,510	21,557,263	43,395,773
Bank overdrafts	(74,659)	21,580	(53,079)
	<u>21,763,851</u>	<u>21,578,843</u>	<u>43,342,694</u>
Obligations under finance leases	(139,706)	139,706	-
	<u>21,624,145</u>	<u>21,718,549</u>	<u>43,342,694</u>

# DORNAN ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 33 Net cash flows from operating activities

	2023	2022
	€	€
Profit for the year	13,263,410	13,141,625
<b>Adjustments for:</b>		
Corporation tax expense	2,759,934	2,672,037
Finance costs	156,359	151,468
Investment income	(627,227)	(425,946)
Gain on disposal of tangible fixed assets	(207,919)	(174,843)
Depreciation and impairment of tangible fixed assets	789,563	489,963
Decrease/(increase) in debtors	7,052,998	(56,342,847)
Increase in creditors	3,493,003	38,492,769
Interest paid	(156,359)	(151,468)
Tax paid	(3,819,421)	(3,702,334)
<b>Net cash flows from operating activities</b>	<u>22,704,341</u>	<u>(5,849,576)</u>

#### 34 Approval of financial statements

The directors approved the financial statements on the 24 April 2024