

REPORTS AND FINANCIAL STATEMENTS
CONSERVATION ENGINEERING LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2014

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FOR THE YEAR ENDED 31 DECEMBER 2014

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CONSERVATION ENGINEERING LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

C. McCarthy
M.G. O'Sullivan

SECRETARY

R. O'Sullivan (resigned 12 December 2014)
L. O'Riordan (appointed 12 December 2014)

REGISTERED OFFICE

Webworks
Eglinton Street
Cork

SOLICITORS

O'Flynn Exhams & Partners
58 South Mall
Cork

BANKERS

Ulster Bank
51 Castle Street
Dalkey
Co. Dublin

AUDITOR

Deloitte
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

CONSERVATION ENGINEERING LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of Conservation Engineering Limited ('the Company') for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

This Company is a subsidiary of Ervia (formerly 'Bord Gáis Éireann'). The principal activity of the business was the creation of combined heat and power which has now ceased. The Company is dormant and currently there are no plans for future activity.

PRINCIPAL RISKS AND UNCERTAINTIES

As the Company is dormant, the directors believe that the Company currently faces no risks or uncertainties.

RESULTS

The statement of comprehensive income for the year ended 31 December 2014 and balance sheet as at 31 December 2014 are set out on pages 8 and 9 respectively.

ACCOUNTING RECORDS

To ensure that proper books and accounting records are kept in accordance with Sections 281-285 of the Companies Act 2014, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at Webworks, Eglinton Street, Cork.

DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES

The names of the persons who were directors at any time during and since the year ended 31 December 2014 are set out below:

C. McCarthy
M.G. O'Sullivan

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CONSERVATION ENGINEERING LIMITED

DIRECTORS' REPORT

DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES - continued

In accordance with the Articles of Association, the directors are not required to retire by rotation. The directors and secretary had no interest in the share capital of the Company at any time during the year. M.G. O'Sullivan and the company secretary are beneficiaries of the Employee Share Ownership Plan of Ervia, the ultimate parent undertaking.

SUBSEQUENT EVENTS

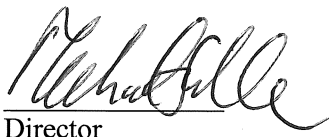
At the date of approval of the financial statements the directors are not aware of any post balance sheet events that require adjustment or disclosure to be made in the financial statements.

AUDITOR

The auditor, Deloitte, Chartered Accountants and Statutory Audit Firm, continues in office in accordance with Section 383(2) of the Companies Act 2014.

For and on behalf of Conservation Engineering Limited:


Director
C. MCCARTHY


Director
M.G. O'SULLIVAN

19/10/2015
Date of Approval

CONSERVATION ENGINEERING LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT


Irish Company law requires the directors to prepare financial statements giving a true and fair view of the assets, liabilities, and financial position of the Company and the profit or loss of the Company for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. In preparing those 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 that the financial statements comply with IFRSs as adopted by the European Union; 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 keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities and financial position and income statement of the Company and to enable them to ensure that the financial statements are prepared in accordance with IFRS as adopted by the European Union and comply with Irish statute comprising the Companies Act 2014. 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.

Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

For and on behalf of Conservation Engineering Limited:


Director
C. MCCARTHY


Director
M.G. O'SULLIVAN

19/10/2015
Date of Approval

We have audited the financial statements of Conservation Engineering Limited for the financial year ended 31 December 2014 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes 1 to 9. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and International Financial Reporting Standards (IFRS) as adopted by the European Union ("relevant financial reporting framework").

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibility 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 otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with the Companies Act 2014 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Financial Statements for the year ended 31 December 2014 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2014 and of the result for the year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

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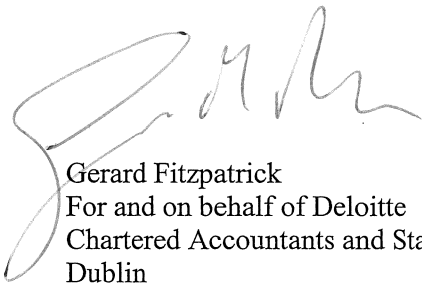
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSERVATION ENGINEERING LIMITED

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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Gerard Fitzpatrick
For and on behalf of Deloitte
Chartered Accountants and Statutory Audit Firm
Dublin

Date: 19/10/2015

CONSERVATION ENGINEERING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014**

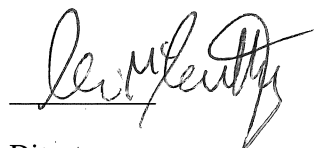
The Company did not trade during the financial year or the preceding financial year and received no income and incurred no expenditure. Consequently during these years the Company made neither a profit nor a loss.

CONSERVATION ENGINEERING LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2014

	Note	2014 €'000	2013 €'000
TOTAL ASSETS		<u>-</u>	<u>-</u>
EQUITY			
Called up share capital presented as equity	3	(800)	(800)
Capital conversion reserve fund		(13)	(13)
Retained Earnings	4	<u>954</u>	<u>954</u>
TOTAL EQUITY		<u>141</u>	<u>141</u>
LIABILITIES			
Current liabilities			
Trade and other payables	5	<u>(141)</u>	<u>(141)</u>
TOTAL LIABILITIES		<u>(141)</u>	<u>(141)</u>
TOTAL EQUITY AND LIABILITIES		<u>-</u>	<u>-</u>

The financial statements were approved by the Board of Directors and signed on its behalf by:



Director
C. MCCARTHY



Director
M.G. O'SULLIVAN

19/10/2015

Date of Approval

CONSERVATION ENGINEERING LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

The Company did not trade during the financial year or the preceding financial year and received no income and incurred no expenditure. Consequently during these years there were no cash flows in the Company.

CONSERVATION ENGINEERING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital	Capital conversion reserve fund	Retained earnings	Total
	€'000	€'000	€'000	€'000
Balance at 31 December 2013	<u>800</u>	<u>13</u>	<u>(954)</u>	<u>(141)</u>
Balance at 31 December 2014	<u>800</u>	<u>13</u>	<u>(954)</u>	<u>(141)</u>

CONSERVATION ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. STATEMENT OF ACCOUNTING POLICIES

The significant accounting policies adopted by the Company are as follows:

1.1. Basis of preparation

Conservation Engineering Limited ('the Company') is a wholly owned subsidiary of Ervia (formerly Bord Gáis Éireann). In common with other subsidiaries, the financial statements of the Company reflect the effect of such group membership.

The financial statements are presented in euro and are prepared on a historical cost basis.

i. Statement of Compliance

The financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU ('EU IFRS'), International Financial Reporting Interpretations Committee ('IFRIC') interpretations and in accordance with the Companies Act 2014.

The financial statements have been prepared in accordance with those IFRSs and IFRIC interpretations issued and effective for accounting periods ending on or before 31 December 2014.

ii. Use of estimates and judgements

The preparation of the financial statements, in conforming with IFRS, requires the use of judgements, estimates and assumptions in determining the value of assets and liabilities, income and expenses recorded for the year and positive and negative contingencies at year-end. Actual results in future financial statements may differ from current estimates due to changes in these assumptions or economic conditions.

The principal estimates and judgments are described below. Given their importance in the Company's financial statements, the impact of any change in assumption in these areas could be significant.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which these estimates are revised and in any future periods affected.

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CONSERVATION ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. STATEMENT OF ACCOUNTING POLICIES - continued

1.2 New accounting standards and interpretations

Table 1: New standards, amendments to standards and interpretations

Standard/Amendment	Effective Date (as endorsed by the EU)	Endorsed by the EU
IFRS 10 Consolidated Financial Statements	1 January 2014	December 2012
IFRS 11 Joint Arrangements	1 January 2014	December 2012
IFRS 12 Disclosure of Interests in Other Entities	1 January 2014	December 2012
IAS 27 (2011) Separate Financial Statements	1 January 2014	December 2012
IAS 28 (2011) Investments in Associates and Joint Ventures	1 January 2014	December 2012
Amendment to IAS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014	December 2012
Amendments to IFRS 10, 11, 12 Transition Guidance	1 January 2014	April 2013
Amendments to IFRS 10, 12 and IAS 27 Investment Entities	1 January 2014	November 2013
Amendment to IAS 36 Impairment of Assets	1 January 2014	December 2013
Amendment to IAS 39 Novation of Derivatives and Hedge Accounting	1 January 2014	December 2013

In the current year, the Company has applied a number of new and revised IFRS, as set out in table 1, that are mandatorily effective under IFRS, as endorsed by the EU, for accounting periods beginning on or after 1 January 2014.

The package of five standards on control, consolidation, joint arrangements, associates and disclosures, comprising IFRS 10, IFRS 11, IFRS 12, IAS 27 (2011), IAS 28 (2011), and the amendments to these standards set out in table 1, became effective on 1 January 2014 under IFRS as endorsed by the EU, with retrospective application for comparative periods presented. IFRS 10 provides a single consolidation model that identifies control as the basis of consolidation for all types of entities. It replaces IAS 27 (2008) and SIC 12. IFRS 11 establishes principles for financial reporting by the parties to a joint arrangement, thereby replacing IAS 31 and amending IAS 28 (2008). IFRS 12 combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. The application of these new standards and amendments to standards did not have a material impact on the Company's financial statements for 2014.

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CONSERVATION ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. STATEMENT OF ACCOUNTING POLICIES - continued

1.2 New accounting standards and interpretations - continued

Table 2: New standards, amendments to standards and interpretations in issue but not yet effective

Standard/Amendment	IASB Effective Date	Endorsed by the EU
IFRIC 21 Levies	1 January 2014	June 2014
Annual Improvements to IFRS 2011-2013	1 July 2014	December 2014
Annual Improvements to IFRS 2010-2012	1 July 2014	December 2014
Amendment to IAS 19 Defined Benefit Plans: Employee Contributions	1 July 2014	December 2014
Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	(Outstanding)
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	(Outstanding)
Amendments to IAS 16 and IAS 41: Bearer Plants	1 January 2016	(Outstanding)
Amendments to IAS 27: Equity Method in Separate Financial Statements	1 January 2016	(Outstanding)
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016	(Outstanding)
Annual Improvements to IFRSs 2012–2014 Cycle	1 January 2016	(Outstanding)
Amendments to IAS 1: Disclosure Initiative	1 January 2016	(Outstanding)
Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception	1 January 2016	(Outstanding)
IFRS 15 Revenue from Contracts with Customers	1 January 2017	(Outstanding)
IFRS 14 Regulatory Deferral Accounts	1 January 2016	(Outstanding)
IFRS 9 (2010 and 2009) Financial instruments	1 January 2018	(Outstanding)

Table 2 sets out the standards, amendments to standards and interpretations that are in issue but are not yet effective under IFRS, as endorsed by the EU, for the year ended 31 December 2014 and thus have not been applied in preparing these financial statements.

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CONSERVATION ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. STATEMENT OF ACCOUNTING POLICIES - continued

1.3 Financial liabilities

Non-derivative financial liabilities

Trade and other payables

Trade and other payables are initially recorded at fair value, which is usually the original invoiced amount, and subsequently carried at amortised cost using the effective interest rate method. The carrying value of trade payables is approximately equal to fair value.

2. STATUTORY INFORMATION

The directors did not receive remuneration from the Company in either the current or prior year. The Company does not have any employees.

3. CALLED UP SHARE CAPITAL PRESENTED AS EQUITY	2014 €'000	2013 €'000
Authorised:		
3,750,000 A ordinary shares of €1.25 each	4,688	4,688
1,250,000 B ordinary shares of €1.25 each	<u>1,563</u>	<u>1,563</u>
	<u>6,251</u>	<u>6,251</u>
Allotted, called up and fully paid:		
480,000 A ordinary shares of €1.25 each	600	600
160,000 B ordinary shares of €1.25 each	<u>200</u>	<u>200</u>
	<u>800</u>	<u>800</u>

The A and B ordinary shares rank pari passu.

4. RETAINED EARNINGS

	Retained Earnings €'000
Balance at 31 December 2013	<u>954</u>
Balance at 31 December 2014	<u>954</u>

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CONSERVATION ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

5. TRADE AND OTHER PAYABLES	2014	2013
	€'000	€'000
Current:		
Amounts due to parent company	<u>141</u>	<u>141</u>

6. PARENT COMPANY

The ultimate parent undertaking and controlling party for which group financial statements are drawn up is Ervia (formerly Bord Gáis Éireann). Copies of the group financial statements may be obtained from The Secretary, Ervia, Webworks, Eglinton Street, Cork.

7. RELATED PARTY TRANSACTIONS

At the year end the Company had the following balance with its parent company. This balance arose due to the transfer of contracts and a funding requirement.

The following balances were outstanding at the end of the reporting year:

	2014	2013
	€'000	€'000
Ervia (parent company)	<u>141</u>	<u>141</u>

8. SUBSEQUENT EVENTS

There have been no significant events affecting the company since the financial year end requiring disclosure in the financial statements.

9. APPROVAL OF FINANCIAL STATEMENTS

The directors approved the financial statements on 19th October 2015.