

CFO Annual seminar

25 November 2015

Conrad Hotel



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Olivia Regan
Anne Kehoe

Conrad Hotel



Scope of FRS 100 - 105



Summary of new framework

FRS 100

- financial reporting framework for UK and Ireland
- various alternatives available
- movement upward towards IFRS permitted

FRS 101

- IFRS for recognition and measurement in the profit and loss and balance sheet
- qualifying entities
- reduced disclosure requirements
- companies acts accounts

FRS 102

- new UKI GAAP
- based on IFRS for SMEs but with significant amendments
- reduced disclosure framework for qualifying entities

FRS 103

- insurance contracts
- once adopted, FRS 27 and the ABI SORP will cease to apply
- expected to have limited life – will be revisited when IASB completes its own insurance accounting project

FRS 104

- interim financial statements
- intended for those applying FRS 102
- can also be applied by those applying FRS 101



Summary of new framework

FRS 105

- financial reporting standard applicable to entities applying the micro entities regime
- based on FRS 102 with simplifications to comply with the law
- effective from 1 January 2016

FRSSE

- FRSSE 2015 available for early adoption but may be withdrawn with requirement for these entities to use FRS 102
- amended to include specific provisions/exemptions for micro entities
- to be withdrawn in January 2016



Scope of FRS 100 - 102

Options available:

Current framework	New framework	
IFRS	IFRS	REDUCED DISCLOSURE
Irish GAAP	FRS 102	REDUCED DISCLOSURE
	FRSSE	



Who should use what

FRS 102 suitable for:

- indigenous Irish companies

IFRS suitable for:

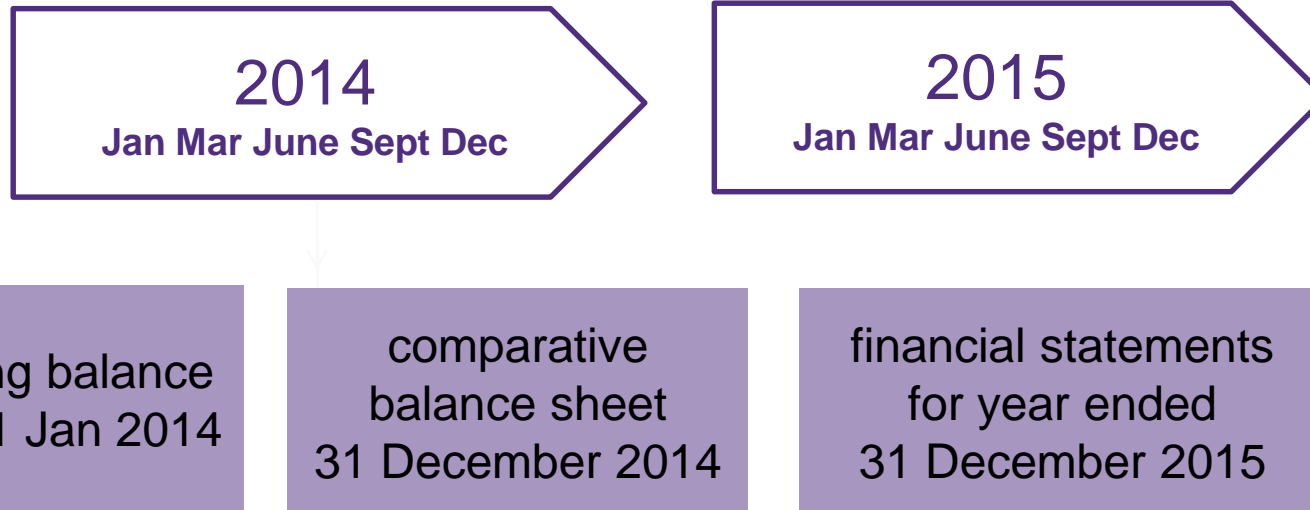
- subsidiaries of large multinational groups (less local GAAP adjustments)
- companies preparing for IPO/sale



Scope of FRS 100 - 102

Timelines:

Mandatory for years beginning on or after 1 January 2015



Early adoption is permitted



Scope of FRS 100 – 102 (continued)

FRS 101- qualifying entities

qualifying
entities

- member of a group
- parent prepares publicly available consolidated financial statements intended to give a **true and fair view**
- entity is included in the consolidation
- cannot apply to a charity



Scope of FRS 100 - 102

FRS 101 disclosure exemptions

Only if provided in consolidated accounts	Available regardless of disclosures in consolidated accounts
group share based payments	intra-group related party disclosures (if 100% owned subsidiaries)
IFRS 7 Financial instruments*	comparative reconciliation: <ul style="list-style-type: none">- PPE- intangible assets- share capital- investment property- agriculture (biological assets)
IFRS 13 Fair value measurements*	disclosure of key management personnel compensation
capital disclosure requirements of IAS 1*	IAS 8 disclosures regarding new standards issued but not yet effective and not applied.
*Exemption not available for financial institutions	



Scope of FRS 100 - 102

FRS 101 disclosure exemptions

Only if provided in consolidated accounts	Available regardless of disclosures in consolidated accounts
business combinations	cash flow statement
IFRS 5 Non-current assets held for sale – net cash flows attributable to operating, investing and financing activities of discontinued operations	impairment disclosures regarding value in use, fair value less costs of disposal and impact of changes in key assumptions



FRS101—new disclosure framework

In order to avail of the reduced disclosures, the qualifying entity must:

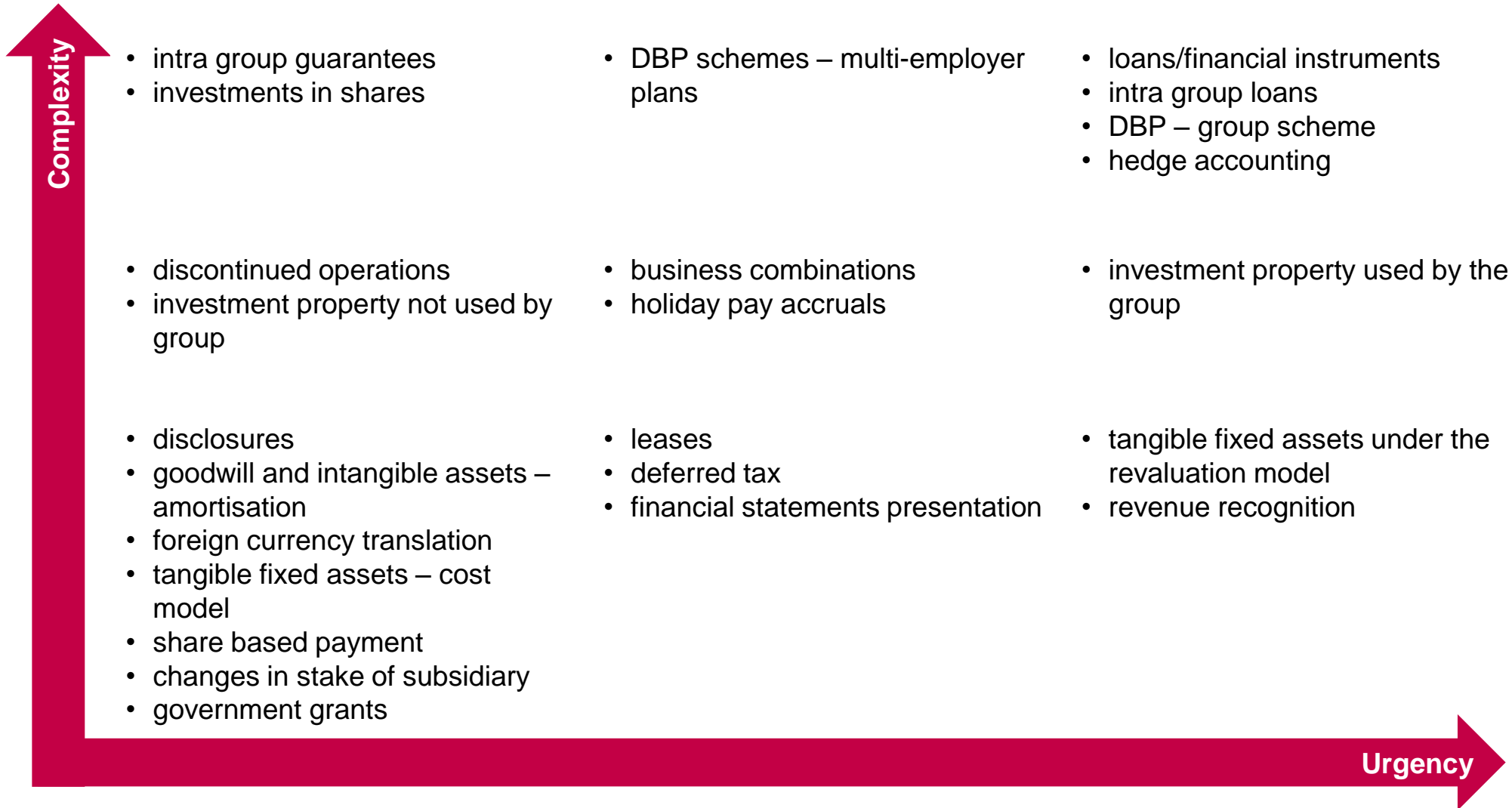
- notify the shareholders in writing (no objection by the immediate parent or a shareholder holding in excess of 5% of the total allotted shares)
- disclose in the notes a brief narrative summary of the disclosure exemptions adopted
- the name of the parent of the group in whose consolidated financial statements it is included and where these can be obtained.



Overview: Conversion issues



Conversion issues: complexity vs. urgency



Latest amendments (not yet transposed into Irish law)



Key updates to FRS 101

The following amendments have been made to FRS 101:

- an exemption is given from the IFRS 1 requirement to present an opening balance sheet on first time adoption of FRS 101
- changes are made to allow IFRS-type formats for the income statement and balance sheet
- an exemption from requirement in IAS 24 to disclose amounts incurred by an entity for the provision of key management personnel services that are provided by a separate management entity
- removal of the requirement that changes in the estimated amount of contingent consideration in a business combination should be treated as an adjustment to the cost of the combination instead of to P&L.



Updates to FRS 102 – small entities

- new section 1A has been inserted for 'small entities'
- 'small entities' = Companies Act definition
- small entities can elect to adopt any of the 3 FRS 102 options:
 - FRS 102 (full requirements)
 - FRS 102 with reduced disclosures or
 - FRS 102 section 1A
- but are required to comply with the recognition and measurement rules of FRS 102



Updates to FRS 102 – small entities (continued)

Adopting section 1A – small companies that choose to do so must present:

- balance sheet
- income statement
- notes

Not required to present:

- statement of comprehensive income
- cash flow statement
- statement of changes in equity

Encouraged to present:

- statement of total comprehensive income when there are gains/losses in OCI
- statement of income and retained earnings when there are transactions with equity owners



Updates to FRS 102 – small entities (continued)

Adopting section 1A – small companies that choose to do so

- Sections 8 to 35 disclosure requirements do not apply subject to the overriding requirement to give a true and fair view (section 1A.5)
- apply section 1A disclosure requirements

Some items not required to be complied with include:

- explicit and unreserved statement of compliance (FRS 102.3.3)
- disclosure of material uncertainties relating to events or conditions casting significant doubt about ability to continue as going concern
- disclosures when financial statements not prepared on a going concern basis



Updates to FRS 102 – small entities (continued)

- description on the nature of the entity's operations and its principal activities
- a small company that is a parent is not required to prepare consolidated financial statements



Updates to FRS 102 – other updates

Section 26 – share based payments:

- where entity has option to settle in cash or equity -> account for as equity-settled transaction unless option to settle in equity has no commercial substance or a valid expectation that the entity will settle in cash has been created
- where counterparty has the option to settle in cash or equity -> account for as cash-settled transaction unless option to settle in cash has no commercial substance

Section 7 – cash flow statements:

- small companies can now avail of the cash flow exemption similar to existing Irish GAAP



Updates to FRS 102 – other updates

Section 18/19 – (amortisation of intangible assets including goodwill):

- if, in exceptional cases, an entity is unable to make a reliable estimate of the useful life of an intangible asset (including goodwill), the life shall not exceed ten years

Section 27 – impairment of assets:

- an impairment loss to goodwill cannot be reversed



FRS 104 interim financial reporting

Specifies minimum components for an interim financial report are:

- a condensed statement of financial position
- either a single condensed statement of comprehensive income or a separate condensed statement of comprehensive income and a separate condensed income statement (consistent with either the presentation in the entity's most recent annual financial statements or, if a change is planned, the presentation to be used in the next set of annual financial statements)
- a condensed statement of changes in equity
- a condensed statement of cash flows (unless the entity will not be presenting a statement of cash flows in its next annual financial statements)
- selected explanatory notes.



FRS 104 interim financial reporting

If the financial statements are condensed, they should include, at a minimum, each of the headings and sub-totals included in the most recent annual financial statements and the explanatory notes required by FRS 104



Note disclosures

Information disclosed in relation to significant events and transactions shall update the relevant information presented in the most recent annual financial report.

Examples of specific disclosure requirements of FRS 104:

- write-down of inventories
- recognition or reversal of an impairment loss
- reversal of provision for the costs of restructuring
- acquisitions and disposals of property, plant and equipment



Note disclosures (continued)

- commitments for the purchase of property, plant and equipment
- litigation settlements
- corrections of prior period errors
- changes in business or economic circumstances affecting the fair value of financial assets and liabilities
- remedied loan defaults and breaches of loan agreements
- related party transactions
- changes in contingent liabilities and contingent assets.



FRS 105 – 'the financial reporting standard applicable to the micro-entities regime'

- apply retrospectively
- significantly reduces disclosures but can voluntarily include more
- financial statements required to give a true and fair view by company law
- does not recognise any of the alternative accounting rules or fair value accounting rules => potential issues for assets carried at revalued amounts



FRS 105 (continued)

Changes to accounting in certain areas

- prohibition on recognition of deferred tax
- investment properties – revaluation rules not permitted
- no means of preparing consolidated financial statements => if required to prepare consolidated accounts, cannot apply FRS 105
- financial instruments measurement → at transaction price +/- costs unless immaterial



FRS 105 (continued)

- no need to ascertain net present value of future cash flows using the effective interest rate for 'financing transactions'
- PP&E measured using cost model only
- cannot capitalise development expenditure
- intangible assets, where no finite life, cannot be amortised over a period greater than ten years



FRS 105 (continued)

Changes to accounting in certain areas:

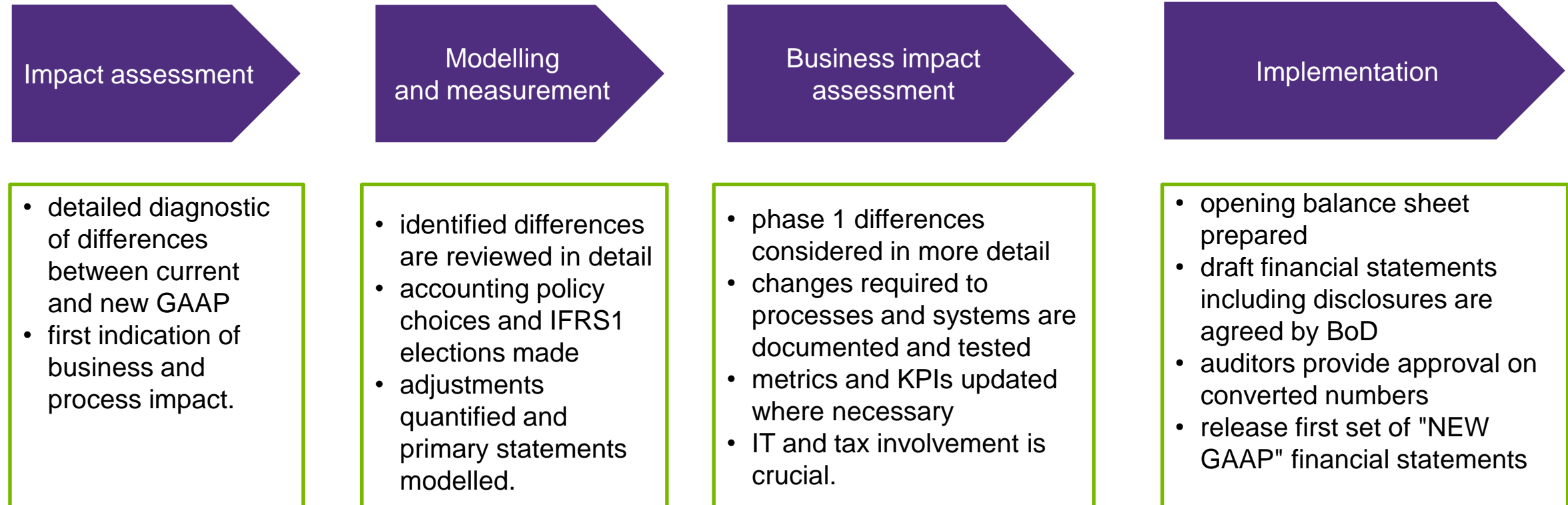
- borrowing costs cannot be capitalised
- no accounting for equity-settled SBPs until shares are issued
- simplification of accounting for DB schemes



Approach to conversion



Approach to conversion



STAKEHOLDER MANAGEMENT AND COMMUNICATION



IASB work plan



Finalised projects



IASB work plan – as at 30 Oct 2015

F – final standard

Finalised accounting standards	2014		2015		2016 +
	H1	H2	H1	H2	
IFRS 9: Financial instruments		F (eff. 1 Jan 18)			
IFRS 14: Regulatory deferral accounts	F (eff. 1 Jan 16)				
IFRS 15: Revenue from contracts with customers	F (eff. 1 Jan 18)				
2015 Amendments to the IFRS for SMEs			F (eff. 1 Jan 17)		



IASB work plan – as at 30 Oct 2015

F – final update

Finalised narrow scope amendments	2014		2015		2016 +
	H1	H2	H1	H2	
Accounting for acquisitions of interests in joint operations (amendment to IFRS 11)	F (eff. 1 Jan 16)				
<i>Clarification of acceptable methods of depreciation and amortisation</i> (amendments to IAS 16 and IAS 38)	F (eff. 1 Jan 16)				
<i>Agriculture: bearer plants</i> (amendments to IAS 16 and IAS 41)	F (eff. 1 Jan 16)				
Equity method in separate financial statements (amendments to IAS 27)		F (eff. 1 Jan 16)			
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)		F (eff. postponed)			



IASB work plan – as at 30 Oct 2015

F – final update

Finalised narrow scope amendments annual improvements 2012 – 2014	2014		2015		2016 +
	H1	H2	H1	H2	
IFRS 5 <i>Non-current assets held for sale and discontinued operations</i> : changes in methods of disposal		F (eff. 1 Jan 16)			
IFRS 7 Financial instruments: disclosures: <ul style="list-style-type: none"> servicing contracts applicability of the amendments to IFRS 7 to condensed interim financial statements 		F (eff. 1 Jan 16)			
IAS 19 Employee benefits Discount rate: regional market issue		F (eff. 1 Jan 16)			
IAS 34 Interim financial reporting: disclosure of information 'elsewhere in the interim financial report'		F (eff. 1 Jan 16)			



IASB work plan – as at 30 Oct 2015

F – final update

Finalised narrow scope amendments annual improvements 2012 – 2014	2014		2015		2016 +
	H1	H2	H1	H2	
Investment entities: applying the consolidated exception (amendments to IFRS 10, IFRS 12 and IAS 28)		F (eff. 1 Jan 16)			
Disclosure initiative: (amendments to IAS 1)		F (eff. 1 Jan 16)			



Narrow scope amendments issued during 2014

Topic	Guidance	Effective date
Accounting for acquisitions of interests in joint operations (amendment to IFRS 11)	A joint operator should account for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business by applying IFRS 3 <i>business combinations</i> and other applicable IFRSs, and disclose the relevant information specified in those IFRSs for business combinations.	1 January 2016



Narrow scope amendments issued during 2014

(continued)

Topic	Guidance	Effective date
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	<p>Amendments clarify that:</p> <ul style="list-style-type: none"> • use of revenue-based methods to calculate the depreciation of an asset is not appropriate, as revenue generated by an activity, that includes the use of an asset, generally reflects factors other than the consumption of the economic benefits embodied in the asset • revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances 	1 January 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	<p>Amendments clarify that bearer plants should be accounted for in the same way as property, plant and equipment in IAS 16, as their operation is similar to that of manufacturing.</p> <p>Consequently, the amendments include them within the scope of IAS 16 instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.</p>	1 January 2016



Narrow scope amendments issued during 2014

(continued)

Topic	Guidance	Effective date
Equity method in separate financial statements (proposed amendments to IAS 27)	Amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1 January 2016
Sale or contribution of assets between an investor and its associate or joint venture (proposed amendments to IFRS 10 and IAS 28)	<p>Inconsistency between the requirements in IFRS 10 and IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture.</p> <p>Amendments require that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not).</p> <p>A partial gain or loss (unrelated investors interest) is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.</p>	Postponed



Narrow scope amendments issued during 2014

(continued)

Topic	Guidance	Effective date
IFRS 5 <i>Non-current assets held for sale and discontinued operations</i>: change in methods of disposal	<p>Clarification when the method of disposal of an asset (or disposal group) changes from being held for sale to being held for distribution (or vice versa). Such changes are not considered a change to a plan of sale and therefore the classification, presentation, and measurement requirements of IFRS 5 continue to apply.</p> <p>In circumstances in which an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable, it can no longer apply IFRS 5.</p>	1 January 2016



Narrow scope amendments issued during 2014

(continued)

Topic	Guidance	Effective date
IFRS 7 Financial instruments: disclosures: servicing contracts	<p>Amendment provides additional guidance that clarifies how an entity should apply the guidance in paragraph 42C of IFRS 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the transfer disclosures required by IFRS 7.</p> <p>Standard amended to state that the right to earn a service fee is generally continuing involvement for the disclosure requirements.</p>	1 January 2016
IFRS 7 Financial instruments: disclosures: applicability of the amendments to IFRS 7 to condensed interim financial statements	<p>The additional disclosure required by the amendment to IFRS 7: Disclosure – offsetting financial assets and financial liabilities is not specifically required for all interim periods.</p> <p>However, the additional disclosure is required in the condensed interim financial statements prepared in accordance with IAS 34 interim financial reporting when its inclusion would be required by that standard.</p>	1 January 2016



Narrow scope amendments issued during 2014

(continued)

Topic	Guidance	Effective date
IAS 19 <i>Employee Benefits</i>: Discount rate: regional market issue	<p>Amendment clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability.</p> <p>It further clarifies that the depth of the market for high quality corporate bonds should be assessed at currency level not country.</p>	1 January 2016
IAS 34 <i>Interim Financial Reporting</i>: Disclosure of information 'elsewhere in the interim financial report'	Amends IAS 34 to clarify the meaning of disclosure of information "elsewhere in the interim financial report" as used in IAS 34 and to require the inclusion of a cross-reference from the interim financial statements to the location of information.	1 January 2016



Narrow scope amendments issued during 2014

(continued)

Topic	Guidance	Effective date
Investment entities: applying the consolidated exception (amendments to: IFRS 10, IFRS 12 and IAS 28)	<p>Consolidation exemption is available to an intermediate parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value</p> <p>A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity</p> <p>When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries</p> <p>An investment entity parent must consolidate a subsidiary where that subsidiary operates as an extension of the parents operations and where the subsidiary itself does not meet the definition of an investment entity</p> <p>An investment entity measuring all of its subsidiaries at fair value provides disclosures relating to investment entities as per IFRS 12</p>	1 January 2016



Narrow scope amendments issued during 2014

(continued)

Topic	Guidance	Effective date
Disclosure initiative: (amendments to IAS 1)	The amendments relate to the following: <ul style="list-style-type: none">• materiality• order of the notes• subtotals• accounting policies• disaggregation	1 January 2016



Active projects



IASB work plan – as at 30 Oct 2015

A – Analysis
D IFRS – Drafting IFRS
EI IFRS – Expected Issue date IFRS
PC – Public Consultation

Active projects	2015	2016
Upcoming standards:		
Insurance contracts	A	EI IFRS
Leases	D IFRS	EI IFRS (eff. 1 Jan 19)
Published exposure draft:		
Conceptual framework	PC	
Disclosure initiative – materiality practice statement	PC	



IASB work plan – as at 30 Oct 2015

A – Analysis
P ED – Publish Exposure Draft
P DP – Publish Discussion Paper

Active projects continued	2015	2016
Upcoming exposure drafts:		
Disclosure initiative - changes in accounting policies and estimates	A	P ED
Published discussion papers:		
Dynamic risk management: a portfolio revaluation approach to macro hedging	A	P DP
Rate-regulated activities	A	P DP
Upcoming discussion papers:		
Disclosure initiative – principles of disclosure	A	P DP



IASB work plan – as at 30 Oct 2015

A – Analysis
D ED – Drafting Exposure Draft
P ED – Publish Exposure Draft
PC – Public Consultation

Active projects continued	2015	2016
Narrow-scope amendments:		
Annual improvements 2014 – 2016	D ED	P ED
Annual improvements 2015 - 2017	A	P ED
Clarifications arising from the post implementation review (proposed amendments to IFRS 8)	D ED	P ED
Clarification of classification and measurement of share-based payment transactions (proposed amendments to IFRS 2)	A	
Clarifications to IFRS 15 Revenue from contracts with customers: issues emerging from transition resource group discussions	PC	
Classification of liabilities (proposed amendment to IAS 1)	PC	



IASB work plan – as at 30 Oct 2015

A – Analysis
D ED – Drafting Exposure Draft
P ED – Publish Exposure Draft
PC – Public consultation
D IFRS – Drafting IFRS
EI IFRS – Expected Issue Date IFRS

Active projects continued	2015	2016
Narrow-scope amendments:		
Definition of a business – IFRS 3	D ED	P ED
Different effective dates of IFRS 9 and the new insurance contracts standard	D ED	P ED
Disclosure initiative – amendments to IAS 7	D IFRS	EI IFRS
Effective date of amendments to IFRS 10 and IAS 28	PC	
Fair value measurement: unit of account	A	EI IFRS
Recognition of deferred tax assets for unrealised losses (proposed amendments to IAS 12)	D IFRS	EI IFRS



IASB work plan – as at 30 Oct 2015

A – Analysis
D ED – Drafting ED
P ED – Publish ED
PC – Public Consultation

Active projects continued	2015	2016
Narrow-scope amendments:		
Remeasurement at a plan amendment, curtailment or settlement/availability of a refund of a surplus from a defined benefit plan (proposed amendments to IAS 19 and IFRIC 14)	A	
Remeasurement of previously held interests - obtaining control or joint control in a joint operation that constitutes a business (proposed amendments to IFRS 3 and IFRS 11)	D ED	P ED
Transfers of investment property (proposed amendments to IAS 40)	D ED	P ED
Interpretations:		
Draft IFRIC interpretation - uncertainties over income tax treatment	PC	
Draft IFRIC interpretation - foreign currency transactions and advance consideration	PC	



2014 – 2016 cycle: proposed amendments

D ED – Drafting Exposure Draft
P ED – Publish Exposure Draft

Topic	Guidance	2015
IFRS 1 First-time adoption of International financial reporting standards: short-term exemptions for first-time adopters. This amendment was tentatively approved by the IASB in December 2013	The objective of this project is to delete some of the short-term exemptions from IFRS in Appendix E of IFRS 1, after those short-term exemptions have served their intended purpose.	D ED (P ED 2016)
IAS 28 Investments in associates and joint ventures: clarification that measuring investees at fair value through profit or loss is an investment - by - investment choice. This amendment was tentatively approved by the IASB in January 2015.	Amendment to the wording of IAS 28 to make clear that an entity (a venture capital organisation, or a mutual fund, unit trust or similar entities including investment linked insurance funds) has an investment-by-investment choice for measuring investments in associates and joint ventures at fair value through profit or loss in accordance with IAS 28.	D ED (P ED 2016)
IFRS 12 Disclosure of interests in other entities: clarification of the scope of the disclosure requirements in IFRS 12. This amendment was tentatively approved by the IASB in July 2015.	IASB confirmed that the disclosure requirements in IFRS 12, apply to interests in other entities that are classified as held for sale or discontinued operations.	D ED (P ED 2016)



2015 – 2017 cycle: proposed amendments

A Analysis
P ED – Publish Exposure
Draft

Topic	Guidance	2016
IAS 23 <i>Borrowing costs</i> — borrowing costs on completed qualifying assets	These funds should be included within the general borrowings and therefore would be included in the calculation of the capitalisation rate to be applied to other qualifying assets that have been funded from general borrowing sources as described in paragraph 14 of IAS 23.	A (P ED 2016)



Research projects



IASB work plan – as at 30 Oct 2015

Active research projects

Assessment stage:

Discount rates	Discussions are planned for 2016
Goodwill and impairment	IASB discussions are planned for 2016. This project was started as a result of the post-implementation review of IFRS 3 business combinations. IASB staff are planning how to address the problems identified
Income taxes	Discussions planned for 2016
Pollutant pricing mechanisms	The IASB has begun discussions and the next step is likely to be a DP in 2016



IASB work plan – as at 30 Oct 2015

Active research projects

Assessment stage:

Post-employment benefits (including pensions)	Discussions are planned for 2016.
Primary financial statements (previously Performance Reporting)	The IASB has begun discussions. This project is closely linked with the work being undertaken in the disclosure initiative. IASB staff will assess the interaction with the disclosure initiative projects before proposing a scope for this project
Provisions, Contingent liabilities and Contingent assets	The IASB has begun discussions. The next steps are pending developments in the <i>conceptual framework</i> project.
Share-based payments	Discussions are planned for 2016.



IASB Work Plan – as at 30 Oct 2015

DP – Discussion paper

Active research projects

Development stage:

Business combinations under common control

The IASB has begun discussions and the next step is likely to be a DP in 2016

Disclosure initiative – principles of disclosure

The IASB has begun discussions and a DP on the principles of disclosure is expected to be published in first half of 2016

Dynamic risk management a portfolio revaluations approach to macro hedging

The IASB has begun discussions and the next step is likely to be a DP in 2016

Equity method of accounting

The IASB has begun discussions and the next step is likely to be a DP in 2016

Financial instruments with characteristics of equity

The IASB has begun discussions and the next step is likely to be a DP in 2016.



Leases – an update



What you need to know

Highlights from the expected new leases standard

Lessee accounting

- single recognition and measurement model
- recognise asset and corresponding liability for all leases (few exceptions exist)

Lessor accounting

- essentially the same application of the current requirements under IAS 17

Convergence and effective date

- convergence on some key issues, some differences between IFRS and US GAAP still exist
- effective from 1 January 2019
- boards expected to issue new standard in Q4 2015

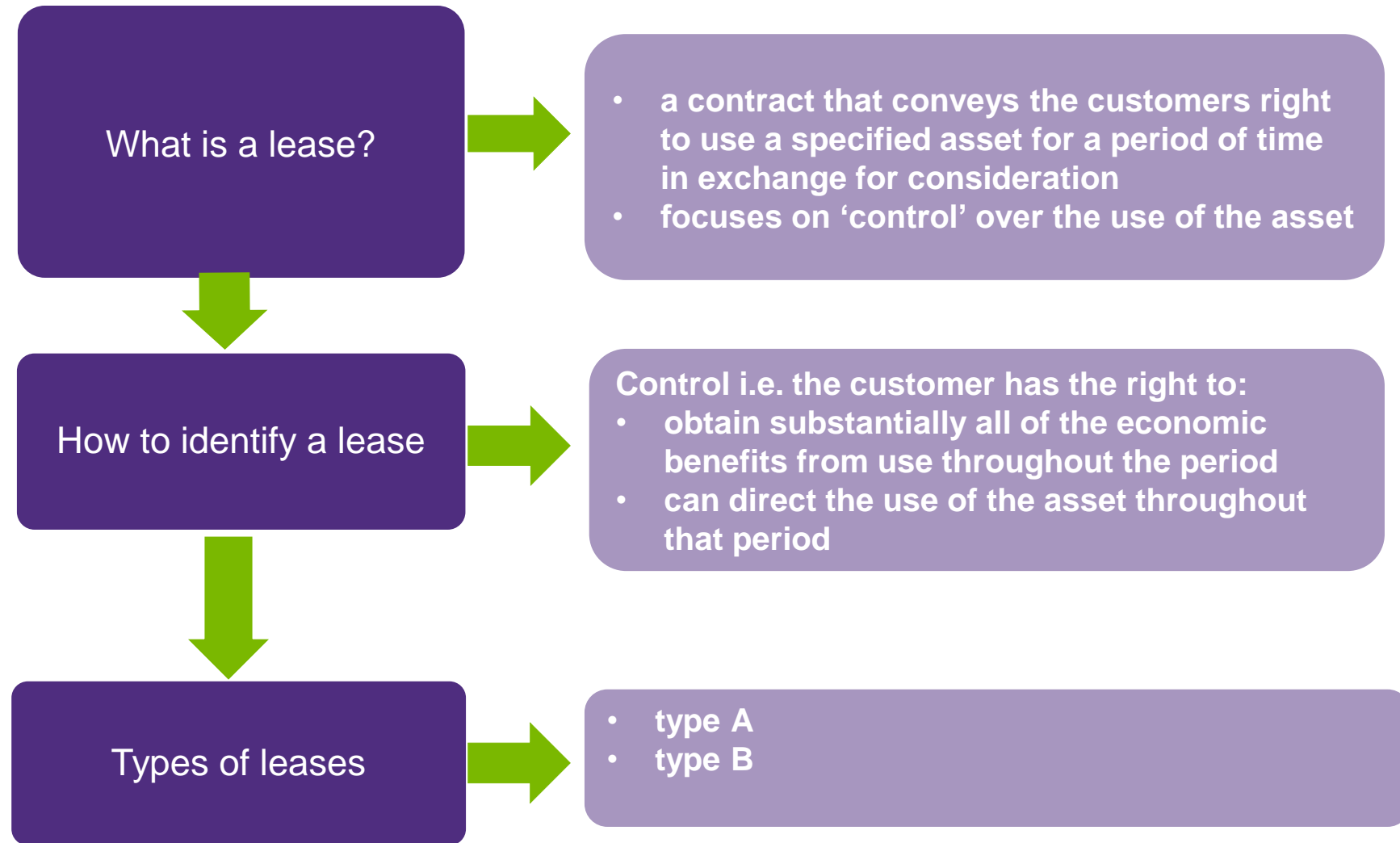


Scope and exclusions

- the IASB's new standard would apply to leases of all assets, **except for** the following:
 - lessor's leases of intangible assets
 - leases of exploration rights re natural resources (e.g. minerals, oil, natural gas)
 - leases of biological assets
 - service concession arrangements within the scope of IFRIC 12 service
 - concession arrangements
- lessees' leases of intangible assets would not be required to be accounted for as leases under the IASB's new standard.



Overview



Lease types

Type A

- **lessee pays** for the part of the **asset it consumes** (consumes a **significant portion**)
- **lease term** is for the **majority of the remaining economic life** of the underlying asset
- **present value of lease payments** are approximately equal to the **fair value of the asset**
- most leases of **equipment and vehicles** would be classified as Type A leases.



Lease types

Type B

- **lessee** pays for use (**consumes only an insignificant part of the asset**)
- most leases of property would be classified as Type B leases (unless the lease term is for the majority of the remaining economic life or present value of lease payments are approximately equal to the fair value of the asset in which case the property would be classified as type A)
- lease term is for an **insignificant part** of the total economic life of the underlying asset
- **present value of lease payments is insignificant when compared to the fair value** of the underlying asset.



Lease accounting – lessees

Balance sheet

Recognition	All leases on balance sheet
	Exemption for small leases (\$5,000 threshold)
	Exemption for short term leases (less than 12 months)
Measurement	Lease liability on discounted basis
	Lease asset = lease liability
	Amortisation of lease asset – typically straight-line
Presentation	Lease liabilities (Per IAS 1, separate line item)
	Lease assets (PPE or own line item)

Statement of profit or loss

	Type A	Type B
Operating costs	Amortisation of asset	Single lease expense
Finance costs	Interest charge on lease liability	

Statement of cash flows

	Type A	Type B
Operating activities	Interest	Total payment
Financing activities	Principal	



Example: lessee accounting Type A vs Type B

Lease commencement date	1 January 20X0
Initial lease term	Five years
Extension option	Three years
Annual lease payments	CU100,000
Annual payment date	31 December
Initial direct costs	CU10,000
Interest rate implicit in lease	5%



TYPE A																			
(W1) Lease liability																			
Year	1	2	3	4	5	Total													
Payment	100,000	100,000	100,000	100,000	100,000	500,000													
PV (5%)	95,238	90,703	86,384	82,270	78,353	432,948													
(W2) Right-of-use-asset																			
Lease liability						432,948													
Initial direct costs						10,000													
Total right-of-use asset						442,948													
(W3) Interest expense																			
Year	Op Liab	Int exp	Payment	CI Liab															
1	432,948	21,647	-100,000	354,595															
2	354,595	17,730	-100,000	272,325															
3	272,325	13,616	-100,000	185,941															
4	185,941	9,297	-100,000	95,238															
5	95,238	4,762	-100,000	0															
(W4) Amortisation of asset																			
Year	1	2	3	4	5														
Op bal	442,948	354,358	265,769	177,179	88,590														
Annual amortisation	88,590	88,590	88,590	88,590	88,590														
Cl bal	354,358	265,769	177,179	88,590	0														
NOTE: Statement of comprehensive income will show the interest expense and the amortisation separately each year																			

Initial recognition:
Dr Right-of use asset 442,948
Cr Lease liability 432,948
Cr Bank 10,000

Subsequent recognition:
1) Finance cost:
Dr Finance expense 21,647
Cr Lease liability 21,647
2) Lease payment:
Dr Lease liability 100,000
Cr Bank 100,000

3) Annual amortisation:
Dr Amortisation expense 88,590
Cr Right-of-use asset 88,590



TYPE B

Statement of comprehensive income will show a single lease expense calculated as follows:

(W5)		\$	
Total lease payments	100,000 X 5 yrs	500,000	
Initial direct cost		10,000	
Total lease cost		510,000	
Cost pa over lease term	510,000/5yrs	102,000	Straight line (SL)

Lease liability calculation - See (W3) Type A

(W6) Amortisation of asset

Year	Opening asset bal	SL (W5)	Int. exp(W3)	Amort. (SL - Int exp)	Closing asset bal
1	442,948	102,000	21,647	80,353	362,595
2	362,595	102,000	17,730	84,270	278,325
3	278,325	102,000	13,616	88,384	189,941
4	189,941	102,000	9,297	92,703	97,238
5	97,238	102,000	4,762	97,238	0

Initial recognition:

Same as for Type A

Subsequent recognition: 31/12/X0

(a)

Dr Lease expense	102,000
Cr Lease liability	
Cr Right-of-use asset	

21,647
80,353

(b)

Dr Lease liability	100,000
Cr Bank	

100,000



Statement of financial position as at 31 December 20X1 (Extract, CU)

	TYPE A	TYPE B
Non-current assets		
Right-of-use assets (W4) & (W6)	354,358	362,595
Non-current liabilities		
Lease liability (W3)	272,325	272,325
Current liabilities		
Lease liability (β)	88,270	88,270

Statement of profit or loss for the year ended 31 December 20X1 (Extract, CU)

	TYPE A	TYPE B
Revenue	X	X
Cost of sales	(X)	(X)
Gross profit	X	X
Distribution costs	(X)	(X)
Administration costs	(X)	(X)
Amortisation (W4)	(88,590)	
Lease expense (W5)		(102,000)
Profit from operations		
Finance costs (W3)	(21,647)	
Profit before tax	X	X
Income tax expense	(X)	(X)
Profit for the year	X	X



Leases of small assets and short term leases

Lessees are exempt from applying the recognition and measurement criteria to:

- certain low value items (small assets), e.g. computers – threshold \$5,000
- short term leases (lease term less than 12 months) are also exempt
- certain disclosures would still be required
- exemption does not apply to assets that are dependent on, or highly interrelated with, other leased assets



Disclosures

Qualitative and quantitative disclosures will be required to explain the amount, timing and uncertainty of cash flows arising from leases

Lessees	Lessors
Quantitative disclosures will be required, including items such as components of the lease expense and cash outflow of lease payments	The measurement and disclosure requirements of IFRS 13 would apply to lease transactions within the scope of the new standard.
Disclosures are required to be presented in a tabular format, unless another format is more appropriate	Qualitative and quantitative disclosure of significant changes in the net investment.
All the lessee disclosures to be presented in a single note or separate section of the financial statements.	



Transition

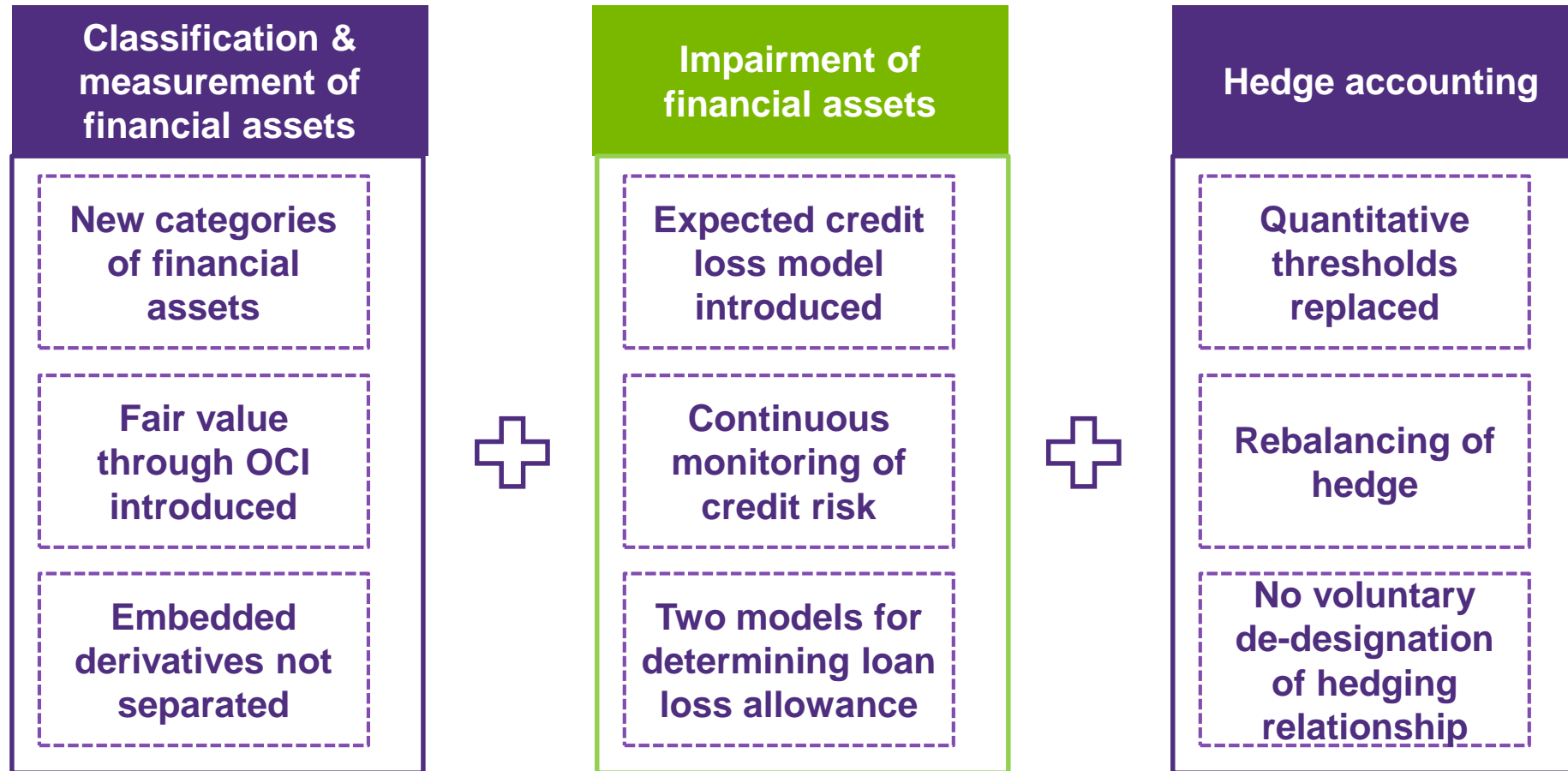
The IASB's new standard would permit entities to choose either a full retrospective transition approach or a modified-retrospective approach on initial application of the new standard.



IFRS 9 Financial instruments



What has changed since IAS 39?



Classification and measurement of financial assets



New categories of financial assets - based on subsequent measurement



Basis of classification of financial assets into 3 categories

An entity's business model refers to how an entity manages its financial assets in order to generate cash flows

Entity's business model determines whether cash flows will result from:

- collecting contractual cash flows
- selling financial assets
- both

Business
model test

This test must be met to achieve amortised cost or FVOCI classification

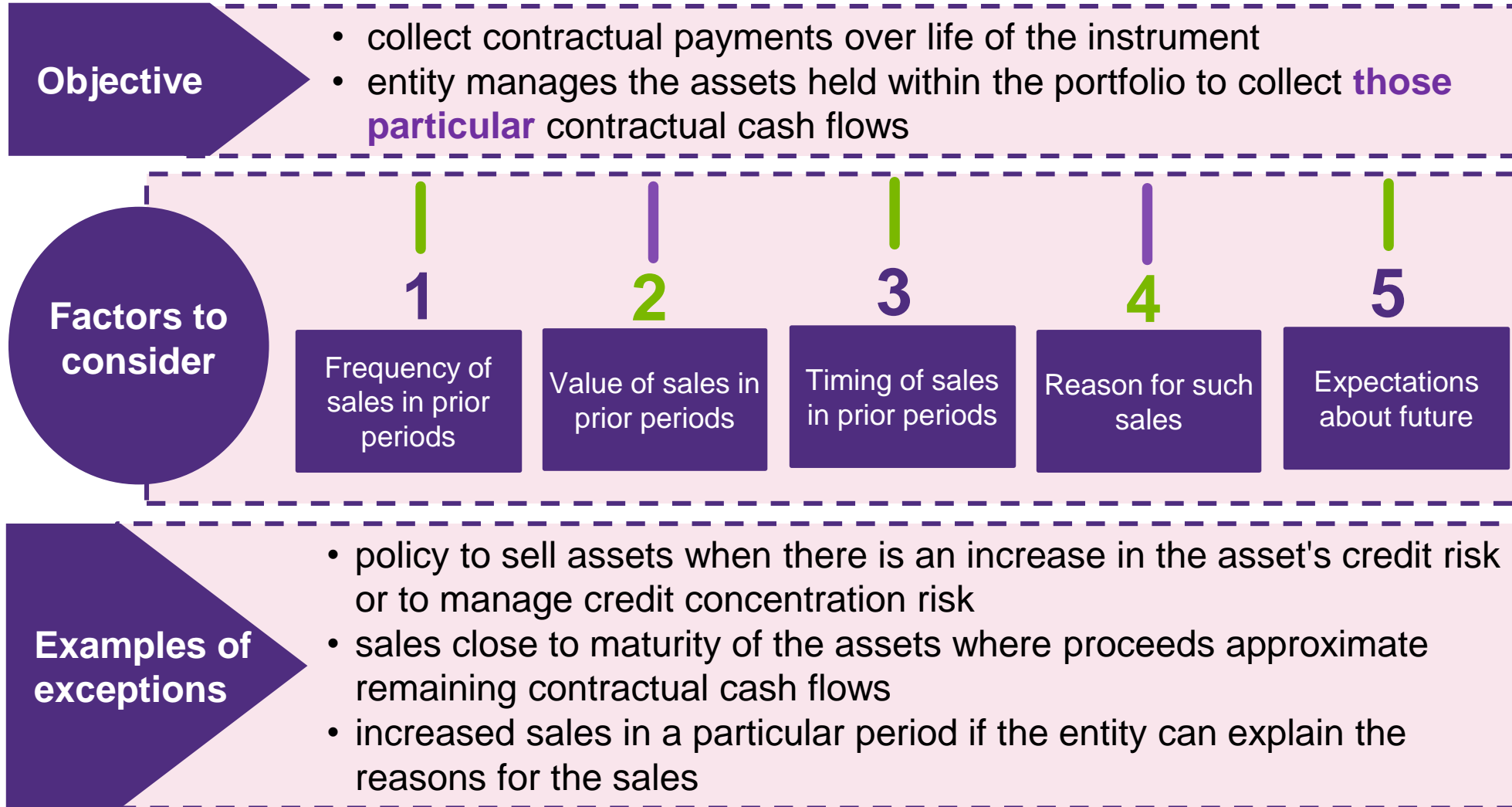
Determine whether the asset's contractual cash flows are solely payments of:

- principal and
- interest on the principal amount outstanding

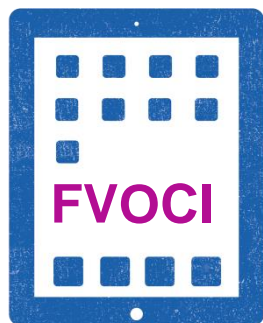
Contractual cash
flow
characteristics
test



'Hold to collect' business model



Optional classifications – fair value options



Irrevocable option at initial recognition

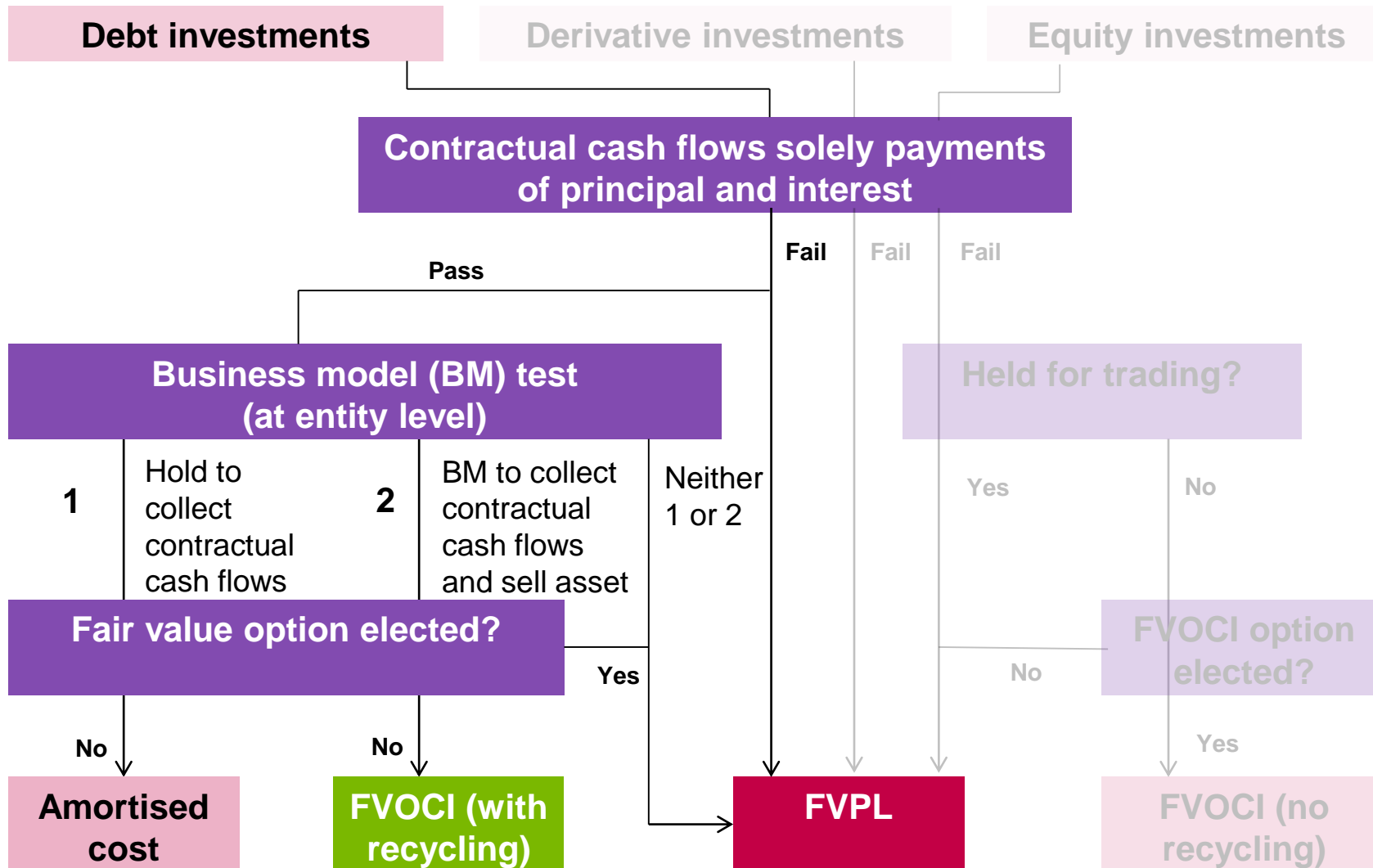


- subsequent changes in fair value (including foreign exchange gains and losses) are recognised in OCI and not recycled to profit or loss
- applicable only to investment in equity instruments which are neither:
 - held for trading, nor
 - contingent consideration in a business combination
- dividends from such investments are recognised in profit or loss
- not subject to impairment accounting

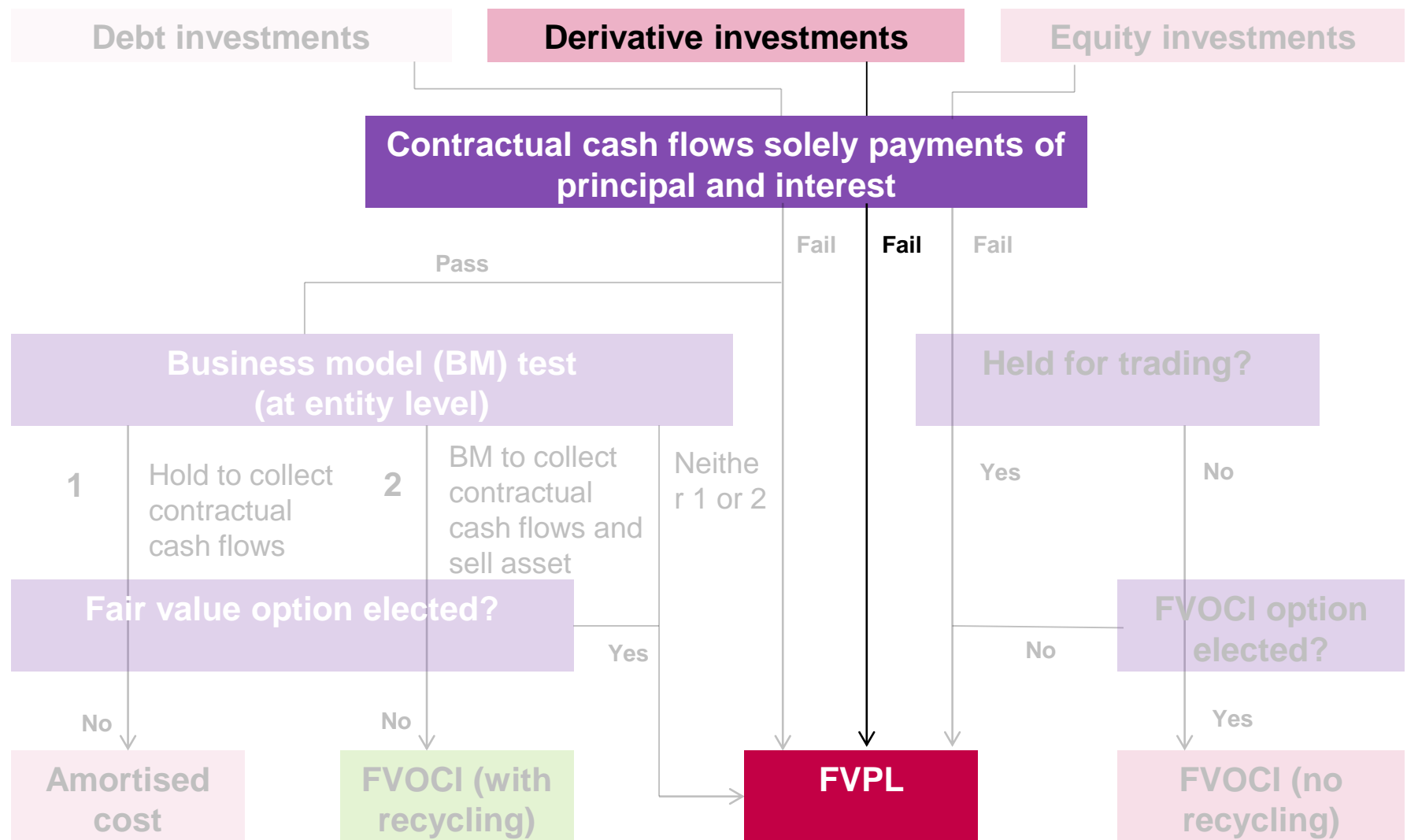
- subsequent changes in fair value are recognised in profit or loss
- applicable to assets that would otherwise be measured at amortised cost or FVOCI
- entity may designate a financial asset or liability as FVPL when doing so eliminates or significantly reduces an accounting mismatch
- entity may designate a financial liability as FVPL when a group of financial assets or liabilities is managed on fair value basis



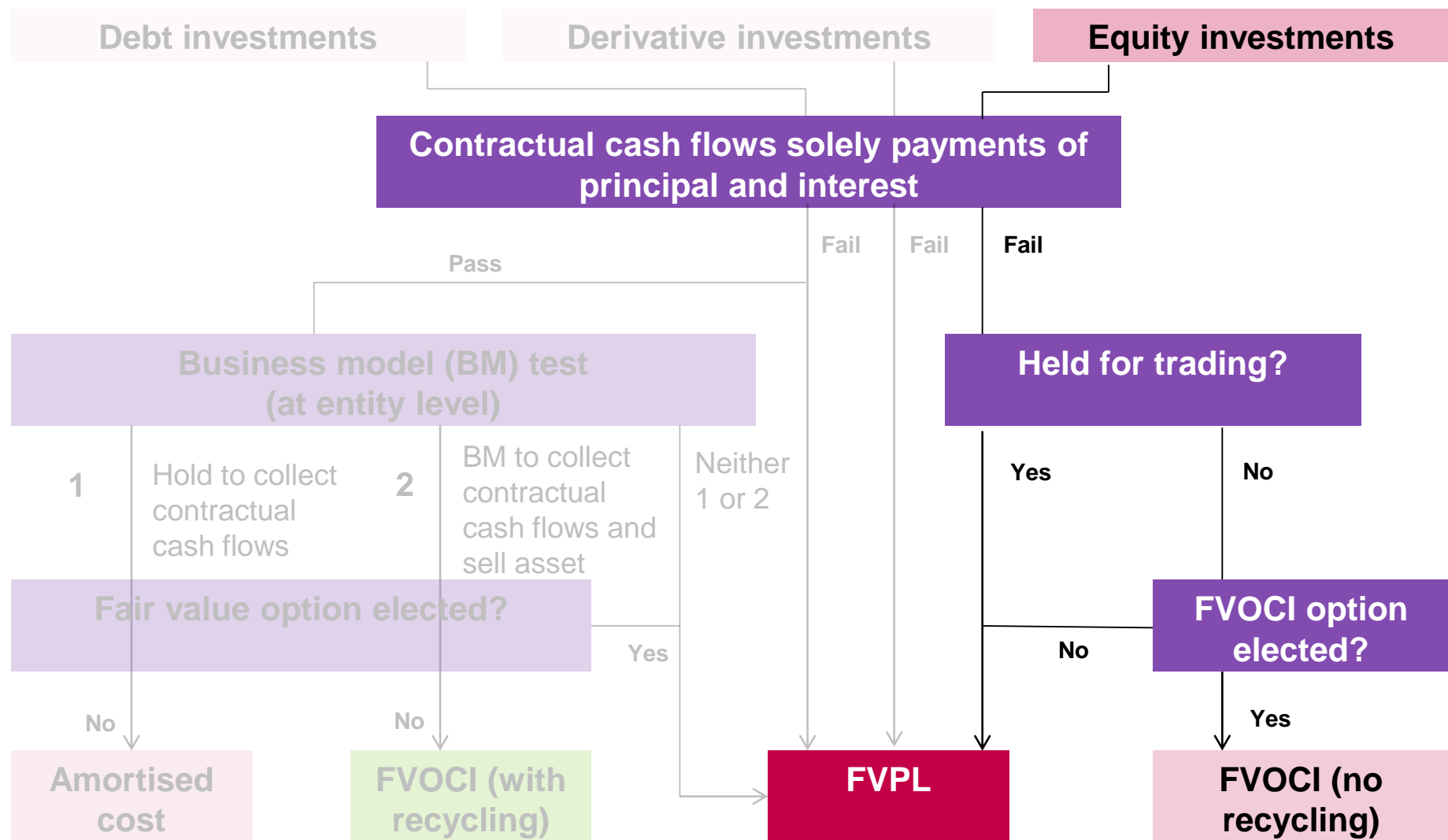
Application to investments in debt securities



Application to derivatives



Application to equity investments



Summary of effect of different classification categories

Category	Balance sheet	Statement of comprehensive income
Amortised cost	<ul style="list-style-type: none"> amortised cost impairment allowance 	<ul style="list-style-type: none"> presented in P&L <ul style="list-style-type: none"> interest using effective interest rate (EIR) initial impairment allowance and subsequent changes
FVOCI	<ul style="list-style-type: none"> fair value 	<ul style="list-style-type: none"> changes in FV in OCI presented in P&L: <ul style="list-style-type: none"> interest calculated using EIR initial impairment allowance and subsequent changes (offsetting entry presented in OCI) FOREX gains and losses cumulative FV gains/losses recycled on derecognition or reclassification
FVPL	<ul style="list-style-type: none"> fair value 	change in FV presented in P&L
Equity FVOCI	<ul style="list-style-type: none"> fair value 	<ul style="list-style-type: none"> changes in fair value presented in OCI no reclassification to P&L on disposal dividends recognised in P&L



Embedded derivatives



Evaluation of embedded derivatives - scope

- IFRS 9 eliminates IAS 39's requirement to separate embedded derivatives within hybrid contracts where host contract is an asset within the scope of IFRS 9
- such contracts will be likely to fail IFRS 9's cash flow characteristics test and hence shall be subsequently measured at fair value through profit or loss
- entities must still consider the need to separate embedded derivatives where host contract is a financial liability or an asset outside the scope of IFRS 9.



Impairment of financial assets




Highlights

- IAS 39's impairment requirements criticised for recognising losses at too late a stage
- IFRS 9 therefore uses more forward-looking information
- recognition based on expected credit loss model rather than incurred credit loss model
- more timely and forward looking assessment
- calculation of EIR is same as in IAS 39
- factors to consider for impairment:
 - past events, e.g. experience of historical losses
 - current conditions
 - reasonably and supportable forecasts affecting future cash flows



Credit losses increase as credit risk increases

Deterioration in credit quality 			
	Stage 1	Stage 2	Stage 3
Credit quality	Not deteriorated significantly since initial recognition or have low credit risk at reporting date	Deteriorated significantly in credit quality since initial recognition but that do not have objective evidence of a credit loss event	Have objective evidence of impairment at the reporting date
Recognition of expected credit losses	12-month expected credit losses when asset originated or purchased	Collective – lifetime expected credit losses when credit quality deteriorates significantly	Individual - lifetime expected credit losses when credit losses are incurred or asset is credit impaired
Recognition of interest	Interest based on gross carrying amount of asset	Interest based on gross carrying amount of asset	Interest based on net carrying amount of asset
	Performing	Under-performing	Non-performing



Rebuttable presumption 'credit risk has increased significantly'

Rebuttable presumption that:

- credit risk has increased significantly where payments ≥ 30 days past due
- rebuttable only where:
 - reasonable and supportable information demonstrates that even where payments ≥ 30 days past due, this does not represent a significant increase in credit risk
 - e.g. where historical evidence suggests a correlation when ≥ 45 days past due.



Impairment – measuring expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses over instrument's expected life

- done by evaluating a range of possible outcomes
- idea is not to use 'worst-case' (or 'best-case') scenarios
- must always reflect possibility of a credit loss occurring and a credit loss not occurring



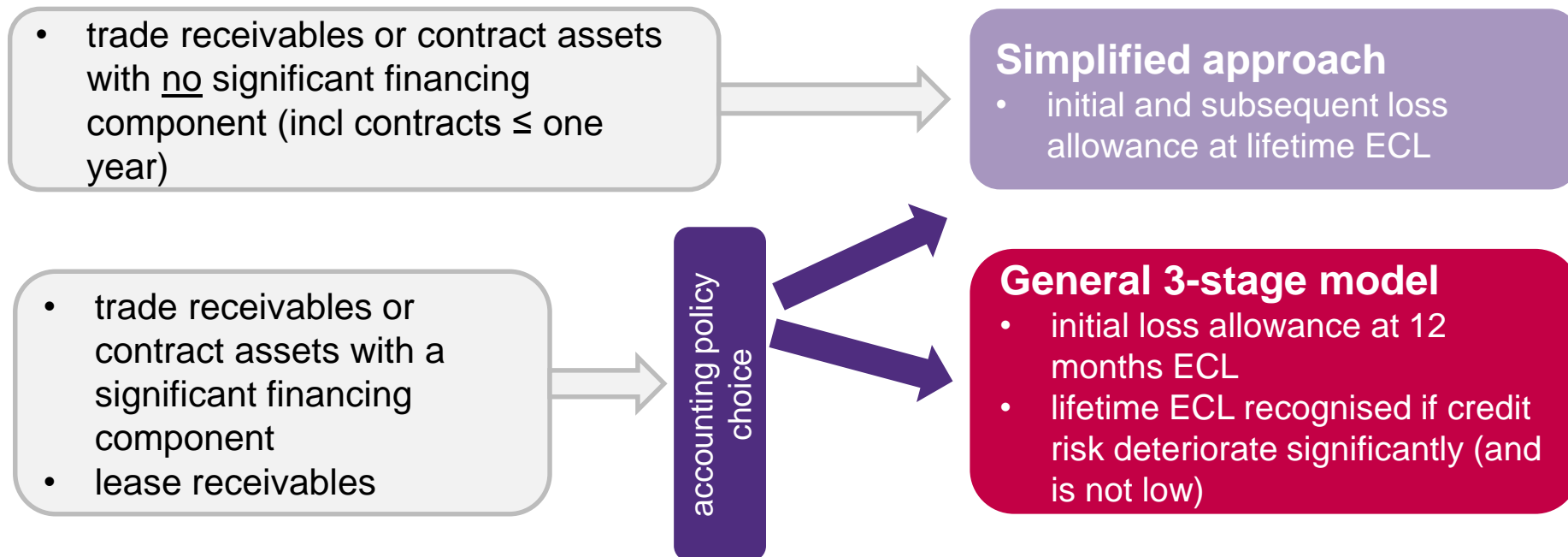
May use practical expedients if consistent with principles

e.g. calculating ECL on trade receivables using a provision matrix



Impairment – exceptions to the general model

Simplified approach for trade receivables, contract assets and lease receivables



Hedge accounting



Hedge accounting – the headlines



- better reflection of risk management activities
- reduced profit or loss volatility
- easier to enter into hedge accounting



- many of the existing complexities will remain
- inability to voluntarily discontinue hedge accounting
- enhanced disclosure requirements



Hedge accounting – similarities and differences from IAS 39

Similarities to IAS 39

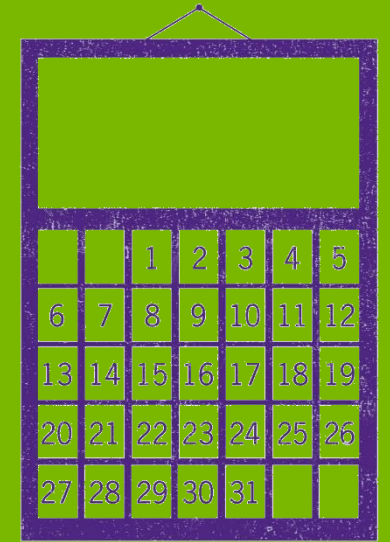
- hedge accounting is optional
- three types of hedge accounting
- ineffectiveness needs to be measured

Main changes from IAS 39

- increased eligibility of hedged items
- increased eligibility of hedging instruments and reduced volatility
- revised criteria for hedge accounting qualification and measuring ineffectiveness
- rebalancing
- restrictions on discontinuing hedge accounting



Effective date and transition



Effective date and transition

- effective for reporting periods beginning on or after 1 January 2018, with earlier application permitted
- transition mainly retrospective apart from hedge accounting requirements
- detailed transition provisions.

Withdrawal of earlier versions of the standard

- supersedes IFRS 9 (2009), IFRS 9 (2010) and IFRS 9 (2013)
- however can apply earlier versions before 1 Jan 2018 provided date of initial application before 1 Feb 2015



Contact

Olivia Regan

Director

E olivia.regan@ie.gt.com

T +353 (0)1 6805 641

Anne Kehoe

Manager

E anne.kehoe@ie.gt.com

T +353 (0)1 6805754



Questions & feedback?



CFO Annual seminar

25 November 2015

Conrad Hotel





Grant Thornton

An instinct for growth™

The Companies Act 2014

Implications for financial statements

25 November 2015

Amanda-Jayne Comyn

Associate Director, Tax

E amandajayne.comyn@ie.gt.com



Audit exemptions

New qualifiers for the audit exemption

- small groups
- companies limited by guarantee
- dormant companies (allowed to adjust for intra-group transactions)
- Where:
 - no significant accounting transactions
 - assets and liabilities comprise only **permitted assets** and liabilities



Audit exemptions

Exemption from the requirement to have a statutory audit

Where a company meets **two of three** of the requirements (for two consecutive financial years):

1. **total assets** not exceeding **€4.4m**
 2. **turnover** not exceeding **€8.8m**
 3. **average** number of **employees** not exceeding **50**
- cannot avail of exemption if:
 - notice is served
 - annual return is not filed on time.



Audit exemptions

Procedure to claim exemption

- if directors decide that audit exemption applies (which can be made after transition to CA 2014), the decision must be recorded in the minutes of the meeting concerned
- auditors must resign within twenty one days of being notified and deliver notice to the Registrar
- statement that audit exemption is being availed of to be disclosed in the financial statements
- exemption is available for all financial statements approved after 1 June 2015



Disclosure of information

Directors' report - general

	Existing	New
General matters [s325]	✓	
Business review [s325]	✓	
Information on acquisition and disposal of own shares [s325]	✓	
Information on interests in shares or debentures [s325]	✓	
Statement on relevant audit information [s330]		✓
Compliance statement [s225]**		✓
Audit committee statement [s167]		✓

Disclosure of information – Directors

Statement on relevant audit information

- the Directors' report must include relevant audit information statement
- s330 outlines the relevant information:
 - so far as Director is aware, there is no relevant audit information of which the statutory auditors are unaware; and
 - Director has taken all steps they ought to have taken to ensure they are aware of any relevant audit information and to establish that the statutory auditors



Disclosure of information – Directors

Increased accountability – category two offence if statement is false

Disclosure of directors' interests in the company or other group companies:

- exemption applies from disclosing a director's interest in shares where interest is less than 1% of the nominal value of shares of the company or shares of any other company in the group



Directors' remuneration

Directors' remuneration is now publically available

- categories and scope of directors' remuneration disclosures extended to include:
 - emoluments for qualifying services
 - gains made on the exercise of share options
 - amount of money or value of other assets for qualifying services
 - contributions paid to a retirement benefit scheme
 - compensation for loss of office or other termination benefits

**All disclosures include those of shadow and de facto directors*



Disclosure of information – Directors

Directors compliance statement – back on the agenda

- annual statement in the Directors' report acknowledging that they are responsible for securing company's compliance with its '**relevant obligations**' [s225]
- compliance statement applies to all public limited companies (except investment companies) and to all large limited companies
- "comply or explain rule"

Compliance requirements only apply where company has turnover of greater than €25m and a balance sheet total of greater than €12.5m



Directors' compliance statement

- directors must make an annual statement in their Directors' report, acknowledging that:
- to include confirmation of the following assurance measures **having been done or if not, explaining why not**:
 - a) **Compliance Policy Statement** setting out company's policies regarding compliance with its relevant obligations*;
 - b) the putting in place of arrangements or structures designed to secure material compliance with the company's obligations



Directors' compliance statement

c) the annual review of said arrangements or structures.

*Relevant obligations” means an obligation under tax law, or where failure to comply would constitute a Category 1 or Category 2 offences under the Act, or a serious market abuse or prospectus offence (or in certain cases a serious transparency offence).



Directors' loans

Loans from Directors to company

- undocumented loans by a Director presumed to be a gift to the company
- documented loans without statement of interest presumed to bear no interest
- to the extent it was a loan – does not bear interest and is subordinate



Directors' loans

Loans from company to directors

- if not in writing presumed to be repayable on demand and bear interest [s236]
- prohibited under Section 239 CA 2014 (previously s31 CA 1990)
- repetition of previous prohibition together with relevant exceptions
- SAP used for all transactions prohibited under Section 232 – (i.e. loans, quasi-loans, credit transactions and security and guarantees in respect of such loans, quasi-loans, credit transactions)



Audit committees

Establish or explain

- a large company shall either:
 - establish an audit committee and confirm in the Directors' report or
 - if not established, explain why not in the Directors' report

A company:	Large
Turnover*	>€50m
Total assets*	>€25m
or	
A group together meeting the above criteria	

*for the current and preceding financial year



Audit committees

Responsibilities of audit committee

- the audit committee's responsibilities include monitoring:
 - the company's financial reporting process
 - the effectiveness of the company's systems of internal control and risk management
 - the company's statutory audit and statutory financial statements
 - reviewing the independence of the statutory auditor



Audit committees

Structure of audit committee

- must have at least one independent director who:
 - is a non-executive director and
 - possesses the requisite degree of independence:
 - no time during three year period before appointment did they have a material business relationship or
 - hold employment
- must have competence in accounting or auditing



Mergers

- statutory mechanism for merging set out in the Act
- legal merger can now be done by:
 - acquisition
 - absorption
 - formation of a new company
- basis for applying merger accounting set out in the Act – previous contradiction no longer exists



Mergers

- also introduced the concept of ‘merger relief’ and ‘group reconstruction relief’

Note: FRS 102 only permits merger accounting in group reconstructions and for charities



Financial period

- first financial period may be no more than 18 months
- subsequent periods = 12 months +/- seven days
- may alter year end date by notifying the Registrar – **only once every five years**
- unless substantial reasons, holding company to ensure financial year end dates of subsidiary undertakings coincide



Defective financial statements

Mechanism for revising financial statements:

- directors allowed to revise financial statements
- revision may be done by way of supplemental note where no impact on a primary statement
- where primary statement impacted, revised financial statements must be filed
- updated auditor's report required where applicable
- approval of revised financial statements at next AGM and submitted to CRO within 28 days of date of revision



Contact

Amanda Jayne Comyn

Associate Director

E amandajayne.comyn@ie.gt.com

T +353 (0)1 6805 660



Feedback form



FULL NAME _____ ORGANISATION _____

Overall what is your rating on this morning's event in relation to the below (rate from 1-10, 1 being poor and 10 being excellent)

Reporting and technical update: Olivia Regan & Anne Kehoe	<input type="checkbox"/>	A year in the life of a CFO: Lawrence Hickey	<input type="checkbox"/>
Companies Act 2014, the impact: Amanda Jayne Comyn	<input type="checkbox"/>	Cybercrime: Mike Harris	<input type="checkbox"/>
International Tax: Peter Vale	<input type="checkbox"/>	Financial Planning: Oliver O'Connor	<input type="checkbox"/>
Funding for growth: Michael Neary	<input type="checkbox"/>		
Please rate the material for relevance (1-10)	<input type="checkbox"/>	Insightfulness (1-10)	<input type="checkbox"/>

Are you interested in further updates/information? Yes No

If so please provide your email address:

Is there any further topics you would like to hear about or any further comments?

Thank you for attending and completing our feedback form

Grant Thornton



Questions & feedback?



CFO Annual seminar

25 November 2015

Conrad Hotel



CFO annual seminar

25 November 2015

Conrad Hotel



Cyber Security

25 November 2015

Mike Harris
Partner
mike.harris@ie.gt.com



Agenda

- introductions
- what is this all about?
- what is currently happening?
- what is this costing?
- how should you manage this?
- questions?



What is this all about?

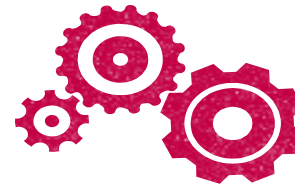


Introduction to cyber security

Cyber attacks have increased dramatically over the last decade exposing:



Sensitive personal and business information



Disrupting critical operations



High costs on the economy (estimated to be €800 million in Ireland)



Introduction to cyber security

- the economy depends on a stable, safe, and resilient online environment
- a vast array of networks allows us to:-



Communicate and
travel



Power our homes



Run our economy



Provide government
services

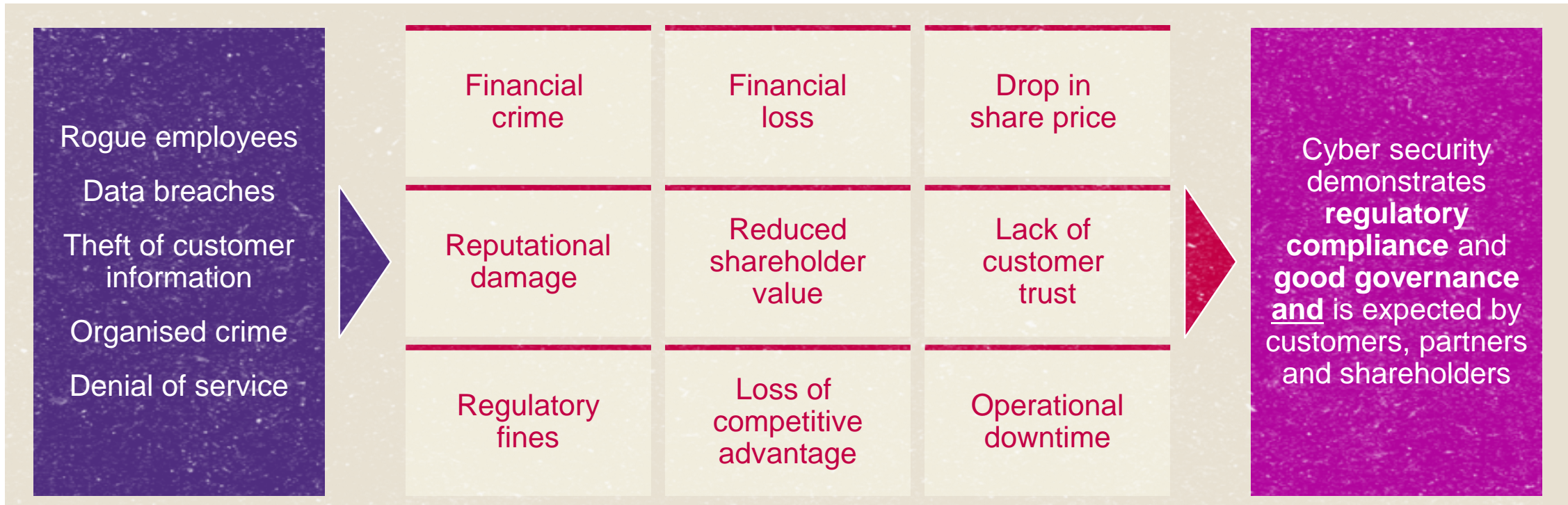


Introduction to cyber security

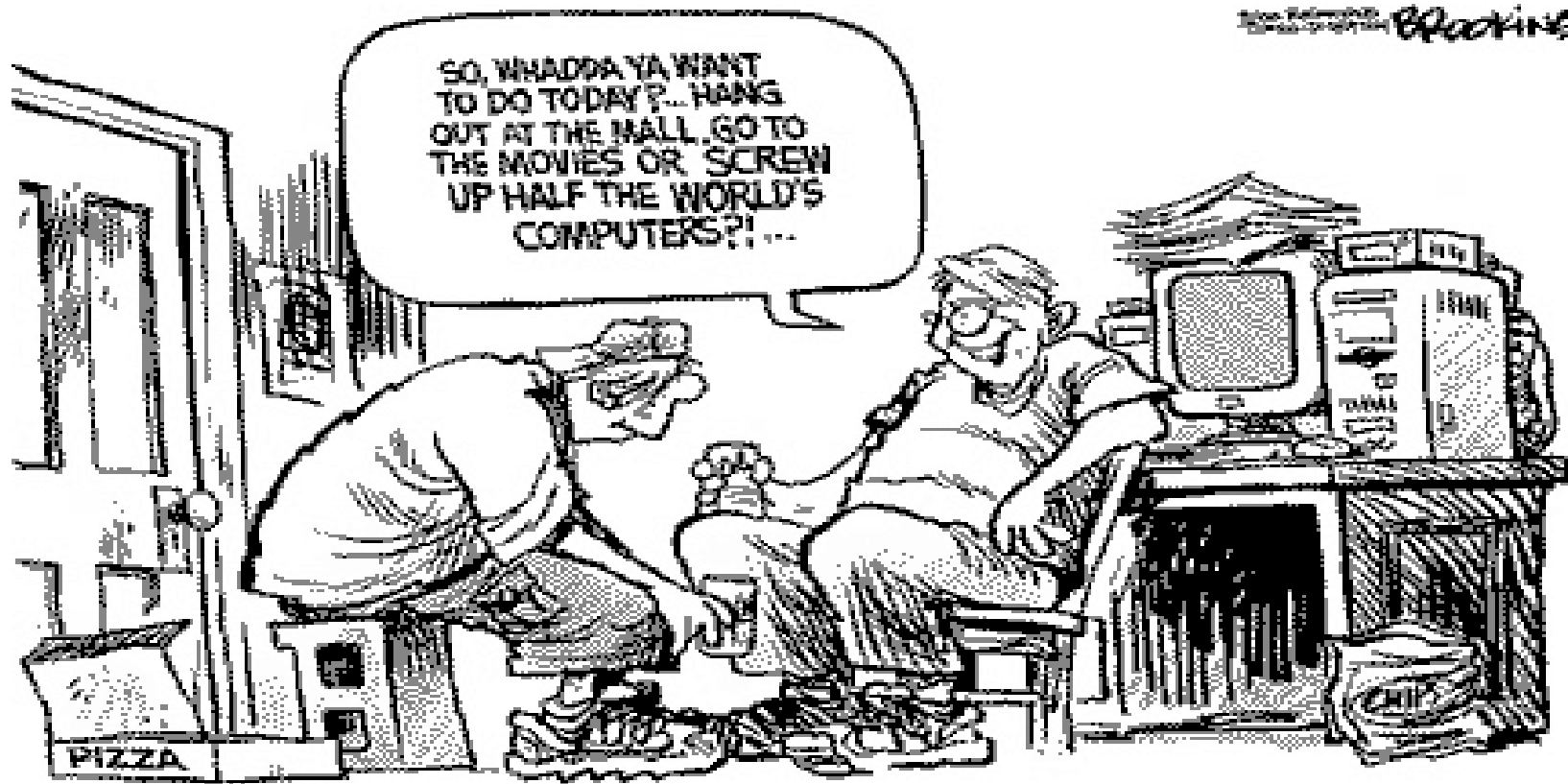
**Cyber security is the
ability to protect or defend
an organisation's online systems
and technology from attack**



Increasing impact



Introduction to cyber security



*10 years ago, they
looked like
this...*



Introduction to cyber security

© Cartoonbank.com



*"Do you think now that we're doing fewer illegal things
we can scale back the legal department?"*

*Now they look
like this...*



What's happening currently?



Carbanak – the biggest bank heist ever

KASPERSKY DAILY July 26, 2015 Search

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Previous Next

The greatest heist of the century: hackers stole \$1 bln

February 16, 2015 Alex Drozhzhin Featured Post, Malware, News, Security, Threats

Advanced Persistent Threats, or APTs, are a pet subject for infosec experts to talk about, as such attacks usually employ the most sophisticated hacker tools. However, for common folks such threats are of no interest whatsoever.



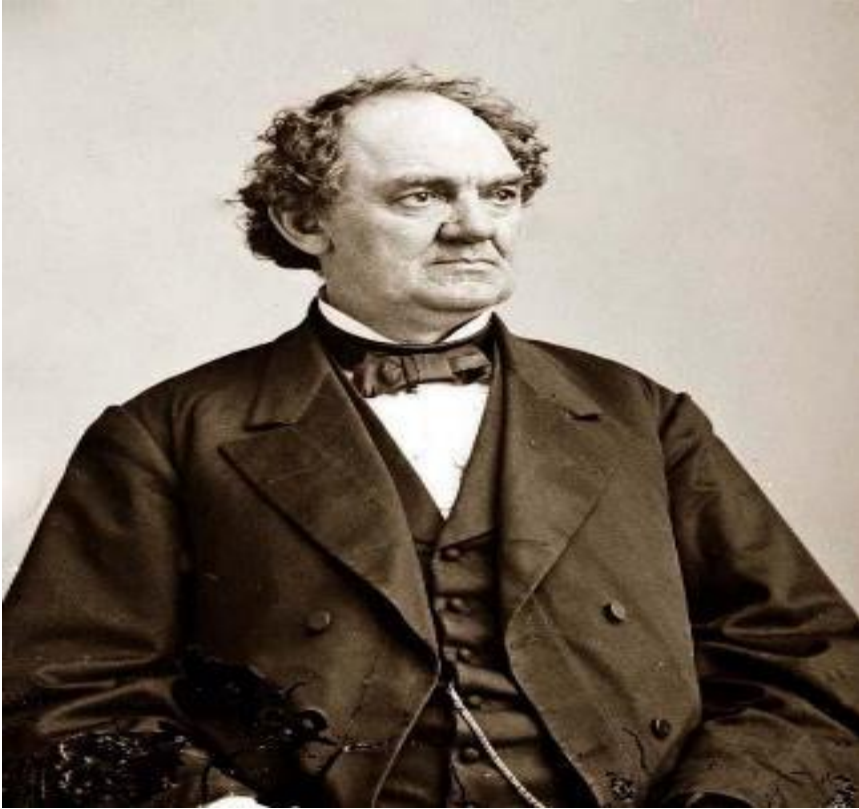
From SPA to Spain in 24 hours.
#kaSPassion24
Comment with us the race and win a track experience in Spain with a Ferrari 458 Challenge.
Start now

Emails sent this year
60 642 777 257 293
f t g+ e <> r

Malicious mobile apps worldwide



Social engineering...



“There’s a sucker born every minute”

Phineas T. Barnum

Cyber extortion

YOUR COMPUTER HAS BEEN LOCKED!

This operating system is locked due to the violation of the federal laws of the United States of America! (Article 1, Section 8, Clause 8; Article 202; Article 210 of the Criminal Code of U.S.A. provides for a deprivation of liberty for four to twelve years.)
Following violations were detected:
Your IP address was used to visit websites containing pornography, child pornography, zoophilia and child abuse. Your computer also contains video files with pornographic content, elements of violence and child pornography! Spam-messages with terrorist motives were also sent from your computer.
This computer lock is aimed to stop your illegal activity.

To unlock your computer, you must pay 1.00 Bitcoin (~299 USD).

You have 71:53:30 left to pay the ransom. If you do not pay, your files will be destroyed.

OK (if you are sure you want to pay)

CryptoLocker

Your Personal files are encrypted

Your personal files encryption produced on this computer: photos, documents, etc. Encryption was produced using a **unique** public key generated for this computer.

To decrypt files you need to obtain the **private key**.

The **single copy** of the private key, which will allow to decrypt the files, is stored on a secret server on the Internet; the server will **destroy** the key specified in this window. After that, **nobody and never** will be able to decrypt your files...

To **obtain** the private key for this computer, which will automatically decrypt all your files, you need to pay **1.00 Bitcoin** (~299 USD).

You can easily delete this software, but know that without it, you will never be able to get your original files back.

Disable your antivirus to prevent the removal of this software.

For more information on how to buy and send bitcoins, click "Pay with Bitcoin". To open a list of encoded files, click "Show files".

Do not delete this list, it will be used for decryption. And do not move your files.

Private key will be destroyed on 1/6/2015 12:53:45 PM

Time left: 71:53:30

Checking wallet. Received: 0.00 BTC

Show files Pay with Bitcoin

Payment for private key

Choose a convenient payment method:

Bitcoin

bitcoin

Bitcoin is a cryptocurrency where the creation and transfer of bitcoins is based on an open-source cryptographic protocol that is independent of any central authority. Bitcoins can be transferred through a computer or smartphone without an intermediate financial institution.

You have to send below specified amount to Bitcoin address: 1KP72f8bnh3XBfJDMn53APagM6MBspCh and specify the transaction ID, which will be verified and confirmed.

[Home Page](#)
[Getting started with Bitcoin](#)

Enter the transaction ID and press «Pay»:

1 BTC

<< Back PAY



Cyber extortion in Ireland

The issue:

- large amount of data unavailable
- no malware alerts
- scramble to restore files
- no idea how it happened

The response:

- forensic investigation
- malware identified as cryptolocker.E
- Anti virus did not identify it until 4 days after attack
- call centre staff member had clicked link while surfing for new furniture



Cyber attacks in Ireland

Malware based:

- emails from known individuals
- forwarded from CFO to controller
- €900,000 transferred in 8 hours

Social engineering:

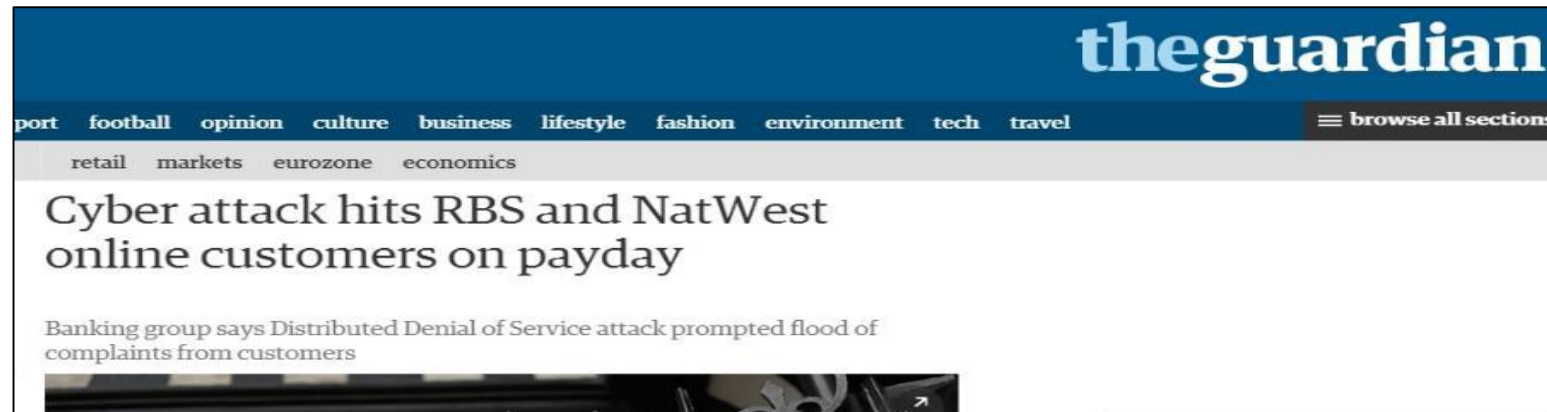
- grooming of finance staff
- 8-9 month lead time
- helpful demeanour
- £600,000 in one incident in Northern Ireland



Corporate customers increasingly aggressive in recovery



Denial of service for cash



DD4BC – the professionals



Improving the cyber security posture of New Zealand

[Home](#)

[Membership](#)

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'Pay bitcoins or your network gets it' threats for New Zealand organisations.

[Members Trust Portal](#)



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
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Swiss Governmental Computer Emergency Response Team

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GovCERT.ch Blog

Increase in DDoS extortion (DD4BC)

Published on 2015-05-08 11:00:00 UTC by GovCERT.ch ([permalink](#))
Last updated on 2015-05-08 11:05:59 UTC

In the past days MELANI / GovCERT.ch has received several requests regarding a Distributed Denial of Service (DDoS) extortion campaign related to 'DD4BC'. The DD4BC Team (that is how the attackers call themselves) started its DDoS extortion campaigns in [2014](#). While these attacks

GovCERT.ch Blog

- [Blog RSS feed](#)
- [Blog Index](#)

Social Networks

- [Follow GovCERT.ch on Twitter](#)



Hello,

To introduce ourselves first: [Links to blogs describing the group's activities]

Or just google “DD4BC” and you will find more info.

Recently, we were DDoS-ing Neteller. So, yes, our attacks are powerful.

So, it's your turn!

Your sites are going under attack unless you pay 40 Bitcoin.

Pay to [Group's bitcoin address]

Please note that it will not be easy to mitigate our attack, because our current UDP flood power is 400-500 Gbps, so don't even bother.

Right now we are running small demonstrative attack.

Don't worry, it will stop in 1 hour. It's just to prove that we are serious.

We are aware that you probably don't have 40 BTC at the moment, so we are giving you 24 hours to get it and pay us.

Current price of 1 BTC is about 230 USD, so we are cheap, at the moment. But if you ignore us, price will increase.

IMPORTANT: You don't even have to reply. Just pay 40 BTC to [Group's bitcoin address] we will know it's you and you will never hear from us again.

We say it because for big companies it's usually the problem as they don't want that there is proof that they cooperated. If you need to contact us, feel free to use some free email service.

Or contact us via Bitmessage: [Group's account]

But if you ignore us, and don't pay within 24 hours, long term attack will start, price to stop will go to 100 BTC and will keep increasing for every hour of attack.

IMPORTANT: It's a one-time payment. Pay and you will not hear from us ever again!

We do bad things, but we keep our word.

Thank you.



“Old fashioned” credit card theft

Gardai focus on eastern Europe in credit card fraud investigation



Maeve Sheehan

PUBLISHED

17/11/2013 | 01:00



THE GARDA fraud squad has joined international police forces in trying to track down the gang that stole credit card and bank details of tens of thousands of Irish people.

Earn €75 Per Week Online

Companies Pay You For Your Opinions It's
Easy, Free & Fun. Earn Now!
surveycompare.net

[Watch Full Episodes](#)

Turn Your Computer Into a TV! Watch with
TelevisionFanatic™ Now
www.televisionfanatic.com

Ads by Google

Detectives investigating the audacious theft of personal details of customers began making inquiries through Interpol and Europol's dedicated cyber crime unit following one of the biggest personal security breaches in the history of the State.

Suspicion is now centring on eastern European cyber hackers, as investigators focus inquiries abroad.

Informed sources revealed that the hacking is believed to have occurred on October 18 when hackers broke into the database of a marketing firm, Loyaltybuild in Co Clare.

The crime was not detected until October 25, giving ample time for the criminals to make use of the 376,000 credit card details stolen from the database.

News of the breach broke only last week, when the firm, Loyaltybuild, which is based in Ennis, Co Clare, confirmed that it had been targeted in what it called a sophisticated criminal attack.

Loyaltybuild runs loyalty holiday deals for customers of some of Ireland's biggest retailers and insurers.

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Zips & Bins	Bank & State & City	Base	Additional
<input type="text" value="91111, HJ4111"/> <input type="text" value="380282, 376282"/>	Bank: <input type="text" value="All"/> State: <input type="text" value="All"/> City: <input type="text" value="All"/>	<input type="text" value="All"/>	<input type="checkbox"/> Expiring 09/14 <input type="checkbox"/> Phone <input type="checkbox"/> VBV <input type="text" value="Exp. date (1312)"/>

Didn't find the bin you were looking for? Need more dumps of particular bin? Try our partner's shop - [Bulk Orders - Low Prices!](#)

<input type="checkbox"/>	Bin	Card	Debit/Credit	Mark	Expires	Country	State	City	Zip	Phone	VBV	Base	Price	Cart
<input type="checkbox"/>	601140	DISCOVER	CREDIT	CONSUMER PREMIUM CAR	03/2019	United States	TX	Houston	77064			Votrario-5	7.5\$	<input data-bbox="1829 1025 1880 1053" type="button" value="+"/>
		Dump or cc of this particular bank (BIN) cannot be replaced or refunded.												
<input type="checkbox"/>	526225	MASTERCARD CITIBANK N.A.		STANDARD	11/2016	United States	CA	Riverside	92504	Yes		Votrario-5	7.5\$	<input data-bbox="1829 1168 1880 1196" type="button" value="+"/>
		Dump or cc of this particular bank (BIN) cannot be replaced or refunded.												



For sale

The screenshot shows the Atlantis Virtual Black Market website. The top navigation bar includes links for support, shop, inbox (20), orders (0), and sell, along with a search bar and a currency indicator of 1.00 LTC. The main header displays the site name 'Atlantis - Virtual Black Market' and sorting options (Newest, Go). A left sidebar lists various categories with item counts, such as Drugs (1538), Apparel (53), and Electronics (24). The main content area features a grid of 12 product listings, each with a thumbnail image, a title, a description, and a price in USD. The listings include items like '10x HQ 2C-B 13 MG', 'PARTY PACK! 1/4g AFGHAN HEROIN', '14 grams of PURE MDMA CRYSTALS', '4-ACO-DMT "Synthetic Mushrooms"', '28mg 4-Aco-DMT', '20mg capsule 2C-T-7', '42mg 2C-C Capsule', '90mg 2C-B HBr', '21mg 2C-E capsule', 'Speed - 10 gr. LIVRAISON 100% ASSUREE', 'White on White (WOW) LSD', 'Speed - 1 gr. LIVRAISON 100% ASSUREE', '1 Gram Wax', 'Noroo 10MG/325MG', 'FREE 0.5G', and '1G AFGHAN BLACK'.

Item	Description	Price (USD)
10x HQ 2C-B 13 MG	[INT] 10x HQ 2C-B 13 MG, - FREE SHIPP...	\$32.18
PARTY PACK! 1/4g AFGHAN HEROIN	PARTY PACK! 1/4g AFGHAN HEROIN#4 1/4G	\$105.00
14 grams of PURE MDMA CRYSTALS	14 grams of PURE MDMA CRYSTALS...	\$350.00
4-ACO-DMT "Synthetic Mushrooms"	4-ACO-DMT "Synthetic Mushrooms" 20 MG...	\$20.00
28mg 4-Aco-DMT	28mg 4-Aco-DMT...	\$20.00
20mg capsule 2C-T-7	20mg capsule 2C-T-7...	\$20.00
42mg 2C-C Capsule	42mg 2C-C Capsule (2cc)...	\$20.00
90mg 2C-B HBr	90mg 2C-B HBr (2cb)...	\$50.00
21mg 2C-E capsule	21mg 2C-E capsule (2cc)...	\$13.00
Speed - 10 gr. LIVRAISON 100% ASSUREE	Speed - 10 gr. LIVRAISON 100% ASSUREE...	\$160.00
White on White (WOW) LSD	White on White (WOW) LSD ~100ug Blott...	\$535.00
Speed - 1 gr. LIVRAISON 100% ASSUREE	Speed - 1 gr. LIVRAISON 100% ASSUREE...	\$17.00
1 Gram Wax	1 Gram Wax	
Noroo 10MG/325MG	Noroo 10MG/325MG	
FREE 0.5G	FREE 0.5G	
1G AFGHAN BLACK	1G AFGHAN BLACK	



For sale

BlackMarket Reloaded
http://sonwnspjvuk7cwvk.onion

HomeYour AccountYour PurchasesForumLogoutHelp

Categories

Drugs (2762)
Services (1331)
Data (633)
Weapons (210)
Collectables (30)
Metals/Stones (29)
Other (354)
Software (165)
Movies (27)
Tobacco (169)
Counterfeits (248)
Alcohol (11)
eBooks (1667)
Weight Loss (17)

Exchange

Exchange

User Menu


Home
Inbox (0/0)
Account
Purchases
Favorites
Deposit Addresses
Forum




Rates

\$ 125.3900

Weapons > Firearms

(AK-74 BRAND NEW FULL AUTO 5.45x39mm



More images:


Price

19.93779 BTC
\$ 2,500.00 £ 1,554.92 € 1,844.20

Ship from

USA

Ship to

Worldwide

Stock

2

Created in

2013-08-26 02:31 UTC

Last update

2013-09-16 15:29 UTC

Listing Feedback

0/0/0

Your balance isn't enough to buy this item! Please deposit the needed funds before.

Description

For sale is **SELECT FIRE** AK 74 built from beginning as such. Not a converted semi auto, legit full auto function just like factory rifle. I built the rifle with original **UNISSUED** Bulgarian AK 74 parts and quality US made barrel and receiver. Headspace checked to ensure safe operation. Because gun was made of brand new parts, some of them still covered in anti-rusting grease.

Bulgarian made polymer stocks.

I can add extra parts and accessories at you cost.

Select fire shoot both semi auto and full auto. Rifle is **BRAND NEW** only 30 rounds fired for test. Include 1 magazine and 30 rounds of 5.45x39mm surplus Russian ammo.

Full escrow.

Shipping Table

Description	Price
US/mexico mid stealth 1-3 days with tracking	0.79751 BTC
Worldwide high stealth 6-10 days with tracking	2.39254 BTC

Questions to Vendor


Question by: Battosai at 2013-09-17 05:07 UTC

Select fire ? can you have ammo ?

Answered by the seller at 2013-09-17 15:29 UTC

yes and yes.

Seller Info



NOPE

User: lereyjenkins47
Feedback: 3
Reg. Date: 2013-07-19 01:16 UTC
Last login: 2013-09-19 19:05 UTC

View Profile


Other Listings

Contact seller

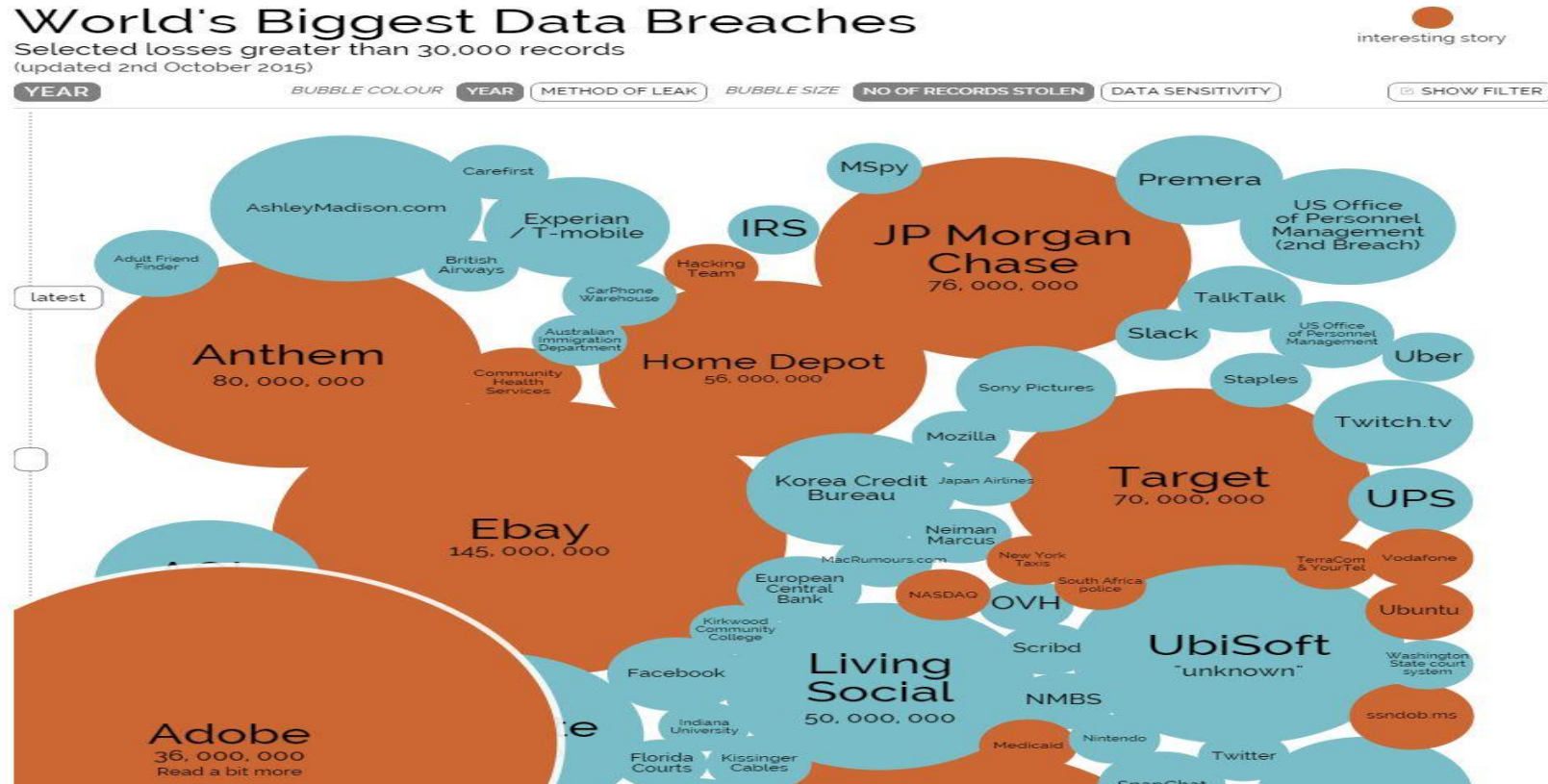
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Current state of play



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HACKERS

Xbox Live back online, PlayStation Network still down after apparent hack attack

Published December 26, 2014 · FoxNews.com

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HACK ATTACK

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Political hacking



Business Anthem: Hacked Database Included 78.8 Million People

Health insurer says data breach affected up to 70 million Anthem members



Hackers hit South Korea also spread spyware to steal military secrets

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Technology

Hack attack causes 'massive damage' at steel works

🕒 22 December 2014 | Technology



AFP

The hack attack led to failures in plant equipment and forced the fast shut down of a furnace

A blast furnace at a German steel mill suffered "massive damage" following a cyber attack on the plant's network, says a report.

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🕒 1 minute ago
- Vettel wins c
🕒 2 hours ago

3

Features



So, how bad can it get?

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Medical Devices

Home > Medical Devices > Medical Device Safety > Safety Communications

Safety Communications
Information About Heparin
Preventing Tubing and Luer Misconnections

Cybersecurity Vulnerabilities of Hospira Symbiq Infusion System: FDA Safety Communication

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Date Issued: July 31, 2015

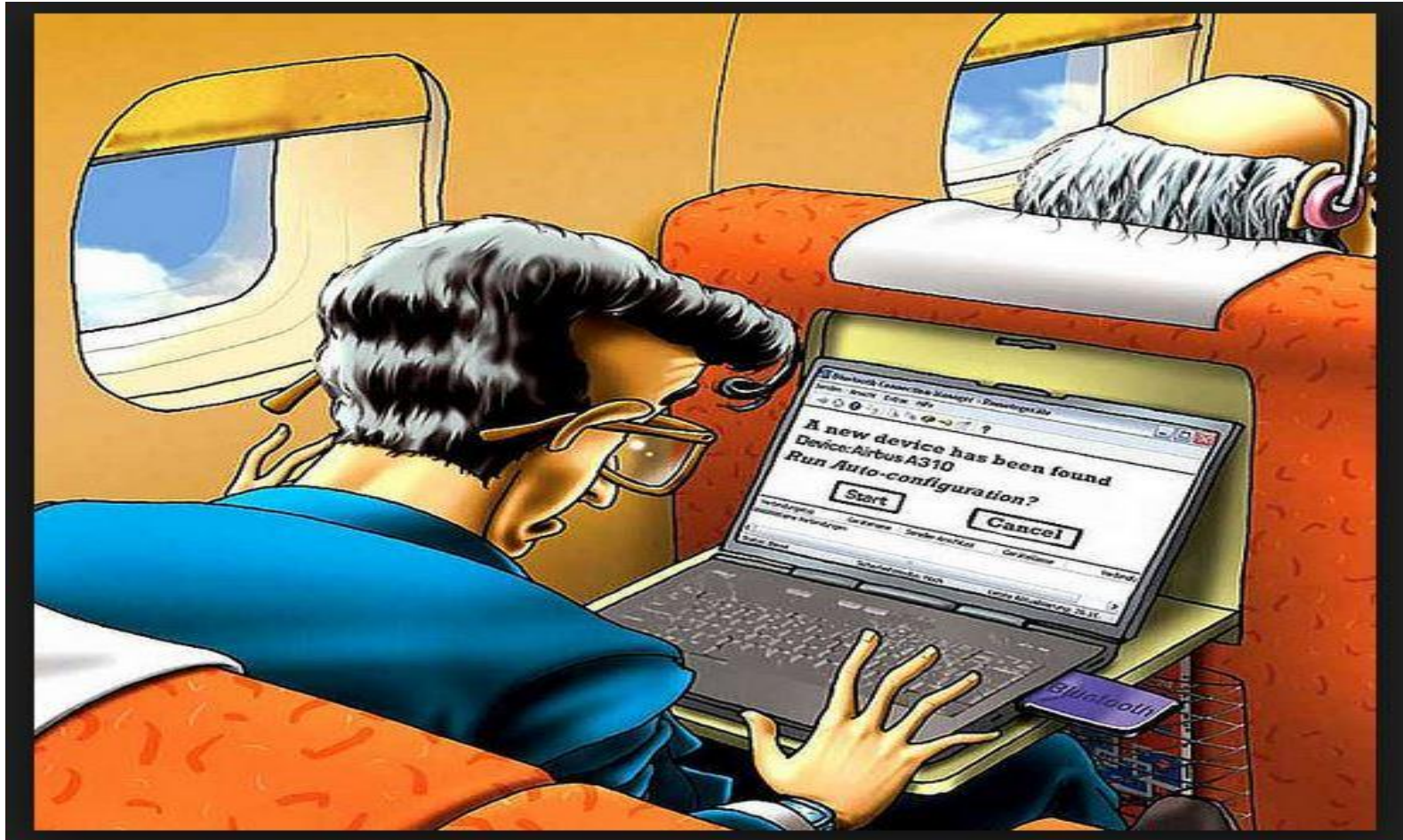
Audience: Health care facilities using the Hospira Symbiq Infusion System

Device: Symbiq Infusion System, Version 3.13 and prior versions

The Hospira Symbiq Infusion System is a computerized pump designed for the continuous delivery of general infusion therapy for a broad patient population.

It is primarily used in hospitals, or other acute and non-acute health care facilities, such as nursing homes and outpatient care centers. This infusion system can communicate with a Hospital Information System (HIS) via a wired or wireless connection over facility network infrastructures.

So, how bad can it get?



So, how bad can it get?

USA TODAY Search

NEWS SPORTS LIFE MONEY **TECH** TRAVEL OPINION 86° CROSSWORDS YOUR TAKE INVESTIGATIONS VIDEO STOCKS

FBI: Computer expert briefly made plane fly sideways

Elizabeth Weise, USATODAY 8:39 p.m. EDT May 16, 2015

 **18060** **951** **619** **239** **239** **239**

(Photo: FBI)

SAN FRANCISCO — A computer security expert hacked into a plane's in-flight entertainment system and made it briefly fly sideways by telling one of the engines to go into climb mode.

Chris Roberts of One World Labs in Denver was flying on the plane at the time it turned sideways, according to an FBI search warrant filed in April.

The warrant was first publicized on Friday by [APTN](#), a Canadian News Service.

Roberts told the FBI he had hacked into planes "15 to 20 times," according to court documents first made public Friday.

Roberts first made news in April when he was told he couldn't fly on United Airlines because of tweets he had made about whether he could hack into the flight's onboard computer settings.

 **USA TODAY**
Computer security expert blocked from flight after tweets

The FBI search warrant describes him doing just that.

According to the document, in an interview on Feb. 13, 2015, Roberts told agents he had hacked into in-flight entertainment centers on Boeing 737s, 757s and Airbus A-



TOP VIDEOS



Why did AT&T's cable merger succeed when Comcast's

What does this cost?

Global cyber crime losses

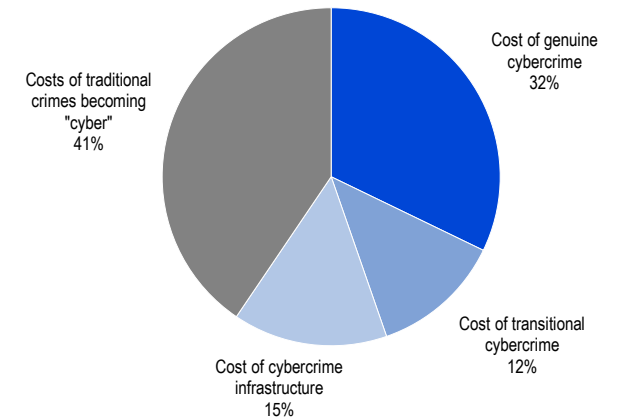
Estimated loss of business revenues to cyber attacks (past 12 months, US\$bn)



Source: Grant Thornton IBR 2015

The impact in Ireland

Costs of genuine cybercrime	Irish Est.	UK Est.	US Est.	Global
Share of world GDP	0.23%	2.77%	18.82%	100%
Cost of genuine cybercrime	€202.93	€1,510.32	€10,334.94	€54,915
Cost of transitional cybercrime	€78.96	€955.21	€6,489.89	€34,484
Cost of cybercrime infrastructure	€93.34	€1,124.12	€7,637.53	€40,582
Costs of traditional crimes becoming "cyber"	€255.64	€3,078.80	€20,918.05	€111,148
Total cost of cybercrime	€630.88	€6,668.45	€45,380.42	€241,129



Interestingly

SEC Enforcement Action Alleges an Adviser Failed to Adopt Adequate Cybersecurity Policies and Procedures; SEC Issues an Investor Alert on Data Theft

posted on: Thursday, September 24, 2015

On September 22, 2015, the *Securities and Exchange Commission (SEC)* filed a settled administrative proceeding^[1] alleging that a registered investment adviser failed to adopt cybersecurity procedures in violation of an SEC rule. The adviser consented to a censure, a cease and desist order, and a \$75,000 fine.

According to the SEC enforcement action, between 2009 and 2013, an adviser "stored sensitive personally identifiable information (PII) of clients and other persons on its third party-hosted web server without adopting written policies and procedures regarding the security and confidentiality of that information and the protection of that information from anticipated threats or unauthorized access. In July 2013, the firm's web server was attacked by an unauthorized, unknown intruder, who gained access rights and copy rights to the data on the server. As a result of the attack, the PII of more than 100,000 individuals, including thousands of [the adviser]'s clients, was rendered vulnerable to theft."

The SEC alleged that the adviser violated the relevant SEC rule – Rule 30(a) of Regulation S-P – because its "policies and procedures for protecting its clients' information did not include, for example: conducting periodic risk assessments, employing a firewall to protect the web server containing client PII, encrypting client PII stored on that server, or establishing procedures for responding to a cybersecurity incident."



How should you manage this?

Cyber defences

1

Cyber-security strategy
focusing on what needs
to be protected

2

**Identify priorities for
protection** starting with a
risk assessment and gap
analysis

3

Everyone be aware of
the role that they have to
play in making their firm
cyber-secure

4

Effective policies embed
cyber-security within the
business



Cyber security risk management

Prepare

- Cyber security risk and threat assessment
- Security process or technical assessments
- Security policy development
- Third party cyber security assurance

Protect

- Security architecture
- Security technology implementation
- Security process design and implementation
- Identity and access management
- Privacy and data protection
- Data classification
- Enterprise application integrity
- Business continuity and disaster recovery
- Penetration testing
- PCI – DSS

React

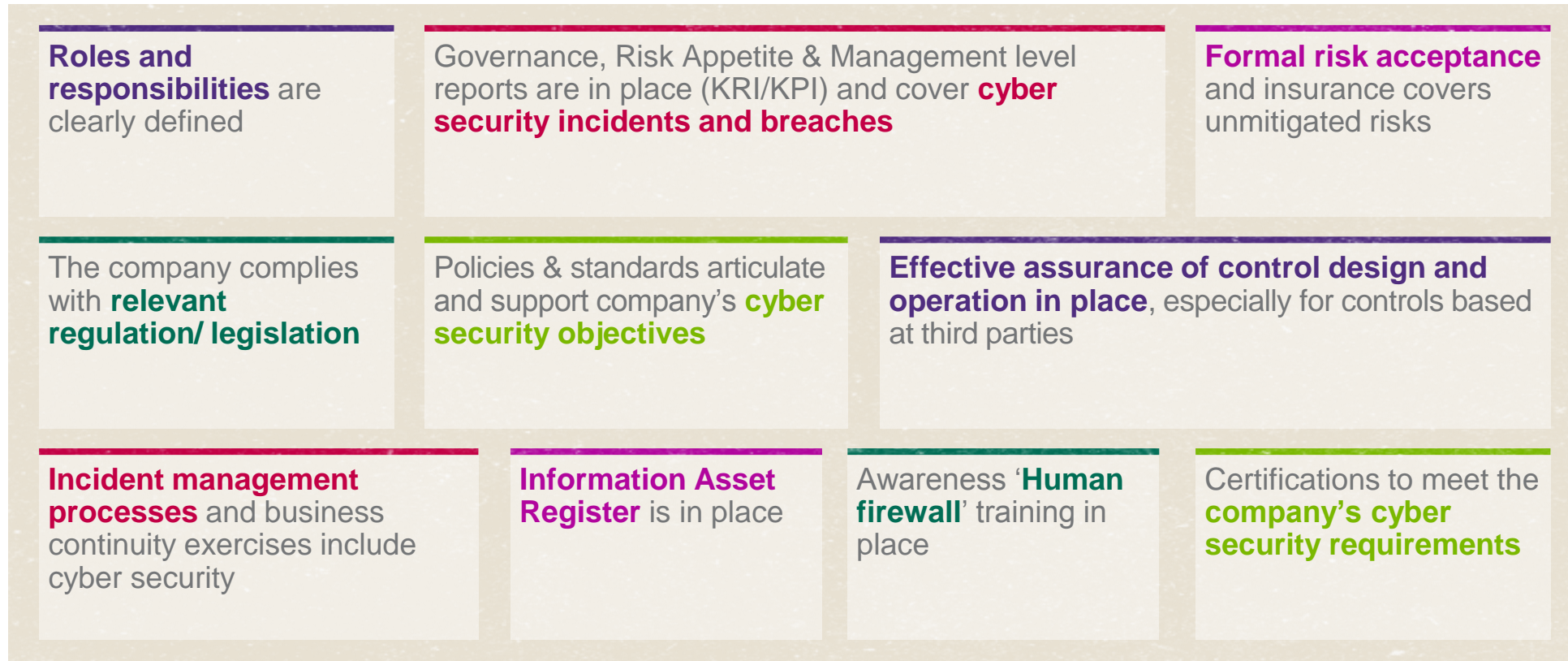
- Security operations and monitoring
- Security and data breach incident response

Change

- Security program strategy and planning
- Security governance
- Security awareness



Cyber security prioritisation



Contact

Mike Harris

Partner

E mike.harris@ie.gt.com

T +353 (0)1 436 6503



Feedback form – INSERT IMAGE OF FORM



FULL NAME _____ ORGANISATION _____

Overall what is your rating on this morning's event in relation to the below (rate from 1-10, 1 being poor and 10 being excellent)

Reporting and technical update: Olivia Regan & Anne Kehoe	<input type="checkbox"/>	A year in the life of a CFO: Lawrence Hickey	<input type="checkbox"/>
Companies Act 2014, the impact: Amanda Jayne Comyn	<input type="checkbox"/>	Cybercrime: Mike Harris	<input type="checkbox"/>
International Tax: Peter Vale	<input type="checkbox"/>	Financial Planning: Oliver O'Connor	<input type="checkbox"/>
Funding for growth: Michael Neary	<input type="checkbox"/>		
Please rate the material for relevance (1-10)	<input type="checkbox"/>	Insightfulness (1-10)	<input type="checkbox"/>

Are you interested in further updates/information? Yes No

If so please provide your email address:

Is there any further topics you would like to hear about or any further comments?

Thank you for attending and completing our feedback form

Grant Thornton



Questions & feedback?



CFO Annual seminar

25 November 2015

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International tax

Update

24 November 2015

Peter Vale

Partner, Tax

Peter.vale@ie.gt.com



International tax – hot topics

- Base Erosion and Profit Shifting (BEPS) progress:
 - what next?
- EU tax developments:
 - Apple case/Common Consolidated Corporate Tax Base (CCCTB)
/anti BEPS directive
- US tax developments
- Irish developments:
 - Knowledge Development Box (KDB)/IP environment.



BEPS

- what has been published to date
- key areas:
 - transfer pricing/country by country reporting
 - intangible assets
 - tax treaty changes/permanent establishment
- what happens next?
- what does it mean for Ireland?



EU tax developments

- Apple case:
 - where is it at
 - next steps
 - what does it mean for Ireland?
- CCTB/CCCTB:
 - likelihood of seeing light of day?
- EU anti-BEPS directive.



US tax developments

- US tax developments:
 - general environment
 - will we see any changes
 - impact on Ireland
- US view of BEPS and other developments
- US view of Irish regime.



Irish tax developments

- latest developments:
 - recent Finance Bill
- KDB:
 - what is it?
 - what does it do?
 - how does it compare with other jurisdictions
 - will it work?



Contact

Peter Vale

Partner

E peter.vale@ie.gt.com

T +353 (0)1 6805 952



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Grant Thornton Financial Counselling (GTFC)

25 November 2015

Oliver O'Connor
Director, Financial Counselling
Oliver.oconnor@ie.gt.com



***Most of the problems in life
are because of two reasons:***

we act without thinking

or

***we keep thinking without
acting***



Company pension schemes – the boring piece!

- objective of a pension scheme
- company pension obligations
- risk schemes
- employee contribution and employer contribution



Company pension schemes – what to consider as CFO

Potential shortcomings:

- legacy scheme - design not suitable for current organisation
- value for money
- poor communication – member value
- bottom line costs – risk costs
- poor/limited investment choice
- poor understanding of trustee and employer responsibilities – risk



Company pension schemes - value add opportunities

GTFC fit for purpose review:

- client has nothing to lose
- unobtrusive
- may reduce cost
- streamlined process
- increase member goodwill towards employer
- enhance your relationship with your client and protect the client.



Corporate investment – what to know

Background:

- falling deposit rates, close company surcharge, improving business environment
- is this cash figure normal? Additional consideration if part of group, would pooled cash be substantial?
- are these funds earmarked for other uses?
- if some of the funds are investable is the company prepared to invest for a period of five years plus?



Corporate investment – opportunities?

Investment in life assurance investments versus direct investment by a company:

- income and gain accumulate gross and not taxable for eight years or on encashment v taxable on an annual basis
- exit tax payable at 25% for company v 25% on annual income and 33% Capital Gains Tax (CGT) with direct investment
- close company surcharge (20%) not applicable on the gains in life policy.



Business succession planning

Key-person insurance:

- is there a directors loan account?
- is the director guarantor on any loans?
- is there an identifiable individual on whom the company's financial wellbeing is dependent?

Shareholder protection:

- is there a shareholder agreement in place?
- what financial provision has been made for this agreement?



How does keyperson cover work?

- business takes out life cover on a keyperson
- on their death, the proceeds go to the business
- the proceeds pay for a replacement for the deceased, repay outstanding loans, and/or replace profits generated by the deceased.



What is share protection cover?

- life cover is taken out on each business owner equal to the value of their share of the business
- a separate legal agreement is signed by all to provide the option to buy back shares on death
- on death, the proceeds of the life policy are used to purchase back the deceased's share of company or partnership from **next of kin**.



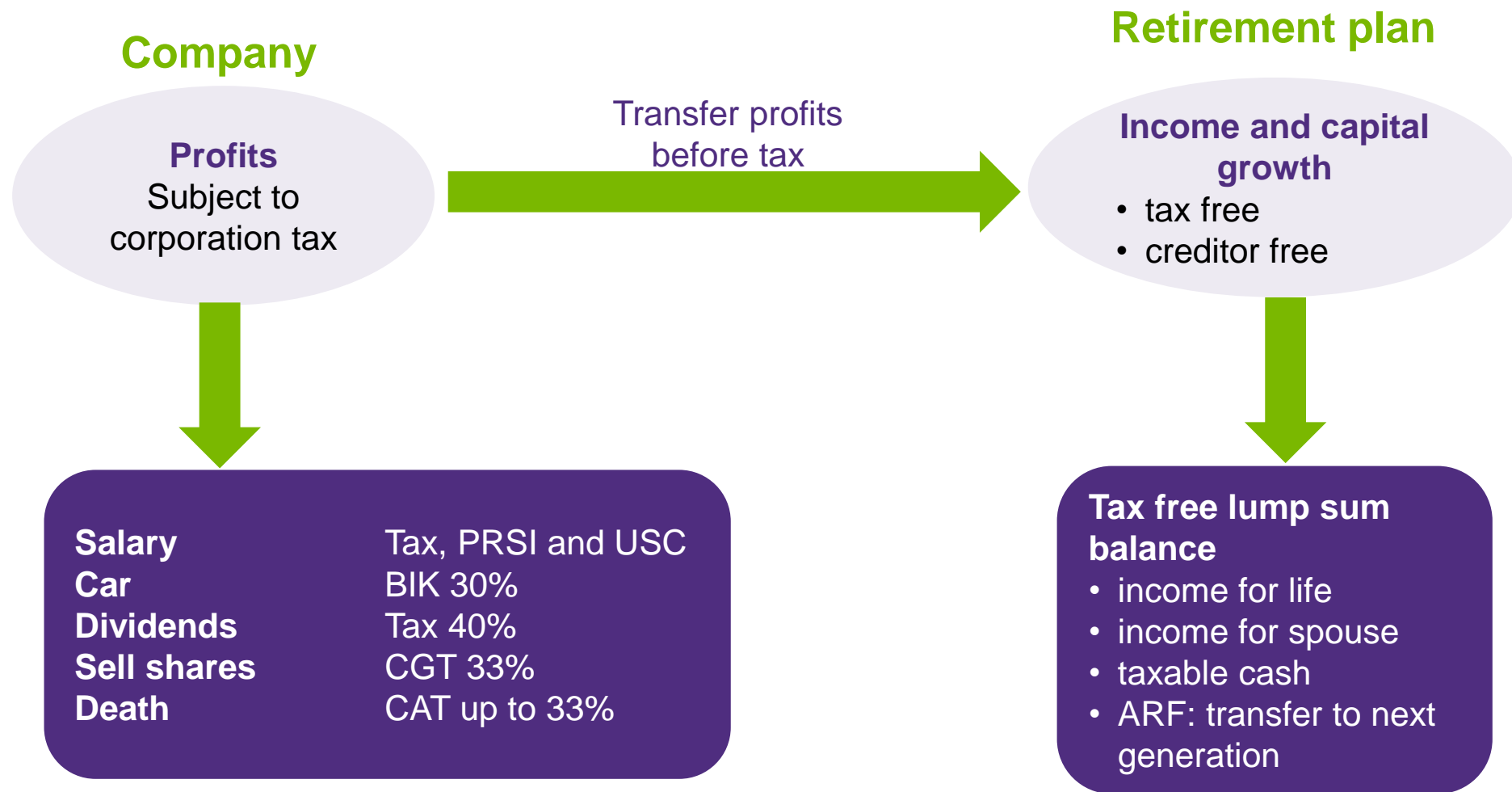
Personal and corporate financial planning

Our services

Personal financial counselling services	Corporate financial counselling services
Pre and post retirement planning	Employer pension and risk scheme – review, design and consultancy
Investment portfolio services	Executive retirement planning
Inheritance tax planning	Corporate investment services
Individual and family protection strategies	Business protection/succession strategies
Termination payments	Pension scheme wind ups



Wealth extraction – shareholding directors



Director retirement planning

Questions?

- are they fully aware of the opportunities and exploiting these?
- how often are their affairs reviewed?
- do they have legacy pension plans elsewhere? Defined benefit
- what charges are they paying?
- are they in the correct investment strategy?
- how do they intend to draw down the benefits?
- mindful of €2 million cap – "glidepath":
 - de-risk portfolio
 - consider including spouse for pension purposes.



Contact

Oliver O'Connor

Director, Financial Counselling

E oliver.oconnor@ie.gt.com

M +353 (0)87 2376152

T +353 (0)1 6805 679



Questions & feedback?



Employment & Investment Incentive Scheme (EIS)

Upcoming Opportunities in a Number of Dynamic Sectors

Richard Power

Director of Stockbroking
Cantor Fitzgerald Ireland

WHAT IS THE EMPLOYMENT INVESTMENT INCENTIVE SCHEME (“EIS”)

- Introduced under the Finance Act 2011
- Provides tax relief to investors for investments in small and medium sized enterprises
- Recent Amendments to EIS:

Criteria	Previous EIS	Current EIS
Investment term	3 Years	4 Years
Relief available	30% + 11%	30% + 10%
Qualifying companies	Unlimited (few exceptions)	Unlimited (few exceptions)
Maximum company fund-raise in 12 month period	€2.5m	€5.0m
Maximum lifetime company fund-raise	€10.0m	€15.0m
Share class permitted	Ordinary shares	Ordinary shares
Maximum investment	€150,000	€150,000

TAX RELIEF UNDER EIIS

- One of the few remaining sources of tax relief
- Enables investors to reduce income tax liability
- Relief is available in two tranches:
 - 30% in the year the investment is made
 - 10% after 3 years
- Cost of qualifying investment is deducted from Total Income
- Total income includes:
 - PAYE income
 - Rental income
 - ARF distribution income

EIIS INVESTOR CONSIDERATIONS

- Relief will be given at the investors marginal rate of tax
- Investors should seek competent professional advice
- Investors are responsible for making a submission to Revenue
- Investors will not have access to their investment for a 4 year period
- Minimum investment of €25,000
- Maximum investment of €150,000

CANTOR EIIS EXPERIENCE

- One of Ireland's most experienced firms in structuring and placing EIIS
- Raised in excess of €15.5m since legislation introduced in 2011
- Raised EIIS across multiple sectors:
 - Renewable Energy
 - Technology
 - Food & Beverage
 - Retail
- Evaluate a large number of potential investee companies each year
- Comprehensive due diligence and screening process

Thank You

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An instinct for growth™

The funding landscape

Funding for growth

25 November 2015

Michael Neary

Partner

E michael.neary@ie.gt.com

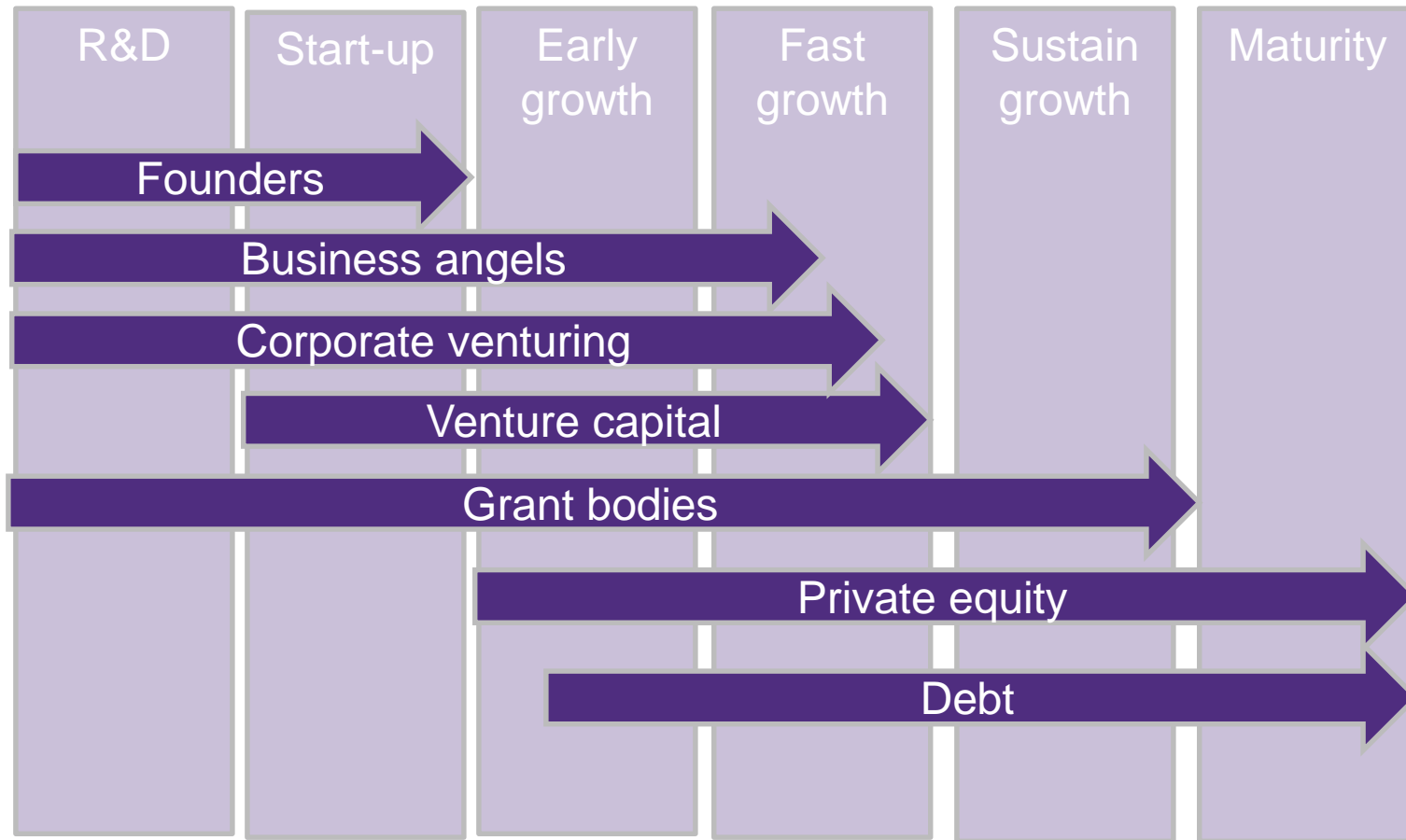


Agenda

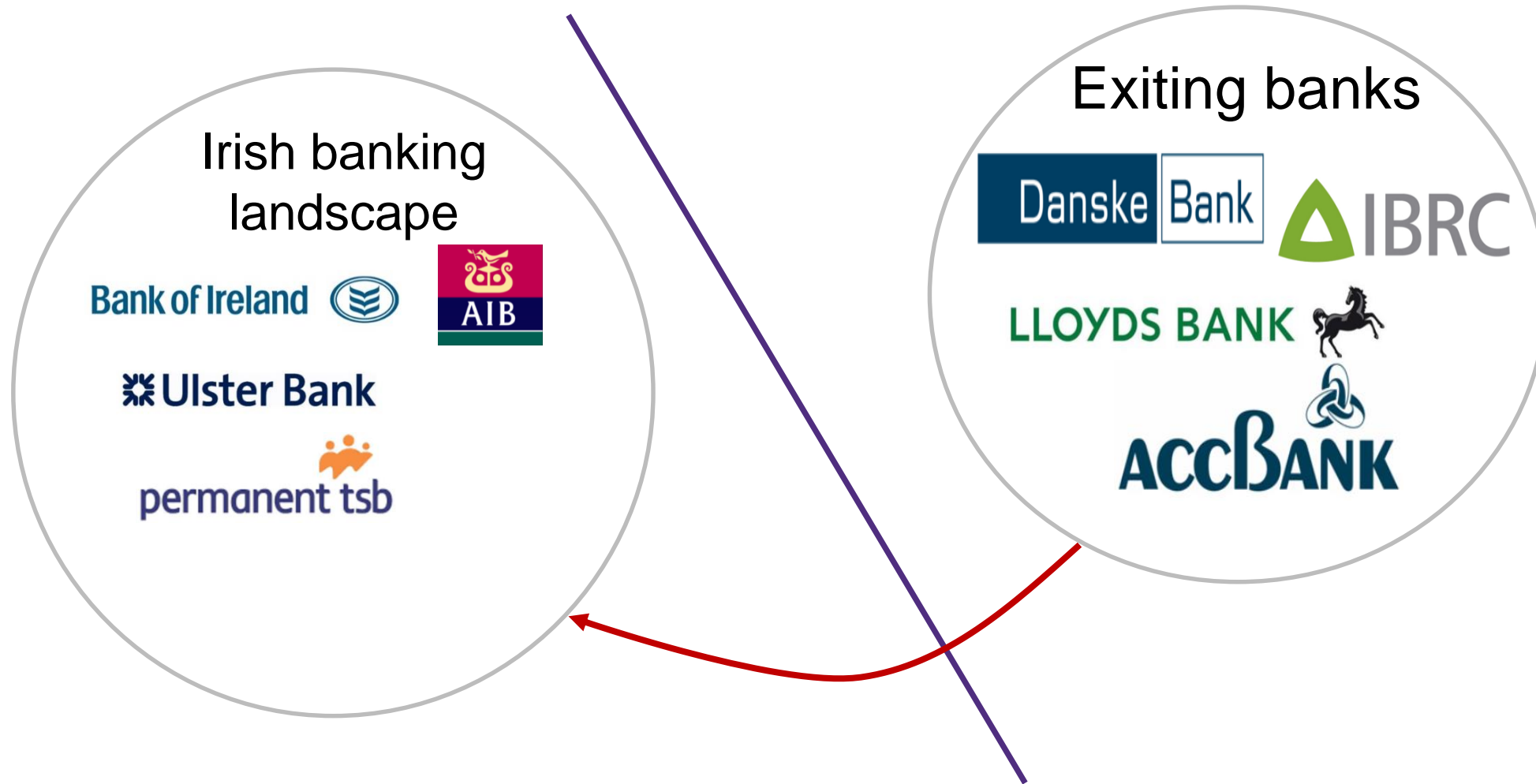
- funding landscape
- fundraising process
- business plans



When do funders invest?



New banking landscape



Active private equity funds in Ireland

SME-focussed



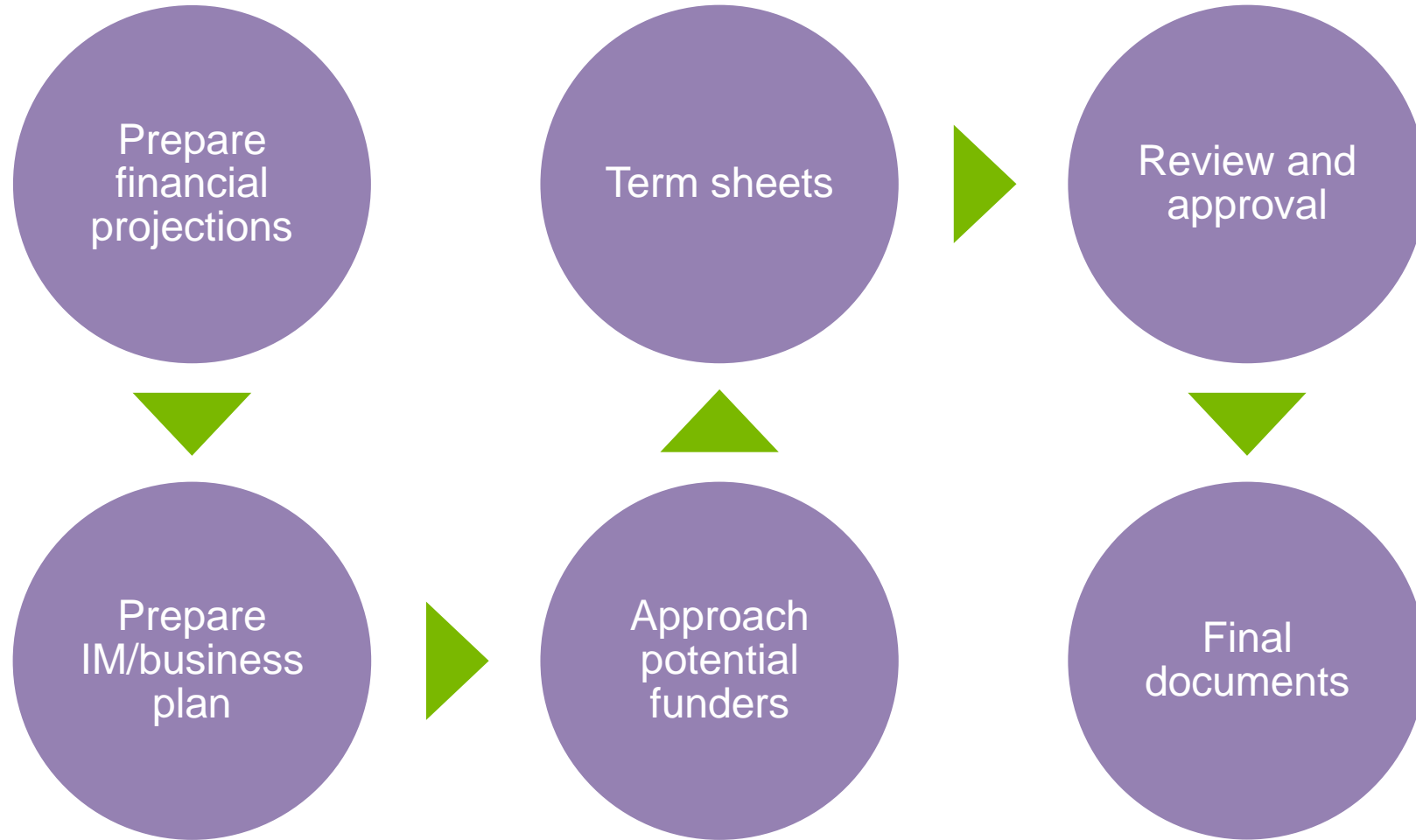
Alternative funding sources



What funders are looking for?



Process of raising funding



Business plan and projections

Contents:

- executive summary
- product and services
- market analysis and competition
- sales and marketing
- management team
- projections and assumptions



Example case: AMCS Group

- AMCS
- set up in 2003, Limerick
- software provider to the waste sector
- funding requirement for growth
- highland – technology fund
- funding of €23.5 million provided
- used to fund acquisition and for future growth



HIGHLAND
CAPITAL PARTNERS



AMCSGROUP



Conclusion

- banks actively lending and lending levels continuing to increase
- private equity funds seeking opportunities for investment
- alternative providers offering alternative solutions
- business planning and preparation stage – key to accessing funds



Contact

Michael Neary

Partner

E michael.neary@ie.gt.com

T +353 (0)1 6805 797



Questions & feedback?

