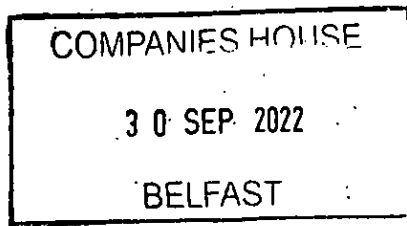


Registered number: NI009882



Ards Holdings Limited

Annual report and financial statements for the year ended 31 December 2021

Ards Holdings Limited

Contents

	Page(s)
Company information	1
Strategic report	2
Directors' report	3 - 5
Independent auditors' report to the members of Ards Holdings Limited	6 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 22

Ards Holdings Limited

1

Company information

Directors

R Hutchinson
G Hughes
R Gilroy

Company secretary

R Hutchinson

Registered number

NI009882

Registered office

60 Boucher Place
Belfast
BT12 6HT

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Merchant Square
20-22 Wellington Place
Belfast
BT1 6GE

Bankers

Danske Bank
Donegal Square West
Belfast
BT1 6JS

Solicitors

Pinsent Masons Belfast LLP
The Soloist
1 Lanyon Place
Belfast
County Antrim
BT1 3LP

Ards Holdings Limited

2

Strategic report for the year ended 31 December 2021

The directors present their Strategic report on the company for the year ended 31 December 2021.

Principal activities

The company's principal activity during the year was that of a holding company and are responsible for maintaining the group's defined pension scheme. The principal activities of the company's subsidiary undertaking Gilbert-Ash Limited is engaged principally in the construction sector.

Business review and future developments

The profit for the financial year is £6,937,716 (2020: £9,345,749). The net assets as at 31 Decembers 2021 are £539,336 (2020: £441,620).

The directors consider the performance of the company during the year and the financial position as at 31 December 2021 to be satisfactory. After the year end a number of the company's subsidiary undertakings were dissolved as disclosed in the Directors' report and note 20.

Key performance indicators

Given the straightforward nature of the business and its principal activities, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of development, performance, or position of the company.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to the general economic environment. The board carries out regular strategic reviews including assessments of competitor activity, market trends and forecasts customer behaviour.

This report was approved by the board on 30 September 2022 and signed by its order.



R Hutchinson
Company secretary

Directors' report for the year ended 31 December 2021

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2021. The future developments of the company are disclosed in the Strategic Report and included here by cross reference.

Results and dividends

The profit for the financial year is £6,937,716 (2020: £9,345,749).

Interim dividends paid of £180,000 at £0.42 per ordinary share (2020: £180,000 at £0.42 per ordinary share) and £6,300,000 at £14.58 per ordinary share (2020: £9,000,000 at £20.83 per ordinary share). The directors do not recommend the payment of a final dividend (2020: £nil).

Directors

The directors of the company who served during the financial year and up to the date of signing in the financial statements were:

R Hutchinson
G Hughes
R Gilroy

Post balance sheet event

On the 3 May 2022 the following dormant subsidiary companies were dissolved. All asset balances in respect of these companies had been impaired in prior years.

- Ards Holdings Overseas Limited
- Granite Aggregate Limited
- Greenbank Timber and Metal Limited
- Pottinger Properties Limited
- Boucher Developments (N.I) Limited

Financial risk management

The company's operations expose it to a variety of financial risks that include credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects of the financial performance of the company.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Credit risk

The company carries out, where appropriate, credit check on potential customers before sales are made.

Liquidity risk

The company has no debt finance but has arrangements in place that are designed to ensure the company has sufficient available funds for operations.

Interest rate risk

The company has interest bearing liabilities which include cash balances which earn interest at variable rates. The company has a policy of keeping a mixture of these cash balances at fixed rates, and other at variable rate as appropriate. The policy is reviewed on a regular basis.

Ards Holdings Limited

4

Directors' report for the year ended 31 December 2021 (continued)

Going concern

These financial statements have been prepared on a going concern basis. The company has net current liabilities and relies on the continued support of its subsidiary undertaking, Gilbert-Ash Limited.

The company's subsidiary, Gilbert-Ash Limited has given assurances that they will not seek repayments of any balances due to them if the company is not in a position to settle them and will continue to provide financial support for a period of 12 months from the date of these financial statements.

The directors believe that the company is well placed to continue its business, and are confident they have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual financial statements.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' indemnities

The Directors have the benefit of an indemnity, which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company has purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Directors' confirmations

In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and parent company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and parent company's auditors are aware of that information.

Ards Holdings Limited

5

Directors' report for the year ended 31 December 2021 (continued)

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30 September 2022 and signed by its order.



R. Hutchinson
Company Secretary

Independent auditors' report to the members of Ards Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Ards Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2021; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

Independent auditors' report to the members of Ards Holdings Limited (continued)

there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to data protection and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journals entries to manipulate financial results and management bias in accounting estimates or significant judgements. Audit procedures performed by the engagement team included:

Independent auditors' report to the members of Ards Holdings Limited (continued)

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identification and testing of significant manual journal entries; and
- Evaluating and, where appropriate, challenging assumptions and judgements made by management in making significant accounting estimates

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Emma Murray (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Belfast

30 September 2022

Ards Holdings Limited

9

Statement of comprehensive income for the year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	5	495,730	300,000
Administrative expenses		(36,586)	(77,255)
Operating profit	6	459,144	222,745
Interest receivable and similar income	8	4	4
Income from shares in group undertakings	9	6,480,000	9,180,000
Profit before taxation		6,939,148	9,402,749
Tax on profit	10	(1,432)	(57,000)
Profit for the financial year		6,937,716	9,345,749
Other comprehensive expense for the year			
Actuarial loss on pension scheme	16	(360,000)	(265,000)
Total comprehensive income for the year		6,577,716	9,080,749

Ards Holdings Limited

10

Balance sheet as at 31 December 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Investments	12	600,000	600,000
		600,000	600,000
Current assets			
Debtors	13	241,828	75,460
Cash at bank and in hand		696,947	712,212
		938,775	787,672
Creditors: amounts falling due within one year	14	(999,439)	(946,052)
Net current liabilities		(60,664)	(158,380)
Total assets less current liabilities		539,336	441,620
Net assets		539,336	441,620
Capital and reserves			
Called up share capital	15	108,000	108,000
Revaluation reserve		288,436	288,436
Capital redemption reserve		42,000	42,000
Retained earnings		100,900	3,184
Total shareholders' funds		539,336	441,620

The financial statements on pages 9 to 22 were approved and authorised for issue by the board and were signed on its behalf by:



R Hutchinson

Director

30 September 2022

The notes on pages 12 to 22 form part of these financial statements.

Ards Holdings Limited

11

Statement of changes in equity for the year ended 31 December 2021

	Called up share capital £	Capital redemption reserve £	Revaluatio n reserve £	Retained earnings £	Total shareholder's funds £
Balance as at 1 January 2020	108,000	42,000	288,436	102,435	540,871
Comprehensive income/(expense) for the year					
Profit for the financial year	-	-	-	9,345,749	9,345,749
Actuarial loss on pension scheme	-	-	-	(265,000)	(265,000)
Total comprehensive income for the year	-	-	-	9,080,749	9,080,749
Dividends paid (note 11)	-	-	-	(9,180,000)	(9,180,000)
Total transactions with owners, recognised directly in equity	-	-	-	(9,180,000)	(9,180,000)
Balance as at 31 December 2020 and as at 1 January 2021	108,000	42,000	288,436	3,184	441,620
Comprehensive income/(expense) for the year					
Profit for the financial year	-	-	-	6,937,716	6,937,716
Actuarial loss on pension scheme	-	-	-	(360,000)	(360,000)
Total comprehensive income for the year	-	-	-	6,577,716	6,577,716
Dividends paid (note 11)	-	-	-	(6,480,000)	(6,480,000)
Total transactions with owners, recognised directly in equity	-	-	-	(6,480,000)	(6,480,000)
Balance as at 31 December 2021	108,000	42,000	288,436	100,900	539,336

Notes to the financial statements for the year ended 31 December 2021

1 General information

The principal activities of the company are that of a holding company.

The company is a private company limited by shares and is incorporated and domiciled in the United Kingdom and registered in Northern Ireland. The address of its registered office is 60 Boucher Place, Belfast, BT12 6HT

2 Statement of compliance

The financial statements of Ards Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

Basic on preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 4).

The following principal accounting policies have been applied consistently unless otherwise stated:

Consolidation

These financial statements contains information about the company as an individual company and do not contain consolidated financial information as the parent undertaking of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidated in the consolidated financial statements of its parent undertaking, Gilbert-Ash Holdings Limited, a company incorporated in Northern Ireland.

Going concern

These financial statements have been prepared on a going concern basis. The company has net current liabilities and relies on the continued support of its subsidiary undertaking, Gilbert-Ash Limited.

The company's subsidiary, Gilbert-Ash Limited has given assurances that they will not seek repayments of any balances due to them if the company is not in a position to settle them and will continue to provide financial support for a period of 12 months from the date of these financial statements.

The directors believe that the company is well placed to continue its business, and are confident they have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual financial statements:

Notes to the financial statements for the year ended 31 December 2021 (continued)**3 Summary of significant accounting policies (continued)****Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemption, subject to certain conditions, which have been complied with. The company has taken advantage of the following exemptions:

- From the disclosure under FRS 102 paragraph 1.12 (b) from preparing a Statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Gilbert-Ash Holdings Limited, includes the company's cash flows in its own consolidated financial statements;
- From the disclosure of financial instruments; required under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii) 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statements disclosures;
- From disclosing the company's key management compensation, as required by FRS 102 paragraph 33.7; and
- From disclosing related party transactions that are wholly owned within the same group under paragraph 33.1 from the provisions of FRS 102, on the grounds that at 31 December 2021 the company was wholly owned.

Turnover

Turnover comprises the fair value of the consideration received or receivable for the provision of the services in the ordinary course of the company's activities. Revenue is shown net of value-added tax. The company has one revenue stream being the provision of management services to group undertakings.

Investments

Investment in subsidiaries are measured at cost less accumulated impairment.

Debtors

Debtors are stated after all known bad debts have been written off and specific provision has been made against all debts considered doubtful of collection.

Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

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

Investment income

Investment income is recognised in the Statement of comprehensive income when earned.

Dividends

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

Notes to the financial statements for the year ended 31 December 2021 (continued)**3 Summary of significant accounting policies (continued)****Financial instruments**

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i. Financial assets

Basic financial assets, including other debtors, cash at bank and in hand, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised costs are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the assets expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii. Financial liabilities

Basic financial liabilities, including amounts owed to group undertakings initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

iii. Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the liability simultaneously.

Interest receivable and similar income

Interest receivable and similar income is recognised in the Statement of comprehensive income using the effective interest method.

Pensions

Up to 31 May 2002 the company operated a Defined Benefit Pension Scheme which provided retirement and death benefits based on final pensionable pay for all eligible employees. This scheme was closed to new members with effect from 1 June 2002.

Notes to the financial statements for the year ended 31 December 2021 (continued)**3 Summary of significant accounting policies (continued)****Pensions (continued)**

The assets of the scheme are held separately from those of the company, being invested with a number of leading investment institutions. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high-quality corporate bond equivalent term to the liability. The increase in the present value of the liabilities of the company's defined benefit pension scheme arising from the employee service in the period is charged to the operating profit. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the Statement of comprehensive income.

The net defined benefit balance for the Company determined under FRS 102 may be an asset. The standard asserts that an asset may arise (that is, an asset measured on the basis of FRS 102) where a defined benefit plan has been 'over-funded' or when actuarial gains have arisen. The standard justifies the recognition of an asset in such cases because:

- (a) the Company controls a resource, which is the ability to use the surplus to generate future benefits;
- (b) that control is a result of past events (contributions paid by the entity and service rendered by the employee); and
- (c) future economic benefits are available to the entity in the form of a reduction in future contributions or a cash refund, either directly to the Company or indirectly to another plan in deficit; the present value of those benefits is described as the asset ceiling.

When there is a surplus in a defined benefit plan, the standard requires the net asset recognised to be restricted to the lower of the surplus in the plan and the asset ceiling discounted using the same discount rate used for determining the defined benefit obligation. Any adjustment required by the ceiling test is accounted for in other comprehensive income.

From 1 June 2002 employees were invited to contribute to the defined contribution stakeholder arrangement. The employer contributions made to this arrangement are charged directly to the Statement of comprehensive income as incurred.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance sheet date.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Notes to the financial statements for the year ended 31 December 2021 (continued)**4 Judgements in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations on future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the company's accounting policies

There are no critical judgements in applying the company's accounting policies.

(b) Critical accounting estimates and assumptions**(i) Assumptions used in pension scheme**

To determine the valuation of defined benefit schemes' assets and liabilities, a number of key assumptions have been made. The key assumptions, which are given below, are largely dependent on factors outside the control of the company:

- Inflation rate
- Life expectancy
- Discount rate; and
- Salary and pension growth rates.

The company is exposed to risks through its defined benefit schemes if actual experience differs to the assumptions used and through volatility in the plan assets. Details of the assumptions used are included in note 16.

5 Turnover

The whole of the turnover is attributable to the company's principal activity in the United Kingdom. An analysis of turnover by class of business is as follows:

	2021	2020
	£	£
Management income	495,730	300,000

6 Operating profit

The operating profit is stated after charging:

	2021	2020
	£	£
Fees payable to the company's auditors and their associates for the audit of the company's annual financial statements	12,500	8,900

In accordance with SI 2008/489 the company has not disclosed the fees payable to the company's auditors for 'Other services' as this information is included in the consolidated financial statements of Gilbert-Ash Holdings Limited.

7 Employees

The company had no employees during the year, other than the directors (2020: Nil), who did not receive any remuneration (2020: Nil).

The directors are remunerated by the company's subsidiary undertaking Gilbert-Ash Limited. The directors do not believe it is practicable to apportion this amount between their services as directors of the company and their other services; however, the directors' services to the company do not occupy a significant amount of their time.

Notes to the financial statements for the year ended 31 December 2021 (continued)

8 Interest receivable and similar income

	2021	2020
	£	£
Bank interest receivable	4	4

9 Income from shares in group undertakings

	2021	2020
	£	£
Income from shares in group undertakings	6,480,000	9,180,000

10 Tax on profit

	2021	2020
	£	£
Corporation tax		
Adjustment in respect of previous periods	(17,577)	-
Current tax on profits for the year	19,009	57,000
Total current tax	1,432	57,000
Total tax charge for the year	1,432	57,000

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021	2020
	£	£
Profit before taxation	6,939,148	9,402,749
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	1,318,438	1,786,522
Effects of:		
Expenses not deductible for tax purposes	171	2,982
Group relief	-	13,704
Income not taxable	(1,231,200)	(1,744,200)
Pension scheme	-	(2,008)
Adjustments in respect of previous periods	(17,577)	-
Deferred tax asset not provided	(68,400)	-
Total tax charge for the year	1,432	57,000

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate will increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

On 23 September 2022, it was announced that the corporation tax rate change from 19% to 25% with effect from 1 April 2023 was to be cancelled. This was not substantively enacted at the balance sheet date and therefore the impact of this change is not reflected in the measurement of deferred tax. If the rate change had been substantively enacted prior to 31 December 2021, the impact would have been to reduce the potential deferred tax asset by £21,600 (2020: £nil) with a corresponding credit to the income statement.

Notes to the financial statements for the year ended 31 December 2021 (continued)

11 Dividends paid

	2021	2020
	£	£
Interim dividend of £0.42 (2020: £0.42) per share paid	180,000	180,000
Interim dividend of £14.58 (2020: £20.83) per share paid	6,300,000	9,000,000
	6,480,000	9,180,000

12 Investments

Cost	Investments in subsidiary undertakings £
At 1 January 2021 and at 31 December 2021	615,691
Impairment	
At 1 January 2021 and at 31 December 2021	15,691
Net book value	
At 31 December 2021 and at 31 December 2020	600,000

The directors believe that the carrying value of the investment is supported by their underlying net assets.

Subsidiary undertakings

The following are direct subsidiary undertakings of the company:

Name	Registered address	Country of incorporation	Class of shares	Holding	Principal activity
Gilbert-Ash Limited	60 Boucher Place, Belfast, BT12 6HT	Northern Ireland	Ordinary shares of £1 each	100%	Construction
Gilbert-Ash Fitout Limited	60 Boucher Place, Belfast, BT12 6HT	Northern Ireland	Ordinary shares of £1 each	100%	Dormant
Gilbert-Ash Cairn Limited	60 Boucher Place, Belfast, BT12 6HT	Northern Ireland	Ordinary shares of £1 each	100%	Dormant
Greenbank Timber and Metal Limited	60 Boucher Place, Belfast, BT12 6HT	Northern Ireland	Ordinary shares of £1 each	100%	Dormant
Ards Holdings Overseas Limited	60 Boucher Place, Belfast, BT12 6HT	Northern Ireland	Ordinary shares of £1 each	100%	Dormant
Granite Aggregate Limited	60 Boucher Place, Belfast, BT12 6HT	Northern Ireland	Ordinary shares of £1 each	100%	Dormant
Boucher Developments (N.I) Limited	60 Boucher Place, Belfast, BT12 6HT	Northern Ireland	Ordinary shares of £1 each	100%	Dormant
Pottinger Properties Limited	60 Boucher Place, Belfast, BT12 6HT	Northern Ireland	Ordinary shares of £1 each	100%	Dormant

Notes to the financial statements for the year ended 31 December 2021 (continued)

13 Debtors

	2021	2020
	£	£
Amounts owed from group undertakings	75,460	75,460
Other debtors	166,368	-
	241,828	75,460

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

14 Creditors: amounts falling due within one year

	2021	2020
	£	£
Amounts owed to group undertakings	945,991	856,105
Corporation tax	19,009	57,000
Other taxation and social security	34,439	32,947
	999,439	946,052

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

15 Called up share capital

	2021	2020
	£	£
Authorised		
600,000 (2020: 600,000) Ordinary shares of £0.25 each	150,000	150,000
Allotted and fully paid		
432,000 (2020: 432,000) ordinary shares of £0.25 each	108,000	108,000

The directors do not recommend the payment of a final dividend (2020: £nil).

There is one class of ordinary share. There are no restrictions on the distribution of dividends.

16 Pensions commitments

The company operates a defined benefit pension scheme.

An actuarial valuation of the defined benefit scheme using the projected unit basis was carried out at 31 December 2021 by Mercer Limited. Scheme assets do not include any of Ards Holdings Limited's own financial instruments, or any property occupied by Ards Holdings Limited.

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on high quality corporate bond yields as at the Balance sheet date. Expected returns on equity investments reflect long-term real rates on return experiences in the respective markets.

The actual return on scheme assets and liabilities in the year has resulted in an overall gross surplus in the year of £Nil (2020: £Nil).

Notes to the financial statements for the year ended 31 December 2021 (continued)
16 Pensions commitments (continued)

Movement in the present value of the defined benefit obligation were as follows:

	2021 £	2020 (restated) £
Opening defined benefit obligation	15,814,000	13,890,000
Interest cost	218,000	286,000
Actuarial (gains)/losses	(220,000)	2,173,000
Remeasurements	(230,000)	25,000
Benefits paid	(535,000)	(560,000)
At the end of the year	15,047,000	15,814,000

The prior year disclosure has been updated to remove a past service cost of £35,000 which was amended in the current year actuarial valuation report.

Changes in fair value of scheme assets were as follows:

	2021 £	2020 £
Opening defined benefit assets	16,248,000	15,390,000
Expected return on assets	224,000	317,000
Actuarial losses	1,351,000	801,000
Contributions by employer	360,000	300,000
Benefits paid	(535,000)	(560,000)
At the end of the year	17,648,000	16,248,000

Net pension scheme liability

Deferred taxation asset in relation to pension is £Nil (2020: £Nil). There is a potential deferred tax asset unrecognised in respect of non trading timing differences of £90,000 (2020: £57,000)

The amounts recognised in profit or loss are as follows:

	2021 £	2020 (Restated) £
Interest on obligation	218,000	286,000
Expected returns on scheme assets	(224,000)	(317,000)
Effect of asset ceiling	6,000	31,000
Total	-	-

The comparative note was updated to correct the interest on obligation adjustment and include the effect of the asset ceiling

The cumulative amount of actuarial gains and losses recognised in the Statement of comprehensive income was £360,000 (2020: £265,000).

Notes to the financial statements for the year ended 31 December 2021 (continued)
16 Pensions commitments (continued)

The fair value scheme assets were:

	2021	2020
	£	£
Cash and cash equivalents	405,000	354,000
Equity instruments	5,934,000	7,453,000
Debt instruments	9,277,000	7,104,000
Real estate	1,490,000	1,337,000
Other	542,000	-
Closing fair value of scheme assets	17,648,000	16,248,000

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2021	2020
	%	%
Discount rate at 31 December	1.80	1.40
Inflation assumption	3.00	2.50
Retiring body (member aged 40 today)	24.30	24.20
Retiring body (member aged 65)	22.10	22.00

Amounts for the current and previous four periods are as follows:

Defined benefit pension scheme

	2021	2020 (restated)
	£	£
Defined benefit obligation	(15,047,000)	(15,814,000)
Scheme assets	17,648,000	16,248,000
Effect of asset ceiling	(2,601,000)	(434,000)
Surplus/(deficit)	-	-

The defined benefit obligation and effect of asset ceiling amounts disclosed in the prior year have been restated in line with the adjustment above.

	2021	2020
	£	£
Effects of changes in assumptions	485,000	(2,173,000)
Experience adjustments on scheme liabilities	-	(25,000)
Return on plan assets (excluding interest income)	1,351,000	801,000

Notes to the financial statements for the year ended 31 December 2021 (continued)

17 Related party transactions

The company has taken advantage of the exemptions contained in section 33 of FRS 102 not to disclose transactions with related parties as all the voting rights of the company and subsidiaries are controlled within Gilbert-Ash Holdings Limited group.

18 Contingencies

The company has been entered into a cross guarantee on facilities taken out by group undertakings. In the opinion of the directors there is no indication that the company will suffer any loss.

19 Ultimate controlling party

The immediate and ultimate parent undertaking of the company is Gilbert-Ash Holdings Limited.

The smallest and largest group of undertakings for which group financial statements are drawn up and of which the company is a member of Gilbert-Ash Holdings Limited, registered address, 60 Boucher Place, Belfast, Northern Ireland, BT12 6HT. Copies of the group financial statements are available to the public from Companies House, Belfast, Second Floor, The Linenhall, 32-38 Linenhall Street, Northern Ireland BT2 8BG.

The directors consider that the ultimate controlling party are the shareholders of Gilbert-Ash Holdings Limited.

20 Post balance sheet event

On the 3 May 2022 the following dormant subsidiary companies were dissolved. All asset balances in respect of these companies had been impaired in prior years.

- Ards Holdings Overseas Limited
- Granite Aggregate Limited
- Greenbank Timber and Metal Limited
- Pottinger Properties Limited
- Boucher Developments (N.I) Limited