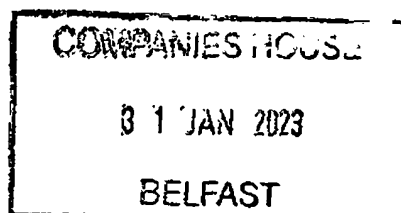


Garvagh Investments Limited

Filleted financial statements

Year ended 30 April 2022

Registered number: NI617767



TUESDAY



J8WCP70H

JNI

31/01/2023

#105

COMPANIES HOUSE

Garvagh Investments Limited

Filleted financial statements

<i>Contents</i>	<i>Page</i>
Balance sheet	1
Notes forming part of the filleted financial statements	2

Garvagh Investments Limited

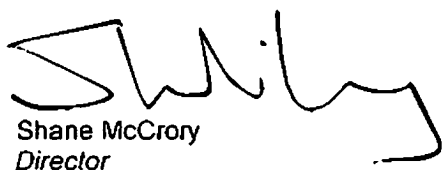
Balance sheet as at 30 April 2022

	Note	2022 £	2021 £
Fixed assets			
Financial fixed assets	2	12,369,878	13,852,256
Current assets			
Debtors	3	783,483	26,282,517
Cash at bank and in hand		5,489,634	11,755,991
		6,273,117	38,038,508
Creditors: amounts falling due within one year	4	(17,293,639)	(28,185,431)
Net current (liabilities)/assets		(11,020,522)	9,853,077
Net assets		1,349,356	23,705,333
Capital and reserves			
Called up share capital		12	12
Share premium		-	9,312,492
Profit and loss account		1,349,344	14,392,829
Shareholders' funds		1,349,356	23,705,333

The accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The profit and loss account, directors' report and auditor's report have not been delivered to the Registrar of Companies in accordance with the special provisions applicable to companies subject to the small companies regime.

These filed financial statements were approved by the board of directors on 31 January 2023 and were signed on its behalf by:


Shane McCrory
Director

Registered number: NI 617767

Garvagh Investments Limited

Notes

forming part of the filleted financial statements

1 Accounting policies

Garvagh Investments Limited ("the company") is a private company limited by shares and incorporated and domiciled in the United Kingdom. The registered number of the company is NI617767 and the address of its registered office is 8A Garvagh Road, Donaghmore, Dungannon, Co. Tyrone, Northern Ireland. The company is exempt from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with the provisions of Section 1A 'Small Entities' of Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102").

The presentation currency of these financial statements is Sterling. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Cash flow statement

The company has availed of the exemption contained in Section 7 of FRS 102 and as a result have elected not to prepare a cash flow statement.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: investment property, measured in accordance with the revaluation model.

Going concern

At the year end, the company is in a net current liability position of £11m. The company has received confirmation from parent undertakings that they will continue to provide financial support to the company should the need arise for the next 12 months. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of preparation.

Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Investments in ordinary shares

Investments in ordinary shares are measured initially at transaction price plus attributable transaction costs. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Garvagh Investments Limited

Notes *(continued)*

1 Accounting policies *(continued)*

Basic financial instruments *(continued)*

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment in accordance with FRS 102.17.

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost. Subsequent to initial recognition

- i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- ii. no depreciation is provided in respect of investment properties applying the fair value model.

This treatment as regards the company's investment properties, may be a departure from the requirements of the Companies Acts concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

As at 30 April 2022, investment property fair value has been assessed by the directors. The valuation, which is supported by market evidence, is prepared by considering the aggregate of net annual rents receivable from the property and where relevant, associated costs. A yield which reflects the specific risks inherent in the net cash flows is then applied to the net annual rentals to arrive at the property valuations. Any gain or loss arising from a change in fair value is recognised in profit or loss. Rental income from investment property is accounted for as described in the turnover accounting policy.

Impairment excluding investment properties

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Garvagh Investments Limited

Notes (continued)

1 Accounting policies (continued)

Impairment excluding investment properties (continued)

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than investment property and stocks, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Foreign currency

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Turnover

Turnover arises from sale of properties and property rental and excludes Value Added Tax. Turnover from sale of properties is recognised on completion of contract. Turnover from property rental is recognised on a straight line basis over the term of the relevant lease.

Garvagh Investments Limited

Notes (continued)

1 Accounting policies (continued)

Expenses

Interest receivable and interest payable

Interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest payable and similar charges include interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest rate method. Foreign currency gains and losses are reported on a net basis.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Garvagh Investments Limited

Notes (continued)

2 Financial fixed assets	Investment property £	Other Investments £	Total £
<i>Cost/valuation</i>			
At beginning of year	13,522,053	330,203	13,852,256
Additions	-	-	-
Revaluation loss	(1,482,378)	-	(1,482,378)
	<hr/>	<hr/>	<hr/>
At 30 April 2022	12,039,675	330,203	12,369,878
	<hr/>	<hr/>	<hr/>
<i>Impairment</i>			
At beginning and end of year	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 30 April 2022	12,039,676	330,203	12,369,878
	<hr/>	<hr/>	<hr/>
At 30 April 2021	13,522,053	330,203	13,852,256
	<hr/>	<hr/>	<hr/>

Investment property has been valued internally by the directors, using rental yields of properties of similar nature and similar location of the property. Based on these valuations a loss of £1,482,378 (2021: gain of £1,696,791) was recognised in the year. The assumptions used in valuing the property are supported by market evidence, and the directors are confident the value of the investment property is accurately reflected above.

Holdings of 20% or more:

Name	Country of incorporation	Details of investment	Proportion held	Principal activity
Gallena Business Management Limited	Ireland	60 ordinary shares of £0.90 each	100%	Trading and investment company
Knockburn Limited	Northern Ireland	1 ordinary share of £1 each	100%	Investment company
Knockburn (NO 2) Limited	Northern Ireland	1 ordinary share of £1 each	100%	Investment company
Adrasta Commercial Limited	Ireland	60 ordinary shares of £0.80 each	100%	Investment company
Broadfield Developments Limited	Ireland	8 ordinary shares of €2 each	50%	Investment company

Garvagh Investments Limited

Notes (continued)

2 Financial fixed assets (continued)

The investees' results are as follows:

	Capital and reserves £/€	Profit/(loss) for the year £/€	Capital and reserves £/€	Profit/(loss) for the year £/€
<i>Gallena Business Management Limited (31 December 2021)</i>	€18,301,570	€638,894	€17,662,676	€544,073
<i>Knockburn Limited (30 April 2022)</i>	£3,692,685	£309,265	£5,183,420	£921,725
<i>Adrasta Commercial Limited (31 December 2021)</i>	€15,022	(€31,784)	€166,806	(€9,132)
<i>Broadfield Developments Limited (31 December 2021)</i>	(€3,640,902)	(€984,782)	(€2,656,120)	(€1,132,457)

None of the shares in the above subsidiary undertakings are listed on a recognised stock exchange. In the opinion of the directors the shares in the company's subsidiary undertakings are worth at least the amount at which they are stated in the balance sheet.

3 Debtors

	2022 £	2021 £
<i>Amounts falling due within one year</i>		
Amounts owed by group companies	409,170	16,052,798
Amounts owed by connected companies ²	-	2,018,552
Amounts owed by director (note 5)	4,682	4,856
Trade debtors	56,197	55,708
Accrued income	192,042	48,733
Other debtors	3,532	2,239
Corporation tax	117,860	-
Total amounts falling due within one year	783,483	18,182,886
<i>Amounts falling due after one year</i>		
Amounts owed by group companies ¹	-	4,871,142
Amounts owed by connected companies ²	-	3,228,489
Total amounts falling due after one year	-	8,099,631
Total debtors	783,483	26,282,517

Garvagh Investments Limited

Notes (continued)

3 Debtors (continued)

All amounts owed by group undertakings are interest free and repayable on demand. Prior year amounts owed by group companies comprise the following:

- GBP denominated loans of £1,445,427 which are chargeable to interest at 3% and repayable on demand.
- Euro denominated loans £5,395,738 which are chargeable to interest at 8.5% per annum, £524,596 which is repayable in 1 year and the remainder which is repayable by December 2024. Also comprises GBP denominated loans of £1,500,258 which is interest free and repayable on demand.

All other prior year amounts owed by group undertakings are interest free and repayable on demand.

Prior year amounts owed by connected companies comprise the following:

- GBP denominated loans of £878,491 which are chargeable to interest at 3% and repayable on demand.
- Euro denominated loans of £3,739,667 which are chargeable to interest at 4.5% per annum, £521,178 which is repayable in 1 year, and the remainder which is repayable in quarterly instalments, to be fully repaid by 2025.

All other amounts owed by connected companies are interest free and repayable on demand.

4 Creditors: amounts falling due within one year	2022 £	2021 £
Amounts owed to related companies (note 5)	17,169,428	28,090,772
Other creditors	70,232	72,707
Accruals	53,979	21,952
	<hr/>	<hr/>
	17,293,639	28,185,431
	<hr/>	<hr/>

5 Controlling party and related party transactions

The company is controlled by Pdraig Drayne. The company has taken advantage of the exemption granted under FRS 102 from disclosing transactions with wholly owned subsidiaries.

Transactions with companies connected by common ownership

Bredale Properties Limited

During 2022 the company charged interest of £Nil (2021: £27,173) to Bredale Properties Limited, a company subject to common control. At 30 April 2022 Bredale Properties Limited owed Garvagh Investments Limited £Nil (2021: £1,125,213).

Crossville Properties Limited

During the year the company repaid amounts owed to Crossville Properties Limited of £175,221. At the year end £Nil remains outstanding (2021: £175,221).

Garvagh Investments Limited

Notes (continued)

5 Controlling party and related party transactions

Broadfield Developments Limited

During the year the company repaid amounts owed to Broadfield Developments Limited of £206,940, which remains outstanding at the year end (2021: £206,940).

Garvagh Developments Limited

During the year the company provided loans of £10.9m (2021: £4m) to Garvagh Developments Limited and novated £14.6m of amounts owed by Garvagh Developments Limited to shareholders as part payment of dividends in the year. Interest was charged during the year of £0.7m (2021: £0.1m) on these loans.

At the year end the company was owed £Nil (2021: £3.7m) from Garvagh Developments Limited. The companies are connected by way of common ownership.

Transactions with shareholders

During the year the company declared dividends of £27.7m to shareholders which was settled by way of novation of amounts owed by group undertakings of £12.2m, novation of amounts owed by Garvagh Developments Limited of £14.6m and cash of £0.9m.

During the year the company also repaid amounts owed to shareholders of £16.3m. At the year end the company owed £11.8m (2021: £28.1m) to its shareholders PDPD1 Limited, PDPD2 Limited, PDPD3 Limited and PDPD4 Limited in equal amounts.

Transactions with directors

During the year the company repaid loans to a director of £170 and at year end £4,682 (2021: £4,856) remained outstanding.

6 Post balance sheet events

There were no significant events occurring after the balance sheet date requiring disclosure in or amendment to the financial statements.

7 Audit report

On 31 January 2023, KPMG reported, as statutory auditors of Garvagh Investments Limited, to the members of the Company on the financial statements for the year ended 30 April 2022 and the report was unqualified. The audit report was signed by S. Abraham (Senior Statutory Auditor) for and on behalf of KPMG, Chartered Accountants, Statutory Audit Firm.