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Registered number: NI 9882

00675912

Ards Holdings Limited

Annual report

for the year ended 31 December 2008

Ards Holdings Limited

Annual report for the year ended 31 December 2008

Ards Holdings Limited

Directors and advisers

Directors

E G O'Neill (Managing Director)
R Hutchinson
J Wilson
J Hart
G Hughes
R Gilroy

Company secretary

R Hutchinson

Registered office

47 Boucher Road
Belfast
BT12 6HR

Solicitors

L'Estrange and Brett
Arnott House
12/16 Bridge Street
Belfast
BT1 1LS

Bankers

Northern Bank Limited
Donegall Square West
Belfast
BT1 6JS

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Waterfront Plaza
8 Laganbank Road
Belfast
BT1 3LR

Directors' report for the year ended 31 December 2008

The directors present their report and the audited financial statements of the group and company for the year ended 31 December 2008.

Principal activities

The group is engaged principally in the construction industry, operating in markets in Northern Ireland, the Republic of Ireland and Great Britain. The group is also involved in both retail and commercial fit-outs, with further turnover emanating from the sale of conservatories and sunrooms.

Business review

As anticipated, turnover fell slightly in 2008 but strong performances on some current contracts, coupled with the successful commercial outcomes of various older contracts, led to an increase in profitability. The results for the year show a pre-tax profit of £5,454,706 (2007: £4,561,197) on turnover of £133,605,551 (2007: £137,298,900). Two interim dividends were paid to shareholders during the year, the first in January 2008 of £1.60 per share (2007: £1.50 per share) and the second in November 2008 of £5.00 per share (2007: £nil).

The directors would like to record their appreciation of the effort contributed by all staff throughout 2008.

Future outlook

The group continues to operate in an extremely competitive marketplace. The general construction industry has contracted significantly in 2008 and is anticipated to decline even further in 2009. As a consequence, the directors foresee a further reduction in turnover in 2009 but it is hoped that margins will be maintained.

Principal risks and uncertainties

The key business risks which could have an impact on the performance of the group are considered to be the deepening recession and the continuing global credit crisis, together with increased competition from both national and international contractors.

Key performance indicators

The directors have determined that the following key performance indicators are the most effective measures to evaluate the performance of the business:

	2008	2007
	£	£
Turnover	**£133,605,551**	£137,298,900
Profit before taxation	**£5,454,706**	£4,561,197
Shareholders' funds	**£18,204,497**	£18,104,895

Environment

The group recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

Health and safety

The group is committed to achieving the highest practicable standards in health and safety management and strives to make all sites and offices safe environments for employees and customers alike.

Directors' report for the year ended 31 December 2008 (continued)

Human resources

The group's most important resource is its people; their knowledge and experience is crucial to meeting customer requirements. Retention of key staff is critical and the group has invested increasingly in employment training and development.

Financial risk management

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

Given the size of the group, 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 group's finance department.

Foreign exchange risk

While the greater part of the group's revenues and expenses are denominated in sterling, the company is exposed to some foreign exchange risk in the normal course of business, principally on sales in euros. Where appropriate, the group uses financial instruments to hedge foreign exchange exposure.

Credit risk

The group carries out, where appropriate, credit checks on potential customers before sales are made.

Liquidity risk

The group 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 group has interest bearing assets which include cash balances which earn interest. The group has a policy of keeping a mixture of these cash balances at a fixed rate, and others at a variable rate as appropriate. This policy is reviewed on a regular basis.

Political and charitable donations

The group made charitable donations amounting to £11,495 (2007: £11,220) during the year, principally for the benefit of local communities in which the group operates. No donations for political purposes were made during the year (2007:£nil).

Directors

The directors who served during the year are shown on page 1.

Directors' report for the year ended 31 December 2008 (continued)

Statement of directors' responsibilities in respect of the annual report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies (Northern Ireland) Order 1986. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

So far as each of the directors in office at the date of approval of these financial statements is aware:

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

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

R Hutchinson
Company secretary
30 April 2009

Independent auditors' report to the members of Ards Holdings Limited

We have audited the group and parent company financial statements (the 'financial statements') of Ards Holdings Limited for the year ended 31 December 2008, which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated Balance Sheet and the Company Balance Sheet, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Article 243 of the Companies (Northern Ireland) Order 1986 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Northern Ireland) Order 1986. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Directors and Advisers page and all the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2008 and of the group's profit and cash flows for the year then ended;

- the financial statements have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986: and

- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Belfast
Date: 5 May 2009

Consolidated profit and loss account for the year ended 31 December 2008

	Notes	2008 £	2007 £
Turnover	2	**133,605,551**	137,298,900
Cost of sales		**(126,216,415)**	(131,509,337)
Gross profit		**7,389,136**	5,789,563
Administrative expenses		**(3,405,146)**	(3,292,389)
Operating profit	3	**3,983,990**	2,497,174
Profit on sale of fixed asset investments		**-**	89,574
Interest receivable and similar income		**1,381,909**	1,911,181
Interest payable and similar charges	6	**(33,193)**	(24,732)
Other finance income	7	**122,000**	88,000
Profit on ordinary activities before taxation		**5,454,706**	4,561,197
Tax on profit on ordinary activities	8	**(1,557,464)**	(1,221,473)
Profit for the financial year		**3,897,242**	3,339,724
Earnings per share	10	**£9.02**	£7.73

All amounts above relate to continuing operations of the group.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above, and their historical cost equivalents.

Consolidated statement of total recognised gains and losses for the year ended 31 December 2008

	2008 £	2007 £
Profit for the financial year	**3,897,242**	3,339,724
Actuarial (loss)/gain on pension scheme	**(1,315,000)**	435,000
Movement on deferred tax relating to pension scheme	**368,560**	(249,900)
Total recognised gains and losses relating to the year	**2,950,802**	3,524,824

Ards Holdings Limited

Consolidated balance sheet as at 31 December 2008

	Notes	**2008** £	2007 £
Fixed assets			
Tangible assets	11	**7,298,057**	7,400,728
Investments	12	**250,000**	250,000
		7,548,057	7,650,728
Current assets			
Stocks	13	**132,276**	155,393
Debtors	14	**13,985,743**	17,158,600
Cash at bank and in hand		**21,981,459**	21,793,051
		36,099,478	39,107,044
Creditors: amounts falling due within one year	15	**(24,705,848)**	(28,487,278)
Net current assets		**11,393,630**	10,619,766
Total assets less current liabilities		**18,941,687**	18,270,494
Creditors: amounts falling due after more than one year	16	**(107,190)**	(178,199)
Net assets excluding pension (liability)/asset		**18,834,497**	18,092,295
Pension (liability)/asset	27	**(630,000)**	12,600
Net assets including pension (liability)/asset		**18,204,497**	18,104,895
Capital and reserves			
Called up share capital	19	**108,000**	108,000
Capital redemption reserve	21	**42,000**	42,000
Revaluation reserve	21	**6,884,962**	6,884,962
Profit and loss account	20	**11,169,535**	10,909,463
Other reserves	21	**-**	160,470
Total shareholders' funds	22	**18,204,497**	18,104,895

The financial statements on pages 6 to 23 were approved by the board of directors on 30 April 2009 and were signed on its behalf by:

E G O'Neill
Director

R Hutchinson
Director

Ards Holdings Limited

Company balance sheet as at 31 December 2008

	Notes	2008 £	2007 £
Fixed assets			
Investments	12	**615,691**	615,691
Current assets			
Debtors	14	**1,446,623**	1,770,873
Cash at bank and in hand		**1,493,206**	602,549
		2,939,829	2,373,422
Creditors: amounts falling due within one year	15	**(2,433,117)**	(1,878,371)
Net current assets		**506,712**	495,051
Net assets		**1,122,403**	1,110,742
Capital and reserves			
Called up share capital	19	**108,000**	108,000
Capital redemption reserve	21	**42,000**	42,000
Revaluation reserve	21	**288,436**	288,436
Profit and loss account	20	**683,967**	672,306
Total shareholders' funds		**1,122,403**	1,110,742

The financial statements on pages 6 to 23 were approved by the board of directors on 30 April 2009 and were signed on its behalf by:

E G O'Neill
Director

R Hutchinson
Director

Ards Holdings Limited

Consolidated cash flow statement for the year ended 31 December 2008

	Notes	2008 £	2007 £
Net cash inflow from operating activities	23	**3,130,678**	4,210,823
Returns on investments and servicing of finance			
Interest received		**1,381,909**	1,911,181
Interest paid		**(23,443)**	(527)
Interest element of finance lease payments		**(9,750)**	(24,205)
		1,348,716	1,886,449
Corporation tax paid		**(1,355,842)**	(780,591)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		**(44,110)**	(157,696)
Sale of tangible fixed assets		**64,213**	294,329
Sale of fixed asset investments		**-**	266,421
		20,103	403,054
Dividends paid to shareholders		**(2,851,200)**	(648,000)
Net cash inflow before financing		**292,455**	5,071,735
Financing			
Capital element of finance lease payments		**(104,047)**	(159,951)
Increase in cash in the year	24 & 25	**188,408**	4,911,784

Notes to the financial statements for the year ended 31 December 2008

1 Accounting policies

These financial statements have been prepared on the going concern basis under the historical cost convention, as modified by the revaluation of certain tangible fixed assets and investments, and in accordance with the Companies (Northern Ireland) Order 1986 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and of all its subsidiary undertakings for the year ended 31 December 2008. Inter-group transactions and balances are eliminated fully on consolidation.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation. Upon revaluation, the aggregate surplus is transferred to a revaluation reserve. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual values over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

		%
Long leasehold buildings	-	4 per annum on straight line basis
Plant, machinery and office equipment	-	20 – 33 per annum on reducing balance basis
Motor vehicles	-	33 – 40 per annum on reducing balance basis

Depreciation is not provided in respect of land.

Investments

Fixed asset investments in subsidiaries are stated at a directors' valuation. On adoption of FRS 15 'Tangible fixed assets', the group followed the transitional provisions to retain the book value of investments in subsidiaries at their 1999 value, but not to adopt a policy of revaluation in the future. These values are retained subject to the requirement to test assets for impairment in accordance with FRS 11, 'Impairment of fixed assets'. Other fixed asset investments are stated at their purchase cost less any provision for impairment. Investment income is included in the profit and loss account on an accruals basis.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases') the assets are treated as if they had been purchased outright. The corresponding leasing commitments are shown as obligations to the lessor. Depreciation is charged to the profit and loss account on a straight line basis over the shorter of the lease terms and the useful economic lives of equivalent owned assets. Lease payments are treated as consisting of capital and interest elements and the interest is charged to revenue in proportion to the reducing capital element outstanding.

Rentals under operating leases are charged to the profit and loss account as incurred.

Long term contracts

Turnover on long term contracts is recognised according to the stage reached in the contract by reference to the value of work done. A prudent estimate of the profit attributable to work completed is recognised once the outcome of the contract can be assessed with reasonable certainty. The amount by which the turnover exceeds payments on account is shown under debtors as amounts recoverable on contracts.

Where payments on account exceed turnover the excess is classified as payments on account in excess of turnover and contract balances and has been separately disclosed within creditors.

Notes to the financial statements for the year ended 31 December 2008

1 Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value.

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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax assets are regarded as recoverable to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities recognised have not been discounted.

Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or the exchange rate of a related foreign exchange contract where appropriate. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the date of the transaction. The resulting gain or loss is dealt with in the profit and loss account.

Pension costs

Up to 31 May 2002 the company operated a Group 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.

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 of equivalent term to the liability. The increase in the present value of the liabilities of the group's defined benefit pension scheme arising from 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 total recognised gains and losses.

From 1 June 2002 employees were invited to contribute to a defined contribution stakeholder arrangement. The employer contributions made to this arrangement are charged directly to the profit and loss account.

2 Turnover

No analysis of turnover is provided as the directors consider that such disclosure would be seriously prejudicial to the interests of the company and the group.

Ards Holdings Limited

Notes to the financial statements for the year ended 31 December 2008

3 Operating profit

	2008	2007
	£	£
Operating profit is stated after charging/(crediting):		
Staff costs (note 4)	**6,105,656**	6,355,680
Depreciation – owned assets	**136,943**	248,323
Depreciation – assets held under finance lease agreements	**2,827**	16,634
Auditors' remuneration for audit services	**23,850**	21,470
Auditors' remuneration for other services	**32,500**	17,900
(Profit)/loss on sale of fixed assets	**(7,390)**	870

4 Employee information

	Group		Company	
	2008	2007	**2008**	2007
	£	£	£	£
Staff costs:				
Wages and salaries	**5,305,873**	5,401,030	-	-
Social security costs	**550,271**	554,256	-	-
Other pension costs	**249,512**	400,394	-	-
	6,105,656	6,355,680	-	-

	Number	Number	**Number**	Number
Average monthly number of persons (including directors) employed during the year by activity was:				
Supervision and production	**129**	145	-	-
Administration	**44**	47	**6**	5
	173	192	**6**	6

5 Directors' emoluments

	Group		Company	
	2008	2007	**2008**	2007
	£	£	£	£
Aggregate emoluments	**667,517**	596,197	-	-

Highest paid director:	£	£	£	£
Aggregate emoluments	**125,793**	121,355	-	-

Notes to the financial statements for the year ended 31 December 2008

6 Interest payable and similar charges

	2008	2007
	£	£
Interest payable on other items	**23,443**	527
Interest payable on finance lease agreements	**9,750**	24,205
	33,193	24,732

7 Other finance income

	2008	2007
	£	£
Expected return on pension scheme assets	**692,000**	640,000
Interest on pension scheme liabilities	**(570,000)**	(552,000)
	122,000	88,000

8 Tax on profit on ordinary activities

	2008	2007
	£	£
Current tax		
UK corporation tax on profits for the year	**1,434,293**	1,223,336
Adjustment in respect of previous periods	**902**	51
Overseas taxation	**59,385**	25,302
Double tax relief	**(59,385)**	(25,302)
Total current tax	**1,435,195**	1,223,387
Deferred tax		
Origination and reversal of timing differences	**4,109**	(2,078)
Movement relating to pension deficit	**118,160**	-
Adjustment in respect of previous periods	**-**	164
Total deferred tax (note 18)	**122,269**	(1,914)
Tax on profit on ordinary activities	**1,557,464**	1,221,473

Notes to the financial statements for the year ended 31 December 2008

8 Tax on profit on ordinary activities (continued)

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 28% (2007: 30%). The differences are explained below:

	2008	2007
	£	£
Profit on ordinary activities before tax	**5,454,706**	4,561,197
Profit on ordinary activities multiplied by standard rate in the UK 28% (2007: 30%)	**1,527,318**	1,368,359
Effects of:		
Expenses not deductible for tax purposes	**40,286**	18,761
Income not taxable	**-**	(26,872)
Origination and reversal of timing differences	**(4,109)**	2,078
Tax at marginal rates	**(11,042)**	(19,590)
Adjustment in respect of previous periods	**902**	51
Relief for pension contributions paid in excess of pension cost charge	**(118,160)**	(119,400)
Current tax charge for the year	**1,435,195**	1,223,387

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such provision is only permitted by FRS 19 "Deferred Tax" where the company has entered into a binding commitment to sell the property at the year end with any taxable gain not likely to be eligible for rollover relief. The total amount unprovided for is £1,770,000 (2007: £1,770,000).

9 Dividends

	2008	2007
	£	£
First interim paid of £1.60 per share (2007: £1.50)	**691,200**	648,000
Second interim paid of £5.00 per share (2007: £nil)	**2,160,000**	-
	2,851,200	648,000

10 Earnings per share

The earnings per share have been calculated on the profit for the financial year divided by 432,000 ordinary shares.

Notes to the financial statements for the year ended 31 December 2008

11 Tangible assets

Group	Long leasehold land and buildings £	Plant, machinery and office equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2008	6,850,000	1,608,192	367,695	8,825,887
Additions	-	20,315	73,607	93,922
Disposals	-	(131,820)	(217,858)	(349,678)
At 31 December 2008	**6,850,000**	**1,496,687**	**223,444**	**8,570,131**
Accumulated depreciation				
At 1 January 2008	8,000	1,146,968	270,191	1,425,159
Charge for the year	-	109,146	30,624	139,770
On disposals	-	(118,377)	(174,478)	(292,855)
At 31 December 2008	**8,000**	**1,137,737**	**126,337**	**1,272,074**
Net book value				
At 31 December 2008	**6,842,000**	**358,950**	**97,107**	**7,298,057**
At 31 December 2007	6,842,000	461,224	97,504	7,400,728

Analysis at cost or valuation				
Cost	-	**1,496,687**	**223,444**	**1,720,131**
Valuation	**6,850,000**	-	-	**6,850,000**
	6,850,000	**1,496,687**	**223,444**	**8,570,131**

	2008 £	2007 £
Tangible fixed assets include the following assets held under finance leases agreements:		
Plant, machinery and office equipment – cost	**509,737**	544,737
Accumulated depreciation	**(303,463)**	(277,261)
Net book value	**206,274**	267,476
Motor vehicles – cost	**53,312**	91,085
Accumulated depreciation	**(7,156)**	(66,812)
Net book value	**46,156**	24,273

Notes to the financial statements for the year ended 31 December 2008

11 Tangible assets (continued)

Long leasehold land and buildings were valued at 28 November 2006 on the basis of open market value for existing use by BTW Shiells, Commercial Property Consultants and independent Chartered Surveyors. The valuations were undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors in the United Kingdom.

If long leasehold land and buildings had not been revalued, they would have been included at the following amounts:

	2008	2007
	£	£
Cost	**201,238**	201,238
Accumulated depreciation	**(201,238)**	(201,238)
Net book value	**-**	-

12 Investments

	Group		Company	
	2008	2007	**2008**	2007
	£	£	**£**	£
Cost or valuation				
Investments in subsidiary undertakings	**-**	-	**615,691**	615,691
Investment in property fund	**250,000**	250,000	**-**	-
	250,000	250,000	**615,691**	615,691

The company's principal subsidiary undertakings are:

			Share ownership	
	Country of incorporation	Principal activity	%	Class
Gilbert-Ash NI Limited	Northern Ireland	Construction	100	Ordinary shares of £1 each
Gilbert-Ash Fitout Limited	Northern Ireland	Construction	100	Ordinary shares of £1 each

	2008	2007
Company	**£**	£
If fixed asset investments in subsidiary undertakings had not been revalued, they would have been included at the following amounts:		
Cost	**327,255**	327,255

13 Stocks

	Group		Company	
	2008	2007	**2008**	2007
	£	£	**£**	£
Raw materials and consumables	**132,276**	155,393	**-**	-

Notes to the financial statements for the year ended 31 December 2008

14 Debtors

	Group		Company	
	2008	2007	**2008**	2007
	£	£	**£**	£
Trade debtors	**825,390**	930,532	**-**	-
Amounts owed by subsidiary undertakings	**-**	-	**1,297,485**	1,297,485
Amounts recoverable on contracts	**12,226,523**	12,661,342	**-**	-
Other debtors	**719,656**	3,162,707	**149,138**	473,388
Prepayments and accrued income	**213,913**	399,649	**-**	-
Deferred tax asset (note 18)	**261**	4,370	**-**	-
	13,985,743	17,158,600	**1,446,623**	1,770,873

15 Creditors: amounts falling due within one year

	Group		Company	
	2008	2007	**2008**	2007
	£	£	**£**	£
Obligations under finance lease agreements (note 17)	**114,328**	97,554	**-**	-
Payments received on account	**21,096,327**	24,432,456	**-**	-
Trade creditors	**1,891,507**	2,476,136	**-**	-
Amounts owed to subsidiary undertakings	**-**	-	**2,373,238**	1,821,930
Corporation tax	**908,254**	828,901	**38,264**	29,017
Other tax and social security	**435,079**	287,594	**17,615**	23,424
Other creditors	**211,314**	317,799	**-**	-
Accruals and deferred income	**49,039**	46,838	**4,000**	4,000
	24,705,848	28,487,278	**2,433,117**	1,878,371

16 Creditors: amounts falling due after one year

	Group		Company	
	2008	2007	**2008**	2007
	£	£	**£**	£
Obligations under finance lease agreements (note 17)	**107,190**	178,199	**-**	-

Notes to the financial statements for the year ended 31 December 2008

17 Obligations under finance lease agreements

	Group	
	2008	2007
	£	£
Future minimum payments under finance lease agreements:		
Within one year	**121,879**	105,810
In more than one year but not more than five years	**110,523**	184,548
Total gross payments	**232,402**	290,358
Less finance charges included above	**(10,884)**	(14,605)
	221,518	275,753
Falling due within one year (note 15)	**114,328**	97,554
Falling due after one year (note 16)	**107,190**	178,199
	221,518	275,753

18 Provisions for liabilities

Group	Deferred taxation £
At 1 January 2008	(4,370)
Deferred tax charged to profit and loss account	4,109
At 31 December 2008	**(261)**

The deferred tax asset is disclosed within note 14.

	Group	
	2008	2007
	£	£
Deferred taxation		
Accelerated capital allowances	**5,339**	(330)
Other timing differences	**(5,600)**	(4,040)
Deferred tax excluding that relating to pensions scheme	**(261)**	(4,370)
Deferred tax relating to pension scheme	**(245,000)**	5,400
Total deferred tax (asset)/liability	**(245,261)**	1,030

	Group £
Movement in the year:	
Liability at 1 January 2008	1,030
Deferred tax charged in the profit and loss account	122,269
Deferred tax credited in the statement of total recognised gains and losses	(368,560)
Asset at 31 December 2008	**(245,261)**

Notes to the financial statements for the year ended 31 December 2008

19 Called up share capital

Group and company	2008 £	2007 £
Authorised		
600,000 ordinary shares of £0.25 each	**150,000**	150,000
Allotted and fully paid		
432,000 ordinary shares of £0.25 each	**108,000**	108,000

20 Profit and loss account

	Group £	Company £
At 1 January 2008	**10,909,463**	**672,306**
Profit for the financial year	**3,897,242**	**2,862,861**
Dividends paid	**(2,851,200)**	**(2,851,200)**
Transferred from other reserves	**160,470**	-
Actuarial loss recognised in the pension scheme	**(1,315,000)**	-
Movement on deferred tax relating to pension scheme	**368,560**	-
At 31 December 2008 including pension liability	**11,169,535**	**683,967**
Pension liability under FRS 17	**630,000**	-
Profit and loss reserve excluding pension liability	**11,799,535**	**683,967**

Ards Holdings Limited has not presented its own profit and loss account as permitted by Article 238 of the Companies (Northern Ireland) Order 1986. The profit for the year dealt with in the accounts of the company was £2,862,861 (2007: £646,614).

21 Reserves

	Capital redemption reserve	Other reserves	Revaluation reserve	
	Group and company	Group	Group	Company
	£	£	£	£
At 1 January 2008	160,470	160,470	6,884,962	288,436
Transferred to the profit and loss account	(160,470)	(160,470)	-	-
At 31 December 2008	-	-	**6,884,962**	**288,436**

22 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Opening shareholders' funds	**18,104,895**	15,228,071
Profit for the financial year	**3,897,242**	3,339,724
Dividends paid	**(2,851,200)**	(648,000)
Actuarial (loss)/gain recognised in the pension scheme	**(1,315,000)**	435,000
Movement on deferred tax relating to the pension scheme	**368,560**	(249,900)
Closing shareholders' funds	**18,204,497**	18,104,895

Notes to the financial statements for the year ended 31 December 2008

23 Reconciliation of operating profit to net cash inflow from operating activities

	2008	2007
	£	£
Operating profit	**3,983,990**	2,497,174
Depreciation of tangible fixed assets	**139,770**	264,957
(Profit)/loss on disposal of tangible fixed assets	**(7,390)**	870
Movement in stocks	**23,117**	(10,644)
Movement in debtors	**3,168,748**	(3,904,861)
Movement in creditors	**(3,877,557)**	5,673,327
Difference between pension charge and cash contributions	**(300,000)**	(310,000)
Net cash inflow from operating activities	**3,130,678**	4,210,823

24 Analysis of net funds

	1 January 2008	Cash flow	Non-cash changes	**31 December 2008**
	£	£	£	**£**
Cash at bank and in hand	21,793,051	188,408	-	**21,981,459**
Finance leases	(275,753)	104,047	(49,812)	**(221,518)**
Net funds	21,517,298	292,455	(49,812)	**21,759,941**

Non-cash changes relate to the inception of finance lease agreements.

25 Reconciliation of net cash flow to movement in net funds

	2008	2007
	£	£
Increase in cash in the financial year	**188,408**	4,911,784
Finance lease repayments	**104,047**	159,951
Change in net funds resulting from cash flows	**292,455**	5,071,735
Non-cash changes		
New finance leases obligations	**(49,812)**	-
Movement in net funds in the year	**242,643**	5,071,735
Net funds at beginning of the year	**21,517,298**	16,445,563
Net funds at the end of the year	**21,759,941**	21,517,298

Notes to the financial statements for the year ended 31 December 2008

26 Contingent liabilities

Group

Performance bonds have been entered into in the normal course of business. The directors consider that there will be no liability in respect of these bonds.

27 Pension commitments

The group operates a funded scheme of the defined benefit type with assets held in separate trustee administered funds. This scheme was closed to future accrual of benefits with effect from 31 May 2002. From 1 June 2002 employees were invited to contribute to a defined contribution stakeholder arrangement.

An actuarial valuation of the defined benefit pension scheme using the projected unit basis was carried out at 31 December 2008.

The mortality assumptions used were as follows:

	2008 Years	2007 Years
Longevity at age 65 for current pensions:		
- Men	**20**	20
- Women	**23**	23
Longevity at age 65 for future pensions:		
- Men	**21**	21
- Women	**24**	24

The major assumptions used by the actuary were:

	2008 %	2007 %
Rate of increase in pensions in payment	**3.00**	3.40
Discount rate	**5.80**	5.40
Inflation assumption	**3.00**	3.40

The assets in the scheme and the expected rate of return were:

	Long-term rate of return expected at 2008 %	**Value at 2008 £'000**	Long-term rate of return expected at 2007 %	Value at 2007 £'000	Long-term rate of return expected at 2006 %	Value at 2006 £'000
Equities	**7.00**	**5,672**	7.00	8,381	7.00	7,363
Bonds	**4.60**	**2,245**	4.50	1,751	4.30	993
Property	**5.00**	**126**	5.00	157	5,30	170
Cash	**2.00**	**918**	5.00	561	5.00	1,576
		8,961		10,850		10,102

Notes to the financial statements for the year ended 31 December 2008

27 Pension commitments (continued)

The following amounts at 31 December were measured in accordance with the requirements of FRS 17:

	2008 £'000	2007 £'000	2006 £'000
Total market value of assets	**8,961**	10,850	10,102
Present value of scheme liabilities	**(9,836)**	(10,832)	(10,917)
(Liability)/asset in the scheme	**(875)**	18	(815)
Related deferred tax asset/(liability)	**245**	(5)	244
Net pension (liability)/asset	**(630)**	13	(571)

Reconciliation of present value of scheme liabilities:

	2008 £'000	2007 £'000
At 1 January	**10,832**	10,917
Interest on pension scheme liabilities	**570**	552
Benefits paid	**(567)**	(171)
Transfer value received	**202**	-
Actuarial gains	**(1,201)**	(466)
At 31 December	**9,836**	10,832

Reconciliation of fair value of scheme assets:

	2008 £'000	2007 £'000
At 1 January	**10,850**	10,102
Expected return on pension scheme assets	**692**	640
Actuarial losses	**(2,516)**	(31)
Benefits paid	**(567)**	(171)
Transfer value received	**202**	-
Contributions paid by the employer	**300**	310
At 31 December	**8,961**	10,850

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 gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual loss on scheme assets in the year was £1,824,000 (2007: gain of £609,000).

Notes to the financial statements for the year ended 31 December 2008

27 Pension commitments (continued)

Analysis of amounts charged to the profit or loss account are as follows:

	2008	2007
	£'000	£'000
Expected return on pension scheme assets	**(692)**	(640)
Interest on pension scheme liabilities	**570**	552
Total income	**(122)**	(88)

Actuarial gains and losses

The cumulative amount of actuarial losses recognised in the statement of total recognised gains and losses is £2,984,000 (2007: £1,669,000).

	2008	2007	2006	2005	2004
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligations	**(9,836)**	(10,832)	(10,917)	(9,975)	(9,589)
Plan assets	**8,961**	10,850	10,102	8,361	7,761
(Liability)/asset	**(875)**	18	(815)	(1,614)	(1,828)
History of experience gains and losses					
Experience adjustments on plan liabilities:	**2,516**	(31)	503	933	223
Experience adjustment on plan liabilities:	**(6)**	(28)	(2)	1	(201)
Total amount recognised in statement of total recognised gains and losses:	**(1,315)**	435	(252)	(35)	(169)

28 Related party transactions and ultimate controlling party

The directors consider that Ards Holdings Limited has no one ultimate controlling party.

Included in other debtors of the company and group in note 14 are amounts owed of £112,186 (2007: £429,840) by Ards Trust Limited, an employee share trust. This entity has not been included in the consolidated results of the group due to materiality.