

Company Registration No. NI025270 (Northern Ireland)



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COMPANIES HOUSE

**CONEXPO (NI) LIMITED**  
**REPORT AND CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2021**

# CONEXPO (NI) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr R McCluskey Mrs B McCluskey Mr J McCluskey Mr S McCluskey
<b>Secretary</b>	Mr S McCluskey
<b>Company number</b>	NI025270
<b>Registered office</b>	Number One Lanyon Quay Belfast BT1 3LG
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Number One Lanyon Quay Belfast BT1 3LG
<b>Business address</b>	Herdman Channel Berth Port of Belfast Northern Road Belfast BT3 9AL
<b>Bankers</b>	Danske Bank Donegall Square West Belfast N Ireland BT1 6JS
<b>Solicitors</b>	Hewitt & Gilpin Solicitors Limited Thomas House 14 - 16 James Street South Belfast BT2 7GA

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# **CONEXPO (NI) LIMITED**

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# CONEXPO (NI) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present the strategic report for the year ended 31 December 2021.

#### **Fair review of the business**

We aim to present a balanced review of the development and performance of the business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of the business and is written within the context of the risks and uncertainties that we face.

The principal activity of the company continued to be that of the production, sourcing and marketing of construction aggregates and salts. No material changes are anticipated in the foreseeable future. The main area of the business is the provision of aggregates for road repair and maintenance purposes, mainly in England but also markets have been secured on the western periphery of mainland Europe.

#### **Principal risks and uncertainties**

Over the last year the market for road repair and maintenance in the UK and mainland Europe has remained challenging due to the level of government funding available. Indeed the business environment in which the group operate continues to be challenging as the level of public funding available for road repair and maintenance has a significant impact on the business.

#### **Development and performance**

The Directors are of the opinion that trading performance was satisfactory in 2021. Looking ahead the directors anticipate a steady performance in 2022 despite the political, economic and pandemic uncertainties which remain over the Northern Ireland and UK economies.

The company continues to monitor the Covid-19 pandemic and the changing restrictions and comply with the Government guidelines.

Whilst the ongoing impact of Brexit remains uncertain the Group have actively managed this risk and with the key market for product being within the UK there has been minimal impact or disruption on activities.

Over recent years the company has invested in both quarry reserves and new production facilities to expand and strengthen production capability and strengthen and secure continuity of product supply to its customer base.

Investment made in 2021 will further enhance trading, profitability and cash generation going forward and future profits will be used to both underpin the existing strong liquidity of the business and further strengthen the company's financial position through the ongoing reduction of net debt.

#### **Key performance indicators**

We consider that our key performance indicators are those that communicate the financial performance and strength of the group as a whole, these being turnover, gross profit and gross margin.

	2021	2020	2019
Turnover	31,108,968	29,022,854	25,597,492
Gross Profit	5,959,263	6,250,889	4,206,493
Gross Margin	19.16%	21.54%	16.43%

The results for the year and the financial position at the year end were considered satisfactory by the directors.

# CONEXPO (NI) LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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On behalf of the board



Mr S McCluskey

Director

Date: 7th March 2022

# CONEXPO (NI) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### **Principal activities**

The principal activity of the company and group continued to be that of production, sourcing and marketing of construction aggregates and salts.

#### **Results and dividends**

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £873,302. The directors do not recommend payment of a further dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr R McCluskey

Mrs B McCluskey

Mr J McCluskey

Mr S McCluskey

#### **Financial instruments**

##### ***Financial risk management***

The group's operations expose it to a variety of financial risks that include the effects of changes in exchange rates, interest rate risk, credit risk and liquidity risk. The group's overall risk management programme seeks to minimise the potential adverse effects on the group's financial performance. Given the size and structure of the group, the directors have not delegated the responsibility of monitoring financial risk management but instead set the policies that are then implemented by the rest of the group.

##### ***Liquidity risk***

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the group has credit facilities available.

##### ***Interest rate risk***

The group borrows from its bankers using either overdrafts or term loans whose tenure depends on the nature of the asset and managements view of the future direction of interest rate.

##### ***Foreign currency risk***

The majority of the group's turnover and expenses are denominated in sterling but we are exposed to some foreign exchange risk in the normal course of business. While the group does not use financial instruments currently to hedge foreign exchange exposure, this is constantly reviewed.

##### ***Credit risk***

The group offer credit terms to its customers which allow payment of the debt after delivery of the goods. The group is at risk to the extent that a customer may be unable to pay debt on the specified date due. The risk is mitigated through strong on-going customer relationships and the completion of credit checks on all potential new customers. The amount of exposure to individual customers is monitored regularly by the group.

# CONEXPO (NI) LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### Research and development

Conexpo continues to develop a new crushing and processing facility. This facility will pioneer the production of various aggregate types simultaneously. Different plant manufacturers and engineers have been brought together to research and develop this new method of producing aggregate.

### Future developments

The directors are keen to expand production and increase efficiency through innovative means in the year ahead. The directors believe this is imperative to continue to meet customer demands. Looking ahead, the group would like to further develop its European market, however is realistic about the challenges that exist surrounding the uncertainties of Brexit.


### Auditor

In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the group will be put at a General Meeting.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr S McCluskey

Director

Date:



# **CONEXPO (NI) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors are responsible for preparing the Strategic Report and the Directors' 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). Under company law the 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONEXPO (NI) LIMITED**

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### **Opinion**

We have audited the financial statements of Conexpo (NI) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated balance sheet, the company balance sheet, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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.

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 group's or the parent 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.

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

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONEXPO (NI) LIMITED (CONTINUED)**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's 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 auditor's 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONEXPO (NI) LIMITED (CONTINUED)

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As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, and the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are the Quarries Regulations (Northern Ireland) 2006. We performed audit procedures to inquire of management whether the group is in compliance with these regulations and inspected relevant documentation.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, testing revenue using data analytics and substantive procedures.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RSM UK Audit LLP**

Michael Scofield (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Number One  
Lanyon Quay  
Belfast  
BT1 3LG  
.....7/3/22

# CONEXPO (NI) LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	31,108,968	29,022,854
Cost of sales		(25,149,705)	(22,771,965)
<b>Gross profit</b>		<b>5,959,263</b>	<b>6,250,889</b>
Administrative expenses		(431,173)	(579,855)
Other operating income		438,549	374,339
<b>Operating profit</b>	<b>7</b>	<b>5,966,639</b>	<b>6,045,373</b>
Interest receivable and similar income	9	14,430	10,830
Interest payable and similar expenses	10	(238,787)	(370,916)
<b>Profit before taxation</b>		<b>5,742,282</b>	<b>5,685,287</b>
Tax on profit	11	(1,376,916)	(974,328)
<b>Profit for the financial year</b>		<b>4,365,366</b>	<b>4,710,959</b>

Profit for the financial year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

## CONEXPO (NI) LIMITED

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

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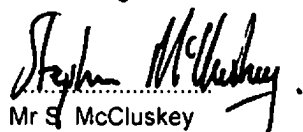
	2021 £	2020 £
Profit for the year	4,365,366	4,710,959
Other comprehensive income net of taxation	-	-
Total comprehensive income for the year	<u>4,365,366</u>	<u>4,710,959</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

**CONEXPO (NI) LIMITED****CONSOLIDATED BALANCE SHEET****AS AT 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Negative goodwill	13	(782,922)		(1,125,331)	
Tangible assets	14	29,102,582		30,502,334	
		<u>28,319,660</u>		<u>29,377,003</u>	
<b>Current assets</b>					
Stocks	17	985,029		698,104	
Debtors	18	3,487,544		4,350,715	
Cash at bank and in hand		5,715,313		6,465,525	
		<u>10,187,886</u>		<u>11,514,344</u>	
<b>Creditors: amounts falling due within one year</b>	19	(6,585,983)		(10,589,677)	
<b>Net current assets</b>		<u>3,601,903</u>		<u>924,667</u>	
<b>Total assets less current liabilities</b>		<u>31,921,563</u>		<u>30,301,670</u>	
<b>Creditors: amounts falling due after more than one year</b>	20	(5,825,829)		(8,213,687)	
<b>Provisions for liabilities</b>	23	(2,037,778)		(1,522,091)	
<b>Net assets</b>		<u>24,057,956</u>		<u>20,565,892</u>	
<b>Capital and reserves</b>					
Called up share capital	25	66,670		66,670	
Capital redemption reserve	26	13,333		13,333	
Profit and loss reserves	26	23,977,953		20,485,889	
<b>Total equity</b>		<u>24,057,956</u>		<u>20,565,892</u>	

The financial statements were approved by the board of directors and authorised for issue on ..... and are signed on its behalf by:

  
 Mr S McCluskey  
 Director

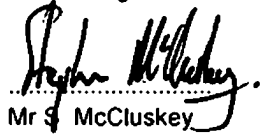
*7th March 2022*

**CONEXPO (NI) LIMITED****COMPANY BALANCE SHEET****AS AT 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	14	15,699,637		17,071,053	
Investments	15	11,473,155		11,473,155	
		27,172,792		28,544,208	
<b>Current assets</b>					
Stocks	17	932,348		655,481	
Debtors	18	3,485,007		4,342,897	
Cash at bank and in hand		5,644,815		6,220,623	
		10,062,170		11,219,001	
<b>Creditors: amounts falling due within one year</b>	19	(10,380,301)		(13,662,979)	
<b>Net current liabilities</b>		(318,131)		(2,443,978)	
<b>Total assets less current liabilities</b>		26,854,661		26,100,230	
<b>Creditors: amounts falling due after more than one year</b>	20	(5,825,829)		(8,213,687)	
<b>Provisions for liabilities</b>	23	(1,935,467)		(1,462,833)	
<b>Net assets</b>		19,093,365		16,423,710	
<b>Capital and reserves</b>					
Called up share capital	25	66,670		66,670	
Capital redemption reserve	26	13,333		13,333	
Profit and loss reserves	26	19,013,362		16,343,707	
<b>Total equity</b>		19,093,365		16,423,710	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £3,542,957 (2020 - £3,825,064 profit).

The financial statements were approved by the board of directors and authorised for issue on .....  
and are signed on its behalf by:

  
Mr S McCluskey

Director

*John Marshall* 2022

# CONEXPO (NI) LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2020</b>		66,670	13,333	16,357,328	16,437,331
<b>Year ended 31 December 2020:</b>					
Profit and total comprehensive income for the year		-	-	4,710,959	4,710,959
Dividends	12	-	-	(582,398)	(582,398)
<b>Balance at 31 December 2020</b>		66,670	13,333	20,485,889	20,565,892
<b>Year ended 31 December 2021:</b>					
Profit and total comprehensive income for the year		-	-	4,365,366	4,365,366
Dividends	12	-	-	(873,302)	(873,302)
<b>Balance at 31 December 2021</b>		66,670	13,333	23,977,953	24,057,956



# CONEXPO (NI) LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2020</b>		66,670	13,333	13,101,041	13,181,044
<b>Year ended 31 December 2020:</b>					
Profit and total comprehensive income for the year		-	-	3,825,064	3,825,064
Dividends	12	-	-	(582,398)	(582,398)
<b>Balance at 31 December 2020</b>		66,670	13,333	16,343,707	16,423,710
<b>Year ended 31 December 2021:</b>					
Profit and total comprehensive income for the year		-	-	3,542,957	3,542,957
Dividends	12	-	-	(873,302)	(873,302)
<b>Balance at 31 December 2021</b>		66,670	13,333	19,013,362	19,093,365

# CONEXPO (NI) LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	4,732,560		7,593,285	
Interest paid		(238,787)		(370,916)	
Income taxes paid		(1,134,579)		(100,505)	
<b>Net cash inflow from operating activities</b>		<b>3,359,194</b>		<b>7,121,864</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(504,097)		(7,375,841)	
Proceeds on disposal of tangible fixed assets		1,168,850		546,300	
Interest received		14,430		10,830	
<b>Net cash generated from/(used in) investing activities</b>		<b>679,183</b>		<b>(6,818,711)</b>	
<b>Financing activities</b>					
Proceeds of new bank loans		7,493,740		2,500,000	
Repayment of bank loans		(11,311,000)		(1,222,037)	
Payment of finance leases obligations		(98,027)		(71,755)	
Dividends paid to equity shareholders		(873,302)		(582,398)	
<b>Net cash (used in)/generated from financing activities</b>		<b>(4,788,589)</b>		<b>623,810</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(750,212)</b>		<b>926,963</b>	
Cash and cash equivalents at beginning of year		6,465,525		5,538,562	
<b>Cash and cash equivalents at end of year</b>		<b>5,715,313</b>		<b>6,465,525</b>	

# CONEXPO (NI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

#### Company information

Conexpo (NI) Limited ("the company") is a private company limited by shares, and is registered, domiciled and incorporated in Northern Ireland. The registered office is Number One, Lanyon Quay, Belfast, N Ireland, BT1 3LG. The company's principal place of business is Herdman Channel Berth, Port of Belfast, Northern Road, Belfast, BT3 9AL.

The group consists of Conexpo (NI) Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### Basis of consolidation

The consolidated financial statements incorporate those of Conexpo (NI) Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# CONEXPO (NI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

#### Going concern

The directors have prepared profit forecasts for the period through to March 2023 and also prepare a rolling 12-month cashflow throughout the year both of which consider the risks facing the business including the ongoing impact of Covid-19. At the time of approving the financial statements, they have a reasonable expectation that the group and the company has adequate resources to continue in operational existence for a period of at least 12 months. On this basis the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated. Expenditure incurred during the year was £558,979 (2020: £796,797).

#### Intangible fixed assets - goodwill

Negative goodwill arises when the cost of acquisition of a business is less than the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 9 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings	2 - 20% straight line
Plant and equipment	6.66% - 20% straight line
Fixtures and fittings	10 - 33.33% straight line
Motor vehicles	20% straight line

# CONEXPO (NI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **Fixed asset investments**

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### **Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Cost is determined on a first in first out basis.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

# CONEXPO (NI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

#### **Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

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 on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include trade debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, are 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 payments discounted at a market rate of interest.

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

#### **Equity instruments**

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

# CONEXPO (NI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

# CONEXPO (NI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

#### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Carrying value of Goodwill

Conexpo (NI) Limited acquired Miskelly Brothers Limited in 2015. The company was purchased at a cost lower than the fair value of the net assets acquired. This created the negative goodwill balance in the financial statements shown separately on the balance sheet. The negative goodwill has been estimated as having a expected life of 9 years.

The group continues to monitor the carrying value of this negative goodwill using judgements based on the future cashflows expected to be generated and the benefits acquired. For further information, refer to note 13, Intangible fixed assets.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Sale of goods	31,108,968	29,022,854



# CONEXPO (NI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Turnover and other revenue (Continued)

	2021 £	2020 £
Other revenue		
Interest income	14,430	10,830
Grants received	50,000	-
	<u>          </u>	<u>          </u>
	2021 £	2020 £
Turnover analysed by geographical market		
UK	30,811,535	28,732,421
Europe	297,433	290,433
	<u>          </u>	<u>          </u>
	31,108,968	29,022,854
	<u>          </u>	<u>          </u>

### 4 Other operating income

During the year the Group received £50,000 of Coronavirus assistance grants. This balance is included within other operating income in the profit and loss account.

### 5 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Production	32	36	32	36
Administration	7	7	7	7
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	39	43	39	43
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	1,472,333	1,338,687	1,472,333	1,338,687
Social security costs	149,687	158,782	149,687	158,782
Pension costs	63,721	84,012	63,721	84,012
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	1,685,741	1,581,481	1,685,741	1,581,481
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# CONEXPO (NI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	47,568	24,907
Company pension contributions to defined contribution schemes	15,000	68,240
	<u>62,568</u>	<u>93,147</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 2).

### 7 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	14,682	(31,402)
Government grants	(50,000)	-
Depreciation of owned tangible fixed assets	784,198	953,377
Depreciation of tangible fixed assets held under finance leases	-	13,150
Profit on disposal of tangible fixed assets	(49,199)	(305,057)
Amortisation of intangible assets	(342,409)	(342,409)
	<u></u>	<u></u>

### 8 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	18,000	14,500
Audit of the financial statements of the company's subsidiaries	7,000	4,250
	<u>25,000</u>	<u>18,750</u>
<b>For other services</b>		
Taxation compliance services	3,200	4,250
Other taxation services	250	250
All other non-audit services	13,539	8,891
	<u>16,989</u>	<u>13,391</u>

### 9 Interest receivable and similar income

	2021 £	2020 £
<b>Interest income</b>		
Interest on bank deposits	14,430	10,830
	<u></u>	<u></u>

# CONEXPO (NI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and loans	235,628	364,408
Interest on finance leases and hire purchase contracts	3,159	6,508
Total finance costs	<u>238,787</u>	<u>370,916</u>

### 11 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	861,349	674,614
Adjustments in respect of prior periods	(120)	-
Total current tax	<u>861,229</u>	<u>674,614</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	35,026	155,904
Changes in tax rates	480,661	143,810
Total deferred tax	<u>515,687</u>	<u>299,714</u>
Total tax charge	<u>1,376,916</u>	<u>974,328</u>

The total tax charge for the year included in the profit and loss account can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	<u>5,742,282</u>	<u>5,685,287</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	1,091,034	1,080,205
Tax effect of expenses that are not deductible in determining taxable profit	(59,810)	(58,405)
Adjustments in respect of prior years	(120)	-
Effect of change in corporation tax rate	489,067	143,809
Research and development tax credit	(138,068)	(196,809)
Exempt ABGH distributions	-	1,879
Fixed asset differences	(5,187)	3,649
Taxation charge	<u>1,376,916</u>	<u>974,328</u>

# CONEXPO (NI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 12 Dividends

	2021	2020
	£	£
Recognised as distributions to equity holders:		
Final paid	873,302	582,398

### 13 Intangible fixed assets

Group	Negative goodwill £
<b>Cost</b>	
At 1 January 2021 and 31 December 2021	(3,081,682)
<b>Amortisation and impairment</b>	
At 1 January 2021	(1,956,351)
Amortisation charged for the year	(342,409)
At 31 December 2021	(2,298,760)
<b>Carrying amount</b>	
At 31 December 2021	(782,922)
At 31 December 2020	(1,125,331)

The company had no intangible fixed assets at 31 December 2021 or 31 December 2020.

# CONEXPO (NI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 14 Tangible fixed assets

Group	Land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2021	26,365,442	12,402,417	116,180	528,127	39,412,166
Additions	345,376	91,547	-	67,174	504,097
Disposals	(1,117,000)	(151,780)	-	(51,042)	(1,319,822)
At 31 December 2021	25,593,818	12,342,184	116,180	544,259	38,596,441
<b>Depreciation and impairment</b>					
At 1 January 2021	682,112	7,761,738	105,655	360,327	8,909,832
Depreciation charged in the year	20,472	720,414	3,766	39,546	784,198
Eliminated in respect of disposals	-	(151,780)	-	(48,391)	(200,171)
At 31 December 2021	702,584	8,330,372	109,421	351,482	9,493,859
<b>Carrying amount</b>					
At 31 December 2021	24,891,234	4,011,812	6,759	192,777	29,102,582
At 31 December 2020	25,683,330	4,640,679	10,525	167,800	30,502,334
<b>Company</b>					
	Land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2021	12,535,722	11,930,207	99,912	175,435	24,741,276
Additions	345,376	91,547	-	67,174	504,097
Disposals	(1,117,000)	(20,000)	-	(12,500)	(1,149,500)
At 31 December 2021	11,764,098	12,001,754	99,912	230,109	24,095,873
<b>Depreciation and impairment</b>					
At 1 January 2021	188,661	7,310,286	90,455	80,821	7,670,223
Depreciation charged in the year	13,872	710,349	3,209	31,083	758,513
Eliminated in respect of disposals	-	(20,000)	-	(12,500)	(32,500)
At 31 December 2021	202,533	8,000,635	93,664	99,404	8,396,236
<b>Carrying amount</b>					
At 31 December 2021	11,561,565	4,001,119	6,248	130,705	15,699,637
At 31 December 2020	12,347,061	4,619,921	9,457	94,614	17,071,053

# CONEXPO (NI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 14 Tangible fixed assets (Continued)

The carrying value of land and buildings comprises:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Freehold	23,668,194	24,460,290	10,338,525	11,124,021
Long leasehold	1,223,040	1,223,040	1,223,040	1,223,040
	<u>24,891,234</u>	<u>25,683,330</u>	<u>11,561,565</u>	<u>12,347,061</u>

### 15 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	16	-	-	11,473,155	11,473,155

#### Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 January 2021 and 31 December 2021	11,473,155
Carrying amount	
At 31 December 2021	11,473,155
At 31 December 2020	11,473,155

### 16 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Miskelly Brothers Limited	Number One Lanyon Quay, Belfast, BT1 3LG, Northern Ireland	Quarrying	Ordinary	100

# CONEXPO (NI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 17 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Raw materials and consumables	21,516	20,608	-	-
Finished goods and goods for resale	963,513	677,496	932,348	655,481
	<u>985,029</u>	<u>698,104</u>	<u>932,348</u>	<u>655,481</u>

### 18 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	3,476,974	4,333,366	3,476,899	4,333,290
Prepayments and accrued income	10,570	17,349	8,108	9,607
	<u>3,487,544</u>	<u>4,350,715</u>	<u>3,485,007</u>	<u>4,342,897</u>

### 19 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	21	1,354,162	3,806,288	1,354,162	3,806,288
Obligations under finance leases	22	-	75,303	-	75,303
Trade creditors		1,685,061	2,053,150	1,498,331	1,799,838
Amounts owed to group undertakings		-	-	4,845,185	4,420,567
Corporation tax payable		401,264	674,614	299,159	556,230
Other taxation and social security		929,753	1,718,508	777,455	1,448,547
Other creditors		883,300	965,373	469,601	461,469
Accruals and deferred income		1,332,443	1,296,441	1,136,408	1,094,737
		<u>6,585,983</u>	<u>10,589,677</u>	<u>10,380,301</u>	<u>13,662,979</u>

# CONEXPO (NI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 20 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	21	5,825,829	7,190,963	5,825,829	7,190,963
Obligations under finance leases	22	-	22,724	-	22,724
Other creditors		-	1,000,000	-	1,000,000
		<u>5,825,829</u>	<u>8,213,687</u>	<u>5,825,829</u>	<u>8,213,687</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	-	<u>1,544,198</u>	-	<u>1,544,198</u>
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### 21 Borrowings

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	<u>7,179,991</u>	<u>10,997,251</u>	<u>7,179,991</u>	<u>10,997,251</u>
Payable within one year	1,354,162	3,806,288	1,354,162	3,806,288
Payable after one year	<u>5,825,829</u>	<u>7,190,963</u>	<u>5,825,829</u>	<u>7,190,963</u>

The bank loans are secured by the following:

A floating charge covering all monies the undertaking of the company and all its property whatsoever and wheresoever both present and future including its uncalled share capital for the time being.

A fixed charge over book debts.

There is an unlimited intercompany cross company guarantee between Conexpo (NI) Limited and Miskelly Brothers Limited.

Repayments are due over 5 years and are due in quarterly instalments of capital and interest. The rate of interest per annum is the aggregate of the SONIA rate and the lending margin.



# CONEXPO (NI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 22 Finance lease obligations

	Group 2021 £	2020 £	Company 2021 £	2020 £
Future minimum lease payments due under finance leases:				
Less than one year	-	78,263	-	78,263
Between one and five years	-	22,923	-	22,923
	-	101,186	-	101,186
Less: future finance charges	-	(3,159)	-	(3,159)
	-	98,027	-	98,027

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 7 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 23 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities 2021 £	Liabilities 2020 £
<b>Group</b>		
Accelerated capital allowances	2,037,778	1,522,091
	Liabilities 2021 £	Liabilities 2020 £
<b>Company</b>		
Accelerated capital allowances	1,935,467	1,462,833
	Group 2021 £	Company 2021 £
<b>Movements in the year:</b>		
Liability at 1 January 2021	1,522,091	1,462,833
Charge to profit or loss	486,288	461,948
Effect of change in tax rate - profit or loss	29,399	10,686
Liability at 31 December 2021	2,037,778	1,935,467

# CONEXPO (NI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 24 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	63,721	84,012

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 25 Share capital

	Group and Company			
	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	66,670	66,670	66,670	66,670

Each share has equal voting rights, rights to dividends and distributions including on winding up and no rights or redemption.

### 26 Reserves

#### Capital redemption reserve

Represents the repurchase of shares by the company.

#### Profit and loss reserves

Cumulative profit and loss net of distribution to owners.

### 27 Cash generated from group operations

	2021	2020
	£	£
Profit for the year after tax	4,365,366	4,710,959
<b>Adjustments for:</b>		
Taxation charged	1,376,916	974,328
Finance costs	238,787	370,916
Investment income	(14,430)	(10,830)
Gain on disposal of tangible fixed assets	(49,199)	(305,057)
Amortisation and impairment of intangible assets	(342,409)	(342,409)
Depreciation and impairment of tangible fixed assets	784,198	966,527
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(286,925)	307,134
Decrease/(increase) in debtors	863,171	(922,075)
(Decrease)/increase in creditors	(2,202,915)	1,843,792
<b>Cash generated from operations</b>	<b>4,732,560</b>	<b>7,593,285</b>

# CONEXPO (NI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 28 Analysis of changes in net debt - group

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	6,465,525	(750,212)	5,715,313
Borrowings excluding overdrafts	(10,997,251)	3,817,260	(7,179,991)
Obligations under finance leases	(98,027)	98,027	-
	<u>(4,629,753)</u>	<u>3,165,075</u>	<u>(1,464,678)</u>

### 29 Operating lease commitments

Operating lease payments represent rentals payable by the group for certain properties. The leases are negotiated with a review date every 5 years.

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	112,500	112,500	112,500	112,500
Between one and five years	103,125	215,625	103,125	215,625
	<u>215,625</u>	<u>328,125</u>	<u>215,625</u>	<u>328,125</u>

### 30 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors, is as follows.

	2021 £	2020 £
Aggregate compensation	<u>62,568</u>	<u>93,147</u>

#### Other information

##### Transactions with related parties

During the year Conexpo (NI) Limited purchased items of plant & machinery from an entity which is controlled by a close family member of the directors. Purchases from the entity during the year to 31 December 2021 amounted to £6,500 (2020: £11,602). A balance of £Nil was due to the entity at the year end (2020: £Nil).

# **CONEXPO (NI) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **31 Directors' transactions**

Dividends totalling £873,302 (2020 - £582,398) were paid in the year in respect of shares held by the company's directors.

The amounts owing to the directors at 31 December 2021 is £274,388 (2020: £275,347).

### **32 Controlling party**

The ultimate controlling parties are Mr J McCluskey and Mr S McCluskey.

The group is controlled by its directors, Mr R McCluskey, Mrs B McCluskey, Mr J McCluskey and Mr S McCluskey.