

Registration Number NI 01341

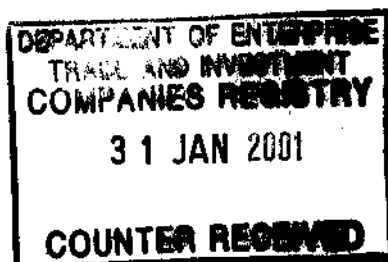
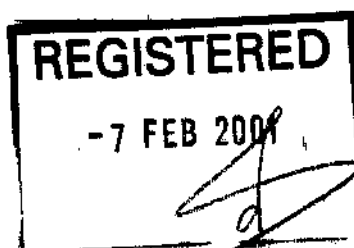
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DONALDSON & LYTTLE LIMITED

11A BOUCHER RETAIL PARK
BOUCHER CRESCENT
BELFAST BT12 6HU

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2000

(AS ABBREVIATED BY ARTICLE 8 COMPANIES (N.I.) ORDER, 1986)



We have examined the Accounts on pages two to seven which have been Abbreviated in the manner permitted for a small company, from the Financial Statements DONALDSON & LYTTLE LIMITED for the year ended 31ST MARCH 2000. The scope of our work was limited to an examination of the modified accounts and the Financial Statements on which they are based to ensure compliance with Schedule 8 of Companies (Northern Ireland) Order 1986.

In our opinion the Directors are entitled under Articles 255 to 257 of the Companies (Northern Ireland) Order 1986 to deliver abbreviated accounts in respect of the year ended 31ST MARCH 2000 and the abbreviated accounts on pages two to seven have been properly prepared in Accordance with Schedule 8 of that Order.

AUDITORS REPORT TO THE MEMBERS

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention as abbreviated by the revaluation of certain fixed assets and the accounting policies set out on page

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards 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 whether the accounting policies are appropriate to the 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. 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 of the state of the company's affairs as at the 31ST MARCH 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies (NI) Order 1986.



Cleaver Black

Chartered Accountants and
Registered Auditor

54 Lisburn Road,
Belfast.
BT9 6AF.

DONALDSON & LYTTLE LIMITED
11A BOUCHER RETAIL PARK
BOUCHER CRESCENT BELFAST

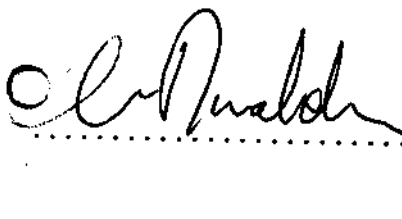
Page 2.

BALANCE SHEET AS AT 31ST MARCH 2000

ABBREVIATED IN ACCORDANCE WITH THE PROVISIONS OF THE
COMPANIES ORDER (NORTHERN IRELAND) 1986.

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible assets			2,708,326		2,735,381
Investments	8		80,774		284,670
			<u>2,789,100</u>		<u>3,020,051</u>
CURRENT ASSETS					
Stocks		174,874		149,574	
Debtors		317,671		176,940	
Cash at bank and in hand		39,263		11,879	
		<u>531,808</u>		<u>338,393</u>	
Creditors: Amounts Falling Due Within One Year		397,573		470,523	
NET CURRENT ASSETS			<u>134,235</u>		<u>(132,130)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,923,335</u>		<u>2,887,921</u>
Creditors: Amounts Falling Due After More Than One Year			(1,137,500)		1,049,863
Provision for Liabilities and Charges	13		(69,300)		(71,100)
NET ASSETS			<u><u>1,716,535</u></u>		<u><u>1,766,958</u></u>
CAPITAL AND RESERVES					
15000 Ordinary Shares of £1 each Fully Paid			15,000		15,000
Revaluation reserve	15		2,130,085		2,130,085
Profit and loss account	15		(428,550)		(378,127)
CAPITAL AND RESERVES			<u><u>1,716,535</u></u>		<u><u>1,766,958</u></u>

In preparing the abbreviated accounts we have relied upon the exemptions for individual accounts, contained in the Companies Order (Northern Ireland) 1986. We have done so on the grounds that the company is entitled to the benefit of those exemptions as a small company.

.....DIRECTOR

.....DIRECTOR

The notes on pages 7 to 13 form an integral part of these financial statements.

NOTES TO THE ABBREVIATED ACCOUNTS AS AT 31ST MARCH 2000

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1. BASIS OF PREPARING ACCOUNTS

The company meets its day to day working capital requirements through an on demand facility which is renewable in November 1998.

The bank have signified that they will not renew the facility, and have requested the company to seek alternative banking arrangements.

On the basis of this information and their review of the performance of the business to the date of approval of these accounts the directors consider that the company will be able to find alternative facilities. On this basis the directors consider it appropriate to prepare the accounts on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

A summary of the more important accounting policies adopted by the company are set out below:-

(A) ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

(B) FIXED ASSETS

Freehold land is not depreciated. The cost or valuation of other fixed assets is depreciated by equal annual instalments over the expected useful lives of the assets as follows:-

Freehold Buildings	-	40 years
Leasehold Property	-	40 years (or period of lease if shorter)
Fixtures & Fittings	-	10% reducing balance method

(C) STOCKS AND WORK IN PROGRESS

Stocks and work in progress are stated at the lower of cost and realisable value. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

(D) GOVERNMENT GRANTS

Government grants which are of a capital nature are credited to the profit and loss account over the expected useful lives of the assets to which they relate.

(E) LIFE ASSURANCE PREMIUMS

Life assurance premiums are capitalised at cost less provision for any permanent diminution in value.

NOTES TO THE ABBREVIATED ACCOUNTS AS AT 31ST MARCH 2000Continued....2. ACCOUNTING POLICIES (continued)(F) DEFINED CONTRIBUTION SCHEMES

Pension costs are charged to the profit and loss account as incurred.
Pension costs relate solely to directors' personal pension plans.

(G) HOLIDAY PAY

Holiday pay is taken into account in the year of payment.

3. TURNOVER

Turnover comprises the invoice value of goods and services supplied by the company exclusive of Vat.

4. OPERATING PROFIT

	<u>2000</u>	<u>1999</u>
Operating profit is stated after charging:-	£	£
Auditors' remuneration	6,300	6,300
Depreciation of tangible fixed assets	41,656	476
Capital Grants Release	(1,800)	(1,800)
	<u> </u>	<u> </u>

5. DIRECTORS REMUNERATION

Emoluments (including Pension contribution)	47,125	24,907
Directors Annuities	11,458	5,720
	<u>58,583</u>	<u>30,627</u>
Emoluments (excluding pension contributions) of the highest paid director.	<u>27,000</u>	<u>17,333</u>

Directors' emoluments, excluding pension contributions fell within the following ranges:-

	<u>2000</u>	<u>1999</u>
£5,001 - £10,000	No	No
£25,001 - £30,000	1	-
	<u>1</u>	<u>2</u>

NOTES TO THE ABBREVIATED ACCOUNTS AS AT 31ST MARCH 2000Continued.....6. STAFF COSTS

	<u>2000</u>	<u>1999</u>
	£	£
Wages & salaries	104,758	114,281
Social Security Costs	10,476	14,978
other Pension costs	458	500
	<u>115,734</u>	<u>129,842</u>

The average number of persons employed by the company during the year, including directors was as follows:

	<u>2000</u>	<u>1999</u>
Office and management	3	6
Sales	5	5
	<u>8</u>	<u>11</u>

7. OTHER EXPENDITURE

	<u>2000</u>	<u>1999</u>
	£	£
Profit\ (Loss) on property rental	69,139	25,116

8. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2000</u>	<u>1999</u>
	£	£
Bank overdraft interest	31,994	12,791

9. TAXATION

	<u>2000</u>	<u>1999</u>
	£	£
United Kingdom corporation tax based on the profits for the year at 25%	-	-
Under provision for previous year	-	-

10. TANGIBLE FIXED ASSETS

See Page 10.

DONALDSON & LYTTLE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS AS AT 31ST MARCH 2000

Continued....

11. FIXED ASSET INVESTMENTS

	<u>2000</u>	<u>1999</u>
	£	£
(i) Balance at 1ST APRIL 1999	203,896	181,395
Premiums paid in year	22,501	25,910
Balance at 31ST MARCH 2000	-	203,896

The directors ceased paying the premiums on the above policy on 20/01/99. However the valuation of the fund at 31 March 1999 was £264,127.

- (ii) The company acquired all the shares in Donaldson & Lyttle (Ireland) Limited on 25th March 1997. The directors are satisfied that the consideration of £80774 does not exceed the net equity of this company based on the latest available accounts.

12. STOCKS

	<u>2000</u>	<u>1999</u>
	£	£
Goods for resale	-	149,574

13. DEBTORS

	<u>2000</u>	<u>1999</u>
	£	£
Trade Debtors	88,490	111,974
Rentals Control A/c	(3,808)	-
Prepayments and accrued Income	160,840	66,825
	245,522	178,799

14. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2000</u>	<u>1999</u>
	£	£
Bank Overdraft & Loan	-	154,698
Accruals	38,268	39,028
Trade Creditors	147,461	94,517
United Kingdom Corporation Tax	-	3,150
Directors Current A/C	-	1,859
Former Directors	1,101	2,141
Sales Ledger Credit Balances	121,317	63,529
Vat	-	88,712
Unpaid Tax on Loan Interest	-	18,232
Hire Purchase < 1 Year	1,785	-
Donaldson & Lyttle (Ireland) Ltd	37,850	37,850
	347,782	503,716

The bank overdraft is secured by:-

- A floating charge over the book debts.
- A solicitors undertaking over deeds at 165 Clondeboyne Road, Bangor.
- A directors letter of guarantee for £150,000.

DONALDSON & LYTTLE LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS AS AT 31ST MARCH 2000Continued....15. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>2000</u> £	<u>1999</u> £
Loan from Birmingham Midshires B S (a)	949,559	949,559
Long Term Loan (b)	98,974	98,974
Hire Purchase Payments	-	1,330
	<u>1,137,500</u>	<u>1,049,863</u>

- (a) The loan from Birmingham Midshires Building Society is secured by a first mortgage over the leasehold land and buildings at Gt Victoria Street and comprehensive savings plan policies on two of the directors for a guaranteed minimum death benefit maintained for the duration of the loan at a level at least equal to the amount of the advance.

Premiums are payable throughout the duration of the loan at a level that will build up a fund sufficient to repay the amount of the advance by the end of the term assuming a growth rate not exceeding 7.5% per annum. Such policies have initially been invested in unit linked funds.

The term of the loan is for a period not exceeding 15 years. The actual interest rate applied during the year was 7.083% (9.13% - 1998) variable.

- (b) The loan from Northern Bank is secured by a first mortgage over the freehold land & buildings at 165 Clondeboyne Road Bangor. The term of the loan is for a period not exceeding 7 years.

16. CAPITAL GRANT

	<u>2000</u> £	<u>1999</u> £
At 31st March 1999	71,100	78,300
Release for the year	(1,800)	(1,800)
At 31st March 2000	<u>69,300</u>	<u>71,100</u>

17. SHARE CAPITAL

	<u>Authorised</u>	<u>Issued & Fully Paid</u>
	<u>1999/98</u> £	<u>1999/98</u> £
Ordinary Share of £1 each	<u>20,000</u>	<u>15,000</u>

DONALDSON & LYTTLE LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS AS AT 31ST MARCH 2000Continued....18. RESERVES

	Investment revaluation reserve £	Profit & loss account £	Total £
Balance at 1ST APRIL 1999	2,130,085	(386,247)	1,743,838
Revaluation Surplus	-	-	-
Revaluation Investments	-	-	-
Retained Profit	-	(69,595)	(69,595)
Balance at 31ST MARCH 2000	<u>2,130,085</u>	<u>(455,842)</u>	<u>1,674,243</u>

The property at 68/72 Gt Victoria Street, Belfast was valued by Lambert, Smith Hampton on 10th September 1996. This report indicated an open market value of £2,400,000.

19. CONTINGENT LIABILITIES

There are no contingent liabilities at 31 March 1999.

DONALDSON & LYTTLE LIMITED
11A BOUCHER RETAIL PARK
BOUCHER CRESCENT
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FIXED ASSET SCHEDULE AS AT 31ST MARCH 2000

Tangible Fixed Assets

	Land and Buildings Freehold	Short Leasehold Property	Long Leasehold Property	Fixtures Fittings & Equipment	Motor Vehicles	Total
Cost/revaluation						
Opening balance	276,843	1,500	2,400,000	53,767	4,300	2,736,410
Additions	284	18,173	-	-	-	18,457
Disposals	-	-	-	(53,767)	-	(53,767)
Closing balance	277,127	19,673	2,400,000	-	4,300	2,701,100

DEPRECIATION

Opening balance	-	-	-	49,483	-	49,483
On disposals	-	-	-	(49,483)	-	(49,483)
Charge for the year	-	152	40,000	-	1,076	41,228
Closing balance	-	152	40,000	-	1,076	41,228
NET BOOK VALUES						
31ST MARCH 2000	325,581	19,521	2,360,000	-	3,224	2,708,326
31ST MARCH 1999	325,297	1,500	2,400,000	4,284	4,300	2,735,381