



00134027

Registered no: NI 32024

Donnelly Bros. (Belfast) Limited
Abbreviated financial statements
for the year ended 31 March 2005



Donnelly Bros. (Belfast) Limited

Abbreviated report for the year ended 31 March 2005

	Pages
Directors and advisers	1
Directors' report	2
Auditors' report	3
Abbreviated profit and loss account	4
Abbreviated balance sheet	5
Notes to the abbreviated financial statements	6 – 11

Directors and advisers

Directors

Terence Donnelly
Edwin Black

Secretary

Malcolm Kerr

Registered office

59 Moy Road
Dungannon
Co Tyrone

Solicitors

Eamonn McEvoy & Co
22 Church Place
Lurgan
Co Armagh

Bankers

First Trust Bank Limited
Scotch Street
Dungannon
Co Tyrone

Registered auditors

PricewaterhouseCoopers LLP
18 Northland Row
Dungannon
Co Tyrone

Directors' report for the year ended 31 March 2005

The directors present their report and the audited financial statements for the year ended 31 March 2005.

Principal activities

The principal activities of the company are that of retailing new and second hand motor vehicles and associated services.

Review of business and future developments

The directors consider the results for the year and the position of the company at the year end to be satisfactory. The company will continue to seek every opportunity to increase profitable turnover.

Results and dividends

The profit for the financial year is £312,784 (2004: £320,702). The directors do not recommend the payment of a dividend.

Directors and their interests

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

The share interest of Mr Terence Donnelly in Donnelly Bros. Garages (Dungannon) Limited, the ultimate parent company, is shown in the annual report of that company.

None of the other directors had any interest in the shares of the company at the 31 March 2005.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs and of the profit or loss of the company 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 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 company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Malcolm Kerr

Secretary

15 September 2005

Report of the auditors to the directors of Donnelly Bros. (Belfast) Limited under Article 255B of the Companies (Northern Ireland) Order 1986

We have examined the abbreviated financial statements on pages 4 to 11 together with the annual financial statements of Donnelly Bros. (Belfast) Limited for the year ended 31 March 2005.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Article 254A of the Companies (Northern Ireland) Order 1986. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated financial statements prepared in accordance with Article 254A(3) of the Companies (Northern Ireland) Order 1986 and whether the abbreviated financial statements are properly prepared in accordance with that provision and to report our opinion to you. This report, including the opinion, has been prepared for and only for the company's directors for the purpose of Article 255B 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.

Basis of audit opinion

We have carried out the procedures we considered necessary to confirm, by reference to the annual financial statements, that the company is entitled to deliver abbreviated financial statements, and that the abbreviated financial statements are properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the annual financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Article 254A(3) of the Companies (Northern Ireland) Order 1986 and the abbreviated financial statements to be delivered are properly prepared in accordance with that provision.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Dungannon

15 September 2005

Abbreviated profit and loss account for the year ended 31 March 2005

(Abbreviated in accordance with the provisions
of the Companies (Northern Ireland) Order 1986)

	Notes	2005 £	2004 £
Gross profit		2,193,626	1,839,610
Administrative expenses		(1,669,991)	(1,312,413)
Operating profit	4	523,635	527,197
Interest payable and similar charges	7	(75,695)	(67,702)
Profit on ordinary activities before taxation		447,940	459,495
Taxation	8	(135,156)	(138,793)
Retained profit for the year	15	312,784	320,702

All amounts above relate to continuing operations of the company.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

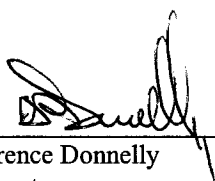
There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

Abbreviated balance sheet as at 31 March 2005

(Abbreviated in accordance with the provisions
of the Companies (Northern Ireland) Order 1986)

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	9	134,840	73,999
Current assets			
Stocks	10	1,443,981	1,238,690
Debtors	11	2,112,961	1,163,450
Cash at bank and in hand		365	66,462
		3,557,307	2,468,602
Creditors: amounts falling due within one year	12	(2,151,285)	(1,315,696)
Net current assets		1,406,022	1,152,906
Total assets less current liabilities		1,540,862	1,226,905
Provisions for liabilities and charges	13	(7,010)	(5,837)
Net assets		1,533,852	1,221,068
Capital and reserves			
Called up share capital	14	2	2
Profit and loss account	15	1,533,850	1,221,066
Equity shareholders' funds	16	1,533,852	1,221,068

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VIII of the Companies (Northern Ireland) Order 1986 relating to medium-sized companies.



Terence Donnelly
Director

Notes to the abbreviated financial statements for the year ended 31 March 2005

1 Accounting policies

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies (Northern Ireland) Order 1986 and applicable accounting standards. The principal accounting policies are set out below.

Tangible fixed assets

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, of tangible fixed assets, less their estimated residual values on a reducing balance bases over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

		%
Plant and equipment	-	25
Fixtures and fittings	-	25 – 33%

Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Where necessary, provision is made for obsolete, slow moving and defective stocks. Stocks on consignment and their related obligations are not recognised in the balance sheet because the terms of the contract state that:

- (i) title to the vehicle does not pass to the dealer until full payment is due;
- (ii) the manufacturer can demand the return of stock within the consignment period;
- (iii) no interest is payable on consignment stock within terms set out in the individual franchise agreement.

Debtors

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

Turnover

Turnover represents the invoiced value of goods and services supplied during the year excluding value added tax and is net of sales returns, trade discounts and rebates. Revenue is recognised upon delivery of products or service, which is when title to the product is transferred to the customer.

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 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 revenue as incurred.

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. Timing differences are differences between the company's taxable profit and its results as stated in the financial statements. Deferred tax assets and liabilities recognised have not been discounted.

2 Cash flow statement and related party disclosures

The company is a wholly owned subsidiary of Donnelly Bros. Garages (Dungannon) Limited and is included in the consolidated financial statements of Donnelly Bros. Garages (Dungannon) Limited, which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1(revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Donnelly Bros. Garages (Dungannon) Limited group.

3 Analysis of turnover and results

No analysis of turnover and results is presented as the directors consider such disclosure to be seriously prejudicial to the company's interests.

4 Operating profit

	2005 £	2004 £
This is stated after charging		
Staff costs (Note 5)	1,005,752	775,780
Depreciation		
– owned assets	30,940	21,429
Auditors' remuneration	6,500	4,800
Operating lease rentals	102,500	78,255

5 Employee information

	2005 £	2004 £
Staff costs		
Wages and salaries	912,919	698,375
Social security costs	92,833	77,205
	1,005,752	775,580

	Number	Number
Average monthly number of persons employed by the company (including directors) during the year by activity		
Selling and distribution	32	25
Administration	5	3
	37	28

6 Directors' emoluments

	2005 £	2004 £
Aggregate emoluments	119,331	118,773

Retiring benefits are accruing to no directors (2004: Nil).

7 Interest payable and similar charges

	2005	2004
	£	£
On bank overdraft	21,861	15,049
On hire purchase and finance leases	52,736	52,653
Other interest	1,098	-
	75,695	67,702

8 Taxation

	2005	2004
	£	£
Current tax:		
UK corporation tax	133,983	139,958
Total current tax	133,983	139,958
Deferred tax:		
Accelerated capital allowances	1,173	(1,165)
Total deferred tax	1,173	(1,165)
Tax on profit on ordinary activities	135,156	138,793

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

	2005	2004
	£	£
Profit on ordinary activities before tax	447,940	459,495
Profit on ordinary activities multiplied by standard rate in the UK (30%) (2004: 30%)	134,382	137,849
Effects of:		
Expenses non deductible for tax purposes	268	371
Origination and reversal of timing differences	(1,173)	1,165
Depreciation on non-qualifying assets	506	573
Current tax charge for the year	133,983	139,958

9 Tangible fixed assets

	Forecourt £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 April 2004	-	144,279	103,056	247,335
Additions	15,361	29,036	47,384	91,781
At 31 March 2005	15,361	173,315	150,440	339,116
Accumulated depreciation				
At 1 April 2004	-	97,586	75,750	173,336
Charge for year	2,208	14,821	13,911	30,940
At 31 March 2005	2,208	112,407	89,661	204,276
Net book value				
At 31 March 2005	13,153	60,908	60,779	134,840
At 31 March 2004	-	46,693	27,306	73,999

10 Stocks

	2005 £	2004 £
Goods for resale	1,443,981	1,238,690

Stock on consignment is not recognised in the balance sheet because the terms of the contract state:

- (iv) title to the vehicle does not pass to the dealer until full payment is due;
- (v) the manufacturer can demand the return of stock within the consignment period;
- (vi) no interest is payable on consignment stock within terms set out in the individual franchise agreement.

At 31 March 2005, the value of the consignment stock off balance sheet was £3,084,253 (2004: £3,121,485).

11 Debtors

	2005 £	2004 £
Trade debtors	2,029,366	1,058,398
Amounts owed by group undertakings	25,461	59,305
Amounts owed by related undertakings	18,298	-
Prepayments and accrued income	39,836	45,747
	2,112,961	1,163,450

The amounts owed by group and related undertakings are unsecured, interest free and recoverable on demand.

12 Creditors: amounts falling due within one year

	2005	2004
	£	£
Stocking loans	42,980	108,700
Trade creditors	191,311	811,139
Amounts owed to group undertakings	1,486,407	41,804
Amounts owed to related undertaking	144,605	-
Corporation tax	133,983	203,049
Other tax and social security	29,051	25,671
Other creditors	38,322	16,323
Accruals and deferred income	84,626	109,010
	2,151,285	1,315,696

The amounts owed to group and related undertakings are unsecured, interest free and payable on demand.

Security

The bank overdraft facility is secured by an inter-company cross guarantee arrangement from the parent company.

13 Provisions for liabilities and charges

	Deferred taxation £
At 1 April 2004	5,837
Released to the profit and loss account	1,173
At 31 March 2005	7,010

	2005	2004
	£	£
Deferred taxation		
Accelerated capital allowances	7,101	5,837

14 Called up share capital

	2005	2004
	£	£
Authorised		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
Allotted and fully paid		
2 (2004: 2) ordinary shares of £1 each	2	2

15 Profit and loss account

	£
At 1 April 2004	1,221,066
Retained profit for the year	312,784
At 31 March 2005	1,533,850

16 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Opening shareholders' funds	1,221,068	900,366
Profit for the financial year	312,784	320,702
Closing shareholders' funds	1,533,852	1,221,068

17 Capital commitments

	2005 £	2004 £
Capital expenditure		
Contracted for but not provided in the financial statements	-	-

18 Financial commitments

At 31 March 2005 the company had annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings 2005 £	Land and Buildings 2004 £
After five years	102,500	102,500

19 Related party disclosures

The company has availed of the exemption in FRS 8 "Related Party Disclosures" from disclosing transactions with group undertakings.

20 Parent and ultimate holding company

The directors regard Donnelly Bros. Garages (Dungannon) Limited, which is registered in Northern Ireland, to be the company's ultimate parent company. According to the register kept by the company, Donnelly Bros. Garages (Dungannon) Limited has a 100% interest in the share capital of Donnelly Bros. (Belfast) Limited at 31 March 2005.

Copies of the parent company's consolidated financial statements may be obtained from Mr Malcolm Kerr, Donnelly Bros. Garages (Dungannon) Limited, 59 Moy Road, Dungannon, Co Tyrone.