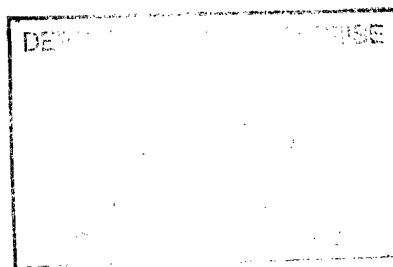




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Registered no: NI 32024



**Donnelly Bros. (Belfast) Limited**  
**Abbreviated financial statements**  
**for the year ended 31 March 2004**

# **Donnelly Bros. (Belfast) Limited**

## **Abbreviated report for the year ended 31 March 2004**

	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

# **Donnelly Bros. (Belfast) Limited**

1

## **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 2004

The directors present their report and the audited financial statements for the year ended 31 March 2004.

### 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 £320,702 (2003: £146,713). 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 2004.

### 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 October 2004

## 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 6 to 11 together with the annual financial statements of Donnelly Bros. (Belfast) Limited for the year ended 31 March 2004.

### 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.

### 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 October 2004

## Abbreviated profit and loss account for the year ended 31 March 2004

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

	Notes	2004 £	2003 £
<b>Gross profit</b>		<b>1,839,610</b>	1,364,386
Administrative expenses		(1,312,413)	(1,094,926)
<b>Operating profit</b>	4	<b>527,197</b>	269,460
Interest payable and similar charges	7	(67,702)	(59,254)
<b>Profit on ordinary activities before taxation</b>		<b>459,495</b>	210,206
Taxation	8	(138,793)	(63,493)
<b>Retained profit for the year</b>	15	<b>320,702</b>	146,713

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 2004

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

	Notes	2004 £	2003 £
<b>Fixed assets</b>			
Tangible assets	9	73,999	89,715
<b>Current assets</b>			
Stocks	10	1,238,690	1,308,799
Debtors	11	1,163,450	903,651
Cash at bank and in hand		66,462	277,985
		2,468,602	2,490,435
<b>Creditors: amounts falling due within one year</b>	12	(1,315,696)	(1,672,782)
<b>Net current assets</b>		1,152,906	817,653
<b>Total assets less current liabilities</b>		1,226,905	907,368
<b>Provisions for liabilities and charges</b>	13	(5,837)	(7,002)
<b>Net assets</b>		1,221,068	900,366
<b>Capital and reserves</b>			
Called up share capital	14	2	2
Profit and loss account	15	1,221,066	900,364
<b>Equity shareholders' funds</b>	16	1,221,068	900,366

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 2004

### 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

	2004	2003
	£	£
<b>This is stated after charging</b>		
Depreciation		
– owned assets	21,429	24,351
Hire of equipment	-	1,621
Auditors' remuneration	4,800	4,400
Operating lease rentals	78,255	78,675

## 5 Employee information

	2004	2003
	£	£
<b>Staff costs</b>		
Wages and salaries	698,375	603,960
Social security costs	77,205	56,275
	775,580	660,235

	Number	Number
<b>Average monthly number of persons employed by the company (including directors) during the year by activity</b>		
Selling and distribution	25	24
Administration	3	3
	28	27

## 6 Directors' emoluments

	2004	2003
	£	£
Aggregate emoluments	118,773	119,957

Retiring benefits are accruing to no directors (2003: Nil).

## 7 Interest payable and similar charges

	2004	2003
	£	£
On bank overdraft	15,049	17,859
On hire purchase and finance leases	52,653	41,395
	67,702	59,254

## 8 Taxation

	2004	2003
	£	£
<b>Current tax:</b>		
UK corporation tax	139,958	63,091
Total current tax	139,958	63,091
<b>Deferred tax:</b>		
Accelerated capital allowances	(1,165)	364
Adjustment in respect of previous period	-	38
Total deferred tax	(1,165)	402
<b>Tax on profit on ordinary activities</b>	<b>138,793</b>	<b>63,493</b>

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

	2004	2003
	£	£
<b>Profit on ordinary activities before tax</b>	<b>459,495</b>	<b>210,206</b>
Profit on ordinary activities multiplied by the standard rate in the UK (30%) (2003:30%)	137,849	63,062
Effects of:		
Expenses non deductible for tax purposes	371	677
Accelerated capital allowances	1,165	(364)
Marginal rate	-	(1,000)
Non-qualifying asset depreciation	573	716
<b>Current tax charge for the year</b>	<b>139,958</b>	<b>63,091</b>

## 9 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 April 2003	141,431	100,191	241,622
Additions	2,848	2,865	5,713
<b>At 31 March 2004</b>	<b>144,279</b>	<b>103,056</b>	<b>247,335</b>
<b>Accumulated depreciation</b>			
At 1 April 2003	83,965	67,942	151,907
Charge for year	13,621	7,808	21,429
<b>At 31 March 2004</b>	<b>97,586</b>	<b>75,750</b>	<b>173,336</b>
<b>Net book value</b>			
<b>At 31 March 2004</b>	<b>46,693</b>	<b>27,306</b>	<b>73,999</b>
At 31 March 2003	57,466	32,249	89,715

## 10 Stocks

	2004 £	2003 £
Goods for resale	1,238,690	1,308,799

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 2004, the value of the consignment stock off balance sheet was £3,121,485 (2003: £1,372,092).

## 11 Debtors

	2004 £	2003 £
Trade debtors	1,058,398	803,045
Amounts owed by group undertakings	59,305	62,878
Amounts owed by related undertakings	-	5,145
Prepayments and accrued income	45,747	32,583
	<b>1,163,450</b>	<b>903,651</b>

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

## 12 Creditors: amounts falling due within one year

	2004	2003
	£	£
Stocking loans	108,700	414,652
Trade creditors	811,139	733,642
Amounts owed to group undertakings	41,804	256,750
Amounts owed to related undertaking	-	92
Corporation tax	203,049	174,702
Other tax and social security	25,671	25,335
Other creditors	16,323	6,079
Accruals and deferred income	109,010	61,530
	1,315,696	1,672,782

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 2003	7,002
Released to the profit and loss account	(1,165)
At 31 March 2004	5,837

	2004	2003
	£	£
<b>Deferred taxation</b>		
Accelerated capital allowances	5,837	7,002

## 14 Called up share capital

	2004	2003
	£	£
<b>Authorised</b>		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
<b>Allotted and fully paid</b>		
2 (2003: 2) ordinary shares of £1 each	2	2

## 15 Profit and loss account

	£
At 1 April 2003	900,364
Retained profit for the year	320,702
<b>At 31 March 2004</b>	<b>1,221,066</b>

## 16 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Opening shareholders' funds	900,366	753,653
Profit for the financial year	320,702	146,713
<b>Closing shareholders' funds</b>	<b>1,221,068</b>	<b>900,366</b>

## 17 Capital commitments

	2004 £	2003 £
<b>Capital expenditure</b>		
Contracted for but not provided in the financial statements	-	-

## 18 Financial commitments

At 31 March 2004 the company had annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings 2004 £	Land and buildings 2003 £
After five years	102,500	71,500

## 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 2004.

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