

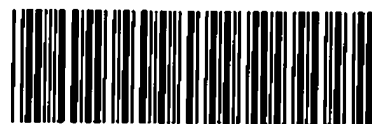
Donnelly Bros Bangor Limited

Annual Report and Financial Statements

31 December 2022



TUESDAY



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13/06/2023

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COMPANIES HOUSE

Donnelly Bros Bangor Limited

Directors

Raymond Donnelly
Terrence Donnelly

Secretary

Malcolm Kerr

Auditor

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast BT2 7DT

Registered Office

59 Moy Road
Dungannon
Tyrone
Northern Ireland
BT71 7DT

Registered No. NI654441

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 December 2022.

Principal activities, business review and future developments

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

The directors are satisfied with the financial results for the year ended 31 December 2022

Directors are confident that the company's cost structure is aligned to allow the company to achieve the expected operating profit in the current market conditions.

Going Concern

At 31 December 2022, the company's net current liability was £1,339,876.

The company is part of the Donnelly Bros. Garages (Dungannon) Limited group ("the Group") and all companies within the Group are party to the Group bank facilities agreements. The Directors have received a letter of support from Donnelly Bros. Garages (Dungannon) Limited confirming they will provide financial support and the Group has the ability to provide this support until 30 June 2024.

The Group has prepared financial forecasts recognising the potential impacts of on-going inflationary market conditions, as well as testing a number of sensitivities. These forecasts show that the Group is forecast to continue to be cash generative, will operate within its facilities including covenant requirements, and meet its obligations as they fall due until 30 June 2024.

Thus, with the letter of support in place the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements

Results and dividends

The profit for the financial year amounted to £49,731 (2021 – loss £19,492). The directors do not recommend the payment of a dividend (2021 – £nil).

Directors

The directors of the company who served during the year and up to the date of signing the financial statements were:

Raymond Donnelly

Terrence Donnelly

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' report and financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied

Donnelly Bros Bangor Limited

that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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 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.

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

Directors' confirmations

In the case of each director in office at the date the Directors' report is approved:

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

Small companies' exemption

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Independent auditor

Ernst & Young LLP will be proposed for reappointment as auditors in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on and signed by its order.

By order of the Board



Malcolm Kerr
Secretary
25th May 2023

Independent auditor's report

to the members of Donnelly Bros Bangor Limited

Opinion

We have audited the financial statements of Donnelly Bros Bangor Limited for the year ended 31 December 2022 which comprise the Statement of income and retained earnings, the Balance Sheet, and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards 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 company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 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 company's ability to continue as a going concern until June 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this report, we do not express any form of assurance conclusion thereon.

Other information (continued)

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 there is 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 the 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 the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 23, 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 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 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.


Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the Companies Act 2006, the reporting framework FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Bribery Act 2010, Money Laundering Regulations and UK Tax Legislation.
- We have understood how Donnelly Bros Bangor Limited is complying with those frameworks by making enquiries of senior management, those charged with governance and those responsible for legal and compliance procedures. We corroborated our enquiries through review of the following documentation or performance of the following procedures:
 - obtaining an understanding of entity-level controls and considering the influence of the control environment;
 - obtaining an understanding of policies and procedures in place regarding compliance with laws and regulations, including how compliance with such policies is monitored and enforced; obtaining an understanding of management's process for identifying and responding to fraud risks, including programs and controls established to address risks identified, or otherwise prevent, deter and detect fraud, and how senior management monitors those programs and controls;
 - Issuing confirmation letters to all known legal counsel in the year and reviewing responses for instances of non-compliance
 - Review of board meeting minutes in the year and to date of signing;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through discussion within the audit team which included:
 - Identification of related parties, including circumstances related to the existence of a related party with dominant influence;
 - understanding the company's business and entity-level controls and considering the influence of the control environment; and
 - considering the nature of the account and our assessment of inherent risk for relevant assertions of significant accounts.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing of journal entries, with focus on manual journals, large or unusual transactions, or journals meeting our defined risk criteria based on our understanding of the business; reviewing accounting estimates for evidence of management bias; enquiring of members of senior management and those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements; and inspecting correspondence, if any, with the relevant licensing or regulatory authorities.

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.



Michael Kidd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date: 26 May 2023

Statement of income and retained earnings

for the year ended 31 December 2022

	2022 £	2021 £
<i>Turnover</i>	7,266,538	7,236,195
<i>Cost of sales</i>	<u>(6,417,568)</u>	<u>(6,504,153)</u>
<i>Gross profit</i>	848,970	732,042
<i>Administrative expenses</i>	(771,126)	(849,529)
<i>Other income</i>	<u>-</u>	<u>82,385</u>
<i>Operating profit/ (Loss)</i>	77,844	(35,102)
<i>Interest payable and similar expenses</i>	<u>(35,085)</u>	<u>(27,080)</u>
<i>Profit/(Loss) before taxation</i>	42,759	(62,182)
<i>Tax on profit/(loss)</i>	<u>6,972</u>	<u>42,690</u>
<i>Profit/(Loss) for the financial year</i>	<u>49,731</u>	<u>(19,492)</u>
<i>Accumulated losses at the beginning of the year</i>	(505,213)	(485,721)
<i>Profit/(Loss) for the financial year</i>	<u>49,731</u>	<u>(19,492)</u>
<i>Accumulated losses at the end of the year</i>	<u>(455,482)</u>	<u>(505,213)</u>

The notes on pages 10 to 18 form part of these financial statements.

Donnelly Bros Bangor Limited

Registered No. NI654441

Balance sheet

at 31 December 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	5		1,348,831		1,406,190
Current assets					
Stocks	6	1,186,322		1,493,984	
Debtors	7	178,864		154,260	
Cash at bank and in hand		-		68	
		1,365,186		1,648,312	
Creditors: amounts falling due within one year	8	(2,705,062)		(3,025,020)	
Net current liabilities			(1,339,876)		(1,376,708)
Total assets less current liabilities			8,955		29,482
Creditors: amounts falling due after more than one year	9		(464,436)		(534,694)
Net liabilities			(455,481)		(505,212)
Capital and reserves					
Called up share capital	11		1		1
Profit and loss account			(455,482)		(505,213)
Total shareholders' deficit			(455,481)		(505,212)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements on pages 8 to 18 were approved and authorised for issue by the board and were signed on its behalf on



Terence Donnelly
Director

25/5/2023

The notes on pages 10 to 18 form part of these financial statements.

Notes to the financial statements

at 31 December 2022

1. General information

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

The company is a private company limited by shares and is incorporated and domiciled in Northern Ireland, within the United Kingdom. The address of the registered office is 59 Moy Road, Dungannon, Tyrone, BT71 7DT.

2. Statement of compliance

The financial statements of Donnelly Bros Bangor Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 Section 1A, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the entity's accounting policies

There are no critical judgements in applying the company's accounting policies.

(b) Critical accounting estimates and assumptions

The fair value of used stock is reviewed by management regularly to estimate its net realisable value in comparisons to market values. Where appropriate a provision is put in place for vehicles that carrying value exceeded the market value.

The following principal accounting policies have been applied consistently:

Going concern

At 31 December 2022, the company's net current liability was £1,339,876

The company is part of the Donnelly Bros. Garages (Dungannon) Limited group ("the Group") and all companies within the Group are party to the Group bank facilities agreements. The Directors have received a letter of support from Donnelly Bros. Garages (Dungannon) Limited confirming they will provide financial support and the Group has the ability to provide this support until 30 June 2024³.

The Group has prepared financial forecasts recognising the potential impacts of on-going inflationary market conditions, as well as testing a number of sensitivities. These forecasts show that the Group is forecast to continue to be cash generative, will operate within its facilities including covenant requirements, and meet its obligations as they fall due until 30 June 2024³.

Thus, with the letter of support in place the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements

Notes to the financial statements

at 31 December 2022

3. Accounting policies (continued)

Turnover

Turnover from sales of vehicles, service parts and other related products is recognised when the risks and rewards of ownership of the goods are transferred to the customer, the amount of revenue can be estimated reliably and collectability is reasonably assured.

Other Income

Job Retention Scheme grant income (furlough income) relates to wages paid to workers who have been furloughed due to coronavirus. The income is recognised on an accrual basis in the period to which the underlying furloughed staff costs relate to. There are no unfulfilled conditions nor other contingencies attaching to the grant and there are no other forms of government assistance from which the entity has directly benefited.

Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issued costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Tangible assets

Tangible assets are stated at historical cost or valuation less accumulated depreciation.

The cost of tangible assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. The principal annual rates used as follows:

Depreciation is provided on the following basis:

Leasehold property - 10% straight line

Freehold property - 2% straight line

Plant and machinery - 25% reducing balance

Fixtures and fittings - 25% reducing balance

Computer equipment- 33.3% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

Notes to the financial statements

at 31 December 2022

3. Accounting policies (continued)

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. In general, cost is determined on a first in, first out basis and includes transport and handling costs. In addition to the stocks recorded in the Balance sheet, the company holds vehicles under consignment arrangements, further details of which are given in note 6.

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.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

Financial instruments

The company has chosen to adopt Section 11 and 12 of FRS102 in respect of financial instruments.

i. Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of income and retained earnings.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of income and retained earnings.

Notes to the financial statements

at 31 December 2022

3. Accounting policies (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii. Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies 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 receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

iii. Offsetting

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.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance sheet date.

Notes to the financial statements

at 31 December 2022

3. Accounting policies (continued)

Share capital

Ordinary shares are classified as equity. Incremental costs directly attribute to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2022 Number	2021 Number
Selling and distribution	11	10
Administrative	3	3
	<u>14</u>	<u>13</u>

5. Tangible assets

	Freehold Land & Buildings £	Plant and machinery £	Fixtures and fittings £	Vehicles £	Computer equipment £	Total £
Cost or Valuation						
At 1 January 2022	1,338,512	38,406	211,789	1,768	44,217	1,634,692
Additions	-	-	-	-	-	-
Disposals	-	-	-	(1,768)	-	(1,768)
At 31 December 2022	<u>1,338,512</u>	<u>38,406</u>	<u>211,789</u>	<u>-</u>	<u>44,217</u>	<u>1,632,924</u>
Accumulated depreciation						
At 1 January 2022	75,755	14,115	105,237	1,768	31,627	228,502
Charge for the year	15,877	5,423	23,789	-	12,270	57,359
Disposals	-	-	-	(1,768)	-	(1,768)
At 31 December 2022	<u>91,632</u>	<u>19,538</u>	<u>129,026</u>	<u>-</u>	<u>43,897</u>	<u>284,093</u>
Net book value						
At 31 December 2022	<u>1,246,880</u>	<u>18,868</u>	<u>82,763</u>	<u>-</u>	<u>320</u>	<u>1,348,831</u>
At 31 December 2021	<u>1,262,757</u>	<u>24,291</u>	<u>106,552</u>	<u>-</u>	<u>12,590</u>	<u>1,406,190</u>

Notes to the financial statements

at 31 December 2022

6. Stocks

	2022	2021
	£	£
<i>Finished goods and goods for resale</i>	<u>1,186,322</u>	<u>1,493,984</u>

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

- 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; and
- iii. no interest is payable on consignment stock within terms set out in the individual franchise agreements.

At 31 December 2022, the value of the consignment stock off Balance sheet was £396,561 (2021 – £165,764).

7. Debtors

	2022	2021
	£	£
<i>Trade debtors</i>	33,549	28,341
<i>Amounts owed by group undertakings</i>	42,735	10
<i>Amounts owed by related party undertakings (note 12)</i>	-	-
<i>Other Taxation and social security</i>	1,824	46,381
<i>Other Debtors</i>	530	-
<i>Prepayments and accrued income</i>	37,243	23,517
<i>Corporation tax</i>	50,751	44,707
<i>Deferred taxation asset (note 10)</i>	<u>12,232</u>	<u>11,304</u>
	<u>178,864</u>	<u>154,260</u>

Amounts owed by group and related party undertakings are unsecured, interest free and repayable on demand.

Notes to the financial statements

at 31 December 2022

8. Creditors: amounts falling due within one year

	2022	2021
	£	£
<i>Bank loans and overdrafts</i>	1,789,474	1,773,948
<i>Stocking loans</i>	325,388	807,265
<i>Obligations under finance lease and hire purchase agreements</i>	3,297	3,645
<i>Amounts owed to group undertakings</i>	70,302	12,851
<i>Amounts owed to related party undertakings (note 12)</i>	156	448
<i>Trade creditors</i>	465,785	373,675
<i>Other Taxation & Social Security</i>	6,464	7,481
<i>Other creditors</i>	29,155	32,729
<i>Accruals and deferred income</i>	15,041	12,978
	<u>2,705,062</u>	<u>3,025,020</u>

Amounts owed to group and related party undertakings are unsecured, interest free and repayable on demand.

9. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
<i>Bank Loan</i>	463,298	530,260
<i>Obligations under finance lease and hire purchase agreements</i>	1,138	4,434
	<u>464,436</u>	<u>534,694</u>

Analysis of the maturity of loans is given below:

	2022	2021
	£	£
<i>Amounts falling due within one year</i>		
<i>Bank overdrafts & loans</i>	1,789,474	1,773,948
<i>Obligations under finance lease and hire purchase agreements</i>	3,297	3,645
<i>Amounts falling due 1-2 years</i>		
<i>Bank loan</i>	463,298	71,890
<i>Obligations under finance lease and hire purchase agreements</i>	1,138	3,645
<i>Amounts falling due 2-5 years</i>		
<i>Bank Loan</i>	-	458,370
<i>Obligations under finance lease and hire purchase agreements</i>	-	789
	<u>2,257,207</u>	<u>2,312,287</u>

The company's bank loan is repayable monthly over a 3-year payment profile with a balloon payment at the end of year 3 and bears an interest at a rate of 3% and SONIA Compounded. The loan will be fully repaid 6 December 2024

Notes to the financial statements

at 31 December 2022

Security

The bank facilities are secured by:

- i. Unlimited intercompany cross guarantee in respect of Donnelly Bros. Garages (Dungannon) Limited, Donnelly Bros. (Belfast) Limited, Donnelly Bros. Garages (Fermanagh) Limited, Donnelly Bros. (Honda) Limited, Donnelly Bros (Bangor) Limited, Donnelly & Taggart (Ballymena) Limited and Taxi & Bus Conversion Limited; and
- ii. Floating charge over the assets and undertakings of the company.

10. Deferred taxation

	2022	2021
	£	£
<i>At beginning of year</i>	11,304	13,321
<i>(Debited)/credited to Statement of income and retained earnings</i>	930	(61,233)
<i>Adjustment in respect of prior years</i>	(1)	59,216
<i>Rounding</i>	(1)	-
<i>At end of year</i>	<u>12,232</u>	<u>11,304</u>

The deferred taxation asset balance is made up as follows:

	2022	2021
	£	£
<i>Fixed asset timing differences</i>	12,089	11,213
<i>Short term timing differences</i>	143	91
	<u>12,232</u>	<u>11,304</u>

11. Called up share capital

Allotted and fully paid

	2022	2021
	£	£
<i>1 (2021– 1) Ordinary shares of £1 each</i>	<u>1</u>	<u>1</u>

Notes to the financial statements

at 31 December 2022

12. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102, on the grounds that at 31 December 2022 it was a wholly owned subsidiary. Transactions with other related parties are as follows:

<i>Nature of transactions</i>	<i>2022 Amount of transaction £</i>	<i>2022 Amounts owed from/(to) related party £</i>	<i>2021 Amount of transaction £</i>	<i>2021 Amounts owed from/(to) related party £</i>
<i>Donnelly & Taggart (Ballymena)</i>				
Sales	854	-	1,527	-
<i>Limited (common influence)</i>				
Purchases	(6,758)	(156)	(17,080)	(448)
<i>Donnelly & Taggart</i>				
Sales	35,145	-	13,304	-
<i>Limited (common influence)</i>				
Purchases	(18,998)	-	(6,998)	-

13. Ultimate controlling party

The ultimate controlling party is Terence Donnelly.

The company's ultimate parent undertaking is Donnelly Bros. Garages (Dungannon) Limited, a company incorporated in Northern Ireland.

The smallest and largest undertakings of which the company is a member, and for which group financial statements are prepared, is Donnelly Bros. Garages (Dungannon) Limited, a company incorporated in Northern Ireland. Group financial statements for this company are prepared and available to the public from the company secretary, Donnelly Bros. Garages (Dungannon) Limited, 59 Moy Road, Dungannon, Co. Tyrone, BT71 7DT.