

**Downeys Cars (N.I.) Ltd**

**Reports and Financial Statements**

**for the period ended 31 December 2017**

**Downeys Cars (N.I.) Ltd**  
**DIRECTOR AND OTHER INFORMATION**

<b>Director</b>	David Andrew John McCulla
<b>Company Number</b>	NI025135
<b>Registered Office and Business Address</b>	39 Portaferry Road Newtownards Co Down BT23 8NN Northern Ireland
<b>Auditors</b>	PGR Accountants Limited Chartered Accountants and Statutory Auditor Unit 2 Channel Wharf 21 Old Channel Road Belfast BT3 9DE Northern Ireland
<b>Bankers</b>	Bank of Ireland 4-8 High Street Belfast BT1 2BA Northern Ireland
<b>Solicitors</b>	King and Gowdy 298 Upper Newtownards Road Belfast BT4 3EJ Northern Ireland

# Downeys Cars (N.I.) Ltd

## STRATEGIC REPORT

for the period ended 31 December 2017

### Review of the Company's Business

The director presents the financial statements of the company for the period ended 31 December 2017.

In early 2017, after carrying out due diligence, the director concluded that there was future potential in the territory for increasing new car market share and used car sales. This in turn would create the opportunity to increase service hours through the workshop and consequently additional parts revenue. In line with this opportunity and Kias growth plans, it was decided to support the brand further by constructing a new showroom and workshop facilities. The necessary capital development will occur during the 2018 financial year.

It was believed that to meet future expectations and deliver a return on investment within a reasonable timeframe, a strategic review of the business operations would be necessary. This review was initiated in 2017 to ensure that the correct people, processes and systems were in place to meet the challenges ahead. The recommendations from that strategy review will continue to be implemented in 2018.

There were no significant changes in the trading activity of the company during the year, other than that the rental division of the business was spun out into a new company, effective 1 October 2016. The director considers that, in the light of prevailing economic and market conditions, both the results for the year and the prospects for the future are satisfactory.

### Principal Risks and Uncertainties

The company uses various financial instruments including bank loans or overdrafts, finance leases and hire purchase agreements, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to provide sufficient finance for the company's operations.

The main risk arising from the company's financial instruments are interest rate risk, liquidity risk, credit risk and price and market risk.

The director reviews and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

#### Liquidity Risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. The company policy throughout the year has been to ensure continuity of funding by matching the sources of funds to the intended use of those funds, so that fixed assets are financed out of reserves and through the use of hire purchase and finance lease agreements where appropriate. Funding for significant developments, such as expenditure on buildings is secured on specific borrowings with draw down and repayment terms that are spread over a period of years. Short-term flexibility is achieved by overdraft facilities.

#### Interest Rate Risk

The company finances its operation through a mixture of retained profits, bank borrowings and hire purchase and finance lease agreements. The company exposure to interest rate fluctuations on its borrowings is managed through annual review of its borrowing requirements, and where appropriate, through the use of fixed or floating interest arrangements.

#### Credit Risk

The company's principal financial assets are cash and debtors. The credit risk associated with cash is limited. The principal credit risk arises therefore from debtors. In order to manage credit risk, the directors assess potential customers based on a mixture of past history, credit references and industry knowledge. Amounts owed are reviewed and followed up on a regular basis.

#### Financial key performance indicators

The company's key financial performance indicators are those that communicate the financial performance and strength of the company, these being turnover and gross profit margin.

**On behalf of the board**

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**David Andrew John McCulla**

**Director**

**28 September 2018**

# **Downeys Cars (N.I.) Ltd**

## **DIRECTOR'S REPORT**

for the period ended 31 December 2017

The director presents their report and the audited financial statements for the period ended 31 December 2017.

### **Principal Activity**

The principal activity of the business during the year was the sale and maintenance of new and used motor vehicles.

### **Results and Dividends**

The profit for the period after providing for depreciation and taxation amounted to £155,382 (Sep 16 - £232,753).

The director does not recommend payment of a dividend.

### **Director**

The director who served during the period is as follows:

David Andrew John McCulla

### **Future Developments**

The company intends to continue with its present strategies and focus on vehicles sales. A review of the business is included in the Strategic Report.

### **Post Balance Sheet Events**

There have been no post balance sheet events which would have an impact on the financial statements.

### **Political Contributions**

The company did not make any disclosable political donations in the current period.

### **Statement of Director's Responsibilities**

The director is responsible for preparing the Strategic Report, Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the director 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

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

The director is 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. 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.

In so far as the director is aware:

- there is no relevant audit information (information needed by the company's auditor in connection with preparing the

auditor's report) of which the company's auditor is unaware, and -the director has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### **Auditors**

The auditors, PGR Accountants Limited, (Chartered Accountants) have indicated their willingness to continue in office in accordance with the provisions of Section 485 of the Companies Act 2006.

#### **On behalf of the board**

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**David Andrew John McCulla**  
Director

**28 September 2018**

# **INDEPENDENT AUDITOR'S REPORT**

## **to the Shareholders of Downeys Cars (N.I.) Ltd**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of Downeys Cars (N.I.) Ltd ('the company') for the period ended 31 December 2017 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Shareholders' Funds and the related notes to the financial statements, including a summary of significant accounting policies set out in note . 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, when reporting in accordance with a fair presentation framework the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the period t h e n e n d e d ;
  - 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 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**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **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 director is responsible for the other information. 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.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. 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.

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

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

- in our opinion, the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit,

we have not identified material misstatements in the Strategic Report and the Director's Report.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of director for the financial statements**

As explained more fully in the Statement of Director's Responsibilities, the director is 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 they 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is contained in the appendix to this report, located at page 9, which is to be read as an integral part of our 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.

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**Peter Greene (Senior Statutory Auditor)**

**for and on behalf of**

**PGR ACCOUNTANTS LIMITED**

Chartered Accountants and Statutory Auditor

Unit 2 Channel Wharf

21 Old Channel Road

Belfast

BT3 9DE

Northern Ireland

**28 September 2018**

## **APPENDIX TO THE INDEPENDENT AUDITOR'S REPORT**

### **Further information regarding the scope of our responsibilities as auditor**

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Downeys Cars (N.I.) Ltd****PROFIT AND LOSS ACCOUNT**

for the period ended 31 December 2017

	Notes	Dec 17 £	Sep 16 £
<b>Turnover</b>	<b>4</b>	<b>9,771,452</b>	8,611,686
Cost of sales		(8,611,008)	(6,338,410)
<b>Gross profit</b>		<b>1,160,444</b>	2,273,276
Administrative expenses		(1,889,971)	(1,854,377)
Other operating income		1,033,753	-
<b>Operating profit</b>		<b>304,226</b>	418,899
Interest receivable and similar income	<b>6</b>	<b>29,535</b>	-
Interest payable and similar expenses	<b>7</b>	(144,173)	(130,363)
<b>Profit before taxation</b>		<b>189,588</b>	288,536
Tax on profit	<b>9</b>	(34,206)	(55,783)
<b>Profit for the period</b>		<b>155,382</b>	232,753
<b>Total comprehensive income</b>		<b>155,382</b>	232,753

# Downeys Cars (N.I.) Ltd

Company Number: NI025135

## BALANCE SHEET

as at 31 December 2017

	Notes	Dec 17 £	Sep 16 £
<b>Fixed Assets</b>			
Tangible assets	10	4,940,837	5,423,018
		<hr/>	<hr/>
<b>Current Assets</b>			
Stocks	11	988,115	820,040
Debtors	12	1,533,291	665,185
Cash and cash equivalents		10,473	410,085
		<hr/>	<hr/>
		2,531,879	1,895,310
		<hr/>	<hr/>
<b>Creditors: Amounts falling due within one year</b>	13	(2,576,331)	(2,447,204)
		<hr/>	<hr/>
<b>Net Current Liabilities</b>		(44,452)	(551,894)
		<hr/>	<hr/>
<b>Total Assets less Current Liabilities</b>		4,896,385	4,871,124
<b>Creditors</b>			
Amounts falling due after more than one year	14	(1,729,973)	(1,842,826)
<b>Provisions for liabilities</b>	15	(106,493)	(123,761)
		<hr/>	<hr/>
<b>Net Assets</b>		3,059,919	2,904,537
		<hr/>	<hr/>
<b>Capital and Reserves</b>			
Called up share capital	16	10,000	10,000
Profit and Loss Account		3,049,919	2,894,537
		<hr/>	<hr/>
<b>Shareholders' Funds</b>		3,059,919	2,904,537
		<hr/>	<hr/>

Approved by the Director and authorised for issue on 28 September 2018

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David Andrew John McCulla

Director

**Downeys Cars (N.I.) Ltd****RECONCILIATION OF SHAREHOLDERS' FUNDS**

as at 31 December 2017

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2016</b>	10,000	2,661,784	2,671,784
Profit for the period	-	232,753	232,753
<b>At 30 September 2016</b>	10,000	2,894,537	2,904,537
Profit for the period	-	155,382	155,382
<b>At 31 December 2017</b>	<b>10,000</b>	<b>3,049,919</b>	<b>3,059,919</b>

## **Downeys Cars (N.I.) Ltd**

# **NOTES TO THE FINANCIAL STATEMENTS**

for the period ended 31 December 2017

### **1. GENERAL INFORMATION**

Downeys Cars (N.I.) Ltd is a company limited by shares incorporated in Northern Ireland. 39 Portaferry Road, Newtownards, Co Down, BT23 8NN, Northern Ireland is the registered office, which is also the principal place of business of the company. The nature of the company's operations and its principal activities are set out in the Director's Report. The financial statements have been presented in Pound Sterling (£) which is also the functional currency of the company.

### **2. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### **Statement of compliance**

The financial statements of the company for the year ended 31 December 2017 have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council and in accordance with the Companies Act 2006. These are the company's first set of financial statements prepared in accordance with FRS 102

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### **Cash flow statement**

The company has availed of the exemption in FRS 102 from the requirement to prepare a Cash Flow Statement because it is a subsidiary undertaking for which the consolidated financial statements are publicly available.

#### **Turnover**

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

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Land and buildings freehold	- 2% Straight line
Plant and machinery	- 15% Straight line
Motor vehicles	- 25% Straight line

Depreciation is not charged on the land element of fixed assets. The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may

not be recoverable.

### **Investment properties**

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 50 years. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in profit or loss when the changes arise.

### **Leasing and hire purchases**

Tangible fixed assets held under leasing and Hire Purchases arrangements which transfer substantially all the risks and rewards of ownership to the company are capitalised and included in the Balance Sheet at their cost or valuation, less depreciation. The corresponding commitments are recorded as liabilities. Payments in respect of these obligations are treated as consisting of capital and interest elements, with interest charged to the Profit and Loss Account.

### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the cost of realisation. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

### **Trade and other debtors**

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

### **Trade and other creditors**

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

### **Employee benefits**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

### **Taxation and deferred taxation**

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the period and is calculated using the tax rates and laws that have been enacted or substantially enacted at the Balance Sheet date.

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 have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future. Timing differences are temporary differences between the company's taxable profits and its results as stated in the financial statements. Deferred tax is measured on an undiscounted basis at the tax rates that are anticipated to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### **Share capital**

of the  
company

**Ordinary  
share capital**

The ordinary share capital of the company is presented as equity.

**3. PERIOD OF FINANCIAL STATEMENTS**

The financial statements are for the 15 month period ended 31 December 2017.

The comparative figures relate to the 9 month period ended 30 September 2016.

**4. TURNOVER**

The whole of the company's turnover is attributable to its market in the United Kingdom and is derived from the principal activity of the sale and maintenance of new and used motor vehicles.

<b>5. OPERATING PROFIT</b>	<b>Dec 17</b>	<b>Sep 16</b>
	<b>£</b>	<b>£</b>
<b>Operating profit is stated after charging/(crediting):</b>		
Depreciation of tangible fixed assets	<b>1,383,203</b>	800,574
Profit on disposal of tangible fixed assets	<b>(517,120)</b>	(148,303)
Auditor's remuneration		
- audit services	<b>7,000</b>	7,000
	<hr/>	<hr/>
<b>6. INTEREST RECEIVABLE AND SIMILAR INCOME</b>	<b>Dec 17</b>	<b>Sep 16</b>
	<b>£</b>	<b>£</b>
Other interest	<b>29,535</b>	-
	<hr/>	<hr/>
<b>7. INTEREST PAYABLE AND SIMILAR EXPENSES</b>	<b>Dec 17</b>	<b>Sep 16</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	<b>6,673</b>	16,463
Hire purchase interest	<b>137,500</b>	113,900
	<hr/>	<hr/>
	<b>144,173</b>	130,363
	<hr/>	<hr/>

**8. EMPLOYEES AND REMUNERATION**

**Number of employees**

The average number of persons employed (including executive director) during the period was as follows:

	<b>Dec 17</b>	<b>Sep 16</b>
	<b>Number</b>	<b>Number</b>
After sales	<b>10</b>	12
Sales	<b>10</b>	22
Admin	<b>3</b>	4
Director	<b>1</b>	1
	<hr/>	<hr/>

	24	39
The staff costs (inclusive of director's salaries) comprise:	<b>Dec 17</b>	Sep 16
	£	£
Wages and salaries	<b>596,537</b>	585,052
Social security costs	<b>52,182</b>	48,695
	<b>648,719</b>	633,747

## 9. TAX ON PROFIT

	<b>Dec 17</b>	Sep 16
	£	£
<b>(a) Analysis of charge in the period</b>		
<b>Current tax:</b>		
Corporation tax at 19.28% (Sep 16 - 20.00%) (Note 9 (b))	<b>51,474</b>	77,008
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<b>(17,268)</b>	(21,225)
Total deferred tax	<b>(17,268)</b>	(21,225)
Tax on profit (Note 9 (b))	<b>34,206</b>	55,783

### (b) Factors affecting tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the United Kingdom 19.28% (Sep 16 - 20.00%). The differences are explained below:

	<b>Dec 17</b>	Sep 16
	£	£
Profit before tax	<b>189,588</b>	288,536
Profit before tax multiplied by the standard rate of corporation tax in the United Kingdom at 19.28% (Sep 16 - 20.00%)	<b>36,553</b>	57,707
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>10,539</b>	4,361
Deferred tax	<b>(17,268)</b>	(21,225)
Accelerated capital allowances / other deductions	<b>4,382</b>	21,225
Adjustment to tax charge in respect of previous periods	-	(6,285)
Total tax charge for the period (Note 9 (a))	<b>34,206</b>	55,783

## 10. TANGIBLE FIXED ASSETS

	Land and buildings freehold	Investment properties	Plant and machinery	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 October 2016	1,517,923	659,175	406,057	4,375,919	6,959,074
Additions	-	-	27,000	2,253,988	2,280,988
Disposals	-	-	(25,639)	(2,187,120)	(2,212,759)
At 31 December 2017	1,517,923	659,175	407,418	4,442,787	7,027,303
<b>Depreciation</b>					
At 1 October 2016	249,953	86,078	216,853	983,172	1,536,056
Charge for the period	37,948	16,479	41,427	1,287,351	1,383,205
On disposals	-	-	-	(832,795)	(832,795)
At 31 December 2017	287,901	102,557	258,280	1,437,728	2,086,466
<b>Net book value</b>					
At 31 December 2017	<b>1,230,022</b>	<b>556,618</b>	<b>149,138</b>	<b>3,005,059</b>	<b>4,940,837</b>
At 30 September 2016	1,267,970	573,097	189,204	3,392,747	5,423,018

#### 10.1. TANGIBLE FIXED ASSETS CONTINUED

Included above are assets held under finance leases or hire purchase contracts as follows:

	Dec 17	Sep 16
	Net Depreciation	Net Depreciation
	book value charge	book value charge
	£	£
Motor vehicles	<b>2,207,411</b>	2,088,457
	<b>910,002</b>	-

#### 11. STOCKS

	Dec 17	Sep 16
	£	£
Finished goods and goods for resale	<b>988,115</b>	820,040

The replacement cost of stock did not differ significantly from the figures shown.

#### 12. DEBTORS

	Dec 17	Sep 16
	£	£
Trade debtors	<b>135,729</b>	385,491
Amounts owed by group companies	<b>668,129</b>	-
Amounts owed by related parties	-	100,783
Other debtors	<b>342,109</b>	108,039
Director's current account (Note 18)	<b>349,284</b>	7,207

Prepayments and accrued income	<b>38,040</b>	63,665
	<b>1,533,291</b>	665,185

Related party balances are interest free, unsecured and repayable on demand.

<b>13. CREDITORS</b>	<b>Dec 17</b>	Sep 16
<b>Amounts falling due within one year</b>	<b>£</b>	<b>£</b>
Bank overdrafts	<b>199,761</b>	-
Bank loan	-	81,721
Net obligations under finance leases and hire purchase contracts	<b>1,140,472</b>	997,582
Trade creditors	<b>898,063</b>	947,312
Taxation	<b>115,261</b>	211,646
Accruals and deferred income	<b>222,774</b>	208,943
	<b>2,576,331</b>	2,447,204

A first mortgage / charge over the assets of the company, comprising 14 properties;

A debenture charging all the assets and undertakings of the borrower;

An assignment of the lifetime policy of the director to cover the sum of £300,000;

A guarantee and indemnity from the director in the sum of £100,000, counter covered by a first mortgage/charge over a further property;

A counter indemnity in respect of guarantees issued by Bank of Ireland in respect of Fiat Auto Fin Services Wholesale Limited in the sum of £25,000;

The hire purchase agreements are secured by the assets to which they relate.

<b>14. CREDITORS</b>	<b>Dec 17</b>	Sep 16
<b>Amounts falling due after more than one year</b>	<b>£</b>	<b>£</b>
Finance leases and hire purchase contracts	<b>1,729,973</b>	1,842,826
<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	<b>1,140,472</b>	997,582
Repayable between one and five years	<b>1,729,973</b>	1,842,826
	<b>2,870,445</b>	2,840,408

A first mortgage / charge over the assets of the company, comprising 14 properties;

A debenture charging all the assets and undertakings of the borrower;

An assignment of the lifetime policy of the director to cover the sum of £300,000;

A guarantee and indemnity from the director in the sum of £100,000, counter covered by a first mortgage/charge over a further property;

A counter indemnity in respect of guarantees issued by Bank of Ireland in respect of Fiat Auto Fin Services Wholesale Limited in the sum of £25,000;

The hire purchase agreements are secured by the assets to which they relate.

## 15. PROVISIONS FOR LIABILITIES

The amounts provided for deferred taxation are analysed below:

	Capital allowances	Total	Total
		Dec 17	Sep 16
	£	£	£
At period start	123,761	123,761	144,986
Charged to profit and loss	(17,268)	(17,268)	(21,225)
At period end	106,493	106,493	123,761

## 16. SHARE CAPITAL

			Dec 17	Sep 16
			£	£
Description	Number of shares	Value of units		
<b>Allotted, called up and fully paid</b>				
Ordinary	10,000	£1 each	10,000	10,000

## 17. CAPITAL COMMITMENTS

The company had no material capital commitments at the period-ended 31 December 2017.

## 18. DIRECTOR'S REMUNERATION AND TRANSACTIONS

	Dec 17	Sep 16
	£	£
<b>Director's remuneration</b>		
Remuneration	21,120	22,752

The following advances were made to the director:

	Balance at 31/12/17	Movement in period	Balance at 30/09/16	Maximum in period
	£	£	£	£
David Andrew John McCulla	349,284	342,077	7,207	-

## **19. RELATED PARTY TRANSACTIONS**

The company has availed of the exemption under FRS 102 in relation to the disclosure of transactions with group companies.

The Director provides a personal guarantee and indemnity over the borrowings of the company for the sum of £100,000, as well as an assignment over a lifetime policy in the sum of £300,000.

## **20. PARENT AND ULTIMATE PARENT COMPANY**

The company regards Downeys (Holdings) Limited as its parent company.

The company's ultimate parent undertaking is Ian McCulla.

The address of Ian McCulla is 39 Portaferry Road, Newtownards, BT23 8NN.

Ian McCulla is regarded as both the controlling party and the ultimate controlling party.

The parent of the largest group in which the results are consolidated is Downeys (Holdings) Limited.

Downeys (Holdings) Limited is registered in Northern Ireland.

## **21. POST-BALANCE SHEET EVENTS**

On 27 June 2018, the company signed a contract of £1,339,500 for the construction of new showroom premises at the registered office address. This is a non-adjusting post balance sheet event.

**DOWNEYS CARS (N.I.) LTD**

**SUPPLEMENTARY INFORMATION**

**RELATING TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2017**

**NOT COVERED BY THE REPORT OF THE AUDITORS**

**THE FOLLOWING PAGES DO NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS**

**Downeys Cars (N.I.) Ltd****SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS****TRADING STATEMENT**

for the period ended 31 December 2017

		<b>Dec 17</b>	<b>Sep 16</b>
		<b>£</b>	<b>£</b>
<b>Sales</b>	<b>9,771,452</b>	<b>8,611,686</b>	
<b>Cost of sales</b>			
Opening stock	<b>820,040</b>	1,390,765	
Purchases	<b>8,779,083</b>	5,767,685	
	<b>9,599,123</b>	7,158,450	
Closing stock	<b>(988,115)</b>	(820,040)	
	<b>8,611,008</b>	6,338,410	
<b>Gross profit</b>	<b>1,160,444</b>	<b>2,273,276</b>	
<b>Gross profit Percentage</b>	<b>11.9%</b>	<b>26.4%</b>	
<b>Administrative expenses</b>			
Wages and salaries (including director's remuneration)	<b>596,537</b>	585,052	
Social security costs	<b>52,182</b>	48,695	
Staff training	<b>9,367</b>	14,191	
Rent payable	<b>-</b>	65,117	
Rates	<b>21,359</b>	15,685	
Insurance	<b>52,273</b>	109,956	
Light and heat	<b>13,461</b>	8,959	
Repairs and maintenance	<b>56,805</b>	114,631	
Printing, postage and stationery	<b>13,218</b>	7,378	
Advertising	<b>57,833</b>	36,721	
Telephone	<b>18,480</b>	3,247	
Computer costs	<b>16,224</b>	12,086	
Hire of equipment	<b>4,807</b>	-	
Motor expenses	<b>517</b>	2,135	
Travelling and subsistence	<b>18,542</b>	19,167	
Legal and professional	<b>50,058</b>	54,631	
Bank charges	<b>15,879</b>	22,013	
Bad debts	<b>-</b>	4,977	
General expenses	<b>5,025</b>	58,135	
Subscriptions	<b>14,321</b>	12,330	
Profits/losses on disposal of tangibles	<b>(517,120)</b>	(148,303)	
Auditor's remuneration	<b>7,000</b>	7,000	
Depreciation of tangible assets	<b>1,383,203</b>	800,574	
	<b>1,889,971</b>	<b>1,854,377</b>	

**Finance**

Bank interest and similar charges	<b>6,673</b>	16,463
Hire purchase interest	<b>137,500</b>	113,900
	<hr/>	<hr/>
	<b>144,173</b>	130,363
	<hr/>	<hr/>

**Miscellaneous income**

Sundry income	<b>1,033,753</b>	-
Other interest	<b>29,535</b>	-
	<hr/>	<hr/>
	<b>1,063,288</b>	-
	<hr/>	<hr/>
<b>Net profit</b>	<b>189,588</b>	288,536
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This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.