

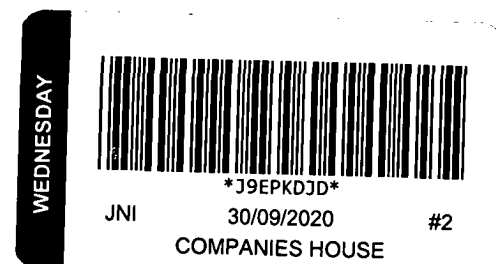
Financial Statements

Roadside Motors (Lurgan) Limited

For the Year Ended 30 September 2019



Registered number: NI025891



Roadside Motors (Lurgan) Limited

Company Information

Directors	W I Hutchinson B C Hutchinson
Company secretary	W I Hutchinson
Registered number	NI025891
Registered office	71 Belfast Road Lurgan BT66 7JP
Independent auditor	Grant Thornton (NI) LLP Chartered Accountants & Statutory Auditors 12 - 15 Donegall Square West Belfast BT1 6JH
Bankers	Danske Bank 37/39 Bridge Street Banbridge BT32 3JL
Solicitors	MacCorkell Legal & Commercial Limited Garvey Studios 8 - 10 Longstone Street Lisburn BT28 1TP

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Independent auditor's report to the members of Roadside Motors (Lurgan) Limited

Opinion

We have audited the financial statements of Roadside Motors (Lurgan) Limited, which comprise the Statement of comprehensive income, the Balance sheet for the financial year ended 30 September 2019, and the related notes to the financial statements, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Roadside Motors (Lurgan) Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Company as at 30 September 2019 and of its financial performance for the year then ended; 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') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor 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 United Kingdom, namely FRC's Ethical Standard concerning the integrity, objectivity and independence of the auditor. We have fulfilled our 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 the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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

Other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon, including the Directors' report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the 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

Independent auditor's report to the members of Roadside Motors (Lurgan) Limited (continued)

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 in the financial statements, 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.

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 has 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 we have 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 take advantage of the small companies' exemptions from the requirement to prepare a strategic report or in preparing the Directors' report.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 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, management is 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 management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Independent auditor's report to the members of Roadside Motors (Lurgan) Limited (continued)

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 their 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.

As part of an audit in accordance with ISAs (UK), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will 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 their 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 of 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 management.
- Conclude on the appropriateness of the management'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 they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the 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 a true and fair view.

The auditor shall 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 may be identified during the audit.

The purpose of our audit work and to whom we owe our responsibilities

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.



Independent auditor's report to the members of Roadside Motors (Lurgan) Limited (continued)

A handwritten signature in black ink, appearing to read "Louise Kelly".

Louise Kelly (Senior statutory auditor)

for and on behalf of

Grant Thornton (NI) LLP

Chartered Accountants

Statutory Auditors

Belfast

29 September 2020

Roadside Motors (Lurgan) Limited
Registered number: NI025891

Balance sheet
As at 30 September 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	<u>75,511</u>	<u>67,378</u>
		75,511	67,378
Current assets			
Stocks	6	3,897,575	2,487,189
Debtors: amounts falling due within one year	7	456,260	714,231
Cash at bank and in hand	8	<u>139,048</u>	<u>126,520</u>
		4,492,883	3,327,940
Creditors: amounts falling due within one year	9	<u>(3,104,284)</u>	<u>(1,954,510)</u>
Net current assets		<u>1,388,599</u>	<u>1,373,430</u>
Total assets less current liabilities		<u>1,464,110</u>	<u>1,440,808</u>
Net assets		<u><u>1,464,110</u></u>	<u><u>1,440,808</u></u>
Capital and reserves			
Called up share capital	11	860,000	860,000
Profit and loss account	12	<u>604,110</u>	<u>580,808</u>
		<u>1,464,110</u>	<u>1,440,808</u>

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2020.



B C Hutchinson
Director

The notes on pages 6 to 14 form part of these financial statements.

Notes to the financial statements

For the Year Ended 30 September 2019

1. Company information

Roadside Motors (Lurgan) Limited is a private limited company incorporated in Northern Ireland. The registered office is 71 Belfast Road, Lurgan, Craigavon, Co. Armagh, BT66 7JP.

The company is principally engaged in the sale and service of motor vehicles and the provision of ancillary goods and services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and the Republic of Ireland and Companies Act 2006.

The preparation of financial statements in compliance of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements are presented in Sterling (£).

The following principal accounting policies have been applied:

2.2 Going concern

The Directors have considered the company's forecasts and projections, which factor in the loss of revenue arising from the Coronavirus pandemic and the cost reductions that have been implemented such as the furloughing of staff. Whilst the full future financial impact of the pandemic is unknown at present, based upon the projections prepared, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Notes to the financial statements

For the Year Ended 30 September 2019

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Finance costs

Finance costs are charged to profit or loss 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 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 profit or loss 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.

Notes to the financial statements

For the Year Ended 30 September 2019

2. Accounting policies (continued)

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

	-	
Plant & machinery	-	15% reducing balance
Fixtures & fittings	-	15% reducing balance
Computer equipment	-	20% reducing balance

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Notes to the financial statements

For the Year Ended 30 September 2019

2. Accounting policies (continued)

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 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.

2.11 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.

2.12 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 profit or loss 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.

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;

Notes to the financial statements

For the Year Ended 30 September 2019

2. Accounting policies (continued)

2.13 Financial instruments (continued)

- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Allowance for impairment of trade debtors

The Company estimates the allowance for doubtful trade debtors based on assessment of specific accounts where the Company has objective evidence comprising default in payment terms or significant financial difficulty that certain customers are unable to meet their financial obligations. In these cases, judgement was used based on the best available facts and circumstances including but not limited to, the length of relationship.

Allowances for impairment in the value of stock

The Company estimates the impairment in the value of stock based on the current condition and use. If the stock is impaired, the carrying amount is reduced to its selling price less costs to sell.

Notes to the financial statements

For the Year Ended 30 September 2019

4. Employees

The average monthly number of employees, including directors, during the year was 30 (2018 - 32).

5. Tangible fixed assets

	Plant & machinery £	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 October 2018	85,581	176,524	169,843	431,948
Additions	750	17,563	-	18,313
At 30 September 2019	<u>86,331</u>	<u>194,087</u>	<u>169,843</u>	<u>450,261</u>
Depreciation				
At 1 October 2018	59,070	135,657	169,843	364,570
Charge for the year on owned assets	4,050	6,130	-	10,180
At 30 September 2019	<u>63,120</u>	<u>141,787</u>	<u>169,843</u>	<u>374,750</u>
Net book value				
At 30 September 2019	<u>23,211</u>	<u>52,300</u>	<u>-</u>	<u>75,511</u>
At 30 September 2018	<u>26,511</u>	<u>40,867</u>	<u>-</u>	<u>67,378</u>

6. Stocks

	2019 £	2018 £
Parts stock	48,676	58,572
Vehicle stock	3,848,899	2,428,617
	<u>3,897,575</u>	<u>2,487,189</u>

Vehicle stocks include £2,050,593 (2018: £969,423) of goods held on a consignment basis, with the same amount included within trade creditors.

Notes to the financial statements

For the Year Ended 30 September 2019

7. Debtors

	2019 £	2018 £
Trade debtors	307,352	158,471
Amounts owed by group undertakings	74,324	458,833
Amounts owed by related parties	-	24,080
Prepayments and accrued income	72,945	71,209
Deferred taxation	1,639	1,639
	<u>456,260</u>	<u>714,232</u>

8. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	139,048	126,520
	<u>139,048</u>	<u>126,520</u>

9. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	2,912,959	1,515,696
Amounts owed to group undertakings	49,270	153,817
Corporation tax	5,097	13,365
Other taxation and social security	66,738	125,433
Accruals and deferred income	70,220	146,199
	<u>3,104,284</u>	<u>1,954,510</u>

Trade and other creditors are payable at various dates over the coming months in accordance with the suppliers' usual and customary credit terms.

Corporation tax and other taxes including social insurance are repayable at various dates in accordance with the applicable statutory provisions.

Notes to the financial statements

For the Year Ended 30 September 2019

10. Deferred taxation

	2019 £
At beginning of year	1,639
Charged to the profit or loss	-
At end of year	1,639

The deferred tax asset is made up as follows:

	2019 £	2018 £
Short term timing differences	1,639	1,639
	1,639	1,639

Notes to the financial statements

For the Year Ended 30 September 2019

11. Share capital

	2019	2018
	£	£
Allotted, called up and fully paid		
860,000 (2018 - 860,000) Ordinary shares of £1.00 each	860,000	860,000

12. Reserves

Profit & loss account

This reserve includes all current and prior period retained profits and losses.

13. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the fund and amounted to £12859 (2018: £7,719).

14. Controlling party

The company is a wholly owned subsidiary of Roadside Motors Limited, a company incorporated in Northern Ireland, which is regarded as the company's parent company. The ultimate controlling parties of Roadside Motors Limited are Mr B C Hutchinson and Mr A D G Hutchinson by virtue of their shareholdings.

The largest and smallest group for which consolidated financial statements are prepared is Roadside Motors Limited, and these are available from the Registrar of Companies, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast.