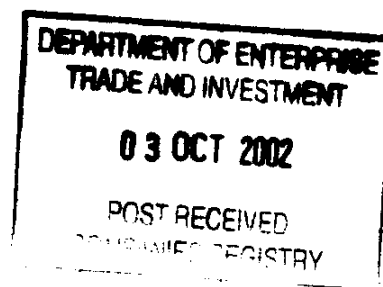


HAROLD MCGARRITY AND SONS LIMITED

**ABBREVIATED
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 JANUARY 2001**



REGISTERED NUMBER: NI 24588

HAROLD MCGARRITY AND SONS LIMITED

ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2001

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HAROLD MCGARRITY AND SONS LIMITED

COMPANY INFORMATION AT 31 JANUARY 2001

DIRECTORS

Harold McGarrity
Nigel McGarrity
Philip McGarrity

SECRETARY

Nigel McGarrity

REGISTERED OFFICE

35 Boucher Road
BELFAST
BT12 6HR

AUDITORS

MOONEY MOORE
Chartered Certified Accountants - Registered Auditors
24 - 38 Gordon Street
BELFAST
BT1 2LG

PRINCIPAL BANKERS

Ulster Bank Limited
10 - 20 Lombard Street
BELFAST
BT1 1 BH

HAROLD MCGARRITY AND SONS LIMITED

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the year ended 31 January 2001.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were the purchase and sale of motor vehicles and associated services. There were no significant changes in the company's activities during the year.

REVIEW OF THE BUSINESS

The net loss after providing for taxation amounted to £6,553.

During the year fraud was perpetrated by an employee in the area of sales and debtors. This was discovered in August 2001 and the attributable loss is shown as an extraordinary item in the financial statements.

DIVIDENDS

No dividends were paid during the year and no recommendation is made as to dividends.

POST BALANCE SHEET EVENTS

In August 2001 it was discovered that fraud was being perpetrated by an employee during the year ended 31 January 2001 and up to the date of discovery. Investigations are still ongoing at the date of signing the accounts. The estimated financial effect for the current year has been quantified at £144,990 and is disclosed as an extraordinary item in the financial statements.

FUTURE DEVELOPMENTS

Prospects for the immediate future are satisfactory.

INTRODUCTION OF THE SINGLE EUROPEAN CURRENCY

The potential impact of the introduction of the single European currency on the company is believed to be minimal.

DIRECTORS AND THEIR INTERESTS

The directors in office in the year and their beneficial interests in the company at the balance sheet date and the beginning of the year were as follows:

		Number of Shares	
		2001	2000
Harold McGarrity	Ordinary Shares	12,500	12,500
Nigel McGarrity	Ordinary Shares	7,500	7,500
Philip McGarrity	Ordinary Shares	5,000	5,000

HAROLD MCGARRITY AND SONS LIMITED

DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies (Northern Ireland) Order 1986. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year, the company made charitable contributions totalling £5,034.

AUDITORS

The auditors, MOONEY MOORE, will be proposed for re-appointment in accordance with Article 393 of the Companies (Northern Ireland) Order 1986.

By order of the board:



Nigel McGarrity
Secretary

Date: 22 August 2002

HAROLD MCGARRITY AND SONS LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO ARTICLE 255B OF THE COMPANIES (NORTHERN IRELAND) ORDER 1986

We have examined the abbreviated accounts on pages 6 to 16 together with the full financial statements of the company prepared under Article 234 of the Companies (Northern Ireland) Order 1986 for the year ended 31 January 2001.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described in the directors' report, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts prepared in accordance with Article 254 A(3) of the Companies (Northern Ireland) Order 1986 and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion, the company is entitled to deliver abbreviated accounts prepared in accordance with Article 254 A(3) of the Companies (Northern Ireland) Order 1986 and the abbreviated accounts on pages 6 to 16 have been properly prepared in accordance with that provision.

OTHER INFORMATION

On 22 August 2002 we reported as auditors to the members of the company on the financial statements prepared under Article 234 of the Companies (Northern Ireland) Order 1986 and our report was as follows:-

'We have audited the financial statements on pages 6 to 17 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 9.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described in the Directors' Report, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

HAROLD MCGARRITY AND SONS LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO ARTICLE 255B OF THE COMPANIES (NORTHERN IRELAND) ORDER 1986

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited due to fraud being perpetrated by a member of staff in accounting for sales and customer receipts. Book keeping entries were made wrongfully allocating sales receipts and concealing the misappropriation of other sales receipts. The problem was exacerbated due to the fact that the cash book was also missing for part of the year.

In consequence we were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the amount of £283,255 in debtors in the balance sheet as at 31 January 2001 and the completeness of sales in the profit and loss account for the year ended 31 January 2001. Any adjustment to these figures would have a consequential significant effect on the loss for the year.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION: disclaimer on view given by financial statements

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2001 or of its loss for the year then ended. In all other respects, in our opinion the financial statements have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.

In respect alone of the limitation on our work relating to debtors and sales:

- we have not obtained all the information and explanations that we considered necessary for the purpose of audit; and
- we were unable to determine whether proper accounting records had been maintained.

Mooney Moore

MOONEY MOORE

Chartered Certified Accountants - Registered Auditors

24 - 38 Gordon Street

BELFAST

BT1 2LG

Date signed: 22 August 2002

HAROLD MCGARRITY AND SONS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2001

	Notes	2001 £	2000 £
GROSS PROFIT		977,102	1,003,713
Administrative expenses		944,725	876,939
OPERATING PROFIT			
Interest payable and similar charges	2	32,377	126,774
	3	(37,429)	(38,360)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(5,052)	88,414
Tax on (loss) / profit on ordinary activities	6	(1,501)	(29,407)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(6,553)	59,007
Extraordinary items	7	(133,842)	-
(LOSS) / PROFIT FOR THE FINANCIAL YEAR		(140,395)	59,007

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

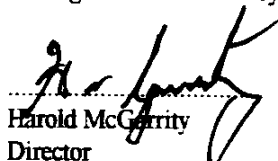
HAROLD MCGARRITY AND SONS LIMITED

ABBREVIATED BALANCE SHEET AT 31 JANUARY 2001

	Notes	2001 £	2000 £
FIXED ASSETS			
Tangible assets	8	681,365	711,620
CURRENT ASSETS			
Stocks	9	1,159,222	1,323,715
Debtors	10	404,060	519,757
Cash at bank and in hand		524	802
		1,563,806	1,844,274
CREDITORS: amounts falling due within one year	11	(1,578,442)	(1,749,864)
NET CURRENT (LIABILITIES) / ASSETS		(14,636)	94,410
TOTAL ASSETS LESS CURRENT LIABILITIES		666,729	806,030
CREDITORS: amounts falling due after more than one year	12	(206,128)	(203,094)
PROVISIONS FOR LIABILITIES AND CHARGES	15	(33,401)	(35,340)
NET ASSETS		427,200	567,596
CAPITAL AND RESERVES			
Called up share capital	16	25,000	25,000
Profit and loss account	17	402,200	542,596
TOTAL SHAREHOLDERS' FUNDS	18	427,200	567,596

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

The financial statements were approved by the board of directors on 22 August 2002 and signed on its behalf by :


Harold McGarrity
Director

The notes on pages 9 to 16 form part of these financial statements.

HAROLD MCGARRITY AND SONS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2001

	Notes	2001 £	2000 £
Net cash (outflow) / inflow from operating activities	2	(55,065)	120,197
Returns on investments and servicing of finance	19	(37,429)	(38,360)
Taxation	19	(7,700)	-
Capital expenditure	19	(19,238)	(87,835)
Cash outflow before use of liquid resources and financing		(119,432)	(5,998)
Financing	19	(32,875)	-
DECREASE IN CASH IN THE YEAR		<u>(152,307)</u>	<u>(5,998)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

20

DECREASE IN CASH IN THE YEAR	(152,307)	(5,998)
Cash (outflow) / inflow from movement in debt and lease financing	32,875	-
Change in net debt resulting from cash flows	<u>(119,432)</u>	<u>(5,998)</u>
Movement in debt in the year	(119,432)	(5,998)
Net debt at 1 February 2000	<u>(755,156)</u>	<u>(749,156)</u>
Net debt at 31 January 2001	<u>(874,588)</u>	<u>(755,154)</u>

The notes on pages 9 to 16 form part of these financial statements.

HAROLD MCGARRITY AND SONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2001

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost basis of accounting and in accordance with statements of standard accounting practice issued by UK accountancy bodies.

The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the company in the preparation of the financial statements.

Turnover

Turnover represents the total invoice value, excluding value added tax, of sales and work done during the year.

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Freehold land and buildings	2% straight line
Plant and machinery	15% reducing balance
Fixtures and fittings	15% reducing balance

Stocks and Work in Progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

Deferred Taxation

The company provides for deferred taxation to take account of timing differences between the treatment of certain items for accounts purposes and taxation purposes on the liability method, except where a liability is not considered likely to arise in the foreseeable future.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Pension costs

The company operates a self administered pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from those of the company's assets.

2. OPERATING PROFIT

Operating profit is stated:

	2001	2000
	£	£
After charging:		
Depreciation of fixed assets	45,602	49,766
Auditors' remuneration and accountancy fees	6,300	4,000
	<hr/>	<hr/>

HAROLD MCGARRITY AND SONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2001

2. OPERATING PROFIT - (continued)

Reconciliation of operating profit to net cash outflow from operating activities

	2001	2000
	£	£
Operating profit	32,377	126,774
Depreciation	45,602	49,766
Loss on disposal of fixed assets	3,890	106
Decrease in stocks	164,493	(132,731)
Decrease in debtors	123,397	37,613
Decrease in creditors	(279,836)	38,668
Extraordinary items not involving cashflow	(144,990)	-
Net cash outflow from operating activities	(55,067)	120,196

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2001	2000
	£	£
Loan interest	3,280	12,144
On other loans repayable in full within five years	34,149	26,216
	37,429	38,360

4. INFORMATION ON DIRECTORS AND EMPLOYEES

	2001	2000
	£	£
Staff costs		
Wages and salaries	430,903	406,826
Social security costs	51,371	44,150
Other pension costs	16,000	16,800
	498,274	467,776

The average number of employees during the year was made up
as follows:

Administration	6	6
Selling and Distribution	36	34
	42	40

	2001	2000
	No.	No.
	6	6
	36	34
	42	40

HAROLD MCGARRITY AND SONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2001

4. INFORMATION ON DIRECTORS AND EMPLOYEES - (continued)

	2001	2000
	£	£
Directors' emoluments		
Emoluments	107,339	104,123
Pension contributions	16,000	16,800
	<u>123,339</u>	<u>120,923</u>

5. PENSION COSTS

Defined contribution scheme

The company operates a self administered pension scheme in respect of two of the directors. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £16,000 (2000:£16,800).

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	2001	2000
	£	£
The taxation charge comprises:		
Current tax on income for the year	3,689	7,707
Adjustment in respect of prior years	(249)	-
	<u>3,440</u>	<u>7,707</u>
Transfer(from) / to deferred tax	(1,939)	21,700
	<u>1,501</u>	<u>29,407</u>

7. EXTRAORDINARY ITEMS

	2001	2000
	£	£
Extraordinary income		
Extraordinary item	(144,990)	-
Attributable taxation	11,148	-
Extraordinary items after taxation	<u>(133,842)</u>	<u>-</u>

HAROLD MCGARRITY AND SONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2001

8. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
Cost:				
At 1 February 2000	586,703	276,565	70,701	933,969
Additions	-	18,077	1,756	19,833
Disposals	-	(7,577)	-	(7,577)
At 31 January 2001	586,703	287,065	72,457	946,225
Depreciation:				
At 1 February 2000	94,666	101,479	26,205	222,350
Charge for year	9,840	28,807	6,955	45,602
On disposals	-	(3,092)	-	(3,092)
At 31 January 2001	104,506	127,194	33,160	264,860
Net book value:				
At 31 January 2001	482,197	159,871	39,297	681,365
At 31 January 2000	492,038	175,086	44,496	711,620

Analysis of net book value of land and buildings:

	2001 £	2000 £
Freehold	482,197	492,038

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

	2001 £	2000 £
Net book values:		
Plant and machinery	35,843	42,168
Depreciation charge for the year:		
Plant and machinery	6,325	6,100

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

9. STOCKS

	2001 £	2000 £
Motor Vehicles and Accessories	1,159,222	1,323,715

HAROLD MCGARRITY AND SONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2001

9. STOCKS - (continued)

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

10. DEBTORS

	2001	2000
	£	£
Trade debtors	283,255	397,759
Other debtors	120,805	121,998
	<u>404,060</u>	<u>519,757</u>

11. CREDITORS: amounts falling due within one year

	2001	2000
	£	£
Bank loans and overdrafts	654,248	547,306
Net obligations under finance leases and hire purchase contracts	14,736	5,556
Trade creditors	742,903	847,308
Corporation tax	-	7,707
Other taxes and social security costs	106,782	30,116
Accruals and deferred income	59,773	311,871
	<u>1,578,442</u>	<u>1,749,864</u>

The bank loan is secured by a deposit of the deeds of the premises at 35 Boucher Road, Belfast. The bank has an all monies mortgage debenture giving a fixed charge over book debts, all states or interests in the company's property and a floating charge over the company's undertaking and all its property and assets both present and future. The bank also holds two all monies assignments over insurance policies on behalf of two directors and two deeds of postponement for £100,000 each on behalf of two directors.

12. CREDITORS: amounts falling due after more than one year

	2001	2000
	£	£
Bank loans and overdrafts	59,388	70,948
Other creditors	129,969	125,619
Net obligations under finance leases and hire purchase contracts	16,771	6,527
	<u>206,128</u>	<u>203,094</u>

HAROLD MCGARRITY AND SONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2001

13. BORROWINGS

	2001	2000
	£	£
The company's borrowings are repayable as follows		
Up to one year and on demand	<u>654,248</u>	<u>547,306</u>

14. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	2001	2000
	£	£
The company's obligations are repayable as follows:		
Net obligations analysed as follows:		
Included in creditors - amounts falling due within one year	14,736	5,556
Included in creditors - amounts falling due after more than one year	<u>16,771</u>	<u>6,527</u>
	<u>31,507</u>	<u>12,083</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

	2001	2000
	£	£
Deferred taxation (see below)		
Balance at 1 February 2000	35,340	13,640
Transferred from profit and loss account	<u>(1,939)</u>	<u>21,700</u>
	<u>33,401</u>	<u>35,340</u>
 Total provision for liabilities and charges	 <u>33,401</u>	 <u>35,340</u>

	Fully provided	
	2001	2000
	£	£
Deferred tax is calculated at 20% (2000 - 20%) analysed over the following timing differences:		
On the excess of capital allowances over depreciation	<u>33,401</u>	<u>35,340</u>

HAROLD MCGARRITY AND SONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2001

16. SHARE CAPITAL

	2001 £	2000 £
Authorised:		
Equity interests:		
Ordinary Shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid:		
Equity interests:		
Ordinary Shares of £1 each	<u>25,000</u>	<u>25,000</u>

17. PROFIT AND LOSS ACCOUNT

	2001 £	2000 £
Retained profit as at 1 February 2000	542,595	483,589
(Loss) / profit for the year	<u>(140,395)</u>	<u>59,007</u>
Retained profit as at 31 January 2001	<u>402,200</u>	<u>542,596</u>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
(Loss) / profit for the year	(140,395)	59,007
Opening shareholders' funds	<u>567,595</u>	<u>508,589</u>
Closing shareholders' funds	<u>427,200</u>	<u>567,596</u>
Represented by:-		
Equity interests	<u>427,200</u>	<u>567,596</u>

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest paid	<u>(37,429)</u>	<u>(38,360)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(37,429)</u>	<u>(38,360)</u>

HAROLD MCGARRITY AND SONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2001

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT - (continued)

	2001 £	2000 £
Taxation		
Corporation tax paid	(7,700)	-
Net cash outflow from taxation	<u>(7,700)</u>	<u>-</u>
Capital expenditure		
Purchase of tangible fixed assets	(19,833)	(93,987)
Receipts from sale of tangible fixed assets	595	6,152
Net cash outflow from capital expenditure	<u>(19,238)</u>	<u>(87,835)</u>
Financing		
New long-term loans	4,349	-
Repayments of long term loans	(11,560)	-
Capital element of hire purchase contract payments	(11,676)	-
Repayment of short term loans	(13,988)	-
Net cash outflow from financing	<u>(32,875)</u>	<u>-</u>

20. ANALYSIS OF CHANGES IN NET DEBT

	2000 £	Cash flow £	Other movements £	2001 £
Cash at bank and in hand	802	(278)	-	524
Bank overdraft	(455,566)	(120,930)	-	(576,496)
		(121,208)		
Debt due within one year	(91,740)	13,988	-	(77,752)
Debt due after one year	(196,567)	7,211	-	(189,356)
Hire purchase contracts and finance lease agreements	(12,083)	11,676	(31,099)	(31,506)
	<u>(755,154)</u>	<u>(88,333)</u>	<u>(31,099)</u>	<u>(874,586)</u>

21. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date.

22. CAPITAL COMMITMENTS

There were no commitments for capital expenditure at the balance sheet date.