

A&M Commercials Limited
Abbreviated Financial Statements
for the year ended 31 May 2015

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A&M Commercials Limited

CONTENTS

	Page
Directors and Other Information	3
Strategic Report	4
Directors' Report	5
Statement of Directors' Responsibilities	6
Independent Auditor's Special Report	7
Profit and Loss Account	8
Balance Sheet	9
Cash Flow Statement	10
Accounting Policies	11
Notes to the Abbreviated Financial Statements	12 - 18

A&M Commercials Limited
DIRECTORS AND OTHER INFORMATION

Directors	Michael McNally Assumpta McNally
Company Secretary	Assumpta McNally
Company Number	NI036272
Business Address	36 Doohat Road Derrynoose Keady Co. Armagh BT60 3HE Northern Ireland
Auditors	John MacMahon & Co. Chartered Accountants and Registered Auditors 112 Camlough Road Newry Co. Down BT35 7EE Northern Ireland

A&M Commercials Limited

STRATEGIC REPORT

for the year ended 31 May 2015

Review of the Company's Business

The principal activity of the company is the sale of new and used commercial vehicles. A&M Commercials Ltd have been operating in business for over 30 years trading high value goods. The directors are heavily involved in the day to day running of the business, there are high level management controls in place and a system of regular review in operation.

There has been no significant change in the business activities during the year ended 31st May 2015.

Principal Risks and Uncertainties

The company's operations expose it to a variety of financial risks that include the effects of changes in foreign currency risk, commodity prices, credit risk, liquidity risk and interest rate risk. The company closely monitors the key risks on an on-going basis. The company prepares quarterly management accounts which become the focus of quarterly management meetings, the board formally reviews them and where appropriate processes are put in place to mitigate risk.

The main risks arising are currency risk, interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Currency Risk

The location of the company's outlets along the border regions gives rise to exposure from changes in foreign exchange rates, particularly the euro. The company monitors currency rates daily, hedging against same with forward contracts for sterling when matching cashflows in sterling and euro is not possible. The company endeavors to relate the structure of borrowings to the trading cash flows that service them.

Interest Rate Risk

The company finances its operations through a mixture of retained profits and bank borrowings. The Company's 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.

Liquidity Risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs.

Stock Management

The company have tight controls on the level and value of stock held.

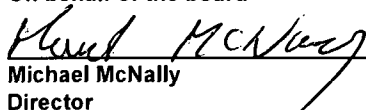
Development and Performance

The directors continue to work on all factors within their control to maintain turnover. The company has made improvements in buying, inventory management and overhead cost savings. The directors are satisfied with the current years results and are confident the present level of activity will be sustained. In order to monitor company performance, the company prepares and formally reviews quarterly management accounts.

Financial Key Performance Indicators

The key performance indicators are sales and profits which are closely monitored throughout the year. The company experienced a decrease in turnover of 7.59% from 2014 to 2015 and the GP margin decreased by 1.68%. However close control and management of overheads by the directors resulted in profits before tax being maintained at £635k compared to £625k in 2014.

On behalf of the board


Michael McNally
Director

18 February 2016


Assumpta McNally
Director

18 February 2016

A&M Commercials Limited DIRECTORS' REPORT

for the year ended 31 May 2015

The directors present their report and the audited financial statements for the year ended 31 May 2015.

Results and Dividends

The profit for the year after providing for depreciation and taxation amounted to £494,933 (2014 - £485,465).
The directors do not recommend payment of a dividend.

Directors

The directors who served during the year are as follows:

Michael McNally
Assumpta McNally

There were no changes in shareholdings between 31 May 2015 and the date of signing the financial statements.

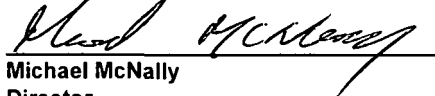
Auditors

The auditors, John MacMahon & Co., have indicated their willingness to continue in office in accordance with the provisions of Section 485 of the Companies Act 2006.

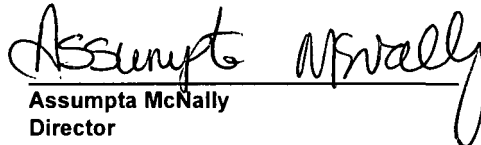
Special provisions relating to medium companies

The accounts are prepared in accordance with the special provisions in Section 445(3) of the Companies Act 2006 in regards to medium-sized companies.

On behalf of the board


Michael McNally
Director

18 February 2016


Assumpta McNally
Director

18 February 2016

A&M Commercials Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 31 May 2015

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 directors are required to:

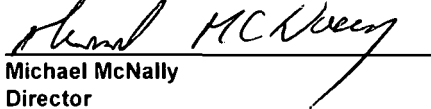
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for 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 directors are aware:

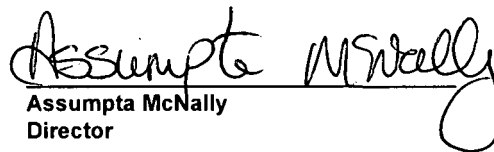
- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Michael McNally
Director

18 February 2016



Assumpta McNally
Director

18 February 2016

INDEPENDENT AUDITOR'S REPORT TO A&M COMMERCIALS LIMITED

under Section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages 8 to 18 together with the financial statements of the company for the year ended 31 May 2015 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.


Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that Section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006 and the abbreviated accounts on pages 8 to 18 have been properly prepared in accordance with the regulations made under that Section.



John MacMahon (Senior Statutory Auditor)
for and on behalf of
JOHN MACMAHON & CO.
Chartered Accountants and Registered Auditors
112 Camlough Road
Newry
Co. Down
BT35 7EE
Northern Ireland

18 February 2016

A&M Commercials Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 May 2015

	Notes	2015 £	2014 £
Turnover		17,924,801	19,397,043
Gross profit		1,309,580	1,758,310
Administrative expenses		(667,225)	(1,111,004)
Operating profit	1	642,355	647,306
Interest receivable and similar income	2	-	48
Interest payable and similar charges	3	(20,303)	(22,031)
Profit on ordinary activities before taxation		622,052	625,323
Tax on profit on ordinary activities	5	(127,119)	(139,858)
Profit for the year	15	494,933	485,465

The company has no recognised gains or losses other than the profit and cash flows for the year. The results for the year have been calculated on the historical cost basis. The company's turnover and expenses all relate to continuing operations.

A&M Commercials Limited

Company Number: NI036272

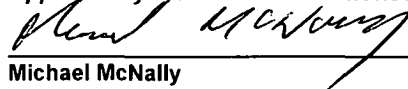
BALANCE SHEET

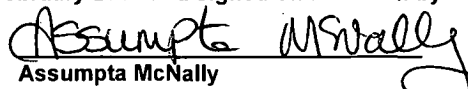
as at 31 May 2015

	Notes	2015 £	2014 £
Fixed Assets			
Tangible assets	7	2,206,206	1,158,530
Current Assets			
Stocks	8	3,911,370	3,366,563
Debtors	9	1,112,378	1,160,915
Cash at bank and in hand		103,971	402,828
		5,127,719	4,930,306
Creditors: Amounts falling due within one year	10	(4,050,285)	(3,976,515)
Net Current Assets		1,077,434	953,791
Total Assets less Current Liabilities		3,283,640	2,112,321
Creditors			
Amounts falling due after more than one year	11	(775,030)	(142,207)
Provision for Liabilities and Charges	13	(137,368)	(93,805)
Net Assets		2,371,242	1,876,309
Capital and Reserves			
Called up share capital	14	2	2
Profit and Loss Account	15	2,371,240	1,876,307
Shareholders' Funds	16	2,371,242	1,876,309

These abbreviated financial statements have been prepared in accordance with the special provisions relating to medium-sized companies in Section 445(3) of the Companies Act 2006.

Approved by the Board and authorised for issue on 18 February 2016 and signed on its behalf by


Michael McNally
Director


Assumpta McNally
Director

A&M Commercials Limited

CASH FLOW STATEMENT

for the year ended 31 May 2015

	Notes	2015 £	2014 £
Net cash inflow from operating activities	19	131,040	987,885
Returns on investments and servicing of finance	19	(20,303)	(21,983)
Taxation	19	(106,795)	(40,605)
Capital expenditure	19	(1,039,991)	(261,807)
		<u>(1,036,049)</u>	<u>663,490</u>
Equity dividends paid		-	(14,400)
		<u>(1,036,049)</u>	<u>649,090</u>
Financing	19	564,042	64,144
		<u>(472,007)</u>	<u>713,234</u>
Movement in cash in the year		(472,007)	713,234
Reconciliation of net cash flow to movement in net debt (Note 19)			
Movement in cash in the year		(472,007)	713,234
Cash inflow from increase in debts and lease financing		(564,042)	(64,144)
		<u>(1,036,049)</u>	<u>649,090</u>
Change in net debt resulting from cash flows		(1,036,049)	649,090
New finance lease and hire purchases		(184,800)	(174,865)
		<u>(1,220,849)</u>	<u>474,225</u>
Movement in net debt in the year		(1,220,849)	474,225
Net funds at 1 June 2014		163,819	(310,406)
		<u>(1,057,030)</u>	<u>163,819</u>
Net debt at 31 May 2015		(1,057,030)	163,819

A&M Commercials Limited

ACCOUNTING POLICIES

for the year ended 31 May 2015

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and the financial reporting standards. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year. Turnover from the provision of goods is recognised when the risks and rewards of ownership of goods have been transferred to the customer. The risks and rewards of ownership of goods are deemed to have been transferred when the goods are shipped to or picked up by the customer.

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 | - 4% Straight Line |
| - Plant and machinery | - 20% Reducing Balance |
| - Fixtures, fittings and equipment | - 15% Reducing Balance |

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.

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.

Stock

Stocks are valued at the lower of cost and net realisable value. Cost comprises expenditure incurred in the normal course of business in bringing stocks to their present location and condition. Full provision is made for obsolete and slow moving items. Net realisable value comprises actual or estimated selling price (net of trade discounts) less all further costs to completion or to be incurred in marketing and selling.

Taxation

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the year 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.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions, during the year, which are denominated in foreign currencies are translated at the rates of exchange ruling at the date of the transaction. The resulting exchange differences are dealt with in the profit and loss account.

A&M Commercials Limited
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 May 2015

1. OPERATING PROFIT	2015	2014
	£	£
Operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets	177,115	162,798
(Profit)/loss on foreign currencies	(332,661)	1,099
Auditor's remuneration		
- audit services	8,500	8,000
2. INTEREST RECEIVABLE AND SIMILAR INCOME	2015	2014
	£	£
Bank interest	-	48
3. INTEREST PAYABLE AND SIMILAR CHARGES	2015	2014
	£	£
On bank loans and overdrafts	15,831	20,186
Hire purchase interest	4,472	1,845
	20,303	22,031
4. EMPLOYEES AND REMUNERATION		
Number of employees		
The average number of persons employed (including executive directors) during the year was as follows:		
	2015	2014
	Number	Number
Administration & Sales	21	19
The staff costs (inclusive of directors' salaries) comprise:	2015	2014
	£	£
Wages and salaries	261,490	266,941
Social security costs	17,508	20,150
	278,998	287,091

A&M Commercials Limited**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**

continued

for the year ended 31 May 2015

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2015 £	2014 £
(a) Analysis of charge in the year		
Current tax:		
Corporation tax at 20.67% (2014 - 22.63%) (Note 5 (b))	<u>83,556</u>	<u>106,795</u>
Deferred tax:		
Origination and reversal of timing differences	<u>43,563</u>	<u>33,063</u>
Total deferred tax (Note 13)	<u>43,563</u>	<u>33,063</u>
Tax on profit on ordinary activities	<u><u>127,119</u></u>	<u><u>139,858</u></u>

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK 20.67% (2014 - 22.63%) The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>622,052</u>	<u>625,323</u>
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK at 20.67% (2014 - 22.63%)	<u>128,578</u>	<u>141,511</u>
Effects of:		
Expenses not deductible for tax purposes	617	709
Capital allowances for period in excess of depreciation	(45,499)	(35,383)
Marginal Rate Tax Relief	(140)	(42)
Current tax charge for the year (Note 5 (a))	<u><u>83,556</u></u>	<u><u>106,795</u></u>

6. DIVIDENDS

	2015 £	2014 £
Dividends on equity shares:		
Ordinary Shares Class 1 - Final paid	<u>-</u>	<u>14,400</u>

A&M Commercials Limited
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

for the year ended 31 May 2015

continued

7. TANGIBLE FIXED ASSETS

	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 June 2014	654,210	915,505	64,218	1,633,933
Additions	859,638	357,003	8,150	1,224,791
At 31 May 2015	1,513,848	1,272,508	72,368	2,858,724
Depreciation				
At 1 June 2014	75,642	369,478	30,283	475,403
Charge for the year	28,497	142,361	6,257	177,115
At 31 May 2015	104,139	511,839	36,540	652,518
Net book value				
At 31 May 2015	1,409,709	760,669	35,828	2,206,206
At 31 May 2014	578,568	546,027	33,935	1,158,530

7.1. TANGIBLE FIXED ASSETS CONTINUED

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

	2015 Net book value £	Depreciation charge £	2014 Net book value £	Depreciation charge £
Plant and machinery	370,627	60,573	277,200	69,300

8. STOCKS

	2015 £	2014 £
Finished goods and goods for resale	3,911,370	3,366,563

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

9. DEBTORS

	2015 £	2014 £
Trade debtors	728,406	874,832
Other debtors	720	-
Directors' current accounts (Note 17)	-	102,162
Taxation (Note 12)	361,699	153,695
Prepayments and accrued income	21,553	30,226
	1,112,378	1,160,915

A&M Commercials Limited**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**

continued

for the year ended 31 May 2015

10. CREDITORS	2015	2014
Amounts falling due within one year	£	£
Bank overdrafts	173,150	-
Bank loan	70,000	-
Net obligations under finance leases and hire purchase contracts	142,821	96,802
Trade creditors	3,502,479	3,474,707
Taxation (Note 12)	87,559	115,158
Directors' current accounts (Note 17)	51,124	-
Other creditors	10,322	1,518
Accruals	12,830	288,330
	<u>4,050,285</u>	<u>3,976,515</u>
11. CREDITORS	2015	2014
Amounts falling due after more than one year	£	£
Bank loan	645,000	-
Finance leases and hire purchase contracts	130,030	142,207
	<u>775,030</u>	<u>142,207</u>
Loans		
Repayable in one year or less, or on demand (Note 10)	243,150	-
Repayable between two and five years	645,000	-
	<u>888,150</u>	<u>-</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	142,821	96,802
Repayable between one and five years	130,030	142,207
	<u>272,851</u>	<u>239,009</u>
The company has given security on debts. Bank facilities are secured by way of an all monies debenture with fixed and floating charges over company assets, an unconditional guarantee and indemnity from the directors with collateral over personal assets and an inter-company cross guarantee from A&M Commercials Ireland Ltd.		
12. TAXATION	2015	2014
	£	£
Debtors:		
VAT	361,699	153,695
Creditors:		
Corporation tax	83,556	106,795
PAYE / NI	4,003	8,363
	<u>87,559</u>	<u>115,158</u>

A&M Commercials Limited
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 May 2015

continued

13. PROVISIONS FOR LIABILITIES AND CHARGES

The amounts provided for deferred taxation are analysed below:

			Capital allowances	
			£	
At 1 June 2014			93,805	
Charged to profit and loss			43,563	
At 31 May 2015			137,368	
14. SHARE CAPITAL			2015	2014
			£	£
Description	No of shares	Value of units		
Allotted, called up and fully paid				
Ordinary Shares Class 1	2	£1 each	2	2
15. PROFIT AND LOSS ACCOUNT			2015	2014
			£	£
At 1 June 2014			1,876,307	1,405,242
Profit for the year			494,933	485,465
Equity dividends			-	(14,400)
At 31 May 2015			2,371,240	1,876,307
16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS			2015	2014
			£	£
Profit for the year			494,933	485,465
Equity dividends			-	(14,400)
			494,933	471,065
Opening shareholders' funds			1,876,309	1,405,244
			2,371,242	1,876,309
17. DIRECTORS' REMUNERATION AND TRANSACTIONS			2015	2014
			£	£
Directors' remuneration				
Remuneration			30,228	28,768

A&M Commercials Limited**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**

continued

for the year ended 31 May 2015

The following advances were made to the directors:

	Balance at 31/05/15 £	Movement in year £	Balance at 31/05/14 £	Maximum in year £
Michael McNally	-	(51,081)	51,081	51,081
Assumpta McNally	-	(51,081)	51,081	51,081
	-	(102,162)	102,162	

18. RELATED PARTY TRANSACTIONS

Michael & Assumpta McNally are directors of A&M Commercials Ltd and A&M Commercials Ireland Ltd an ROI registered company. During the period the company entered into the following transactions on normal trading terms and on an arms length basis.

Purchases and charges for services rendered from A & M Commercials Ireland Ltd.

Sales to A & M Commercials Ireland Ltd.

A trade creditor balance existed at the balance sheet date of £1,661,948 in relation to related party transactions.

The directors have given a personal guarantee in respect of company borrowings.

The directors receive rent in the amount of £136,800 per annum from the company for rental of a yard.

19. CASH FLOW STATEMENT**19.1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2015 £	2014 £
Operating profit	642,355	647,306
Depreciation	177,115	162,798
Profit/Loss on disposal	-	(1,760)
Movement in stocks	(544,807)	(402,492)
Movement in debtors	48,537	224,173
Movement in creditors	(192,160)	357,860
Net cash inflow from operating activities	131,040	987,885

A&M Commercials Limited
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 May 2015

continued

19.2 CASH FLOW STATEMENT

	2015 £	2014 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	-	48
Interest paid	(20,303)	(22,031)
	<u>(20,303)</u>	<u>(21,983)</u>
TAXATION		
Corporation tax paid	<u>(106,795)</u>	<u>(40,605)</u>
CAPITAL EXPENDITURE		
Payments to acquire tangible assets	(1,039,991)	(270,199)
Receipts from sales of intangible assets	-	1,760
Receipts from sales of tangible assets	-	6,632
	<u>(1,039,991)</u>	<u>(261,807)</u>
FINANCING		
New long term loan	750,000	-
Repayment of short term loan	(35,000)	-
Capital element of hire purchase contracts	(150,958)	64,144
	<u>564,042</u>	<u>64,144</u>

19.3 ANALYSIS OF CHANGES IN NET DEBT

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	402,828	(298,857)	-	103,971
Overdrafts	-	(173,150)	-	(173,150)
	<u>402,828</u>	<u>(472,007)</u>	<u>-</u>	<u>(69,179)</u>
Debt due within one year	-	35,000	(105,000)	(70,000)
Debt due after one year	-	(750,000)	105,000	(645,000)
Finance lease and hire purchase	(239,009)	150,958	(184,800)	(272,851)
	<u>(239,009)</u>	<u>(564,042)</u>	<u>(184,800)</u>	<u>(987,851)</u>
Net debt	<u>163,819</u>	<u>(1,036,049)</u>	<u>(184,800)</u>	<u>(1,057,030)</u>