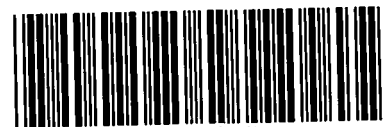


**A&M Commercials Limited**  
**Abbreviated Financial Statements**  
**for the year ended 31 May 2014**

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**Company Number: NI036272**

# **A&M Commercials Limited**

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## **A&M Commercials Limited**

### **DIRECTORS AND OTHER INFORMATION**

<b>Directors</b>	Michael McNally Assumpta McNally
<b>Company Secretary</b>	Assumpta McNally
<b>Company Number</b>	NI036272
<b>Business Address</b>	36 Doohat Road Derrynoose Keady Co. Armagh BT60 3HE Northern Ireland
<b>Auditors</b>	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 2014

### **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 2014.

### **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 slight decrease in turnover of 3% from 2013 to 2014 however the GP margin increased by 3% and profits before tax increased from £240k in 2013 to £625k in 2014.

On behalf of the board



Michael McNally  
Director



Assumpta McNally  
Director

19 February 2015

# **A&M Commercials Limited**

## **DIRECTORS' REPORT**

for the year ended 31 May 2014

The directors present their report and the audited financial statements for the year ended 31 May 2014.

### **Results and Dividends**

The profit for the year after providing for depreciation and taxation amounted to £485,465 (2013 - £180,050).

The directors have paid a final dividend amounting to £14,400.

### **Directors**

The directors who served during the year are as follows:

Michael McNally  
Assumpta McNally

There were no changes in shareholdings between 31 May 2014 and the date of signing the financial statements.

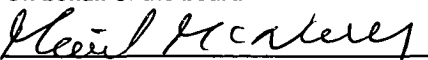
### **Auditors**

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**

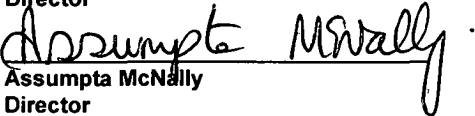
The accounts are prepared in accordance with the special provisions in Section 445(3) of the Companies Act 2006 in regards to medium-sized companies.

On behalf of the board



Michael McNally

Director



Assumpta McNally

Director

19 February 2015

# **A&M Commercials Limited**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

for the year ended 31 May 2014

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:

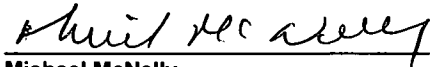
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

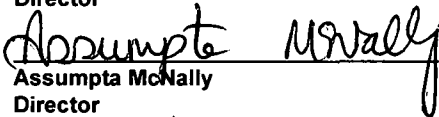
In so far as the directors are aware:

- 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



**Assumpta McNally**  
Director

19 February 2015

# **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 17 together with the financial statements of the company for the year ended 31 May 2014 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.

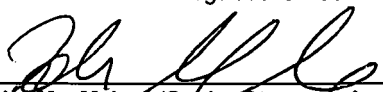
### **Respective responsibilities of directors and auditors**

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 17 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

**19 February 2015**

**A&M Commercials Limited**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 May 2014

	Notes	2014 £	2013 £
<b>Turnover</b>		<b>19,397,043</b>	<b>19,996,878</b>
<b>Gross profit</b>		<b>1,758,310</b>	<b>1,293,863</b>
Administrative expenses		<b>(1,111,004)</b>	<b>(1,019,743)</b>
<b>Operating profit</b>	<b>1</b>	<b>647,306</b>	<b>274,120</b>
Interest receivable and similar income	<b>2</b>	<b>48</b>	<b>78</b>
Interest payable and similar charges	<b>3</b>	<b>(22,031)</b>	<b>(34,042)</b>
<b>Profit on ordinary activities before taxation</b>		<b>625,323</b>	<b>240,156</b>
Tax on profit on ordinary activities	<b>5</b>	<b>(139,858)</b>	<b>(60,106)</b>
<b>Profit for the year</b>	<b>15</b>	<b>485,465</b>	<b>180,050</b>

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

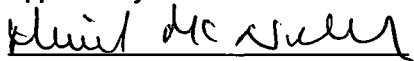
**BALANCE SHEET**

as at 31 May 2014

	Notes	2014 £	2013 £
<b>Fixed Assets</b>			
Tangible assets	7	1,158,530	882,896
<b>Current Assets</b>			
Stocks	8	3,366,563	2,964,071
Debtors	9	1,160,915	1,385,088
Cash at bank and in hand		402,828	74,055
		4,930,306	4,423,214
<b>Creditors: Amounts falling due within one year</b>	10	(3,976,615)	(3,840,224)
<b>Net Current Assets</b>		953,691	582,990
<b>Total Assets less Current Liabilities</b>		2,112,221	1,465,886
<b>Creditors</b>			
Amounts falling due after more than one year	11	(142,207)	-
<b>Provision for Liabilities and Charges</b>	13	(93,805)	(60,742)
<b>Net Assets</b>		1,876,209	1,405,144
<b>Capital and Reserves</b>			
Called up share capital	14	2	2
Profit and loss account	15	1,876,207	1,405,142
<b>Shareholders' Funds</b>	16	1,876,209	1,405,144

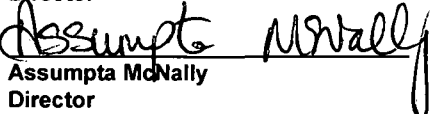
These abbreviated financial statements have been prepared in accordance with the special provisions relating to medium-sized companies in Section 445(3) of the Companies Act 2006.

Approved by the Board and authorised for issue on 19 February 2015 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 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	18	987,885	785,983
Returns on investments and servicing of finance	18	(21,983)	(33,964)
Taxation	18	(40,605)	(107,471)
Capital expenditure	18	(261,807)	(111,685)
		<u>663,490</u>	<u>532,863</u>
Equity dividends paid		(14,400)	-
		<u>649,090</u>	<u>532,863</u>
Financing	18	64,144	-
		<u>713,234</u>	<u>532,863</u>
<b>Movement in cash in the year</b>			
<b>Reconciliation of net cash flow to movement in net funds (Note 18)</b>			
<b>Movement in cash in the year</b>		<b>713,234</b>	<b>532,863</b>
Cash inflow from increase in debts and lease financing		(64,144)	-
		<u>649,090</u>	<u>532,863</u>
Change in net funds resulting from cash flows		649,090	532,863
New finance leases		(174,865)	-
		<u>474,225</u>	<u>532,863</u>
<b>Movement in net funds in the year</b>		<b>474,225</b>	<b>532,863</b>
<b>Net debt at 1 June 2013</b>		<b>(310,406)</b>	<b>(843,269)</b>
		<u>163,819</u>	<u>(310,406)</u>
<b>Net funds at 31 May 2014</b>			

# **A&M Commercials Limited**

## **ACCOUNTING POLICIES**

for the year ended 31 May 2014

### **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**

Tangible fixed assets held under leasing 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 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 2014

<b>1. OPERATING PROFIT</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Operating profit is stated after charging/(crediting):</b>		
Depreciation of tangible assets	<b>162,798</b>	74,734
Loss on foreign currencies	<b>1,099</b>	60,878
Auditor's remuneration		
- audit services	<b>8,000</b>	9,500
	<b>=====</b>	<b>=====</b>
<b>2. INTEREST RECEIVABLE AND SIMILAR INCOME</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank interest	<b>48</b>	78
	<b>=====</b>	<b>=====</b>
<b>3. INTEREST PAYABLE AND SIMILAR CHARGES</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	<b>20,186</b>	32,581
Hire purchase interest	<b>1,845</b>	-
Interest on overdue tax	-	1,461
	<b>=====</b>	<b>=====</b>
	<b>22,031</b>	34,042
	<b>=====</b>	<b>=====</b>

**4. EMPLOYEES AND REMUNERATION****Number of employees**

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

	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>
Administration & Sales	<b>19</b>	15
	<b>=====</b>	<b>=====</b>
<b>The staff costs (inclusive of directors' salaries) comprise:</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>266,941</b>	239,090
Social security costs	<b>20,150</b>	20,455
	<b>=====</b>	<b>=====</b>
	<b>287,091</b>	259,545
	<b>=====</b>	<b>=====</b>

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

continued

for the year ended 31 May 2014

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2014 £	2013 £
<b>(a) Analysis of charge in the year</b>		
<b>Current tax:</b>		
Corporation tax at 22.63% (2013 - 23.83%) (Note 5 (b))	<u>106,795</u>	<u>40,705</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>33,063</u>	19,401
Total deferred tax (note 13)	<u>33,063</u>	19,401
Tax on profit on ordinary activities	<u><u>139,858</u></u>	<u><u>60,106</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 (22.63%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>625,323</u>	<u>240,156</u>
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK at 22.63% (2013 - 23.83%)	141,511	57,229
<b>Effects of:</b>		
Expenses not deductible for tax purposes	709	95
Capital allowances for period in excess of depreciation	(35,383)	(11,283)
Marginal Rate Tax Relief	(42)	(5,336)
Current tax charge for the year (note 5 (a))	<u><u>106,795</u></u>	<u><u>40,705</u></u>

**6. DIVIDENDS**

	2014 £	2013 £
Dividends on equity shares:		
Ordinary Shares Class 1 - Final paid	<u><u>14,400</u></u>	<u><u>-</u></u>

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

continued

for the year ended 31 May 2014

**7. TANGIBLE FIXED ASSETS**

	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 June 2013	621,026	519,984	57,459	1,198,469
Additions	35,784	402,521	6,759	445,064
Disposals	(2,600)	(7,000)	-	(9,600)
At 31 May 2014	654,210	915,505	64,218	1,633,933
<b>Depreciation</b>				
At 1 June 2013	49,682	237,495	28,396	315,573
Charge for the year	26,168	134,743	1,887	162,798
On disposals	(208)	(2,760)	-	(2,968)
At 31 May 2014	75,642	369,478	30,283	475,403
<b>Net book value</b>				
At 31 May 2014	<u>578,568</u>	<u>546,027</u>	<u>33,935</u>	<u>1,158,530</u>
At 31 May 2013	<u>571,344</u>	<u>282,489</u>	<u>29,063</u>	<u>882,896</u>

**7.1. TANGIBLE FIXED ASSETS CONTINUED**

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

	2014 Net book value £	Depreciation charge £	2013 Net book value £	Depreciation charge £
Plant and machinery	<u>277,200</u>	<u>69,300</u>	-	-

**8. STOCKS**

	2014 £	2013 £
Finished goods and goods for resale	<u>3,366,563</u>	<u>2,964,071</u>

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

**9. DEBTORS**

	2014 £	2013 £
Trade debtors	874,832	1,294,905
Other debtors	-	42,500
Directors' current accounts (Note 17)	102,162	-
Taxation (Note 12)	153,695	-
Prepayments and accrued income	30,226	47,683
	<u>1,160,915</u>	<u>1,385,088</u>

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

continued

for the year ended 31 May 2014

<b>10. CREDITORS</b>	<b>2014</b>	<b>2013</b>
<b>Amounts falling due within one year</b>	<b>£</b>	<b>£</b>
Bank overdrafts	-	384,461
Net obligations under finance leases and hire purchase contracts	96,802	-
Trade creditors	3,474,707	3,199,852
Taxation (Note 12)	115,258	245,072
Other creditors	1,518	-
Accruals	288,330	10,839
	<u>3,976,615</u>	<u>3,840,224</u>

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.

<b>11. CREDITORS</b>	<b>2014</b>	<b>2013</b>
<b>Amounts falling due after more than one year</b>	<b>£</b>	<b>£</b>
Finance leases and hire purchase contracts	142,207	-
	<u>142,207</u>	<u>-</u>
<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	96,802	-
Repayable between one and five years	142,207	-
	<u>239,009</u>	<u>-</u>

<b>12. TAXATION</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Debtors:</b>		
VAT	153,695	-
	<u>153,695</u>	<u>-</u>
<b>Creditors:</b>		
VAT	-	204,367
Corporation tax	106,895	40,705
PAYE / NI	8,363	-
	<u>115,258</u>	<u>245,072</u>

**13. PROVISIONS FOR LIABILITIES AND CHARGES**

The amounts provided for deferred taxation are analysed below:

	<b>Capital allowances</b>
	<b>£</b>
At 1 June 2013	60,742
Charged to profit and loss	33,063
	<u>93,805</u>
At 31 May 2014	<u>93,805</u>

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

continued

for the year ended 31 May 2014

<b>14. SHARE CAPITAL</b>			<b>2014</b>	<b>2013</b>
			<b>£</b>	<b>£</b>
<b>Description</b>	<b>No of shares</b>	<b>Value of units</b>		
<b>Allotted, called up and fully paid</b>				
Ordinary Shares Class 1	2	£1 each	<u>2</u>	<u>2</u>
<b>15. PROFIT AND LOSS ACCOUNT</b>				
			<b>2014</b>	<b>2013</b>
			<b>£</b>	<b>£</b>
At 1 June 2013			<b>1,405,142</b>	1,225,092
Profit for the year			<b>485,465</b>	180,050
Equity dividends			<b>(14,400)</b>	-
At 31 May 2014			<u><b>1,876,207</b></u>	<u>1,405,142</u>
<b>16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>			<b>2014</b>	<b>2013</b>
			<b>£</b>	<b>£</b>
Profit for the year			<b>485,465</b>	180,050
Equity dividends			<b>(14,400)</b>	-
			<u><b>471,065</b></u>	<u>180,050</u>
Opening shareholders' funds			<b>1,405,144</b>	1,225,094
			<u><b>1,876,209</b></u>	<u>1,405,144</u>
<b>17. DIRECTORS' REMUNERATION AND TRANSACTIONS</b>			<b>2014</b>	<b>2013</b>
			<b>£</b>	<b>£</b>
<b>Directors' remuneration</b>				
Remuneration			<u><b>28,768</b></u>	<u>29,501</u>

The directors loan accounts were repaid to the company in full 8 months after the year end.

The following advances were made to the directors:

	<b>Balance at 31/05/14 £</b>	<b>Movement in year £</b>	<b>Balance at 31/05/13 £</b>	<b>Maximum in year £</b>
Michael McNally	51,081	51,081	-	51,081
Assumpta McNally	51,081	51,081	-	51,081
	<u>102,162</u>	<u>102,162</u>	<u>-</u>	



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

continued

for the year ended 31 May 2014

**18. CASH FLOW STATEMENT**

<b>18.1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Operating profit	647,306	274,120
Depreciation	162,798	74,734
Profit/Loss on disposal	(1,760)	-
Movement in stocks	(402,492)	(316,178)
Movement in debtors	224,173	(393,036)
Movement in creditors	357,860	1,146,343
<b>Net cash inflow from operating activities</b>	<b>987,885</b>	<b>785,983</b>

<b>18.2 CASH FLOW STATEMENT</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	48	78
Interest paid	(22,031)	(34,042)
	<b>(21,983)</b>	<b>(33,964)</b>

<b>TAXATION</b>		
Corporation tax paid	(40,605)	(107,471)

<b>CAPITAL EXPENDITURE</b>		
Payments to acquire tangible assets	(270,199)	(111,685)
Receipts from sales of intangible assets	1,760	-
Receipts from sales of tangible assets	6,632	-
	<b>(261,807)</b>	<b>(111,685)</b>

<b>FINANCING</b>		
Capital element of hire purchase contracts	64,144	-

<b>18.3 ANALYSIS OF CHANGES IN NET FUNDS</b>	<b>Opening balance</b>	<b>Cash flows</b>	<b>Other changes</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	74,055	328,773	-	402,828
Overdrafts	(384,461)	384,461	-	-
	<b>(310,406)</b>	<b>713,234</b>	<b>-</b>	<b>402,828</b>
Finance leases	-	(64,144)	(174,865)	(239,009)
<b>Net funds</b>	<b>(310,406)</b>	<b>649,090</b>	<b>(174,865)</b>	<b>163,819</b>