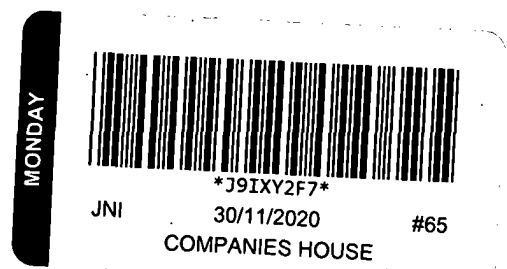


A&M Commercials Limited
Reports and Consolidated Financial Statements
for the financial year ended 30 November 2019



John MacMahon & Co
Chartered Accountants and Registered Auditors
112 Camlough Road
Newry
Co. Down
BT35 7EE
Northern Ireland



Company Number: NI036272

A&M Commercials Limited

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A&M Commercials Limited
DIRECTORS AND OTHER INFORMATION

Directors

Michael McNally
Assumpta Mary McNally

Company Secretary

Assumpta Mary McNally

Company Number

NI036272

Registered Office and 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

Bankers

Ulster Bank
7 Upper English Street
Armagh
Co. Armagh
BT61 7BL

Ulster Bank Limited
1/2 The Diamond
Monaghan
Co. Monaghan

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

A&M Commercials Limited

STRATEGIC REPORT

for the financial year ended 30 November 2019

Review of the Company's Business

The principal activity of the group is the sale of new and used commercial vehicles. The directors are heavily involved in the day to day running of the business and operate a system of regular review.

During the year ended 30th November 2019 the group's turnover decreased by 19.3% from £37,322,393 in 2018 to £30,115,179 in 2019. This was largely due to the uncertainty brought about due to ongoing Brexit negotiations. As a result profit before tax was down 71.9% from £2,005,712 in 2018 to £598,467 in 2019. At the year ended 30 November 2019 the net assets of the group had increased by 3.6% from £9,345,654 in 2018 to £9,683,956 in 2019.

The directors recognise that the incoming year is likely to be challenging given the impact of the Covid-19 pandemic and related lockdown in early 2020, and the added threat of the Brexit deadline on the 31 December 2020 which carries huge uncertainty for companies operating across UK and Irish borders. However, trading results post initial lockdown have indicated encouraging signs of recovery. On this basis and given the utilisation of all Covid-19 related support available to the group, and the continued financial support of the directors, the directors are confident that they will continue to trade successfully for the foreseeable future.

Principal Risks and Uncertainties

The group's operations expose it to a variety of financial risks that include the financial cost of the Covid-19 pandemic and resulting lockdown, the effects of changes in foreign currency risk, credit risk, liquidity risk, interest rate risk, stock management and the potential implications of Brexit. In order to mitigate these risks and to monitor group performance the group prepares routine management reports and adopts a policy of close management supervision.

The directors review and agree policies for managing each of these risks and they are summarised below:

Covid-19

There is a risk to trade and operations posed by the impact of the Covid-19 pandemic and resulting lockdown in the early part of 2020. In March 2020 the UK and Irish Governments imposed strict new rules which restricted the movement of people around the country and in many cases, forced companies to shut down completely during the lockdown period. While the group was able to continue trading during the lockdown period, they did so in accordance with strict Government guidelines and a somewhat limited market. The directors have sought to mitigate the risk by availing of all Government supports available to them and by carrying out works to ensure the work place complies with adequate health and safety legislation and with social distancing guidelines.

Foreign Currency Risk

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

Credit risk:

The group directors work closely with the accounts team to monitor, review and collect customer debt.

Liquidity Risk

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

Interest Rate Risk

The group finances its operations through a mixture of retained profits and bank borrowings. The group'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.

Brexit

The uncertainty of the terms of the UK's exit from the European Union on the 31 December 2020 is a significant concern to the directors. The group does however have a strong base in the Republic of Ireland which will continue to supply the EU customers in the event of a no-deal Brexit. This risk is somewhat mitigated due to the directors experience in export and logistics.

Development and Performance

The directors continue to work on all factors within their control to maintain turnover. The directors continue to concentrate on cost saving measures such as improvements in buying, inventory management and reducing overhead where possible. Overall the directors are satisfied with the current years results.

The group has a strong balance sheet with net assets at the year end 30 November 2019 amounting to £9,683,956 (2018: £9,345,654). The group's objectives are to continue to hold a market share and exploit any opportunities within the sector.

A&M Commercials Limited

STRATEGIC REPORT

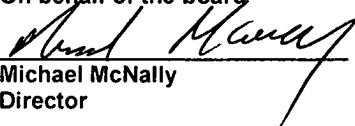
for the financial year ended 30 November 2019

key performance indicators

The key performance indicators during the financial year were as follows:

	2019	2018
	£	£
Turnover	30,115,179	37,322,393
Profit before tax	598,467	2,005,712
Shareholders funds	9,683,956	9,345,654

On behalf of the board


Michael McNally
Director

23 November 2020


Assumpta Mary McNally
Director

23 November 2020

A&M Commercials Limited

DIRECTORS' REPORT

for the financial year ended 30 November 2019

The directors present their report and the audited financial statements for the financial year ended 30 November 2019.

Principal Activity

The principal activity of the group is the sale of commercial vehicles.

Results and Dividends

The profit for the financial year after providing for depreciation and taxation amounted to £463,921 (2018 - £1,586,331).

The directors have paid a final dividend amounting to £60,000.

Directors

The directors who served during the financial year are as follows:

Michael McNally
Assumpta Mary McNally

There were no changes in shareholdings between 30 November 2019 and the date of signing the financial statements.

Future Developments

The group plans to continue its present activities and endeavour to maintain current trading levels to as great an extent as possible given the restrictions imposed following the outbreak of the Covid-19 pandemic. Employees are kept fully informed as practicable about developments within the business.

Post Balance Sheet Events

The Covid-19 pandemic and subsequent lockdown is a significant post balance sheet event. The impact of, and group response is set out in note 22 of the financial statements.

Statement of Directors' Responsibilities

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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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.

Auditors

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

Information in Strategic Report

Information on the principal risks and uncertainties faced by the company is set out in the Strategic Report in accordance with S.414C(11) Companies Act 2006.

A&M Commercials Limited
DIRECTORS' REPORT

for the financial year ended 30 November 2019

On behalf of the board



Michael McNally
Director

23 November 2020



Assumpta Mary McNally
Director

23 November 2020

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of A&M Commercials Limited

Report on the audit of the financial statements

Opinion

We have audited the group and parent company financial statements of A&M Commercials Limited and its subsidiaries ('the group') for the financial year ended 30 November 2019 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group Balance Sheet, the Company Balance Sheet, the Group Reconciliation of Shareholders' Funds, the Company Reconciliation of Shareholders' Funds, the Group Cash Flow Statement and the related notes to the financial statements, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, when reporting in accordance with a fair presentation framework the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 November 2019 and of the group's profit and cash flows for the financial year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the 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 group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of A&M Commercial Limited

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group'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 intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

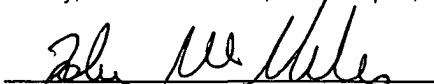
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is contained in the appendix to this report, located at page 10, which is to be read as an integral part of our report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.


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

23 November 2020

A&M Commercials Limited

APPENDIX TO THE INDEPENDENT AUDITOR'S REPORT

Further information regarding the scope of our responsibilities as auditor

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and the parent company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 group and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the group and the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

A&M Commercials Limited
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the financial year ended 30 November 2019

	Notes	2019 £	2018 £
Turnover	4	30,115,179	37,322,393
Cost of sales		<u>(26,972,409)</u>	<u>(32,471,875)</u>
Gross profit		3,142,770	4,850,518
Administrative expenses		<u>(2,530,258)</u>	<u>(2,804,682)</u>
Group operating profit	5	612,512	2,045,836
Interest payable and similar expenses	6	<u>(14,045)</u>	<u>(40,124)</u>
Profit before taxation		598,467	2,005,712
Tax on profit	8	<u>(134,546)</u>	<u>(419,381)</u>
Profit for the financial year		<u>463,921</u>	<u>1,586,331</u>

A&M Commercials Limited
CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the financial year ended 30 November 2019

	2019 £	2018 £
Profit after taxation	463,921	1,586,331
Foreign exchange movement on net investment	(65,619)	(19,984)
Total comprehensive income relating to the financial year	<u>398,302</u>	<u>1,566,347</u>

A&M Commercials Limited

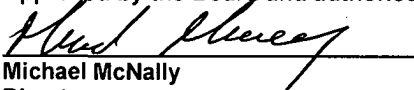
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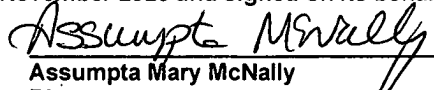
CONSOLIDATED BALANCE SHEET

as at 30 November 2019

	Notes	2019 £	2018 £
Fixed Assets			
Tangible assets	10	5,981,314	3,732,628
Current Assets			
Stocks	12	6,215,102	5,570,920
Debtors	13	1,306,997	2,148,744
Cash and cash equivalents		1,191,805	2,967,318
		8,713,904	10,686,982
Creditors: Amounts falling due within one year	14	(4,709,431)	(4,810,022)
Net Current Assets		4,004,473	5,876,960
Total Assets less Current Liabilities		9,985,787	9,609,588
Creditors			
Amounts falling due after more than one year	15	(132,784)	(121,466)
Provisions for liabilities	17	(169,047)	(142,468)
Net Assets		9,683,956	9,345,654
Capital and Reserves			
Called up share capital	19	12	12
Profit and Loss Account		9,683,944	9,345,642
Equity attributable to owners of the company		9,683,956	9,345,654

Approved by the Board and authorised for issue on 23 November 2020 and signed on its behalf by

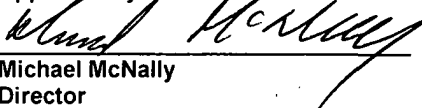

 Michael McNally
 Director

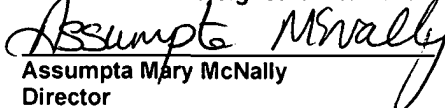

 Assumpta Mary McNally
 Director

A&M Commercials Limited
Company Number: NI036272
COMPANY BALANCE SHEET
as at 30 November 2019

	Notes	2019 £	2018 £
Fixed Assets			
Tangible assets	10	4,910,445	2,608,601
Investments	11	10	10
		<u>4,910,455</u>	<u>2,608,611</u>
Current Assets			
Stocks	12	5,836,990	4,882,225
Debtors	13	1,006,942	1,745,196
Cash and cash equivalents		881,134	1,937,312
		<u>7,725,066</u>	<u>8,564,733</u>
Creditors: Amounts falling due within one year	14	<u>(5,197,051)</u>	<u>(3,993,803)</u>
Net Current Assets		<u>2,528,015</u>	<u>4,570,930</u>
Total Assets less Current Liabilities		<u>7,438,470</u>	<u>7,179,541</u>
Creditors			
Amounts falling due after more than one year	15	(132,783)	(121,466)
Provisions for liabilities	17	(168,519)	(141,660)
Net Assets		<u>7,137,168</u>	<u>6,916,415</u>
Capital and Reserves			
Called up share capital	19	12	12
Profit and Loss Account		<u>7,137,156</u>	<u>6,916,403</u>
Shareholders' Funds		<u>7,137,168</u>	<u>6,916,415</u>

Approved by the Board and authorised for issue on 23 November 2020 and signed on its behalf by


Michael McNally
Director


Assumpta Mary McNally
Director

A&M Commercials Limited**CONSOLIDATED RECONCILIATION OF SHAREHOLDERS' FUNDS**

as at 30 November 2019

	Share capital	Retained earnings	Total
	£	£	£
At 1 December 2017	12	7,839,295	7,839,307
Profit for the financial year	-	1,586,331	1,586,331
Other gains and losses	-	(19,984)	(19,984)
Total comprehensive income	-	1,566,347	1,566,347
Payment of dividends	-	(60,000)	(60,000)
At 30 November 2018	12	9,345,642	9,345,654
Profit for the financial year	-	463,921	463,921
Other gains and losses	-	(65,619)	(65,619)
Total comprehensive income	-	398,302	398,302
Payment of dividends	-	(60,000)	(60,000)
At 30 November 2019	12	9,683,944	9,683,956

A&M Commercials Limited**COMPANY RECONCILIATION OF SHAREHOLDERS' FUNDS**

as at 30 November 2019

	Share capital	Retained earnings	Total
	£	£	£
At 1 December 2017	12	6,246,504	6,246,516
Profit for the financial year	-	729,899	729,899
Payment of dividends	-	(60,000)	(60,000)
At 30 November 2018	12	6,916,401	6,916,413
Profit for the financial year	-	280,755	280,755
Payment of dividends	-	(60,000)	(60,000)
At 30 November 2019	12	7,137,156	7,137,168

A&M Commercials Limited
CONSOLIDATED CASH FLOW STATEMENT
for the financial year ended 30 November 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Profit for the financial year		463,921	1,586,331
Adjustments for:			
Interest payable and similar expenses		14,045	40,124
Tax on profit on ordinary activities		134,546	419,381
Depreciation		337,186	280,785
Profit/loss on disposal of tangible fixed assets		(25,076)	-
		<u>924,622</u>	<u>2,326,621</u>
Movements in working capital:			
Movement in stocks		(644,182)	(728,427)
Movement in debtors		841,747	(39,142)
Movement in creditors		234,472	1,089,143
		<u>1,356,659</u>	<u>2,648,195</u>
Cash generated from operations			
Interest paid		(14,045)	(37,030)
Tax paid		(458,269)	(246,689)
		<u>884,345</u>	<u>2,364,476</u>
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(2,557,551)	(467,248)
Receipts from sales of tangible fixed assets		140,000	-
		<u>(2,417,551)</u>	<u>(467,248)</u>
Cash flows from financing activities			
Repayment of short term loan		(150,000)	(186,210)
Capital element of hire purchase contracts		(32,307)	(153,471)
Dividends paid		(60,000)	(60,000)
		<u>(242,307)</u>	<u>(399,681)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(1,775,513)</u>	<u>1,497,547</u>
Cash and cash equivalents at beginning of financial year		<u>2,967,318</u>	<u>1,469,771</u>
Cash and cash equivalents at end of financial year	24	<u><u>1,191,805</u></u>	<u><u>2,967,318</u></u>

A&M Commercials Limited

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 November 2019

1. GENERAL INFORMATION

The parent company; A&M Commercials Limited is a private company limited by shares and incorporated in Northern Ireland. The registered office address is 36 Doohat Road, Keady, Co Armagh, BT60 3HE which is also the principal place of activity. The parent company registration number is NI036272.

The financial statements are presented in pounds sterling (£), which is also the functional currency of the parent company.

The financial statements cover the group as a whole for the year ended 30 November 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Statement of compliance

The financial statements of the company for the year ended 30 November 2019 have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council and in accordance with the Companies Act 2006.

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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	- 2% 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.

Investment properties

Investment property whose fair value can be measured reliably without undue cost or effort is measured at fair value with changes in fair value recognised in the Profit and Loss Account. Revalued investment properties are not depreciated or amortised, unless the fair value cannot be measured reliably or without undue cost or effort.

Not depreciating or amortising property is a departure from the requirement of Company Law to provide depreciation on all fixed assets which have a limited useful life. However, these investment properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. If depreciation were to be provided it would be provided at a rate of 2% straight line per annum on the revalued amount.

Leasing and hire purchases

Tangible fixed assets held under leasing and hire purchase 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.

A&M Commercials Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 November 2019

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Stocks

Stocks are valued at the lower of cost and estimated selling price by using the specific identification of their individual costs. 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.

Trade and other debtors

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the Balance Sheet bank overdrafts are shown within Creditors.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the same value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Trade and other creditors

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

Taxation and deferred taxation

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the financial 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. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The resulting exchange differences are dealt with in the Profit and Loss Account.

Pensions

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. Annual contributions payable to the group's pension scheme are charged to the Profit and Loss Account in the period to which they relate.

Basis of consolidation

The consolidated financial statements include the financial statements of the holding company and all its subsidiary companies made up to 30 November 2019.

The consolidated financial statements do not include a separate holding company Profit and Loss account in accordance with the exemption available under Section 408 of the Companies Act 2006.

Ordinary share capital

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

A&M Commercials Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 November 2019

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements under FRS 102 requires estimates and assumptions to be made that affect both the value at which certain assets and liabilities are held at the balance sheet date and the amounts of revenue and expenditure recorded in the period. The directors believe the accounting policies chosen are appropriate to the particular circumstances and that the estimates, judgements and assumptions involved in the preparation of the financial statements are reasonable.

Accounting estimates made by management are based on information available to management at the time each estimate is made. Accordingly, actual outcomes may differ materially from current expectations. The estimates for which there is a significant risk of material adjustment to the financial statements are as follows:

Depreciation and amortisation

The directors exercise judgement in the determination of the useful economic lives and residual values of all classes of fixed assets. These assets are then depreciated over their useful economic lives to their residual values.

Provisions for obsolete and slow-moving stock

The directors closely monitor stock levels to ascertain any slow moving or discontinued items. If it is estimated that these items will be sold for less than cost (ie at net realisable value) then a provision will be made as an allowance against this.

Provisions for doubtful debt

The directors review recovery of trade debtors on a continuous basis for any indications of impairment. If such conditions are apparent and it is unlikely, due to deterioration of creditworthiness that the debt will be paid whether wholly or in part, a provision will be made to counteract this amount.

4. TURNOVER

The turnover for the financial year has been derived from:-

	2019 £	2018 £
UK	29,843,610	27,159,433
Europe	184,603	10,075,174
Other sales	86,966	87,786
	<u>30,115,179</u>	<u>37,322,393</u>

Turnover attributable to geographical markets outside the UK amounted to 1% for the financial year.

5. OPERATING PROFIT

	2019 £	2018 £
Operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets	337,186	280,785
Profit on disposal of tangible fixed assets	(25,076)	-
(Profit)/loss on foreign currencies	(57,589)	17,679
Auditor's remuneration - audit services	22,261	20,453
	<u>22,261</u>	<u>20,453</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
On bank loans and overdrafts	4,363	12,970
Hire purchase interest	7,775	15,366
Interest on overdue tax	1,907	11,788
	<u>14,045</u>	<u>40,124</u>

A&M Commercials Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 November 2019

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7. EMPLOYEES AND REMUNERATION

Number of employees

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

	2019 Number	2018 Number
Administration & Sales	29	31

The staff costs (inclusive of directors' salaries) comprise:

	2019 £	2018 £
Wages and salaries	548,325	570,517
Social security costs	46,749	41,405
Pension costs	12,981	9,199
	608,055	621,121

8. TAX ON PROFIT

(a) Analysis of charge in the financial year

Current tax:

Corporation tax at 19.00% (2018 - 19.00%)

Under/over provision in prior year

Total current tax

2019 £	2018 £
110,482	412,821
(2,519)	-
107,963	412,821

Deferred tax:

Origination and reversal of timing differences

Total deferred tax

Tax on profit (Note 8 (b))

26,583	6,560
26,583	6,560
134,546	419,381

(b) Factors affecting tax charge for the financial year

The tax assessed for the financial year differs from the standard rate of corporation tax in the UK 19.00% (2018 - 19.00%). The differences are explained below:

	2019 £	2018 £
Profit taxable at 19.00%	598,467	2,005,712
Profit before tax		
multiplied by the standard rate of corporation tax		
in the UK at 19.00% (2018 - 19.00%)	113,709	381,085
Effects of:		
Expenses not deductible for tax purposes	24,727	97,559
Capital allowances for period in excess of depreciation	(18,344)	(1,215)
Deferred tax	26,583	6,560
Income taxable at foreign tax rates	(9,610)	(64,608)
Adjustment to tax charge in respect of previous periods	(2,519)	-
Total tax charge for the financial year (Note 8 (a))	134,546	419,381

A&M Commercials Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 November 2019

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9. DIVIDENDS

	2019 £	2018 £
Dividends on equity shares:		
Ordinary Shares Class 1 - Final paid	<u>60,000</u>	<u>60,000</u>

10. TANGIBLE FIXED ASSETS
Group

	Land and buildings freehold £	Investment properties £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost					
At 1 December 2018	2,994,814	216,747	2,077,450	139,983	5,428,996
Additions	2,367,410	-	354,842	3,661	2,725,913
Disposals	-	-	(175,400)	-	(175,400)
Foreign currency exchange differences	(28,140)	(4,844)	(2,459)	(1,080)	(36,523)
At 30 November 2019	<u>5,334,084</u>	<u>211,903</u>	<u>2,254,433</u>	<u>142,566</u>	<u>7,942,986</u>
Depreciation					
At 1 December 2018	626,379	-	974,068	95,919	1,696,366
Charge for the financial year	82,249	-	244,933	6,922	334,104
On disposals	-	-	(60,476)	-	(60,476)
Foreign currency exchange differences	(7,410)	-	-	(911)	(8,321)
At 30 November 2019	<u>701,218</u>	<u>-</u>	<u>1,158,525</u>	<u>101,929</u>	<u>1,961,672</u>
Net book value					
At 30 November 2019	<u>4,632,866</u>	<u>211,903</u>	<u>1,095,908</u>	<u>40,637</u>	<u>5,981,314</u>
At 30 November 2018	<u>2,368,435</u>	<u>216,747</u>	<u>1,103,382</u>	<u>44,064</u>	<u>3,732,628</u>

Company

	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost or Valuation				
At 1 December 2018	1,735,755	1,983,811	91,566	3,811,132
Additions	2,367,410	354,044	3,661	2,725,115
Disposals	-	(175,400)	-	(175,400)
At 30 November 2019	<u>4,103,165</u>	<u>2,162,455</u>	<u>95,227</u>	<u>6,360,847</u>
Depreciation				
At 1 December 2018	251,138	896,123	55,270	1,202,531
Charge for the financial year	57,631	244,933	5,783	308,347
On disposals	-	(60,476)	-	(60,476)
At 30 November 2019	<u>308,769</u>	<u>1,080,580</u>	<u>61,053</u>	<u>1,450,402</u>
Net book value				
At 30 November 2019	<u>3,794,396</u>	<u>1,081,875</u>	<u>34,174</u>	<u>4,910,445</u>
At 30 November 2018	<u>1,484,617</u>	<u>1,087,688</u>	<u>36,296</u>	<u>2,608,601</u>

A&M Commercials Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 November 2019

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10.1. TANGIBLE FIXED ASSETS CONTINUED

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

	2019 Net Depreciation book value £	charge £	2018 Net book value £	Depreciation charge £
Plant and machinery	<u>457,539</u>	<u>97,760</u>	<u>368,126</u>	<u>81,615</u>

11. INVESTMENTS
Company

	Subsidiary undertakings shares	Total
Investments	£	£
Cost		
At 30 November 2019	<u>10</u>	<u>10</u>
Net book value		
At 30 November 2019	<u>10</u>	<u>10</u>
At 30 November 2018	<u>10</u>	<u>10</u>

11.1. Holdings in related undertakings

The company holds 20% or more of the share capital of the following company:

Name	Country of incorporation	Nature of business	Details of investment	Proportion held by company
Subsidiary undertaking				
A&M Commercials Ireland Ltd	Dublin Road Castleshane Co. Monaghan Ireland	Sale of commercial vehicles	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

Year ended	Capital and reserves £	Profit for the year £
A&M Commercials Ireland Ltd 30 November 2019	<u>2,516,801</u>	<u>175,620</u>

In the opinion of the directors, the value to the company of the unlisted investments is not less than the book amount shown above.

12. STOCKS

	2019 £	2018 £
Group		
Finished goods and goods for resale	<u>6,215,102</u>	<u>5,570,920</u>

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

A&M Commercials Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 November 2019

continued

	2019 £	2018 £
Company		
Finished goods and goods for resale	5,836,990	4,882,225
13. DEBTORS	2019 £	2018 £
Group		
Trade debtors	1,250,949	1,575,332
Other debtors	34,575	36,085
Directors' current accounts (Note 20)	-	518,126
Prepayments and accrued income	21,473	19,201
	<u>1,306,997</u>	<u>2,148,744</u>
	2019 £	2018 £
Company		
Trade debtors	988,135	1,208,545
Other debtors	-	720
Directors' current accounts (Note 20)	-	518,126
Prepayments and accrued income	18,807	17,805
	<u>1,006,942</u>	<u>1,745,196</u>
14. CREDITORS	2019 £	2018 £
Amounts falling due within one year		
Group		
Bank loan	40,000	150,000
Net obligations under finance leases and hire purchase contracts	150,708	65,971
Trade creditors	1,941,080	2,206,728
Taxation and social security costs (Note 16)	818,008	1,280,685
Directors' current accounts (Note 20)	385,190	-
Other creditors	7,410	5,401
Accruals:		
Pension accrual	2,056	-
Other accruals	1,364,979	1,101,237
	<u>4,709,431</u>	<u>4,810,022</u>
	2019 £	2018 £
Amounts falling due within one year		
Company		
Bank loan	40,000	150,000
Net obligations under finance leases and hire purchase contracts	150,708	65,971
Trade creditors	1,691,917	2,130,290
Amounts owed to group companies	1,296,020	-
Taxation social security (Note 16)	595,566	877,190
Directors' current accounts (Note 20)	385,190	-
Other creditors	5,684	5,401
Accruals:		
Pension accrual	2,056	-
Other accruals	1,029,910	764,951
	<u>5,197,051</u>	<u>3,993,803</u>

A&M Commercials Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 November 2019

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15. CREDITORS	2019	2018
Amounts falling due after more than one year	£	£
Group		
Bank loan	-	40,000
Finance leases and hire purchase contracts	132,784	81,466
	<u>132,784</u>	<u>121,466</u>
Loans		
Repayable in one year or less, or on demand (Note 14)	40,000	150,000
Repayable between one and two years	-	40,000
	<u>40,000</u>	<u>190,000</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	150,708	65,971
Repayable between one and five years	132,784	81,466
	<u>283,492</u>	<u>147,437</u>
<p>The company has given security on debts totalling £40,000 (2018: £190,000). Bank facilities are secured by way of an all monies debenture with fixed and floating charges over company assets, a negative pledge over freehold property, an unconditional guarantee and indemnity from the directors with collateral over personal assets and an inter-company cross guarantee from A&M Commercials Ireland Limited.</p>		
Amounts falling due after more than one year	£	£
Company		
Bank loan	-	40,000
Finance leases and hire purchase contracts	132,783	81,466
	<u>132,783</u>	<u>121,466</u>
Loans		
Repayable in one year or less, or on demand (Note 14)	40,000	150,000
Repayable between one and two years	-	40,000
	<u>40,000</u>	<u>190,000</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	150,708	65,971
Repayable between one and five years	132,783	81,466
	<u>283,491</u>	<u>147,437</u>
16. TAXATION AND SOCIAL SECURITY	2019	2018
	£	£
Group		
Creditors:		
VAT	699,319	845,240
Corporation tax	110,482	420,282
PAYE / NI	8,207	15,163
	<u>818,008</u>	<u>1,280,685</u>

A&M Commercials Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 November 2019

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Company	2019 £	2018 £
Creditors:		
VAT	509,928	585,153
Corporation tax	81,051	284,205
PAYE / NI	4,587	7,832
	<u>595,566</u>	<u>877,190</u>

17. PROVISIONS FOR LIABILITIES

Group

The amounts provided for deferred taxation are analysed below:

	Capital allowances	Total
	2019 £	2018 £
At financial year start	142,468	135,918
Charged to profit and loss	26,579	6,550
At financial year end	<u>169,047</u>	<u>142,468</u>

Company

The amounts provided for deferred taxation are analysed below:

	Capital allowances
	£
At 1 December 2018	141,660
Charged to profit and loss	26,859
At 30 November 2019	<u>168,519</u>

18. PENSION COSTS - DEFINED CONTRIBUTION

The group operates a defined contribution pension scheme in respect of the group. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions due from the group and amounted to £12,981 (2018 - £9,199). At the balance sheet date, there was an outstanding liability of £2,056 due to the fund (2018: £0).

19. SHARE CAPITAL

Description	Number of shares	Value of units	2019 £	2018 £
Allotted, called up and fully paid				
Ordinary Shares Class 1	12	£1 each	<u>12</u>	<u>12</u>

A&M Commercials Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 November 2019

continued

20. DIRECTORS' REMUNERATION AND TRANSACTIONS

	2019 £	2018 £
Directors' remuneration		
Remuneration	<u>19,265</u>	<u>43,011</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>2</u>	<u>2</u>

The following advances were made to the directors:

	Balance at 30/11/19 £	Movement in year £	Balance at 30/11/18 £	Maximum in year £
Michael McNally	-	(259,063)	259,063	259,063
Assumpta Mary McNally	-	(259,063)	259,063	259,063
	<u>-</u>	<u>(518,126)</u>	<u>518,126</u>	

The following amounts are repayable to the directors:

	2019 £	2018 £
Michael McNally	192,595	-
Assumpta Mary McNally	192,595	-
	<u>385,190</u>	<u>-</u>

Net balances with the directors:

	2019 £	2018 £
Michael McNally	(192,595)	259,063
Assumpta Mary McNally	(192,595)	259,063
	<u>(385,190)</u>	<u>518,126</u>

Loans repayable by the directors are repayable on demand and are not subject to interest charges. Loans are repayable within nine months of the year end.

21. RELATED PARTY TRANSACTIONS

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

A&M Commercial Limited

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 November 2019

continued

AMT Rentals Limited is a related party by virtue of common ownership and is registered in the UK. There were no sales made to AMT Rentals Limited during the year ended 30 November 2019. Amounts payable to AMT Rentals Limited of £79,354 are included in trade debtors at the year end.

During the year the parent company made purchases from AMT Rentals Limited of £367,200. Included in trade creditors at the year end was amounts owed of £19,430.

A&M Logistics Ireland Ltd is a UK registered company which is wholly owned by Michael John McNally and Aidan Peter McNally who are related to the directors, Michael & Assumpta McNally. There were no purchases from this company during the year. At the year end 30 November 2019 amounts owed to A&M Logistics Ireland Limited and included under trade creditors amounted to £16,799.

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

The group purchased a commercial yard from the directors in August 2019 for £1,200,000. Prior to this rent charged on the yard in the holding company's accounts totalled £102,600. Amounts owed to the directors at the year end are included in directors' current accounts.

All amounts shown at the year end are repayable on demand and not subject to interest charges.

The key management personnel compensation totalled £19,265 for the year ended 30 November 2019. (2018: £43,011).

During the year the group paid a dividend of £60,000 to the directors.

22. POST-BALANCE SHEET EVENTS

Since the balance sheet date, and before completion of the financial statements, the governments of the Republic of Ireland, Northern Ireland and Great Britain had enacted lock downs due to the impact of the Covid-19 global pandemic. These lock downs continued from mid-March until early June 2020. The directors consider the events around the lockdown to be a non-adjusting post balance sheet event. This is because, at the financial year end, there had been no cases confirmed in Ireland or the UK, and the World Health Organization had yet to declare a worldwide pandemic.

At the date of signing the financial statements, although the conditions of lockdown had been eased significantly, the uncertainties over the coming months do have the ability to impact trading conditions. The group directors have reviewed all aspects of the business and identified areas of the financial statements which could have been potentially impacted by these events. They are as follows; an increased risk around debtor recoverability due to the widespread closure of businesses and the increased risk of a decline in turnover due to consumers having less disposable income. The group directors have investigated these potential risks and concluded that there is no disclosure to be made to the financial statements in this regard.

The directors are aware that the lockdown period and the resulting subsequent economic downturn, pose a significant risk to the ability of the group to trade and therefore to continue as a going concern. They have undertaken several measures to ensure that financial viability is maintained through Government supports such as the Coronavirus Job Retention Scheme and the Coronavirus Bounce Back Loans. The company remained open throughout the lock down and has shown encouraging signs of recovery in the second half of the year.

The Directors are confident that with their continued financial support that the group can continue to operate successfully in the current climate and as such they do not believe that there is any uncertainty over the group's future trading as a going concern.

23. CHANGES IN EQUITY

Other Comprehensive Income	2019 £	2018 £
Retained earnings foreign exchange difference on net investments	<u>(65,619)</u>	<u>(19,984)</u>

24. CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash and bank balances	<u>1,191,805</u>	<u>2,967,318</u>