

A&M Commercials Limited
Reports and Consolidated Financial Statements
for the period ended 30 November 2017



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 McNally
Company Secretary	Assumpta 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 period ended 30 November 2017

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 period ended 30th November 2017. The directors are satisfied with the overall positive results for the 18 month period ended 30th November 2017, which shows a profit before tax for the group of £998,078. The profit before tax for the 12 month period ending 31st May 2016 was £550,857. The key performance indicators are sales and profits which are closely monitored throughout the year.

The company has a strong balance sheet and is in a position to remain profitable over the coming years.

The company acquired 100% of the Irish registered company A&M Commercials Ireland Ltd during the period ending 30th November 2017, this is the first set of group accounts, therefore the comparatives are not entirely comparable in the consolidated accounts.

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 has tight controls on the level and value of stock held.

Development and Performance

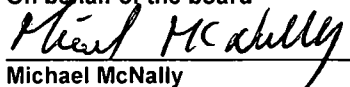
The directors continue to work on all factors within their control to maintain turnover. The company has made improvements in buying, inventory management and overhead cost savings. The directors are satisfied with the current years results and are confident the present level of activity will be sustained.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

The company has a strong balance sheet and is in a position to be profitable over the coming years. The company's objectives are to continue to hold a market share and exploit any opportunities within the sector.


Financial Key Performance Indicators

The key performance indicators are sales and profits which are closely monitored throughout the year. Profit before tax for the group for the period ended 30th November 2017 totalled £998,078 (2016 - £550,857), whilst shareholders funds for the group at the 30th November 2017 were £7,839,310 (2016 - £2,777,786).

On behalf of the board


Michael McNally
Director

10 September 2018


Assumpta McNally
Director

10 September 2018

A&M Commercials Limited

DIRECTORS' REPORT

for the period ended 30 November 2017

The directors present their report and the audited financial statements for the period ended 30 November 2017.

Principal Activity

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

Results and Dividends

The profit for the period after providing for depreciation and taxation amounted to £815,075 (May 16 - £426,544). The directors have paid a final dividend amounting to £91,659.

Directors

The directors who served during the period are as follows:

Michael McNally
Assumpta McNally

There were no changes in shareholdings between 30 November 2017 and the date of signing the financial statements.

Future Developments

The company plans to continue its present activities and endeavour to maintain current trading levels. Employees are kept fully informed as practicable about developments within the business.

Charitable and Political Contributions

The company did not make any disclosable political donations in the current year.

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

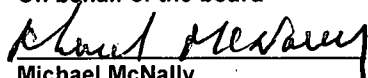
The auditors, John MacMahon & Co., (Chartered Accountants) have indicated their willingness to continue in office in accordance with the provisions of Section 485 of the Companies Act 2006.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the business and the company's risk management objectives and policies are set out in the Strategic Report.

A&M Commercials Limited
DIRECTORS' REPORT
for the period ended 30 November 2017

On behalf of the board



Michael McNally
Director

10 September 2018



Assumpta McNally
Director

10 September 2018

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 ('the group') and its subsidiaries ('the group') for the period ended 30 November 2017 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 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 2017 and of the group's profit and cash flows for the period 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:

- in our opinion, 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.

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.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of A&M Commercial Limited

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 the 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.

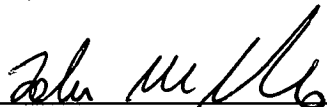
Auditor's responsibilities for the audit of the financial statements

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 9, 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

10 September 2018

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 period ended 30 November 2017

	Notes	Nov 17 £	May 16 £
Turnover	4	45,002,822	17,755,700
Cost of sales		<u>(41,860,756)</u>	<u>(16,179,322)</u>
Gross profit		3,142,066	1,576,378
Administrative expenses		<u>(2,099,990)</u>	<u>(985,377)</u>
Group operating profit		1,042,076	591,001
Interest receivable and similar income	6	-	110
Interest payable and similar expenses	7	<u>(43,998)</u>	<u>(40,254)</u>
Profit before taxation		998,078	550,857
Tax on profit	9	<u>(183,003)</u>	<u>(124,313)</u>
Profit for the period		<u>815,075</u>	<u>426,544</u>

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

for the period ended 30 November 2017

	Nov 17 £	May 16 £
Profit after taxation	815,075	426,544
Foreign exchange movement on net investment	<u>(59,348)</u>	<u>-</u>
Total comprehensive income relating to the period	<u>755,727</u>	<u>426,544</u>

A&M Commercials Limited

Company Number: NI036272

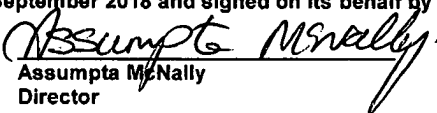
CONSOLIDATED BALANCE SHEET

as at 30 November 2017

	Notes	Nov 17 £	May 16 £
Fixed Assets			
Tangible assets	11	3,367,444	2,057,837
Investments		1	-
		<u>3,367,445</u>	<u>2,057,837</u>
Current Assets			
Stocks	13	4,842,493	3,528,575
Debtors	14	2,109,602	1,122,968
Cash and cash equivalents		1,469,771	256,742
		<u>8,421,866</u>	<u>4,908,285</u>
Creditors: Amounts falling due within one year	15	<u>(3,576,938)</u>	<u>(3,600,051)</u>
Net Current Assets		<u>4,844,928</u>	<u>1,308,234</u>
Total Assets less Current Liabilities		<u>8,212,373</u>	<u>3,366,071</u>
Creditors			
Amounts falling due after more than one year	16	(237,145)	(453,500)
Provisions for liabilities	18	<u>(135,918)</u>	<u>(134,785)</u>
Net Assets		<u>7,839,310</u>	<u>2,777,786</u>
Capital and Reserves			
Called up share capital	19	12	2
Profit and Loss Account		<u>7,839,298</u>	<u>2,777,784</u>
Equity attributable to owners of the company		<u>7,839,310</u>	<u>2,777,786</u>

Approved by the Board and authorised for issue on 10 September 2018 and signed on its behalf by

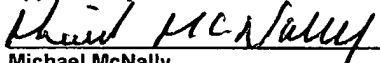

 Michael McNally
 Director

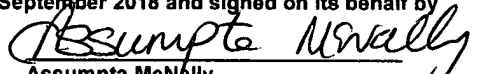

 Assumpta McNally
 Director

A&M Commercials Limited
Company Number: NI036272
COMPANY BALANCE SHEET
as at 30 November 2017

	Notes	Nov 17 £	May 16 £
Fixed Assets			
Tangible assets	11	2,197,768	2,057,838
Investments		10	-
		<u>2,197,778</u>	<u>2,057,838</u>
Current Assets			
Stocks	13	4,161,109	3,528,575
Debtors	14	1,570,528	1,122,968
Cash and cash equivalents		1,162,793	256,742
		<u>6,894,430</u>	<u>4,908,285</u>
Creditors: Amounts falling due within one year	15	<u>(2,473,471)</u>	<u>(3,600,051)</u>
Net Current Assets		<u>4,420,959</u>	<u>1,308,234</u>
Total Assets less Current Liabilities		<u>6,618,737</u>	<u>3,366,071</u>
Creditors			
Amounts falling due after more than one year	16	(237,145)	(453,500)
Provisions for liabilities	18	(135,075)	(134,785)
Net Assets		<u>6,246,517</u>	<u>2,777,786</u>
Capital and Reserves			
Called up share capital	19	12	2
Profit and Loss Account		6,246,505	2,777,784
Shareholders' Funds		<u>6,246,517</u>	<u>2,777,786</u>

Approved by the Board and authorised for issue on 10 September 2018 and signed on its behalf by


Michael McNally
Director


Assumpta McNally
Director

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

as at 30 November 2017

	Share capital £	Retained earnings £	Attributable to owners of parent £
At 1 June 2015	2	2,371,240	2,371,242
Profit for the year	-	426,544	426,544
Payment of dividends	-	(20,000)	(20,000)
At 31 May 2016	2	2,777,784	2,777,786
Profit for the period	-	815,075	815,075
Other gains and losses	-	(59,348)	(59,348)
Total comprehensive income	-	755,727	755,727
Payment of dividends	-	(91,659)	(91,659)
Net proceeds of equity ordinary share issue	10	-	10
Other movements in equity attributable to owners	-	4,397,446	4,397,446
At 30 November 2017	12	7,839,298	7,839,310

A&M Commercials Limited
CONSOLIDATED CASH FLOW STATEMENT
for the period ended 30 November 2017

	Notes	Nov 17 £	May 16 £
Cash flows from operating activities			
Profit for the period		815,075	426,544
Adjustments for:			
Interest receivable and similar income		-	(110)
Interest payable and similar expenses		43,998	40,254
Tax on profit on ordinary activities		183,003	124,313
Depreciation		300,171	194,535
Profit/loss on disposal of tangible fixed assets		-	(109,851)
		<u>1,342,247</u>	<u>675,685</u>
Movements in working capital:			
Movement in stocks		(1,313,918)	382,795
Movement in debtors		(986,634)	(10,590)
Movement in creditors		(61,406)	(434,726)
		<u>(1,019,711)</u>	<u>613,164</u>
Cash (used in)/generated from operations		(43,998)	(40,254)
Interest paid		(127,341)	(85,340)
Tax paid			
Net cash (used in)/generated from operating activities		<u>(1,191,050)</u>	<u>487,570</u>
Cash flows from investing activities			
Interest received		-	110
Payments to acquire tangible fixed assets		(295,672)	(231,328)
Receipts from sales of tangible fixed assets		-	295,013
Payments on acquisition of group interests		(1)	-
Cash inflow from group consolidation		3,220,111	
		<u>2,924,438</u>	<u>63,795</u>
Net cash (used in)/generated from investment activities			
Cash flows from financing activities			
Issue of equity share capital		10	-
New long term loan		(38,314)	-
Repayment of short term loan		(150,000)	(150,000)
Capital element of hire purchase contracts		(153,244)	(142,595)
Dividends paid		(91,659)	(20,000)
		<u>(433,207)</u>	<u>(312,595)</u>
Net cash used in financing activities			
Net (decrease)/increase in cash and cash equivalents		<u>1,300,181</u>	<u>238,770</u>
Cash and cash equivalents at beginning of financial period		<u>169,590</u>	<u>(69,180)</u>
Cash and cash equivalents at end of financial period	24	<u><u>1,469,771</u></u>	<u><u>169,590</u></u>

A&M Commercials Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 November 2017

1. GENERAL INFORMATION

A&M Commercials Limited is a private company limited by shares incorporated in Northern Ireland. The registered office address is 36 Doohat Road, Keady, Co Armagh, BT60 3HE.

These financial statements cover the individual entity for the 18 month period ended 30th November 2017. The financial reporting period was extended for commercial and operational reasons. The comparatives are for a 12 month accounting period and therefore the comparatives are not entirely comparable.

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

2. ACCOUNTING POLICIES

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

Statement of compliance

The financial statements of the company for the year ended 30 November 2017 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 under 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. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group 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	- 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 period ended 30 November 2017

continued

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Income from other investments together with any related tax credit is recognised in the profit and loss account in the year in which it is receivable.

Stocks

Stocks are valued at the lower of cost and net realisable value on a first in first out basis. 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.

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.

Employee benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

Taxation and deferred taxation

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

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 2017.

Share capital of the company

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 period ended 30 November 2017

continued

3. PERIOD OF FINANCIAL STATEMENTS

The financial statements are for the 18 month period ended 30 November 2017.

4. TURNOVER

The turnover for the period has been derived from:-

	Nov 17 £	May 16 £
UK	40,134,407	15,113,123
Europe	4,757,574	2,600,577
Other sales	110,841	42,000
	<u>45,002,822</u>	<u>17,755,700</u>

Turnover attributable to geographical markets outside the UK amounted to 11% for the period.

5. OPERATING PROFIT

	Nov 17 £	May 16 £
Operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets	300,171	194,535
Profit on disposal of tangible fixed assets	-	(109,851)
Loss on foreign currencies	133,585	46,853
Auditor's remuneration - audit services	16,335	7,733
	<u>450,091</u>	<u>139,270</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	Nov 17 £	May 16 £
Bank interest	-	110
	<u>-</u>	<u>110</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	Nov 17 £	May 16 £
On bank loans and overdrafts	35,221	32,696
Hire purchase interest	8,777	7,544
Interest on overdue tax	-	14
	<u>43,998</u>	<u>40,254</u>

A&M Commercials Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 November 2017

continued

8. EMPLOYEES AND REMUNERATION

Number of employees

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

	Nov 17 Number	May 16 Number
Administration & Sales	<u>21</u>	<u>16</u>

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

	Nov 17 £	May 16 £
Wages and salaries	526,903	262,786
Social security costs	34,919	14,433
Pension costs	2,338	-
	<u>564,160</u>	<u>277,219</u>

The key management personnel compensation totalled £41,349 for the period ended 30th November 2017. (YE May 2016 £30,233)

A&M Commercials Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 November 2017

continued

9. TAX ON PROFIT

	Nov 17 £	May 16 £
(a) Analysis of charge in the period		
Current tax:		
Corporation tax at 17.60% (May 16 - 20.00%)	180,161	125,112
Under/over provision in prior year	2,229	1,784
Total current tax	<u>182,390</u>	<u>126,896</u>
Deferred tax:		
Origination and reversal of timing differences	613	(2,583)
Total deferred tax	<u>613</u>	<u>(2,583)</u>
Tax on profit (Note 9 (b))	<u><u>183,003</u></u>	<u><u>124,313</u></u>

(b) Factors affecting tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK 17.60% (May 16 - 20.00%). The differences are explained below:

	Nov 17 £	May 16 £
Profit before tax	<u>998,078</u>	<u>550,857</u>
Profit before tax multiplied by the standard rate of corporation tax in the UK at 17.60% (May 16 - 20.00%)	175,662	110,171
Effects of:		
Depreciation in excess of capital allowances for period	4,456	14,941
Deferred tax	613	(2,583)
Adjustment to tax charge in respect of previous periods	2,272	1,784
Total tax charge for the period (Note 9 (a))	<u><u>183,003</u></u>	<u><u>124,313</u></u>

The corporation tax rate for medium companies was reduced from 20% to 19% during the period ended 30th November 2017. This resulted in an effective rate of tax in 2016 of 20% and 19.56% in 2017. The consolidated group rate of tax was 17.60% for the period ending November 2017

10. DIVIDENDS

	Nov 17 £	May 16 £
Dividends on equity shares:		
Ordinary Shares Class 1 - Final paid	<u>91,659</u>	<u>20,000</u>

A&M Commercials Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 November 2017

continued

11. TANGIBLE FIXED ASSETS
Group

	Land and buildings freehold £	Investment properties £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost					
At 1 June 2016	1,583,724	-	1,071,007	73,571	2,728,302
Additions	152,031	-	266,272	7,369	425,672
Transfers	1,275,609	219,596	90,882	49,054	1,635,141
At 30 November 2017	3,011,364	219,596	1,428,161	129,994	4,789,115
Depreciation					
At 1 June 2016	166,289	-	462,175	42,001	670,465
Charge for the period	65,016	-	225,997	9,159	300,172
Transfers	339,780	-	73,004	38,250	451,034
At 30 November 2017	571,085	-	761,176	89,410	1,421,671
Net book value					
At 30 November 2017	<u>2,440,279</u>	<u>219,596</u>	<u>666,985</u>	<u>40,584</u>	<u>3,367,444</u>
At 31 May 2016	<u>1,417,435</u>	<u>-</u>	<u>608,832</u>	<u>31,570</u>	<u>2,057,837</u>

Company

	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost or Valuation				
At 1 June 2016	1,583,724	1,071,007	73,572	2,728,303
Additions	152,031	262,285	7,369	421,685
At 30 November 2017	1,735,755	1,333,292	80,941	3,149,988
Depreciation				
At 1 June 2016	166,289	462,175	42,001	670,465
Charge for the period	50,134	224,005	7,616	281,755
At 30 November 2017	216,423	686,180	49,617	952,220
Net book value				
At 30 November 2017	<u>1,519,332</u>	<u>647,112</u>	<u>31,324</u>	<u>2,197,768</u>
At 31 May 2016	<u>1,417,435</u>	<u>608,832</u>	<u>31,571</u>	<u>2,057,838</u>

11.1. TANGIBLE FIXED ASSETS CONTINUED

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

	Nov 17 Net book value £	Depreciation charge £	May 16 Net book value £	Depreciation charge £
Plant and machinery	<u>199,740</u>	<u>96,760</u>	<u>187,701</u>	<u>34,907</u>

A&M Commercials Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 November 2017

continued

Group	Subsidiary undertakings shares	Total
Investments	£	£
Cost		
Additions	1	1
At 30 November 2017	1	1
Net book value		
At 30 November 2017	1	1

Company	Subsidiary undertakings shares	Total
Investments	£	£
Cost		
Additions	10	10
At 30 November 2017	10	10
Net book value		
At 30 November 2017	10	10

12.1. 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 2017	1,592,803	635,686

The company acquired 100% of the shareholding of A&M Commercials Ireland Limited on 24th April 2017 during the period ended 30th November 2017, it is an Irish Registered Company based in Co. Monaghan

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

A&M Commercials Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 November 2017

continued

13. STOCKS

	Nov 17 £	May 16 £
Group		
Finished goods and goods for resale	<u>4,842,493</u>	<u>3,528,575</u>

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

	Nov 17 £	May 16 £
Company		
Finished goods and goods for resale	<u>4,161,109</u>	<u>3,528,575</u>

14. DEBTORS

	Nov 17 £	May 16 £
Group		
Trade debtors	2,079,288	1,073,162
Other debtors	720	720
Prepayments and accrued income	<u>29,594</u>	<u>49,086</u>
	<u>2,109,602</u>	<u>1,122,968</u>

	Nov 17 £	May 16 £
Company		
Trade debtors	1,541,628	1,073,162
Other debtors	720	720
Prepayments and accrued income	<u>28,180</u>	<u>49,086</u>
	<u>1,570,528</u>	<u>1,122,968</u>

15. CREDITORS

	Nov 17 £	May 16 £
Amounts falling due within one year		
Group		
Bank overdrafts	-	87,152
Bank loan	186,686	150,000
Net obligations under finance leases and hire purchase contracts	59,867	91,756
Trade creditors	2,393,570	2,912,530
Taxation and social security costs (Note 17)	570,738	183,426
Directors' current accounts (Note 21)	-	152,200
Other creditors	4,727	4,431
Accruals	361,350	18,556
	<u>3,576,938</u>	<u>3,600,051</u>

A&M Commercials Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 November 2017

continued

	Nov 17 £	May 16 £
Amounts falling due within one year		
Company		
Bank overdrafts	79,404	87,152
Bank loan	150,000	150,000
Net obligations under finance leases and hire purchase contracts	59,867	91,756
Trade creditors	1,722,693	2,912,530
Taxation social security (Note 17)	430,099	183,426
Directors' current accounts (Note 21)	-	152,200
Other creditors	4,727	4,431
Accruals	26,681	18,556
	<u>2,473,471</u>	<u>3,600,051</u>
16. CREDITORS	Nov 17 £	May 16 £
Amounts falling due after more than one year		
Group		
Bank loan	190,000	415,000
Finance leases and hire purchase contracts	47,145	38,500
	<u>237,145</u>	<u>453,500</u>
Loans		
Repayable in one year or less, or on demand (Note 15)	186,686	237,152
Repayable between two and five years	190,000	415,000
	<u>376,686</u>	<u>652,152</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	59,867	91,756
Repayable between one and five years	47,145	38,500
	<u>107,012</u>	<u>130,256</u>
The company has given security on debts totalling £419,404. 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.		
17. TAXATION AND SOCIAL SECURITY	Nov 17 £	May 16 £
Group		
Creditors:		
VAT	312,679	54,708
Corporation tax	245,759	125,112
PAYE / NI	12,300	3,606
	<u>570,738</u>	<u>183,426</u>

A&M Commercials Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 November 2017

continued

	Nov 17 £	May 16 £
Company		
Creditors:		
VAT	286,460	54,708
Corporation tax	139,488	125,112
PAYE / NI	4,151	3,606
	<u>430,099</u>	<u>183,426</u>

18. PROVISIONS FOR LIABILITIES

Group

The amounts provided for deferred taxation are analysed below:

	Capital allowances	Total
	Nov 17 £	May 16 £
At period start	134,785	137,368
Charged to profit and loss	1,133	(2,583)
At period end	<u>135,918</u>	<u>134,785</u>

Company

The amounts provided for deferred taxation are analysed below:

	Capital allowances
	£
At 1 June 2016	134,785
Charged to profit and loss	290
At 30 November 2017	<u>135,075</u>

19. SHARE CAPITAL

			Nov 17 £	May 16 £
Description	Number of shares	Value of units		
Allotted, called up and fully paid				
Ordinary Shares Class 1	12	£1 each	<u>12</u>	<u>2</u>

There were 10 Ordinary shares allotted during the period ending 30th November 2017 at £1 each, these were paid in full.

20. CAPITAL COMMITMENTS

Group

The group had no material capital commitments at the period-ended 30 November 2017.

21. DIRECTORS' REMUNERATION AND TRANSACTIONS

	Nov 17 £	May 16 £
Remuneration	<u>41,349</u>	<u>30,233</u>

A&M Commercials Limited
NOTES TO THE FINANCIAL STATEMENTS
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continued

The following amounts are repayable to the directors:

	Nov 17 £	May 16 £
Michael McNally	-	76,100
Assumpta McNally	-	76,100
	<u>-</u>	<u>152,200</u>

22. RELATED PARTY TRANSACTIONS

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

A dividend of £91,659 was paid to the company directors during the period ended 30th November 2017.

23. CHANGES IN EQUITY

Other Comprehensive Income	Nov 17 £	May 16 £
Retained earnings foreign exchange difference on net investments	<u>(59,348)</u>	<u>-</u>

24. CASH AND CASH EQUIVALENTS

	Nov 17 £	May 16 £
Cash and bank balances	1,469,771	256,742
Bank overdrafts	-	(87,152)
	<u>1,469,771</u>	<u>169,590</u>

25. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At the balance sheet date, there was an outstanding liability of £0 due to the fund. There was £2,338 recognised in the Profit & Loss account as an expense in the reporting period.