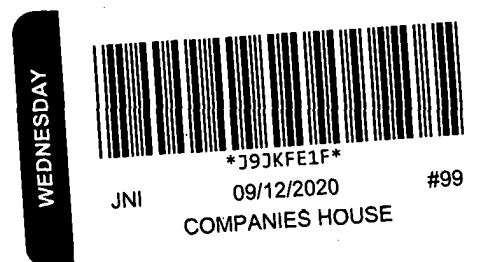
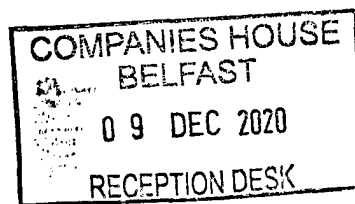


NI Trucks Limited

Directors' report, strategic report and financial statements
for the year ended 31 December 2019

Registered No: NI 048950 (Northern Ireland)



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Directors and advisers

Directors

Stephen Sproule
Mark Smith

Company secretary

Andrew Ervine

Registered office

3 Mallusk Road
Newtownabbey
Co Antrim
BT36 4PP

Bankers

Ulster Bank Limited
2 Farmley Road
Newtownabbey
Co Antrim
BT36 7QU

Auditors

Johnston Kennedy DFK
Chartered Accountants
Registered Auditors
10 Pilots View
Heron Road
Belfast
BT3 9LE

Directors' report

The directors present their report, the strategic report and the audited financial statements for the year ended 31 December 2019.

Dividends

The directors report that an interim dividend of £250,000 was paid during the year (2018 - £200,000).

Directors

Stephen Sproule and Mark Smith held office during the financial year.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report, the strategic 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 – The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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 to 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.

Disclosure of information to auditors

Having made the requisite enquiries:

- (a) as far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- (b) the directors have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' report (continued)

Independent auditors

The auditors, Johnston Kennedy DFK, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

By order of the board



Andrew Ervine
Company secretary

31 March 2020

Strategic report

Principal activity

The principal activity of the company is that of commercial vehicle distributor, being the sole distributor in Northern Ireland for Iveco and IvecoBus commercial vehicles. This activity remains unchanged from last year.

Review of the company's business

The market for commercial vehicles in Northern Ireland remained challenging and very competitive.

The company's turnover increased by 20% to £22.0m but gross profitability on sales decreased from 19.4% to 16.8%. Overhead costs were well controlled and showed a moderate increase of £11k to £3,271k. As a result, the operating profit for the year increased by £111k to £485k.

The balance sheet remains strong. Net assets increased from £1,670k to £1,753k after payment of a dividend of £250k. The company has secure banking facilities and access to adequate cash.

The company invested £130k (2018 - £128k) in fixed assets during the year, comprising a mix of leasehold improvements, plant and machinery and motor vehicles.

Principal risks and uncertainties facing the company

Since early March 2020 the company's business has been detrimentally affected by the COVID-19 pandemic. In common with most businesses the company has experienced a substantial reduction in revenue and it is anticipated that the revenue decline will continue for a number of months. The company has availed of the available government support to protect employment and to reduce costs. The company's key objective over the period of downturn is to maintain its workforce and infrastructure intact to enable it to emerge on the other side of the recession in shape to rebuild its business and enable it to return to profitability. As with most businesses the company is reliant on effective government intervention to provide support to business and individuals through these unprecedented times.

In the course of business the company has exposure to normal levels of risk on exchange rates, interest rates, credit transactions and liquidity. The board reviews and agrees policies for the prudent management of these risks as follows:

- **currency risk** – the company trades primarily in pounds sterling and does not have significant exposure to currency risk;
- **finance and interest rate risk** - the company's objective in relation to interest rate management is to minimise the impact of interest rate volatility on interest costs. The company's borrowings are held in mainly variable rate interest arrangements. In the current low interest rate environment the board considers that its current interest rate position is appropriate but this will continue to be reviewed and reassessed;
- **liquidity and cash flow risk** – the company's objective in relation to liquidity and cash flow management is to ensure that it has ready access to credit lines, significant headroom on its bank facilities and short term cash deposit arrangements; and
- **credit risk** - the company has no significant concentrations of credit risk. Customers who wish to trade on credit terms are subject to strict verification procedures in advance of credit being granted and the balances owed are continually monitored with additional scrutiny during the current period of COVID-19 uncertainty.

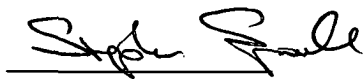
Strategic report (continued)

Company performance is monitored by KPIs relating to turnover growth, gross profitability and net profitability. Annual budgets are prepared and management accounts are prepared monthly with detailed analysis of variances and unexpected fluctuations.

Post balance sheet events

There are no significant post balance sheet events other than the matter referred to above under "Principal risks and uncertainties facing the company".

Approved by the board on 31 March 2020



Stephen Sproule
Director

31 March 2020

Independent auditor's report to the members of NI Trucks Limited

Opinion

We have audited the financial statements of NI Trucks Limited for the year ended 31 December 2019 which comprise the profit and loss account, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the 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 company in accordance with the 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 the 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 company'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.

Independent auditor's report to the members of NI Trucks Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Opinions 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.

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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 members of NI Trucks Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement (set out on page 2) 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 the directors 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 company'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 the directors either intend to liquidate the company or to cease operations, or have 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 the 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 located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.



Mr Alec Johnston (Senior Statutory Auditor)

For and on behalf of:

Johnston Kennedy DFK, Statutory Auditor

Chartered Accountants and Registered Auditors

10 Pilots View

Heron Road

Belfast

BT3 9LE

31 March 2020

Profit and loss account

	Notes	2019 £	2018 £
Turnover	3	22,016,706	18,382,683
Cost of sales		(18,327,773)	(14,812,328)
Gross profit		3,688,933	3,570,355
Distribution costs		(1,258,750)	(1,247,879)
Administrative expenses		(2,012,406)	(2,011,844)
Other operating income		67,606	63,803
Operating profit	4	485,383	374,435
Other interest receivable and similar income	7	-	480
Interest payable and similar charges	8	(72,965)	(54,999)
Profit on ordinary activities before taxation		412,418	319,916
Tax on profit on ordinary activities	9	(79,070)	(62,213)
Profit for the financial year		333,348	257,703

Continuing operations

The profit and loss account has been prepared on the basis that all operations are continuing operations.

Historical cost

The results disclosed in the profit and loss account have been presented on an historical cost basis.

Statement of comprehensive income

There is no other comprehensive income to report in addition to the profit for the financial year.

The notes on pages 13 to 20 are an integral part of these financial statements.



Balance sheet

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	11	<u>194,829</u>	<u>162,821</u>
Current assets			
Stocks and work in progress	12	3,436,995	6,477,815
Debtors	13	2,407,891	3,772,932
Cash at bank and in hand		44,035	2,847
		<u>5,888,921</u>	<u>10,253,594</u>
Creditors: amounts falling due within one year	14	<u>(4,309,037)</u>	<u>(8,732,998)</u>
Net current assets		<u>1,579,884</u>	<u>1,520,596</u>
Total assets less current liabilities		1,774,713	1,683,417
Provisions for liabilities and charges	17	<u>(21,351)</u>	<u>(13,403)</u>
Net assets		<u><u>1,753,362</u></u>	<u><u>1,670,014</u></u>
Capital and reserves			
Called up share capital	18	20,000	20,000
Retained earnings		<u>1,733,362</u>	<u>1,650,014</u>
Total equity		<u><u>1,753,362</u></u>	<u><u>1,670,014</u></u>

The financial statements were approved by the Board and authorised for issue on 31 March 2020.



Stephen Sproule
Director

Registered number: NI 048950 (Northern Ireland)

The notes on pages 13 to 20 are an integral part of these financial statements.



Statement of changes in equity

	Notes	Called up share capital £	Retained earnings £	Total equity £
Balance as at 1 January 2018		20,000	1,592,311	1,612,311
Profit for the year		-	257,703	257,703
Dividends	10	-	(200,000)	(200,000)
Balance as at 31 December 2018		20,000	1,650,014	1,670,014
Profit for the year		-	333,348	333,348
Dividends	10	-	(250,000)	(250,000)
Balance as at 31 December 2019		20,000	1,733,362	1,753,362

The notes on pages 13 to 20 are an integral part of these financial statements.

Statement of cash flows

	Notes	2019 £	2018 £
Net cash flow from operating activities	19	1,830,004	(450,959)
Corporation tax paid		<u>(64,612)</u>	<u>(91,284)</u>
Net cash generated from/(used in) operating activities		<u>1,765,392</u>	<u>(542,243)</u>
Cash flow from investing activities			
Acquisition of tangible assets		(130,340)	(128,261)
Proceeds from disposal of tangible assets		14,087	30,266
Interest received		-	480
Net cash used in investing activities		<u>(116,253)</u>	<u>(97,515)</u>
Cash flow from financing activities			
Equity dividends paid	10	(250,000)	(200,000)
Repayments of obligations under finance leases		-	(31,340)
Interest paid		(72,965)	(54,999)
Net cash used in financing activities		<u>(322,965)</u>	<u>(286,339)</u>
Net increase/(decrease) in cash and cash equivalents		1,326,174	(926,097)
Cash and cash equivalents at beginning of year		<u>(1,282,139)</u>	<u>(356,042)</u>
Cash and cash equivalents at end of year		<u>44,035</u>	<u>(1,282,139)</u>
Comprising:			
Cash at bank and in hand		44,035	2,847
Bank overdraft		-	(1,284,986)
Cash and cash equivalents		<u>44,035</u>	<u>(1,282,139)</u>

The notes on pages 13 to 20 are an integral part of these financial statements.

Notes to the financial statements

1. Statement of compliance

The financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements are prepared on a going concern basis under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumption and estimates are significant to the financial statements requiring disclosure.

Foreign currency

The company's functional and presentational currency is the pound sterling.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at a contracted rate. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the balance sheet date or the contracted rate. All differences are taken to the profit and loss account.

Turnover

Turnover is stated net of trade discounts, VAT and similar taxes and derives from the provision of goods and services falling within the company's ordinary activities.

Tangible fixed assets

All tangible fixed assets are initially recorded at historic cost, together with any incidental costs of acquisition.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in the profit and loss account.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account.

Notes to the financial statements (continued)

2. Summary of significant accounting policies (continued)

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset systematically over its expected useful life, as follows:

Leasehold improvements	10% straight line
Plant and machinery	25% straight line
Motor vehicles	25 – 50% straight line

Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. In the case of finished goods and work in progress, cost is defined as the aggregate cost of raw material, direct labour and the attributable proportion of direct production overheads based on a normal level of activity. Net realisable value is based on normal selling price, less further costs expected to be incurred to completion and disposal.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives with the corresponding lease or hire purchase obligation being capitalised as a liability. The interest element of the finance lease rentals is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the lease term.

Dividends

Dividends to the company's shareholder are recognised as a liability of the company when approved by the company's shareholder.

Deferred taxation

Full provision for deferred tax assets and liabilities is provided at current tax rates on differences that arise between the recognition of gains and losses in the financial statements and their recognition in the tax computation, except for differences arising on the revaluation of fixed assets (if there is no commitment to sell), or gains on any asset sold that will benefit from rollover relief. No future tax rate changes are expected, otherwise an average rate would have been used.

Capital instruments

Shares are included in shareholder's funds. Other instruments are classified as liabilities if not included in shareholder's funds and if they contain an obligation to transfer economic benefits. The finance cost recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

3. Turnover and segmental analysis

In the opinion of the directors the disclosure of particulars of turnover and profit would be seriously prejudicial to the interest of the company, therefore this information has not been disclosed in these financial statements.

Notes to the financial statements (continued)

4. Operating profit

Operating profit is stated after charging/(crediting):

	2019 £	2018 £
Depreciation		
Owned assets	85,146	73,273
Under finance lease and hire purchase contracts	-	25,975
Profit on disposal of fixed assets	(901)	(18,163)
Operating lease rentals	191,733	192,280
Auditors' remuneration:		
Audit services	9,025	8,850
Non-audit services	1,400	1,370

5. Staff costs

	2019 £	2018 £
Wages and salaries	2,446,218	2,400,113
Social security costs	239,874	213,913
Other pension costs	46,556	27,231
	<u>2,732,648</u>	<u>2,641,257</u>

The average number of persons employed by the company (including executive directors) during the year analysed by category, was as follows:

	2019 Number	2018 Number
Office, sales and management	40	38
Operations staff	59	64
	<u>99</u>	<u>102</u>

6. Directors' remuneration

	2019 £	2018 £
Emoluments for qualifying services	-	-

7. Investment, finance income, other interest receivable and similar income

	2019 £	2018 £
Bank and other interest receivable	-	480

Notes to the financial statements (continued)

8. Interest payable and similar charges

	2019	2018
	£	£
On bank loans and overdrafts	3,250	20,331
On loans from group undertakings	29,207	7,397
On other loans	40,508	27,271
	<u>72,965</u>	<u>54,999</u>

9. Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2019	2018
	£	£
Current tax:		
UK corporation tax on profits of the year	-	53,154
Payment for group relief	71,122	-
Total current tax (note 9 (b))	<u>71,122</u>	<u>53,154</u>
Deferred tax:		
Origination and reversal of timing differences	7,948	9,059
Total deferred tax (note 17)	<u>7,948</u>	<u>9,059</u>
Tax on profit on ordinary activities	<u>79,070</u>	<u>62,213</u>

(b) Factors affecting the tax charge:

The tax assessed for the year is lower (2018 – lower) than the average standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019	2018
	£	£
Profit on ordinary activities before taxation	<u>412,418</u>	<u>319,916</u>
Profit on ordinary activities multiplied by average standard rate of corporation tax in the UK of 19% (2018: 19%)	78,359	60,784
Effects of:		
Expenses not deducted for tax purposes	901	1,429
Decelerated/(accelerated) capital allowances and other timing differences	(8,138)	(9,059)
Current tax charge for year (note 9 (a))	<u>71,122</u>	<u>53,154</u>

(c) Factors that may affect future tax charges

Based on current capital investment plans, the company expects that depreciation charges will exceed capital allowance claims in future years.

10. Dividends

	2019	2018
	£	£
Equity dividends paid	<u>250,000</u>	<u>200,000</u>

Notes to the financial statements (continued)

11. Tangible fixed assets

	Leasehold improvements £	Plant & machinery £	Motor vehicles £	Total £
Cost:				
At 1 January 2018	106,348	832,015	217,657	1,156,020
Additions	14,315	50,301	65,724	130,340
Disposals	-	-	(33,537)	(33,537)
At 31 December 2018	120,663	882,316	249,844	1,252,823
Depreciation:				
At 1 January 2018	73,191	785,118	134,890	993,199
On disposals	-	-	(20,351)	(20,351)
Charge for year	6,354	36,654	42,138	85,146
At 31 December 2018	79,545	821,772	156,677	1,057,994
Net book value:				
At 31 December 2018	41,118	60,544	93,167	194,829
At 31 December 2017	33,157	46,897	82,767	162,821

The net book value of fixed assets includes £Nil (2018 - £Nil) in respect of assets held under hire purchase and finance lease agreements.

12. Stocks

	2019 £	2018 £
Finished goods and goods in transit	3,436,995	6,477,815

There are no material differences between the replacement cost of stock and the balance sheet amounts.

The company holds vehicle consignment stock of £Nil (2018: £Nil), where the benefits and risks associated with the vehicles remain with the manufacturer, Iveco, until the transfer of title.

13. Debtors: amounts falling due within one year

	2019 £	2018 £
Trade debtors	1,767,760	2,723,245
Other debtors	300,987	911,617
Amounts owed by group undertakings	167,724	50,073
Corporation tax	51,458	-
Prepayments and accrued income	119,962	87,997
	2,407,891	3,772,932

Notes to the financial statements (continued)

14. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank overdraft	-	1,284,986
Trade creditors	2,445,547	7,122,203
Amounts owed to group undertakings	1,488,586	25,971
Other creditors	131,282	-
Corporation tax	-	13,142
Other taxes and social security costs	69,793	64,451
Accruals and deferred income	173,829	222,245
	4,309,037	8,732,998

The bank overdraft is secured by a fixed and floating charge over the company's assets.

15. Obligations under hire purchase contracts

There are no obligations under hire purchase contracts.

16. Operating lease commitments

At the year end the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings	Land and buildings	Other	Other
	2019	2018	2019	2018
	£	£	£	£
Within one year	153,500	153,500	3,712	15,184
Between one and five years	414,000	552,000	-	3,712
	567,500	705,500	3,712	18,896

Notes to the financial statements (continued)

17. Provision for liabilities and charges

	Deferred tax liability	
	2019	2018
	£	£
At 1 January 2019	13,403	4,344
Movement in the year	7,948	9,059
At 31 December 2019	21,351	13,403

The deferred tax charge arises in respect of accelerated capital allowances.

18. Share capital

	2019	2018
	£	£
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
400,000 Non-cumulative redeemable preference shares of £1 each	400,000	400,000
	500,000	500,000
Allotted, called up and fully paid		
20,000 Ordinary shares of £1 each	20,000	20,000

19. Notes to the statement of cash flows

Reconciliation of operating profit to net cash flow from operating activities

	2019	2018
	£	£
Operating profit	485,383	374,435
Depreciation of tangible assets	85,146	99,248
Profit on sale of tangible fixed assets	(901)	(18,163)
(Increase)/decrease in working capital:		
Stocks	3,040,820	(1,292,279)
Debtors	1,416,499	(373,257)
Creditors	(3,196,943)	759,057
Net cash inflow/(outflow) from operating activities	1,830,004	(450,959)

Non cash transactions

The company has acquired no tangible assets under finance leases and has capitalised £Nil (2018- £Nil) as the cost of the assets.

20. Capital commitments

At the balance sheet date the company had entered into no contracts for future capital expenditure.

Notes to the financial statements (continued)

21. Transactions with directors and officers

All transactions were in the ordinary course of business.

22. Controlling party

The share capital of the company is held 100% by Gaffer (NI) Limited, a company controlled by Stephen Sproule.