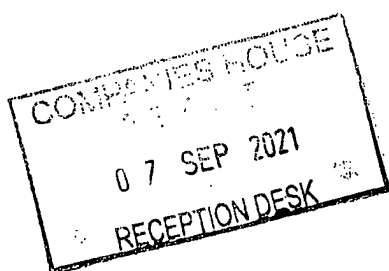


NI Trucks Limited

Directors' report, strategic report and financial statements
for the year ended 31 December 2020

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 2020.

Dividends

The directors report that no dividend was paid during the year (2019 - £250,000).

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

A. Ervine

Andrew Ervine
Company secretary

30 April 2021

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

In common with most businesses 2020 was a difficult year for the company given the challenges presented by the COVID-19 pandemic and BREXIT. The company's revenues declined by 34% on account of reduced business activity within the economy and the company cut costs and availed of the government salary support schemes when this was necessary to protect longer term employment. The year ended more positively with the approval of a vaccine and the announcement of a vaccine roll-out programme in December and on Christmas Eve the announcement of a Free Trade Agreement between the UK and EU. Over 2020 the company's staff did a fantastic job in servicing our customers' needs sometimes in adverse circumstances but always with willingness and enthusiasm. The Management team have protected the company's assets and have at all times sought to deal with suppliers and other stakeholders fairly and responsibly. As we move forward into 2021 COVID-19 and BREXIT will continue to present challenges but hopefully on a reducing scale over time.

The balance sheet remains strong. Net assets increased from £1,753k to £1,995k. The company has secure banking facilities and access to adequate cash.

The company invested £60k (2019 - £130k) 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

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;
- **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; and
- **Brexit disruption** – the company has considered the risk of disruption to business operations and has taken steps to mitigate the impact on operations.

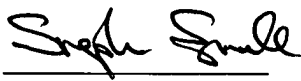
Strategic report (continued)

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 Brexit which has been managed effectively.

Approved by the board on 30 April 2021



Stephen Sproule
Director

30 April 2021

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 2020 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 2020 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

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.

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

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.

The scope of our audit

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. As part of our audit, we determined materiality and assessed the risks of material misstatement, in the financial statements.

Capability of the audit in determining irregularities, including fraud.

Based on our understanding of the company we identified that the principal risks of non-compliance with the laws and regulations related to UK tax legislation, employment law and breaches of health and safety regulations and GDPR. As auditors we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were posting inappropriate journal entries and management bias in accounting judgements and estimates. We designed procedures in line with our risk assessment and incorporated appropriate audit procedures and safeguards where relevant.

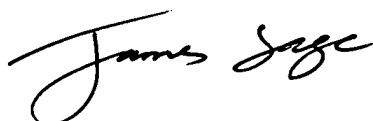
Audit procedures performed (by the engagement team) included the following:

- discussion with management, and the company's legal team, including known or suspected instances of non-compliance with laws and regulations and fraud;
- the assessment of matters such as whistleblowing and the results of any management investigation into these matters;
- challenging assumptions made by management in their significant accounting estimates, in particular in relation to judgements formed in relation to provisions and the impairment of assets which in the auditors' professional judgement were of most significance in the audit of the financial statements for the current year;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, journal entries crediting revenue, journal entries crediting cash and journal entries of a large or unusual nature.

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

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 James Gage (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

30 April 2021

Profit and loss account

	Notes	2020 £	2019 £
Turnover	3	14,557,309	22,016,706
Cost of sales		(11,908,987)	(18,327,773)
Gross profit		2,648,322	3,688,933
Distribution costs		(1,108,614)	(1,258,750)
Administrative expenses		(1,749,346)	(2,012,406)
Other operating income		536,040	67,606
Operating profit	4	326,402	485,383
Interest payable and similar charges	7	(26,914)	(72,965)
Profit on ordinary activities before taxation		299,488	412,418
Tax on profit on ordinary activities	8	(57,478)	(79,070)
Profit for the financial year		242,010	333,348

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 14 to 20 are an integral part of these financial statements.

Balance sheet

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	10	<u>148,495</u>	<u>194,829</u>
Current assets			
Stocks and work in progress	11	4,638,278	3,436,995
Debtors	12	2,910,860	2,407,891
Cash at bank and in hand		<u>564,734</u>	<u>44,035</u>
		8,113,872	5,888,921
Creditors: amounts falling due within one year	13	(6,250,816)	(4,309,037)
Net current assets		<u>1,863,056</u>	<u>1,579,884</u>
Total assets less current liabilities		2,011,551	1,774,713
Provisions for liabilities and charges	16	(16,179)	(21,351)
Net assets		<u>1,995,372</u>	<u>1,753,362</u>
Capital and reserves			
Called up share capital	17	20,000	20,000
Retained earnings		<u>1,975,372</u>	<u>1,733,362</u>
Total equity		<u>1,995,372</u>	<u>1,753,362</u>

The financial statements were approved by the Board and authorised for issue on 30 April 2021.


Stephen Sproule
Director

Registered number: NI 048950 (Northern Ireland)

The notes on pages 14 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 2019		20,000	1,650,014	1,670,014
Profit for the year		-	333,348	333,348
Dividends	9	-	(250,000)	(250,000)
Balance as at 31 December 2019		20,000	1,733,362	1,753,362
Profit for the year		-	242,010	242,010
Balance as at 31 December 2020		<u>20,000</u>	<u>1,975,372</u>	<u>1,995,372</u>

The notes on pages 14 to 20 are an integral part of these financial statements.

Statement of cash flows

	Notes	2020 £	2019 £
Net cash flow from operating activities	18	660,278	1,830,004
Corporation tax paid		<u>(70,425)</u>	<u>(64,612)</u>
Net cash generated from operating activities		<u>589,853</u>	<u>1,765,392</u>
Cash flow from investing activities			
Acquisition of tangible assets		<u>(59,927)</u>	<u>(130,340)</u>
Proceeds from disposal of tangible assets		<u>17,687</u>	<u>14,087</u>
Net cash used in investing activities		<u>(42,240)</u>	<u>(116,253)</u>
Cash flow from financing activities			
Equity dividends paid	9	-	(250,000)
Interest paid		<u>(26,914)</u>	<u>(72,965)</u>
Net cash used in financing activities		<u>(26,914)</u>	<u>(322,965)</u>
Net increase in cash and cash equivalents		520,699	1,326,174
Cash and cash equivalents at beginning of year		<u>44,035</u>	<u>(1,282,139)</u>
Cash and cash equivalents at end of year		<u>564,734</u>	<u>44,035</u>
Comprising:			
Cash at bank and in hand		<u>564,734</u>	<u>44,035</u>
Cash and cash equivalents		<u>564,734</u>	<u>44,035</u>

The notes on pages 14 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):

	2020	2019
	£	£
Depreciation		
Owned assets	88,724	85,146
Profit on disposal of fixed assets	(150)	(901)
Operating lease rentals	157,212	191,733
Auditors' remuneration:		
Audit services	9,200	9,025
Non-audit services	1,430	1,400
Government grants received	510,696	-

5. Staff costs

	2020	2019
	£	£
Wages and salaries	2,369,645	2,446,218
Social security costs	222,087	239,874
Other pension costs	45,196	46,556
	<u>2,636,928</u>	<u>2,732,648</u>

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

	2020	2019
	Number	Number
Office, sales and management	36	40
Operations staff	57	59
	<u>93</u>	<u>99</u>

6. Directors' remuneration

	2020	2019
	£	£
Emoluments for qualifying services	-	-

Notes to the financial statements (continued)

7. Interest payable and similar charges

	2020	2019
	£	£
On bank loans and overdrafts	3,981	3,250
On loans from group undertakings	5,746	29,207
On other loans	17,187	40,508
	<u>26,914</u>	<u>72,965</u>

8. Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2020	2019
	£	£
Current tax:		
UK corporation tax on profits of the year	62,650	-
Payment for group relief	-	71,122
Total current tax (note 8 (b))	<u>62,650</u>	<u>71,122</u>
Deferred tax:		
Origination and reversal of timing differences	(5,172)	7,948
Total deferred tax (note 16)	<u>(5,172)</u>	<u>7,948</u>
Tax on profit on ordinary activities	<u>57,478</u>	<u>79,070</u>

(b) Factors affecting the tax charge:

The tax assessed for the year is higher (2019 – lower) than the average standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020	2019
	£	£
Profit on ordinary activities before taxation	<u>299,488</u>	<u>412,418</u>
Profit on ordinary activities multiplied by average standard rate of corporation tax in the UK of 19% (2019: 19%)	56,903	78,359
Effects of:		
Expenses not deducted for tax purposes	575	901
Decelerated/(accelerated) capital allowances and other timing differences	5,172	(8,138)
Current tax charge for year (note 8 (a))	<u>62,650</u>	<u>71,122</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.

9. Dividends

	2020	2019
	£	£
Equity dividends paid	<u>-</u>	<u>250,000</u>

Notes to the financial statements (continued)

10. Tangible fixed assets

	Leasehold improvements £	Plant & machinery £	Motor vehicles £	Total £
Cost:				
At 1 January 2019	120,663	882,316	249,844	1,252,823
Additions	4,450	33,836	21,641	59,927
Disposals	-	-	(30,314)	(30,314)
At 31 December 2020	125,113	916,152	241,171	1,282,436
Depreciation:				
At 1 January 2019	79,545	821,772	156,677	1,057,994
On disposals	-	-	(12,777)	(12,777)
Charge for year	7,458	29,371	51,895	88,724
At 31 December 2020	87,003	851,143	195,795	1,133,941
Net book value:				
At 31 December 2020	38,110	65,009	45,376	148,495
At 31 December 2019	41,118	60,544	93,167	194,829

11. Stocks

	2020 £	2019 £
Finished goods and goods in transit	4,638,278	3,436,995

There are no material differences between the replacement cost of stock and the balance sheet amounts. The company holds vehicle consignment stock of £Nil (2019: £Nil), where the benefits and risks associated with the vehicles remain with the manufacturer, Iveco, until the transfer of title.

12. Debtors: amounts falling due within one year

	2020 £	2019 £
Trade debtors	2,673,015	1,767,760
Other debtors	40,535	300,987
Amounts owed by group undertakings	3,570	167,724
Corporation tax	59,233	51,458
Prepayments and accrued income	134,507	119,962
	2,910,860	2,407,891

Notes to the financial statements (continued)

13. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	5,248,940	2,445,547
Amounts owed to group undertakings	556,868	1,488,586
Other creditors	202,674	131,282
Other taxes and social security costs	65,563	69,793
Accruals and deferred income	176,771	173,829
	6,250,816	4,309,037

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

14. Obligations under hire purchase contracts

There are no obligations under hire purchase contracts.

15. 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
	2020	2019	2020	2019
	£	£	£	£
Within one year	138,000	153,500	-	3,712
Between one and five years	276,000	414,000	-	-
	414,000	567,500	-	3,712

16. Provision for liabilities and charges

	Deferred tax liability	
	2020	2019
	£	£
At 1 January 2020	21,351	13,403
Movement in the year	(5,172)	7,948
At 31 December 2020	16,179	21,351

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

17. Share capital

	2020	2019
	£	£
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

Notes to the financial statements (continued)

18. Notes to the statement of cash flows

Reconciliation of operating profit to net cash flow from operating activities

	2020	2019
	£	£
Operating profit	326,402	485,383
Depreciation of tangible assets	88,724	85,146
Profit on sale of tangible fixed assets	(150)	(901)
(Increase)/decrease in working capital:		
Stocks	(1,201,283)	3,040,820
Debtors	(495,194)	1,416,499
Creditors	1,941,779	(3,196,943)
Net cash inflow from operating activities	660,278	1,830,004

Non cash transactions

The company has acquired no tangible assets under finance leases and has capitalised £Nil (2019- £Nil) as the cost of the assets.

19. Capital commitments

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

20. Transactions with directors and officers

All transactions were in the ordinary course of business.

21. Controlling party

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