

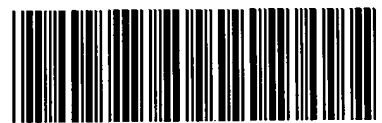


# Financial Statements

## A.B. Distributors Limited

For the year ended 31 December 2020

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COMPANIES HOUSE

Registered number: NI008366

**A.B. Distributors Limited**

## Company Information

**Directors**

Michael Maughan  
Michael Dwan  
Frank Murphy  
Eamon Lennox  
Jonathan Hughes

**Company secretary**

Leslie Burgess

**Registered number**

NI008366

**Registered office**

2 Cromac Place  
The Gasworks  
Ormeau Road  
Belfast  
BT7 2JB  
Northern Ireland

**Independent auditor**

Grant Thornton  
Chartered Accountants & Statutory Auditors  
13-18 City Quay  
Dublin 2  
Ireland

**Bankers**

Ulster Bank Limited  
14/16 Market Street  
Lurgan  
Craigavon  
Co. Armagh

**A.B. Distributors Limited**

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**A.B. Distributors Limited**

## **Directors' report**

**For the year ended 31 December 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

### **Principal activity**

The principal activity of the company during the year consisted of the wholesale of household appliances and related products.

### **Directors**

The directors who served during the year were:

Michael Maughan  
Michael Dwan  
Frank Murphy  
Eamon Lennox  
Jonathan Hughes

### **Events since the end of the financial year**

The implementation of the agreement in relation to Brexit reached in late 2020 has resulted in new customs rules and tariffs being applied. This has resulted in some delays in shipment of goods from Ireland to UK. However, this did not significantly affect the business as the company has not experienced significant delays and continued to trade without disruption despite the new rules.

Apart from the ongoing Covid-19 crisis and the new Brexit agreement, there have been no other significant events affecting the company since the year end. The directors are satisfied that despite the current crisis the company has sufficient financial resources to enable it to continue to operate as a going concern.

### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditor**

The auditor, Grant Thornton, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**A.B. Distributors Limited**

## **Directors' report (continued)**

**For the year ended 31 December 2020**

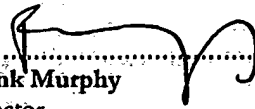
### **Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....  
**Michael Dwan**  
Director



.....  
**Frank Murphy**  
Director

Date: 23 April 2021

## **Directors' responsibilities statement**

**For the year ended 31 December 2020**

The directors are responsible for preparing the 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 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'. 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.

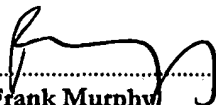
In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

On behalf of the board

  
.....  
**Michael Dwan**  
Director

  
.....  
**Frank Murphy**  
Director

Date: 23 April 2021

## Independent auditor's report to the members of A.B. Distributors Limited

### Opinion

We have audited the financial statements of A.B. Distributors Limited, ("the Company") which comprise the Statement of comprehensive income, the Statement of financial position for the year ended 31 December 2020, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation is applicable law and accounting standards issued by the Financial Reporting Council including, Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, A.B. Distributors Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the company as at 31 December 2020 and of its financial performance for the year then ended; 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 'Responsibilities of the auditor 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 United Kingdom, namely the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances of the entity. 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 company's ability to continue as a going concern for a period of at least twelve months from the date 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 A.B. Distributors Limited (continued)

### **Other Information**

Other information comprises the information included in the annual report, other than the financial statements and our Auditor's report thereon, including the Directors' Report.

The directors are responsible for the other information. Our opinion on the financial statements does not cover the 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 in the financial statements, 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 Directors' Report for the year for which the financial statements are prepared is consistent with the financial statements, and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment we have obtained in the course of the audit, we have not identified material misstatements in 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; or
- the directors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report or in preparing the Directors' report.





## Independent auditor's report to the members of A.B. Distributors Limited (continued)

### **Responsibilities of management and those charged with governance for the financial statements**

As explained more fully in the directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 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, management is 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 management either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

### **Responsibilities of the auditor for the audit of the financial statements**

The objectives of an auditor 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 their 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 an auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

## Independent auditor's report to the members of A.B. Distributors Limited (continued)

### *Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)*

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Data Privacy law, Employment Law, Environmental Regulations and Health & Safety Regulations and 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 and local tax legislation. 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 related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statement.

In response to these principal risks, our audit procedures included but were not limited to:

- inquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- review of minutes of directors' meetings during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates including their impairment assessment of debtors balances; and
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.



## Independent auditor's report to the members of A.B. Distributors Limited (continued)

### **The purpose of our audit work and to whom we owe our responsibilities**

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.

A handwritten signature in black ink, appearing to read "Jason Crawford".

Jason Crawford (Senior Statutory Auditor)  
for and on behalf of

**Grant Thornton**  
Chartered Accountants &  
Statutory Auditors  
Dublin 2

Date: 23 April 2021

# Statement of comprehensive income

For the year ended 31 December 2020

	Note	2020 £	2019 £
Turnover		6,157,066	5,374,827
Cost of sales		(4,548,981)	(4,021,768)
<b>Gross profit</b>		<b>1,608,085</b>	<b>1,353,059</b>
Distribution costs		(570,732)	(805,121)
Administrative expenses		(253,451)	(438,884)
Other operating income	4	16,929	14,680
<b>Operating profit</b>	5	<b>800,831</b>	<b>123,734</b>
Interest receivable and similar income		1,994	1,253
<b>Profit on ordinary activities before tax</b>		<b>802,825</b>	<b>124,987</b>
Tax on profit on ordinary activities	8	-	-
<b>Profit for the financial year</b>		<b>802,825</b>	<b>124,987</b>

All amounts relate to continuing operations.

There was no other comprehensive income for 2020 (2019: £NIL).

The notes on pages 11 to 21 form part of these financial statements.

A.B. Distributors Limited

Registered number: NI008366


## Statement of financial position

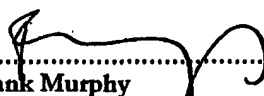
As at 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible fixed assets	9	2,731	5,443
		<u>2,731</u>	<u>5,443</u>
<b>Current assets</b>			
Debtors: Amounts falling due within one year	10	782,449	1,263,692
Cash at bank and in hand	11	5,046,845	736,905
		<u>5,829,294</u>	<u>2,000,597</u>
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	12	(3,988,656)	(965,498)
<b>Net current assets</b>		<u>1,840,638</u>	<u>1,035,099</u>
<b>Net assets</b>		<u>1,843,369</u>	<u>1,040,542</u>
<b>Capital and reserves</b>			
Called up share capital	13	20,000	20,000
Profit and loss account	14	1,823,369	1,020,542
		<u>1,843,369</u>	<u>1,040,542</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
.....  
**Michael Dwan**  
Director

  
.....  
**Frank Murphy**  
Director

Date: 23 April 2021

The notes on pages 11 to 21 form part of these financial statements.

# Notes to the financial statements

For the year ended 31 December 2020

## 1. General Information

A.B. Distributors Limited is a company limited by shares which is incorporated in Northern Ireland registered under the number NI008366 with a registered office at 2 Cromac Place, The Gasworks, Ormeau Road, Belfast, B17 2JB.

The principal activity of the company during the year consisted of the wholesale of household appliances and related products.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The financial statements are presented in Great Britain Pound (£).

The following principal accounting policies have been applied:

### 2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

#### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### 2.3 Government grants

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

## Notes to the financial statements

For the year ended 31 December 2020

### **2. Accounting policies (continued)**

#### **2.4 Foreign currency translation**

##### **Functional and presentation currency**

The company's functional and presentational currency is GBP.

##### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

#### **2.5 Operating leases: the company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

#### **2.6 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

#### **2.7 Pensions**

The contributions to employee pension are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

## Notes to the financial statements

For the year ended 31 December 2020

### 2. Accounting policies (continued)

#### 2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.



## Notes to the financial statements

For the year ended 31 December 2020

### 2. Accounting policies (continued)

#### 2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- Straight line basis at 25% per annum
Fixtures and fittings	- Straight line basis at 25% per annum
Computer equipment	- Straight line basis at 25% per annum
Showrooms	- Straight line basis at 25% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

#### 2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, including transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.11 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, including transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.13 Financial Instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

## Notes to the financial statements

For the year ended 31 December 2020

### 2. Accounting policies (continued)

#### 2.13 Financial Instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgments and estimates.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

In the process of applying the company's accounting policies, management has made the following judgments and estimates, which have the most significant effect on the amounts recognized in the financial statements:

#### Impairment of debtors

Provisions are made for specific and groups of accounts, where objective evidence of impairment exists. The Group evaluates these accounts based on available facts and circumstances, including, but not limited to, the length of the company's relationship with the customers, the customers' current credit status based on known market forces, average age of accounts, collection experience and historical loss experience.

#### Determination of realisable amount of deferred tax assets

The company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

# Notes to the financial statements

For the year ended 31 December 2020

## 4. Other operating income

	2020 £	2019 £
Other income - job retention scheme	16,929	-
Commission income	-	14,680
	<u>16,929</u>	<u>14,680</u>

## 5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Exchange differences	47,299	-
Operating lease rentals	-	1,591
	<u>-</u>	<u>1,591</u>

## 6. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Number of persons employed by the company	<u>11</u>	<u>13</u>

## 7. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	60,512	54,354
Company contributions to directors' pension	2,517	2,706
	<u>63,029</u>	<u>57,060</u>

# Notes to the financial statements

For the year ended 31 December 2020

## 8. Taxation

	2020 £	2019 £
Taxation on profit on ordinary activities	-	-

### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the profit for the year before tax multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	802,825	124,987
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	152,537	23,747
Effects of:		
Expenses not deductible for tax purposes	1,152	5,378
Utilisation of carry forward tax losses	(2,915)	(300)
Unrelieved tax losses carried forward	(150,774)	(28,825)
Total tax charge for the year	-	-

### Factors that may affect future tax charges

A deferred tax asset arising from trading losses of £237,745 (2019: £388,519) has not been recognised as, in the opinion of the directors, there is not sufficient certainty that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

## Notes to the financial statements

For the year ended 31 December 2020

### 9. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Showrooms £	Total £
<b>Cost or valuation</b>					
At 1 January 2020	57,499	117,253	8,739	20,817	204,308
Disposals	-	(85,568)	-	-	(85,568)
At 31 December 2020	57,499	31,685	8,739	20,817	118,740
<b>Depreciation</b>					
At 1 January 2020	56,918	112,391	8,739	20,817	198,865
Charge for the year on owned assets	581	2,131	-	-	2,712
Disposals	-	(85,568)	-	-	(85,568)
At 31 December 2020	57,499	28,954	8,739	20,817	116,009
<b>Net book value</b>					
At 31 December 2020	-	2,731	-	-	2,731
At 31 December 2019	581	4,862	-	-	5,443

## Notes to the financial statements

For the year ended 31 December 2020

### 10. Debtors: Amounts falling due within one year

	2020 £	2019 £
Trade debtors	775,026	1,005,867
Amounts owed by group undertakings	-	239,314
Prepayments	7,423	18,511
	<u>782,449</u>	<u>1,263,692</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

### 11. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>5,046,845</u>	<u>736,905</u>

### 12. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	139,140	109,404
Amounts owed to group undertakings	2,753,081	-
Taxation and social insurance	521,222	261,178
Accruals and deferred income	575,213	594,916
	<u>3,988,656</u>	<u>965,498</u>

Trade creditors are payable at various dates over the coming months in accordance with the suppliers' usual and customary credit terms.

Other taxes including social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

The terms of accruals and deferred income are based on the underlying contracts.

## Notes to the financial statements

For the year ended 31 December 2020

### 13. Share capital

	2020 £	2019 £
<b>Authorised</b>		
25,000 (2019 - 25,000) Type A ordinary shares of £1.00 each	25,000	25,000
25,000 (2019 - 25,000) Type B ordinary shares of £1.00 each	25,000	25,000
	<u>50,000</u>	<u>50,000</u>
<b>Allotted, called up and fully paid</b>		
10,000 (2019 - 10,000) Type A ordinary shares of £1.00 each	10,000	10,000
10,000 (2019 - 10,000) Type B ordinary shares of £1.00 each	10,000	10,000
	<u>20,000</u>	<u>20,000</u>

### 14. Reserves

#### Profit and loss account

Includes all current and prior financial period retained profits and losses.

### 15. Pension commitments

The company contributes to one defined contribution pension scheme. The company's contribution is charged against profit in the year which they are incurred. During the year the company made contributions to the scheme in the sum of £13,437 (2019: £26,374). The amounts outstanding at year end amount to £Nil (2019: £Nil).

### 16. Commitments under operating leases

The company had no commitments under non-cancellable operating leases at the reporting date.

### 17. Contingent liabilities

The company has a contingent liability by way of a guarantee provided by the immediate parent company, Convest Limited.

Convest Limited, the company's ultimate parent company, has entered into various bank facilities with Bank of Ireland. The facilities are secured by a composite debenture incorporating charges over assets and undertakings of Convest Limited and its subsidiaries to include equitable charges over the entire issued share capital in each of the companies.

### 18. Related party transactions

The company has availed of the exemption in FRS 102 not to disclose transactions with group companies that are eliminated on consolidation, as the Convest Limited consolidated financial statements, in which this company's results are included, are publicly available.

## Notes to the financial statements

For the year ended 31 December 2020

### **19. Events after the end of the year**

The implementation of the new agreement in relation to Brexit have resulted to compliance to new customs rules and tariffs and have resulted delays of shipment in shipping goods from Ireland to UK. However, this did not significantly affect the business as the company has not experienced significant delays and continued to trade profitably despite the new rules.

Apart from the ongoing Covid-19 crisis and the new Brexit agreement, there have been no other significant events affecting the company since the year end. The directors are satisfied that despite the current crisis the company has sufficient financial resources to enable it to continue to operate as a going concern.

### **20. Controlling party**

The company is a wholly owned subsidiary of Gowan Investments Limited. The smallest and largest group to consolidate the results of the Company is that headed by the ultimate parent company, Convest Limited. Both companies are incorporated in Ireland. The consolidated financial statements of Convest Limited are filed with the Companies Registration Office, Dublin 1, Republic of Ireland.