

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2016**
for
Jaylow Supplies Limited

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for the Year Ended 31 December 2016**

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Jaylow Supplies Limited

**Company Information
for the Year Ended 31 December 2016**

DIRECTORS:

Mrs B Lobenstein
Mr M Lobenstein
Mrs K H Lobenstein

SECRETARY:

Mrs K H Lobenstein

REGISTERED OFFICE:

5 North End Road
London
NW11 7RJ

REGISTERED NUMBER:

00463864 (England and Wales)

AUDITORS:

Martin+Heller
Chartered Accountants &
Statutory Auditors
5 North End Road
London
NW11 7RJ

**Strategic Report
for the Year Ended 31 December 2016**

The directors present their strategic report for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company remains that of electrical cable distributors.

REVIEW OF BUSINESS

Key financial and other performance indicators during the year were as follows:

| | 2016 £ | 2015 £ |
|--------------------|------------|------------|
| Turnover | 70,353,260 | 68,719,165 |
| Margin | 6.8% | 5.8% |
| Profit after tax | 885,692 | 467,088 |
| Shareholders funds | 17,394,282 | 16,508,590 |

Shareholders funds increased due to the year's profits. There was a rise in copper value because of the fall in sterling following Brexit which gave a one off stock holding profit this year.

PRINCIPAL RISKS AND UNCERTAINTIES

The company possesses the required management expertise to monitor and manage risk. The principal risks and uncertainties facing the company are as follows:

Economic Risks

Any economic downturn is likely to lead to a reduction in the number of infrastructure projects as many companies prepare to consolidate and slowdown investment in the tougher economic climate.

Price Risks

Price risks arise on the company's product range due to changes in commodity prices. There is a management team dedicated to monitoring product prices to ensure exposure is limited.

Financial Risks

The company reduces its exposure to variability of foreign exchange rates by mostly buying and selling its product in the same currency. This limits the risk to any surplus which collects in foreign currency accounts.

Credit risk

A risk that one party will cause financial loss to another party by failing to discharge an obligation. It is the company's policy to minimise such losses by ensuring deferred terms are only granted to those customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. At the balance sheet date most of the total trade debtors were within assigned terms.

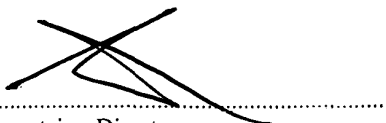
Liquidity risk

The risk that the company will encounter difficulty in meeting its obligations associated with financial liabilities.

FUTURE DEVELOPMENTS

As part of its normal policy, the company is looking to strengthen and increase its share of the market in existing product lines as well as further diversifying where this would be consistent and complementary to its present operations.

ON BEHALF OF THE BOARD:



Mr M Lobenstein - Director

Date: 19/07/2017

**Report of the Directors
for the Year Ended 31 December 2016**

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

Mrs B Lobenstein
Mr M Lobenstein
Mrs K H Lobenstein

POLITICAL DONATIONS AND EXPENDITURE

During the year the company made charitable donations amounting to £435,500 (2015: £416,850).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Martin+Heller, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mr M Lobenstein - Director

Date: 19/07/2017

Report of the Independent Auditors to the Members of Jaylow Supplies Limited

We have audited the financial statements of Jaylow Supplies Limited for the year ended 31 December 2016 on pages five to sixteen. The financial reporting framework that has been applied in their preparation is 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'.

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 a Report of the Auditors 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

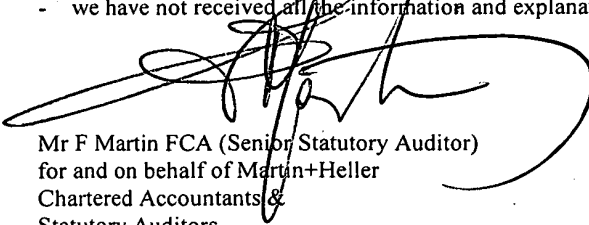
Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.



Mr F Martin FCA (Senior Statutory Auditor)
for and on behalf of Martin+Heller
Chartered Accountants &
Statutory Auditors
5 North End Road
London
NW11 7RJ

Date: 19/2/17

Jaylow Supplies Limited (Registered number: 00463864)

**Statement of Comprehensive Income
for the Year Ended 31 December 2016**

| | Notes | 31.12.16 £ | £ | 31.12.15 £ | £ |
|--|-------|---------------|------------|---------------|------------|
| TURNOVER | | | 70,353,260 | | 68,719,165 |
| Cost of sales | | | 65,581,380 | | 64,758,736 |
| GROSS PROFIT | | | 4,771,880 | | 3,960,429 |
| Distribution costs | | 1,331,265 | | 1,327,899 | |
| Administrative expenses | | 2,162,783 | | 1,856,909 | |
| | | | 3,494,048 | | 3,184,808 |
| | | | 1,277,832 | | 775,621 |
| Other operating income | | | 52,148 | | 42,770 |
| OPERATING PROFIT | 4 | | 1,329,980 | | 818,391 |
| Profit/loss on sale of tangible fixed assets | 5 | | 273 | | 1,826 |
| | | | 1,329,707 | | 816,565 |
| Interest receivable and similar income | | | 21,642 | | 5,013 |
| | | | 1,351,349 | | 821,578 |
| Interest payable and similar expenses | 6 | | 245,154 | | 235,044 |
| PROFIT BEFORE TAXATION | | | 1,106,195 | | 586,534 |
| Tax on profit | 7 | | 220,503 | | 119,446 |
| PROFIT FOR THE FINANCIAL YEAR | | | 885,692 | | 467,088 |
| OTHER COMPREHENSIVE INCOME | | | - | | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | | 885,692 | | 467,088 |

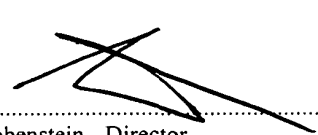
The notes form part of these financial statements

Jaylow Supplies Limited (Registered number: 00463864)

**Balance Sheet
31 December 2016**

| | Notes | 31.12.16 £ | 31.12.15 £ |
|--|-------|-------------------|-------------------|
| FIXED ASSETS | | | |
| Tangible assets | 8 | 74,498 | 56,319 |
| Investment property | 9 | 1,311,309 | 1,311,309 |
| | | <u>1,385,807</u> | <u>1,367,628</u> |
| CURRENT ASSETS | | | |
| Stocks | 10 | 5,923,914 | 5,272,329 |
| Debtors | 11 | 30,024,981 | 22,469,233 |
| Cash at bank and in hand | | 32,091 | 16,192 |
| | | <u>35,980,986</u> | <u>27,757,754</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 12 | 19,972,511 | 12,616,792 |
| NET CURRENT ASSETS | | <u>16,008,475</u> | <u>15,140,962</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>17,394,282</u> | <u>16,508,590</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 16 | 26,000 | 26,000 |
| Retained earnings | 17 | 17,368,282 | 16,482,590 |
| SHAREHOLDERS' FUNDS | | <u>17,394,282</u> | <u>16,508,590</u> |

The financial statements were authorised for issue by the Board of Directors on 19/07/2017 and were signed on its behalf by:


.....
Mr M Lobenstein - Director

The notes form part of these financial statements

**Statement of Changes in Equity
for the Year Ended 31 December 2016**

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|-----------------------------|------------------------------------|---------------------------|----------------------|
| Balance at 1 January 2015 | 26,000 | 16,015,502 | 16,041,502 |
| Changes in equity | | | |
| Total comprehensive income | - | 467,088 | 467,088 |
| Balance at 31 December 2015 | 26,000 | 16,482,590 | 16,508,590 |
| Changes in equity | | | |
| Total comprehensive income | - | 885,692 | 885,692 |
| Balance at 31 December 2016 | 26,000 | 17,368,282 | 17,394,282 |

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 31 December 2016

| | Notes | 31.12.16 £ | 31.12.15 £ |
|---|-------|----------------------------|----------------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | (6,206,393) | (1,128,785) |
| Interest paid | | (245,154) | (235,044) |
| Tax paid | | (119,446) | (256,550) |
| Net cash from operating activities | | <u>(6,570,993)</u> | <u>(1,620,379)</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (46,020) | (6,953) |
| Sale of tangible fixed assets | | 7,375 | 1,825 |
| Interest received | | 21,642 | 5,013 |
| Net cash from investing activities | | <u>(17,003)</u> | <u>(115)</u> |
| Decrease in cash and cash equivalents | | <u>(6,587,996)</u> | <u>(1,620,494)</u> |
| Cash and cash equivalents at beginning of year | 2 | (11,392,054) | (9,771,560) |
| Cash and cash equivalents at end of year | 2 | <u><u>(17,980,050)</u></u> | <u><u>(11,392,054)</u></u> |

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 December 2016

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

| | 31.12.16 | 31.12.15 |
|--|--------------------|--------------------|
| | £ | £ |
| Profit before taxation | 1,106,195 | 586,534 |
| Depreciation charges | 20,466 | 14,572 |
| Finance costs | 245,154 | 235,044 |
| Finance income | (21,642) | (5,013) |
| | <u>1,350,173</u> | <u>831,137</u> |
| (Increase)/decrease in stocks | (651,585) | 1,119,785 |
| Increase in trade and other debtors | (7,555,748) | (2,331,180) |
| Increase/(decrease) in trade and other creditors | <u>650,767</u> | <u>(748,527)</u> |
| Cash generated from operations | <u>(6,206,393)</u> | <u>(1,128,785)</u> |

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2016

| | 31/12/16 | 1/1/16 |
|---------------------------|---------------------|---------------------|
| | £ | £ |
| Cash and cash equivalents | 32,091 | 16,192 |
| Bank overdrafts | <u>(18,012,141)</u> | <u>(11,408,246)</u> |
| | <u>(17,980,050)</u> | <u>(11,392,054)</u> |

Year ended 31 December 2015

| | 31/12/15 | 1/1/15 |
|---------------------------|---------------------|--------------------|
| | £ | £ |
| Cash and cash equivalents | 16,192 | 120,301 |
| Bank overdrafts | <u>(11,408,246)</u> | <u>(9,891,861)</u> |
| | <u>(11,392,054)</u> | <u>(9,771,560)</u> |

Notes to the Financial Statements
for the Year Ended 31 December 2016

1. **STATUTORY INFORMATION**

Jaylow Supplies Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in Sterling (£) and figures are rounded to the nearest £1.

Transition to FRS 102

These financial statements for the year ended 31 December 2016 are the first financial statements that comply with FRS 102. The date of transition is 1 January 2015.

The transition to FRS 102 has not resulted in any changes to the figures or accounting policies.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Investment property valuation

Investment property is stated at directors valuation. Although the director is familiar with the value of property in the area, the valuations are subject to a degree of uncertainty, in particular, during times of difficult economic conditions.

Trade debtors

The majority of trade debtors are paid within the agreed conditions. Management makes judgements regarding recoverability of aged debtors using external evidence of the credit status of the counterparty and where necessary will impair the carrying values.

Turnover

(i) Turnover represents the net value of electrical cable sold to customers excluding VAT.

(ii) The geographical analysis of the company's turnover is as follows:

| | 2016 £ | 2015 £ |
|----------------|-------------------|-------------------|
| United Kingdom | 69,792,974 | 68,403,989 |
| Rest of Europe | 560,286 | 315,176 |
| | <u>70,353,260</u> | <u>68,719,165</u> |

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|---------------------|---------------------------|
| Plant and machinery | - 20% on reducing balance |
| Motor vehicles | - 20% on reducing balance |
| Fixtures & fittings | - 20% on reducing balance |

Investment property

Investment property is stated at the directors' estimate of market value at the balance sheet date. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

The principal raw material elements of stock are copper and PVC. Due to the fluctuating nature of the world copper and PVC markets the stock is stated at the lower of cost and selling price less estimated costs to sell.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial instruments are classified and accounted for as either debt instruments or financial liabilities, according to the contractual arrangements entered into.

Basic financial instruments

Debtors

Trade and other debtors are recognised initially at transaction price and subsequently at amortised cost.

Creditors

Trade and other creditors are recognised initially at transaction price and subsequently at amortised cost. Other financial liabilities, including bank overdrafts, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Revenue recognition

Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on despatch of goods.

Going concern

The accounts have been prepared on the going concern basis. The directors consider that there are no material uncertainties regarding the company's ability to continue in operational existence for the foreseeable future, which is deemed to be 12 months from the date of approval of the financial statements.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

3. EMPLOYEES AND DIRECTORS

| | 31.12.16 | 31.12.15 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,547,779 | 1,435,825 |
| Social security costs | 162,870 | 150,172 |
| Other pension costs | 147,047 | 133,773 |
| | <u>1,857,696</u> | <u>1,719,770</u> |

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

| | 31.12.16 | 31.12.15 |
|----------------|-----------|-----------|
| Administration | 24 | 14 |
| Warehouse | 27 | 36 |
| | <u>51</u> | <u>50</u> |

| | 31.12.16 | 31.12.15 |
|-------------------------|----------------|----------------|
| | £ | £ |
| Directors' remuneration | <u>385,089</u> | <u>260,444</u> |

The number of directors to whom retirement benefits were accruing was as follows:

| | 1 | 1 |
|------------------------|----------|----------|
| Money purchase schemes | <u>1</u> | <u>1</u> |

Information regarding the highest paid director is as follows:

| | 31.12.16 | 31.12.15 |
|-------------------------------------|---------------|---------------|
| | £ | £ |
| Accrued pension at 31 December 2016 | <u>31,668</u> | <u>35,004</u> |

Aggregate remuneration for the year in respect of the highest paid director amounted to £223,993.

Key management personnel is comprised of the above-mentioned director, who controls and is involved in the day to day operations of the company.

4. OPERATING PROFIT

The operating profit is stated after charging:

| | 31.12.16 | 31.12.15 |
|-----------------------------|---------------|---------------|
| | £ | £ |
| Other operating leases | 321,371 | 327,021 |
| Depreciation - owned assets | 20,468 | 14,571 |
| Auditors' remuneration | <u>15,500</u> | <u>15,500</u> |

5. EXCEPTIONAL ITEMS

| | 31.12.16 | 31.12.15 |
|--|--------------|----------------|
| | £ | £ |
| Profit/loss on sale of tangible fixed assets | <u>(273)</u> | <u>(1,826)</u> |

6. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 31.12.16 | 31.12.15 |
|--------------------|----------------|----------------|
| | £ | £ |
| Bank loan interest | <u>245,154</u> | <u>235,044</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

| | 31.12.16 £ | 31.12.15 £ |
|--------------------|---------------|---------------|
| Current tax: | | |
| UK corporation tax | 220,503 | 119,446 |
| Tax on profit | 220,503 | 119,446 |

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

| | 31.12.16 £ | 31.12.15 £ |
|--|---------------|---------------|
| Profit before tax | 1,106,195 | 586,534 |
| Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%) | 221,239 | 117,307 |
| Effects of: | | |
| deductible for tax purposes | | |
| Depreciation and loss on disposal for the period in excess of capital allowances in previous years | (791) | (872) |
| Corporation tax adjustments due to rate changes | - | 2,646 |
| Loss on disposal of investment | 55 | 365 |
| Total tax charge | 220,503 | 119,446 |

8. TANGIBLE FIXED ASSETS

| | Plant and machinery £ | Motor vehicles £ | Fixtures & fittings £ | Totals £ |
|------------------------|-----------------------------|------------------------|-----------------------------|-------------|
| COST | | | | |
| At 1 January 2016 | 80,169 | 64,703 | 168,361 | 313,233 |
| Additions | - | 33,045 | 12,975 | 46,020 |
| Disposals | - | (18,000) | - | (18,000) |
| At 31 December 2016 | 80,169 | 79,748 | 181,336 | 341,253 |
| DEPRECIATION | | | | |
| At 1 January 2016 | 72,646 | 37,845 | 146,423 | 256,914 |
| Charge for year | 1,505 | 11,981 | 6,982 | 20,468 |
| Eliminated on disposal | - | (10,627) | - | (10,627) |
| At 31 December 2016 | 74,151 | 39,199 | 153,405 | 266,755 |
| NET BOOK VALUE | | | | |
| At 31 December 2016 | 6,018 | 40,549 | 27,931 | 74,498 |
| At 31 December 2015 | 7,523 | 26,858 | 21,938 | 56,319 |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

9. INVESTMENT PROPERTY

| | Total £ |
|---|------------|
| FAIR VALUE | |
| At 1 January 2016 and 31 December 2016 | 1,311,309 |
| NET BOOK VALUE | |
| At 31 December 2016 | 1,311,309 |
| At 31 December 2015 | 1,311,309 |

10. STOCKS

| | 31.12.16 £ | 31.12.15 £ |
|--|---------------|---------------|
| Finished goods and goods for resale | 5,923,914 | 5,272,329 |

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.12.16 £ | 31.12.15 £ |
|---------------|---------------|---------------|
| Trade debtors | 24,785,787 | 21,352,387 |
| Other debtors | 2,049,866 | 627,597 |
| VAT | - | 430,499 |
| Prepayments | 3,189,328 | 58,750 |
| | 30,024,981 | 22,469,233 |

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.12.16 £ | 31.12.15 £ |
|---|---------------|---------------|
| Bank loans and overdrafts (see note 13) | 18,012,141 | 11,408,246 |
| Trade creditors | 453,585 | 400,568 |
| Corporation tax | 220,543 | 119,486 |
| Social security and other taxes | 67,848 | 40,061 |
| VAT | 538,336 | - |
| Net wages | (97) | - |
| Directors' current accounts | 15,775 | 15,775 |
| Accrued expenses | 664,380 | 632,656 |
| | 19,972,511 | 12,616,792 |

13. LOANS

An analysis of the maturity of loans is given below:

| | 31.12.16 £ | 31.12.15 £ |
|---|---------------|---------------|
| Amounts falling due within one year or on demand: | | |
| Bank overdrafts | 18,012,141 | 11,408,246 |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 31.12.16 £ | 31.12.15 £ |
|----------------------------|----------------|------------------|
| Within one year | 235,000 | 235,000 |
| Between one and five years | 626,667 | 861,667 |
| | <u>861,667</u> | <u>1,096,667</u> |

The above relates to a lease for land and buildings which expires on 31 August 2020. Rent is paid on a quarterly basis and is charged to the profit and loss account on a straight-line basis over the lease term.

15. SECURED DEBTS

The following secured debts are included within creditors:

| | 31.12.16 £ | 31.12.15 £ |
|-----------------|-------------------|-------------------|
| Bank overdrafts | <u>18,012,141</u> | <u>11,408,246</u> |

Bank facilities are secured by a fixed and floating debenture.

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 31.12.16 £ | 31.12.15 £ |
|---------|---------------------|-------------------|---------------|---------------|
| 25,000 | "A" Ordinary Shares | £1 | 25,000 | 25,000 |
| 1,000 | "B" Ordinary Shares | £1 | 1,000 | 1,000 |
| | | | <u>26,000</u> | <u>26,000</u> |

17. RESERVES

| | Retained earnings £ |
|---------------------|---------------------------|
| At 1 January 2016 | 16,482,590 |
| Profit for the year | <u>885,692</u> |
| At 31 December 2016 | <u>17,368,282</u> |

18. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for the directors. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions for the year were £141,342 (2015:£131,427). At the year end there were no outstanding contribution.

For the employees the company has paid to the pension scheme £5,705 (2015:£2,346) during the year.

19. CAPITAL COMMITMENTS

The capital expenditure authorised and contracted for by the company was £Nil (2015:£Nil).

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

20. RELATED PARTY DISCLOSURES

Mr M Lobenstein is also a director of Margstein Property Ltd, Bridgeholt Ltd, Blackfair Ltd and Belljoe Tzedoko Ltd.

As at the balance sheet date, the balance owing from Margstein Property Ltd was £69,347 (2015: £167,597). The amount is interest free and repayable on demand.

As at the balance sheet date, the balance owing from Bridgeholt Ltd was £958,000 (2015: £Nil). The amount is interest free and repayable on demand.

As at the balance sheet date, the balance owing from Blackfair Ltd was £204,000 (2015: £Nil). The amount is interest free and repayable on demand.

Belljoe Tzedoko Ltd is a charitable company which owns the warehouse used by Jaylow Supplies Limited. During the year, the company paid rent for the warehouse, at market rate, of £235,000 (2015: £235,000).

As at the balance sheet date, there is an amount of £750,000 (2015: £460,000) owing from C Lobenstein, son of one of the directors and an employee of the company. The company receives interest on the balance.

21. ULTIMATE CONTROLLING PARTY

There is no controlling party in this company.

The persons with significant control are:

Mrs B Lobenstein - holds 25-50% of the Share Capital

Mr M Lobenstein - holds 25-50% of the Share Capital

22. FINANCIAL INSTRUMENTS

| | 2016 £ | 2015 £ |
|--|------------|------------|
| Financial assets measured at amortised cost | 26,835,653 | 22,410,483 |
| Financial liabilities measured at amortised cost | 19,308,131 | 11,984,136 |

Financial assets measured at amortised cost are comprised of trade debtors of £24,785,787 (2015: £21,352,387) and other debtors of £2,049,866 (2015: £1,058,096).

Financial liabilities measured at amortised cost are comprised of short term bank loans and overdrafts of £18,012,141 (2015: £11,408,246), trade creditors of £453,585 (2015: £400,568) and other creditors of £842,502 (2015: £175,322). During the year, the company paid interest amounting to £245,154 (2015: £235,044) on the short term bank loan.