

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

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**Jaylow Supplies Limited (Registered number: 00463864)**

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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**

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**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**

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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.

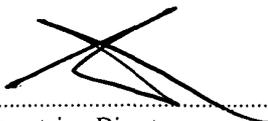
**Liquidity risk**

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**

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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.

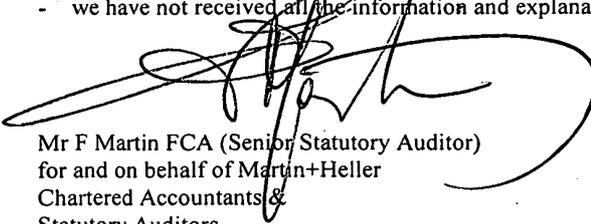
### Opinion on other matter prescribed by the Companies Act 2006

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: 19/7/17

Jaylow Supplies Limited (Registered number: 00463864)

Statement of Comprehensive Income  
for the Year Ended 31 December 2016

	Notes	31.12.16		31.12.15	
		£	£	£	£
<b>TURNOVER</b>			70,353,260		68,719,165
Cost of sales			65,581,380		64,758,736
<b>GROSS PROFIT</b>			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
<b>OPERATING PROFIT</b>	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
<b>PROFIT BEFORE TAXATION</b>			1,106,195		586,534
Tax on profit	7		220,503		119,446
<b>PROFIT FOR THE FINANCIAL YEAR</b>			885,692		467,088
<b>OTHER COMPREHENSIVE INCOME</b>			-		-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			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 £	£
<b>FIXED ASSETS</b>					
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>
<b>CURRENT ASSETS</b>					
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>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	19,972,511		12,616,792	
			<u>16,008,475</u>		<u>15,140,962</u>
<b>NET CURRENT ASSETS</b>					
			<u>17,394,282</u>		<u>16,508,590</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		26,000		26,000
Retained earnings	17		17,368,282		16,482,590
			<u>17,394,282</u>		<u>16,508,590</u>
<b>SHAREHOLDERS' FUNDS</b>					

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

**Jaylow Supplies Limited (Registered number: 00463864)**

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

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

The notes form part of these financial statements

**Jaylow Supplies Limited (Registered number: 00463864)**

**Cash Flow Statement  
for the Year Ended 31 December 2016**

	Notes	31.12.16 £	31.12.15 £
<b>Cash flows from operating activities</b>			
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>
<b>Cash flows from investing activities</b>			
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>
<b>Decrease in cash and cash equivalents</b>		<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	650,767	(748,527)
	<u>650,767</u>	<u>(748,527)</u>
<b>Cash generated from operations</b>	<u><u>(6,206,393)</u></u>	<u><u>(1,128,785)</u></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	(18,012,141)	(11,408,246)
	<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	(11,408,246)	(9,891,861)
	<u>(11,392,054)</u>	<u>(9,771,560)</u>

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

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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

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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:

Money purchase schemes	<u>1</u>	<u>1</u>
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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	15,500	15,500
	<u>357,339</u>	<u>357,092</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	<u>220,503</u>	<u>119,446</u>

**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	<u>1,106,195</u>	<u>586,534</u>
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	<u>220,503</u>	<u>119,446</u>

8. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Fixtures & fittings £	Totals £
<b>COST</b>				
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	<u>80,169</u>	<u>79,748</u>	<u>181,336</u>	<u>341,253</u>
<b>DEPRECIATION</b>				
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	<u>74,151</u>	<u>39,199</u>	<u>153,405</u>	<u>266,755</u>
<b>NET BOOK VALUE</b>				
At 31 December 2016	<u>6,018</u>	<u>40,549</u>	<u>27,931</u>	<u>74,498</u>
At 31 December 2015	<u>7,523</u>	<u>26,858</u>	<u>21,938</u>	<u>56,319</u>

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

9. INVESTMENT PROPERTY

	Total £
<b>FAIR VALUE</b>	
At 1 January 2016 and 31 December 2016	1,311,309
<b>NET BOOK VALUE</b>	
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
	<u>30,024,981</u>	<u>22,469,233</u>

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
	<u>19,972,511</u>	<u>12,616,792</u>

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	<u>18,012,141</u>	<u>11,408,246</u>

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	885,692
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

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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.