

**Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 December 2022  
for  
Jaylow Supplies Limited**

**Contents of the Financial Statements  
for the Year Ended 31 December 2022**

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**Jaylow Supplies Limited**

**Company Information  
for the Year Ended 31 December 2022**

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**DIRECTORS:**

Mrs B Lobenstein  
Mr M Lobenstein  
Mrs K H Lobenstein  
Mr B Lobenstein

**SECRETARY:**

Mrs K H Lobenstein

**REGISTERED OFFICE:**

5 North End Road  
London  
NW11 7RJ

**REGISTERED NUMBER:**

00463864 (England and Wales)

**AUDITORS:**

Martin+Heller  
Statutory Auditor  
5 North End Road  
London  
NW11 7RJ

**Strategic Report  
for the Year Ended 31 December 2022**

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The directors present their strategic report for the year ended 31 December 2022.

**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:-

	2022 £	2021 £
Turnover	162,589,981	138,389,378
Profit after Tax	9,720,072	5,282,947
Gross Margin	13.75%	11.07%
Shareholders Funds	35,537,386	25,817,317

Shareholders funds increased due to the year's profits.

The company's margin has increased during the 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 trade debtors were within assigned terms.

**Liquidity risk**

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

**Operational Risks**

The company manages this risk by providing value added services to its client, having fast response time not only in supplying the goods but also in handling customer queries and by maintaining strong relationship with customers.

**Strategic Report  
for the Year Ended 31 December 2022**

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**SECTION 172(1) STATEMENT**

The directors have always paid due regard to the effect of their actions on various stakeholders who have an interest in the business. Section 172 of the Companies Act requires us to report each year on the steps taken to fulfil these obligations towards our stakeholders. There are various parties who may be affected by the decisions made by the Board of Directors in the day to day running of the business and as such can be considered stakeholders. It is the responsibility of the board of directors to consider these interests in order to deliver the best possible outcome.

Employees & Suppliers

We actively engage with our suppliers and the employees who form an integral part of our operation and are considered key strategic partners.

The company has a loyal team of employees, most of whom have been employed with us for many years. Their efforts are highly valued and the company seeks to offer an environment in which the employees can thrive. Training, pension and other benefits are offered. Health and safety and employee welfare are the key areas which management insist upon.

Customers

We focus on providing best experience to our customers and are always seeking ways to add value by investing in the future. We value the strategic relationships we have with our key customers who have been with us from a long period of time based on reliability and trust.

**GOING CONCERN**

As the general economy is emerging from COVID-19 and also adjusts to the post Brexit deal, the market remains challenging with material and labour shortages widely reported across a wide range of industries including our sector.

As a result of the above, the company takes a cautious approach in obtaining orders and mitigating risk where possible by forward planning with the supply chain and the customers. The company's profitability has increased with the increase in sales specially in the last six months to the year end.

Furthermore, the directors believe that the strength of the company and its experience in the field along with the strong reputation and name will enable the company to move forward.

**ON BEHALF OF THE BOARD:**

Mr M Lobenstein - Director

28 November 2023

**Report of the Directors  
for the Year Ended 31 December 2022**

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The directors present their report with the financial statements of the company for the year ended 31 December 2022.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2022.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

Mrs B Lobenstein  
Mr M Lobenstein  
Mrs K H Lobenstein

Other changes in directors holding office are as follows:

Mr B Lobenstein was appointed as a director after 31 December 2022 but prior to the date of this report.

**CHARITABLE DONATIONS AND EXPENDITURE**

During the year the company made charitable donations amounting to £888,000 (2021: £722,642).

**POST BALANCE SHEET EVENTS**

The economy in general and this company in particular has recovered from the affect of COVID-19 epidemic. The year 2022 trading has been exceptionally strong as property building and development have continued in favourable trading conditions and the company has made profit during the first three quarters of 2023 and anticipates finishing the year equally strongly.

**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

28 November 2023

### **Opinion**

We have audited the financial statements of Jaylow Supplies Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have 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 obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements. We discussed with management the extent of compliance with those laws and regulations as part of our audit procedures.
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the directors.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Our audit procedures were designed to identify and assess risks of material misstatement in the financial statements, whether due to fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, omissions, misrepresentations, or management override of controls.
- There are inherent limitations in the audit procedures performed. Our responsibility is to conclude whether the financial statements represent the underlying financial position and activities of the company and to ensure that the overall content and presentation of the financial statements gives a fair view.

A further description of our 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 Report of the Auditors.

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

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**Use of our report**

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.

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

28 November 2023

**Statement of Comprehensive Income  
for the Year Ended 31 December 2022**

	Notes	£	31.12.22 £	£	31.12.21 £
<b>TURNOVER</b>	4		162,589,981		138,389,378
Cost of sales			140,241,784		123,072,197
<b>GROSS PROFIT</b>			22,348,197		15,317,181
Distribution costs		4,254,816		2,938,591	
Administrative expenses		5,309,157		5,382,571	
			9,563,973		8,321,162
			12,784,224		6,996,019
Other operating income			-		3,350
<b>OPERATING PROFIT</b>	6		12,784,224		6,999,369
Profit/loss on sale of tangible fixed assets	8		6,807		(548)
Profit/loss on sale of investments	8		-		35,000
			12,791,031		7,033,821
Interest receivable and similar income			30,749		21,729
			12,821,780		7,055,550
Amounts written off investments	9		-		10
			12,821,780		7,055,540
Interest payable and similar expenses	10		822,217		545,942
<b>PROFIT BEFORE TAXATION</b>			11,999,563		6,509,598
Tax on profit	11		2,279,491		1,226,651
<b>PROFIT FOR THE FINANCIAL YEAR</b>			9,720,072		5,282,947
<b>OTHER COMPREHENSIVE INCOME</b>			-		-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			9,720,072		5,282,947

The notes form part of these financial statements

**Jaylow Supplies Limited (Registered number: 00463864)****Balance Sheet  
31 December 2022**

	Notes	£	31.12.22 £	£	31.12.21 £
<b>FIXED ASSETS</b>					
Tangible assets	12		109,090		132,405
<b>CURRENT ASSETS</b>					
Stocks	13	15,123,482		13,220,874	
Debtors	14	56,254,722		53,246,738	
Cash at bank and in hand		<u>368,124</u>		<u>218,573</u>	
		71,746,328		66,686,185	
<b>CREDITORS</b>					
Amounts falling due within one year	15	<u>36,318,032</u>		<u>41,001,276</u>	
<b>NET CURRENT ASSETS</b>			<u>35,428,296</u>		<u>25,684,909</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>35,537,386</u>		<u>25,817,314</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		26,000		26,000
Retained earnings	20		<u>35,511,386</u>		<u>25,791,314</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>35,537,386</u>		<u>25,817,314</u>

The financial statements were authorised for issue by the Board of Directors and authorised for issue on 28 November 2023 and were signed on its behalf by:

Mr M Lobenstein - Director

**Statement of Changes in Equity  
for the Year Ended 31 December 2022**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2021</b>	26,000	20,508,367	20,534,367
<b>Changes in equity</b>			
Total comprehensive income	-	5,282,947	5,282,947
<b>Balance at 31 December 2021</b>	26,000	25,791,314	25,817,314
<b>Changes in equity</b>			
Total comprehensive income	-	9,720,072	9,720,072
<b>Balance at 31 December 2022</b>	26,000	35,511,386	35,537,386

**Cash Flow Statement  
for the Year Ended 31 December 2022**

	Notes	31.12.22 £	31.12.21 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	6,682,205	4,312,732
Interest paid		(822,217)	(545,942)
Tax paid		(2,029,293)	(444,682)
Net cash from operating activities		<u>3,830,695</u>	<u>3,322,108</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(16,137)	(36,576)
Sale of tangible fixed assets		12,179	548
Sale of fixed asset investments		-	10
Sale of investment property		-	490,000
Interest received		30,749	21,729
Net cash from investing activities		<u>26,791</u>	<u>475,711</u>
<b>Increase in cash and cash equivalents</b>		<u>3,857,486</u>	<u>3,797,819</u>
<b>Cash and cash equivalents at beginning of year</b>	2	(29,261,839)	(33,059,658)
<b>Cash and cash equivalents at end of year</b>	2	<u>(25,404,353)</u>	<u>(29,261,839)</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement  
for the Year Ended 31 December 2022**

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

	31.12.22	31.12.21
	£	£
Profit before taxation	11,999,563	6,509,598
Depreciation charges	27,273	25,865
Finance costs	822,217	545,942
Finance income	(30,749)	(21,729)
	<u>12,818,304</u>	<u>7,059,676</u>
Increase in stocks	(1,902,608)	(6,940,857)
(Increase)/decrease in trade and other debtors	(3,007,984)	326,295
(Decrease)/increase in trade and other creditors	<u>(1,225,507)</u>	<u>3,867,618</u>
<b>Cash generated from operations</b>	<u><u>6,682,205</u></u>	<u><u>4,312,732</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 2022**

	31/12/22	1/1/22
	£	£
Cash and cash equivalents	368,124	218,573
Bank overdrafts	<u>(25,772,477)</u>	<u>(29,480,412)</u>
	<u><u>(25,404,353)</u></u>	<u><u>(29,261,839)</u></u>

**Year ended 31 December 2021**

	31/12/21	1/1/21
	£	£
Cash and cash equivalents	218,573	471,816
Bank overdrafts	<u>(29,480,412)</u>	<u>(33,531,474)</u>
	<u><u>(29,261,839)</u></u>	<u><u>(33,059,658)</u></u>

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1/1/22	Cash flow	At 31/12/22
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	218,573	149,551	368,124
Bank overdrafts	<u>(29,480,412)</u>	<u>3,707,935</u>	<u>(25,772,477)</u>
	<u><u>(29,261,839)</u></u>	<u><u>3,857,486</u></u>	<u><u>(25,404,353)</u></u>
<b>Total</b>	<u><u>(29,261,839)</u></u>	<u><u>3,857,486</u></u>	<u><u>(25,404,353)</u></u>

**Notes to the Financial Statements  
for the Year Ended 31 December 2022**

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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. STATEMENT OF COMPLIANCE**

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.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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.

**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:

**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**

Turnover represents the net value of electrical cable sold to customers excluding VAT. The net value takes into account trade discounts, settlement discounts and rebates.

Revenue from sale of goods is recognised when significant risks & rewards of the ownership has been transferred to the buyer (on despatch of goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transactions will flow to the entity.

**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

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**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.

Although the directors are 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.

**Stocks**

The principal raw material elements of stock are copper and PVC. Due to the fluctuating nature of 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 2022

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3. 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.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022

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3. ACCOUNTING POLICIES - continued

**Revenue recognition**

Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

**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.

**Provisions**

Provisions are recognised when there is a present obligation arising from past events, and the settlement of this obligation will result in an outflow of economic benefits from an entity.

Provisions are recognised as a liability in the statement of financial position and the amount of provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in the profit or loss unless the provision was originally recognised as part of an asset. When the provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in the finance costs in profit or loss in the period it arises.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31.12.22	31.12.21
	£	£
United Kingdom	162,589,981	138,387,481
Europe	-	1,897
	<u>162,589,981</u>	<u>138,389,378</u>

5. EMPLOYEES AND DIRECTORS

	31.12.22	31.12.21
	£	£
Wages and salaries	5,338,296	4,145,010
Social security costs	703,153	508,278
Other pension costs	179,117	188,057
	<u>6,220,566</u>	<u>4,841,345</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022**

**5. EMPLOYEES AND DIRECTORS - continued**

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

	31.12.22	31.12.21
Administration	33	32
Warehouse	<u>31</u>	<u>27</u>
	<u>64</u>	<u>59</u>

	31.12.22	31.12.21
	£	£
Directors' remuneration	<u>1,587,984</u>	<u>1,530,015</u>

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

Defined benefit schemes	<u>2</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	31.12.22	31.12.21
	£	£
Emoluments etc	<u>1,075,724</u>	<u>1,054,989</u>

**6. OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.22	31.12.21
	£	£
Other operating leases	721,910	698,527
Depreciation - owned assets	<u>27,273</u>	<u>25,864</u>

**7. AUDITORS' REMUNERATION**

	31.12.22	31.12.21
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>23,000</u>	<u>22,232</u>

**8. EXCEPTIONAL ITEMS**

	31.12.22	31.12.21
	£	£
Profit/loss on sale of tangible fixed assets	6,807	(548)
Profit/loss on sale of investments	<u>-</u>	<u>35,000</u>
	<u>6,807</u>	<u>34,452</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022

9. AMOUNTS WRITTEN OFF INVESTMENTS

	31.12.22	31.12.21
	£	£
Amounts written off investments	-	10

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.22	31.12.21
	£	£
Bank loan interest	822,217	543,610
Interest on late payment of corporation tax	-	2,332
	<u>822,217</u>	<u>545,942</u>

11. TAXATION

**Analysis of the tax charge**

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

	31.12.22	31.12.21
	£	£
Current tax:		
UK corporation tax	2,279,491	1,226,787
Corporation tax (over)/under paid	-	(136)
	<u>2,279,491</u>	<u>1,226,651</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:

	31.12.22	31.12.21
	£	£
Profit before tax	<u>11,999,563</u>	<u>6,509,598</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	2,279,917	1,236,824
Effects of:		
Income and expenses not deductible for tax purposes	-	(6,545)
Depreciation and loss on disposal for the period in excess of capital allowances	(426)	(3,492)
Corporation tax overprovided in previous years	-	(136)
Total tax charge	<u>2,279,491</u>	<u>1,226,651</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022

12. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Fixtures & fittings £	Totals £
<b>COST</b>				
At 1 January 2022	164,333	63,722	241,463	469,518
Additions	10,122	-	6,015	16,137
Disposals	-	(23,790)	-	(23,790)
At 31 December 2022	<u>174,455</u>	<u>39,932</u>	<u>247,478</u>	<u>461,865</u>
<b>DEPRECIATION</b>				
At 1 January 2022	119,282	32,517	185,314	337,113
Charge for year	11,035	3,805	12,433	27,273
Eliminated on disposal	-	(11,611)	-	(11,611)
At 31 December 2022	<u>130,317</u>	<u>24,711</u>	<u>197,747</u>	<u>352,775</u>
<b>NET BOOK VALUE</b>				
At 31 December 2022	<u>44,138</u>	<u>15,221</u>	<u>49,731</u>	<u>109,090</u>
At 31 December 2021	<u>45,051</u>	<u>31,205</u>	<u>56,149</u>	<u>132,405</u>

13. STOCKS

	31.12.22 £	31.12.21 £
Finished goods and goods for resale	<u>15,123,482</u>	<u>13,220,874</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22 £	31.12.21 £
Trade debtors	46,154,451	44,166,627
Other debtors	2,051,193	3,547,691
Directors' current accounts	4,215	4,215
Prepayments & Accrued Income	8,044,863	5,528,205
	<u>56,254,722</u>	<u>53,246,738</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22 £	31.12.21 £
Bank loans and overdrafts (see note 16)	25,772,477	29,480,412
Trade creditors	2,118,251	1,225,293
Corporation tax	1,479,342	1,229,144
Social security and other taxes	673,979	438,122
Pension Payable	-	1,352
VAT	4,795,283	6,127,181
Accrued expenses	1,478,700	2,499,772
	<u>36,318,032</u>	<u>41,001,276</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022**

**16. LOANS**

An analysis of the maturity of loans is given below:

	31.12.22	31.12.21
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	25,772,477	29,480,412

**17. LEASING AGREEMENTS**

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

	31.12.22	31.12.21
	£	£
Within one year	695,793	646,802
Between one and five years	2,613,130	2,451,969
In more than five years	2,400,000	3,000,000
	<u>5,708,923</u>	<u>6,098,771</u>

The above relates to a lease for land and buildings and leases for vehicles and forklifts. The lease for land and buildings was renewed on 30 September 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.

**18. SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.22	31.12.21
	£	£
Bank overdrafts	25,772,477	29,480,412

Bank facilities are secured by a debenture, fixed and floating charge over the undertaking and all property and assets present and future, including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant & machinery.

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.22	31.12.21
			£	£
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>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022**

**20. RESERVES**

	Retained earnings £
At 1 January 2022	25,791,314
Profit for the year	<u>9,720,072</u>
At 31 December 2022	<u>35,511,386</u>

**21. 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 £ 26,736 (2021: £24,020).

**22. RELATED PARTY DISCLOSURES**

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

As at the balance sheet date, the balance owing from Margstein Property Ltd was £70,993 (2021: £70,993). The amount is interest free and repayable on demand.

As at the balance sheet date, the balance owing from Bridgeholt Ltd was £1,698,520 (2021: £1,698,520). The amount is interest free and repayable on demand.

As at the balance sheet date, the balance owing from Blackfair Ltd was £210,000 (2021: £210,000). 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 £ 600,000 (2021: £550,000).

As at the balance sheet date, there is an amount of £0 (2021: £529,500) owing from M/s C Lobenstein, an employee of the company and related to the directors. The company receives interest on the balance.

As at the balance sheet date, there is an amount of £0 (2021: £995,000) owing from Mrs B Lobenstein, a director of the company. The company receives interest on the balance.

**23. 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

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022**

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**24. FINANCIAL INSTRUMENTS**

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Financial assets measured at amortized cost	<u>48,209,859</u>	<u>47,718,533</u>
Financial liabilities measured at amortized cost	<u>34,839,332</u>	<u>38,501,504</u>

Financial assets measured at amortized cost are comprised of trade debtors of £46,154,451 (2021: £44,166,627) and other debtors of £2,055,408 (2021: £3,551,906).

Financial liabilities measured at amortized cost are comprised of short term bank loans and overdrafts of £25,772,477 (2021: £29,480,412), trade creditors of £2,118,251 (2021: £1,225,293) and other creditors of £6,948,604 (2021: £7,795,799). During the year, the company paid interest amounting to £822,217 (2021: £543,610) on the short term bank loan.



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