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Company Registration No 02553033 (England and Wales)

JAYROMA (LONDON) LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

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JAYROMA (LONDON) LIMITED

COMPANY INFORMATION

Directors	M R Feldman M Feldman A S Feldman G Gourgey D A B Luyk
Secretary	A S Feldman
Company number	02553033
Registered office	90 Tottenham Court Road London W1T 4LJ
Auditors	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP

JAYROMA (LONDON) LIMITED

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JAYROMA (LONDON) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

Principal activities and review of the business

The principal activity of the company continues to be that of the manufacture of ladieswear

The directors are pleased to report that the company has continued to trade profitably during 2013 despite the ongoing adverse economic conditions and a very difficult retail trading environment. This success has continued to be supported by the redirection of resources to the expansion of our product range to include soft separates which has now taken a greater share of the business. We expect to see this trend continue during 2014.

Turnover has decreased by 9% due to an even greater proportion of our business being transacted on an FOB basis and therefore at a lower average unit price. Gross margin has strengthened despite upward pressure on factory wages in overseas factories and price inflation on fabrics and trims enabling the company to continue to operate profitably despite the fall in turnover. This has been achieved through a continued company-wide drive to improve efficiency with a focus on sourcing and supply-chain management.

The company's close control over Administration expenses has been maintained and the directors expect this to result in significant cost savings during 2014.

The overall result has been that the company made a profit before tax of £405,924 during the year (2012: £545,383).

Principal risks and uncertainties

The directors recognise that within the business there are a number of risks which may affect the performance of the company. These risks are subject to regular review and where appropriate processes are established to minimise the level of exposure.

Market

Customers are increasingly price conscious in a difficult retail market where consumers still appear to be cautious with their spending. We have valuable long term relationships with many of our customers and have taken, and continue to take, active steps to strengthen these as well as working on new accounts.

Operating expenses

These are monitored continually in both absolute terms, and against budgeted amounts, for each expense category.

Working capital

The company has a long-standing relationship with its bankers, Barclays Bank PLC who continue to provide the level of facilities requested to finance the business. With increasing use of Far East based suppliers and manufacturing capacity the business has made much greater use of Letters of Credit, which is the preferred method of trading of our major component suppliers. In return the company receives a longer period of credit from its suppliers. Cash receipts from customers are closely monitored to ensure adherence to agreed credit terms.

Financial risk

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets may not be sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are credit risk, foreign currency risk, interest rate risk and liquidity risk. Credit risk is addressed by credit insurance covering all of our major customers while the company hedges much of its currency risk by purchasing forward currency contracts at rates similar to that used to cost the goods when sales orders are taken. The directors recognise the possibility of interest rate increases with this topic forming part of discussions held with our bankers. Working capital control together with the adequacy of banking facilities mitigate the liquidity risk.

Key performance indicators

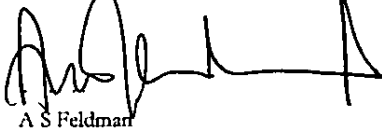
The directors consider that the key performance indicators of the development, performance or position of the business relate primarily to the financial results of the company, which are disclosed in these financial statements.

JAYROMA (LONDON) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

On behalf of the board



A S Feldman

Director

Dated

7/3/2014

JAYROMA (LONDON) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and financial statements for the year ended 31 December 2013

Directors

The directors who served during the year were

M R Feldman

M Feldman

A S Feldman

G Gourgey

J S Freedman

D A B Luyk

(Resigned 2 August 2013)

Political donations

2013

2012

£

£

During the year the company made the following payments

Political donations to EU parties and organisations

1,500

8,690

The political donations comprise £1,500 (2012 £8,690) made to the Conservative Party

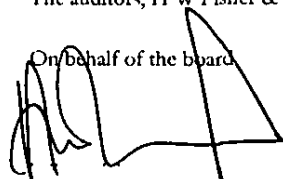
Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

The auditors, H W Fisher & Company, are deemed to be reappointed under section 487(2) of the Companies Act 2006

On behalf of the board



A S Feldman

Director

Dated

2/2/2014

JAYROMA (LONDON) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom 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,
- 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.

JAYROMA (LONDON) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JAYROMA (LONDON) LIMITED

We have audited the financial statements of Jayroma (London) Limited for the year ended 31 December 2013 set out on pages 6 to 17. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement on page 4, 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 Directors' Report 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 2013 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 the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Andrew Rich (Senior Statutory Auditor)

for and on behalf of H W Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Dated

7/3/14

JAYROMA (LONDON) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

		2013	2012
	Notes	£	£
Turnover	2	30,070,485	33,083,710
Cost of sales		(27,202,230)	(30,121,450)
Gross profit		2,868,255	2,962,260
Distribution costs		(331,390)	(329,546)
Administrative expenses		(1,983,126)	(1,919,475)
Operating profit	3	553,739	713,239
Other interest receivable and similar income		107	1,381
Interest payable and similar charges	6	(147,922)	(169,237)
Profit on ordinary activities before taxation		405,924	545,383
Tax on profit on ordinary activities	7	(34,974)	-
Profit for the year	14	370,950	545,383

The profit and loss account has been prepared on the basis that all operations are continuing operations.

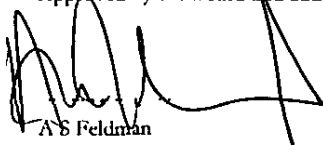
There are no recognised gains and losses other than those passing through the profit and loss account.

JAYROMA (LONDON) LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2013**

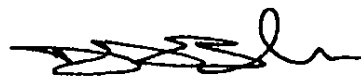
	Notes	2013 £	2012 £
Fixed assets			
Tangible assets	8	186,940	188,390
Current assets			
Stocks	9	3,323,086	3,335,531
Debtors	10	6,786,433	6,664,861
Investments	11	298,843	298,843
Cash at bank and in hand		11,025	36,045
		10,419,387	10,335,280
Creditors amounts falling due within one year	12	(7,107,886)	(7,346,179)
Net current assets		3,311,501	2,989,101
Total assets less current liabilities		3,498,441	3,177,491
Capital and reserves			
Called up share capital		62,777	112,777
Share premium account	14	88,889	88,889
Other reserves	14	98,334	48,334
Profit and loss account	14	3,248,441	2,927,491
Shareholders' funds	15	3,498,441	3,177,491

Approved by the Board and authorised for issue on

7/1/2014



A S Feldman
Director



D A B Luyk
Director

JAYROMA (LONDON) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	£	2013 £	£	2012 £
Net cash outflow from operating activities	16		(46,719)		(214,689)
Returns on investments and servicing of finance					
Interest received		107		1,381	
Interest paid		(147,922)		(169,237)	
Net cash outflow for returns on investments and servicing of finance			(147,815)		(167,856)
Taxation			-		161,503
Capital expenditure					
Payments to acquire tangible fixed assets		(83,241)		(141,676)	
Net cash outflow for capital expenditure			(83,241)		(141,676)
Net cash outflow before financing			(277,775)		(362,718)
Financing					
Purchase of own shares		(50,000)		-	
Net cash outflow from financing			(50,000)		-
Decrease in cash in the year	18, 17		(327,775)		(362,718)

JAYROMA (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Revenue recognition

Turnover represents amounts receivable for goods supplied net of VAT and trade discounts

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	over the lives of the leases
Plant and machinery	10% - 33.33% on cost

1.4 Leasing

Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

1.5 Investments

Current asset investments are stated at the lower of cost and net realisable value

1.6 Stock and work in progress

Stock and work in progress are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition

1.7 Pensions

Payments to the company's defined contribution pension scheme are charged to the profit and loss account as they become payable

1.8 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

1.9 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date

Where the transactions, monetary assets and liabilities are covered by forward currency contracts, the rates of exchange contracted for are used. All differences are taken to the profit and loss account

JAYROMA (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

2 Turnover

Geographical market

	Turnover 2013	2012
	£	£
United Kingdom	26,110,301	27,134,735
Rest of Europe	3,960,184	5,948,975
	<u>30,070,485</u>	<u>33,083,710</u>

3 Operating profit

	2013	2012
	£	£
Operating profit is stated after charging:		
Depreciation of owned tangible fixed assets	84,691	82,115
Operating lease rentals		
- Plant and machinery	3,392	27,590
- Other assets	268,601	297,346
Auditors' remuneration (including expenses and benefits in kind)	18,000	17,000
	<u>364,684</u>	<u>417,051</u>

4 Directors' emoluments

	2013	2012
	£	£
Emoluments for qualifying services	684,835	538,876
Company pension contributions to money purchase schemes	-	13,160
	<u>684,835</u>	<u>552,036</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2012 - 4)

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	<u>405,645</u>	<u>223,031</u>
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JAYROMA (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

5 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2013 Number	2012 Number
Warehouse and production	32	34
Sales and distribution	6	6
Administration	15	15
	<u>53</u>	<u>55</u>

Employment costs

	2013 £	2012 £
Wages and salaries	2,442,788	2,469,037
Social security costs	288,289	279,027
Other pension costs	44,510	71,499
	<u>2,775,587</u>	<u>2,819,563</u>

6 Interest payable

	2013 £	2012 £
On bank loans and overdrafts	<u>147,922</u>	<u>169,237</u>

JAYROMA (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

7	Taxation	2013	2012
		£	£
	Domestic current year tax		
	U K corporation tax	34,974	-
	Current tax charge	<u>34,974</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	405,924	545,383
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2012 - 24.50%)	<u>81,185</u>	<u>133,619</u>
	Effects of		
	Non deductible expenses	10,639	15,710
	Depreciation add back	16,938	20,118
	Capital allowances	(27,796)	(31,814)
	Tax losses utilised	(45,992)	(171,252)
	Other short term timing differences	-	33,619
		<u>(46,211)</u>	<u>(133,619)</u>
	Current tax charge	<u>34,974</u>	<u>-</u>

The company has estimated losses of £ nil (2012 - £ 230,000) available for carry forward against future trading profits

JAYROMA (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

8 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Total
	£	£	£
Cost			
At 1 January 2013	33,903	397,536	431,439
Additions	-	83,241	83,241
At 31 December 2013	33,903	480,777	514,680
Depreciation			
At 1 January 2013	13,053	229,996	243,049
Charge for the year	6,272	78,419	84,691
At 31 December 2013	19,325	308,415	327,740
Net book value			
At 31 December 2013	14,578	172,362	186,940
At 31 December 2012	20,850	167,540	188,390

9 Stocks and work in progress

	2013	2012
	£	£
Raw materials and consumables	837,121	986,648
Work in progress	2,077,161	2,236,834
Finished goods and goods for resale	408,804	112,049
	3,323,086	3,335,531

10 Debtors

	2013	2012
	£	£
Trade debtors	6,547,650	6,415,630
Other debtors	45,727	75,249
Prepayments and accrued income	193,056	173,982
	6,786,433	6,664,861

JAYROMA (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

11	Current asset investments	2013	2012
		£	£
	Unlisted investments	298,843	298,843
		<u>298,843</u>	<u>298,843</u>
12	Creditors amounts falling due within one year	2013	2012
		£	£
	Bank overdrafts	3,799,783	3,497,028
	Trade creditors	2,982,414	3,414,704
	Corporation tax	34,974	-
	Other taxes and social security costs	222,533	250,429
	Directors' current accounts	11,740	2,953
	Accruals and deferred income	56,442	181,065
		<u>7,107,886</u>	<u>7,346,179</u>

The bank overdraft is secured by way of a fixed charge over the book debts and other debts of the company and a floating charge over the undertakings and assets of the company

13 Provisions for liabilities

Deferred tax is provided as follows

Deferred tax is calculated at 20% (2012 - 23%) analysed over the following timing differences

	2013	2012
	£	£
Decelerated capital allowances	(16,000)	(32,000)
Other timing differences	(29,500)	-
Tax losses available	-	(53,000)
	<u>(45,500)</u>	<u>(85,000)</u>
Unrecognised deferred tax asset	(45,500)	(85,000)

Deferred tax assets of £45,500 (2012 - £85,000) have not been recognised in these accounts because there is insufficient certainty over their recoverability

JAYROMA (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

14 Statement of movements on reserves

	Share premium account	Other reserves (see below)	Profit and loss account
	£	£	£
Balance at 1 January 2013	88,889	48,334	2,927,491
Profit for the year	-	-	370,950
Purchase of own shares	-	-	(50,000)
Movement during the year	-	50,000	-
Balance at 31 December 2013	88,889	98,334	3,248,441

Other reserves

Capital redemption reserve

Balance at 1 January 2013

48,334

CRR Purch own shares

50,000

Balance at 31 December 2013

98,334

15 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	370,950	545,383
Purchase of own shares	(50,000)	-
Net addition to shareholders' funds	320,950	545,383
Opening shareholders' funds	3,177,491	2,632,108
Closing shareholders' funds	3,498,441	3,177,491

16 Reconciliation of operating profit to net cash outflow from operating activities

	2013 £	2012 £
Operating profit	553,739	713,239
Depreciation of tangible fixed assets	84,691	82,115
Decrease in stocks	12,445	614,634
Increase in debtors	(121,572)	(761,742)
Decrease in creditors	(576,022)	(862,935)
Net cash outflow from operating activities	(46,719)	(214,689)

JAYROMA (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

17	Reconciliation of net cash flow to movement in net debt	2013 £	2012 £
	Decrease in cash in the year	(327,775)	(362,718)
	Movement in net debt in the year	(327,775)	(362,718)
	Opening net debt	(3,162,140)	(2,799,422)
	Closing net debt	(3,489,915)	(3,162,140)

18	Analysis of net debt	1 January 2013 £	Cash flow £	Other non-cash changes £	31 December 2013 £
	Net cash				
	Cash at bank and in hand	36,045	(25,020)	-	11,025
	Bank overdrafts	(3,497,028)	(302,755)	-	(3,799,783)
			(327,775)		
	Liquid resources				
	Current asset investments	298,843	-	-	298,843
	Net debt	(3,162,140)	(327,775)	-	(3,489,915)

19 Financial commitments

At 31 December 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2014

	Land and buildings		Other	
	2013 £	2012 £	2013 £	2012 £
Operating leases which expire				
Within one year	-	-	8,859	15,339
Between two and five years	272,632	-	14,517	12,251
In over five years	-	272,632	-	-
	272,632	272,632	23,376	27,590

At 31 December 2013, the company had entered into forward exchange contracts to buy USD 6,850,000 at a value of £4,328,448

JAYROMA (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

20 Related party transactions

At the year end, A S Feldman owed £13,274 to the company (2012: £1,959 owed by the company). During the year the company made payments on his behalf of £70,265, of which £68,307 were interest-free advances and repayable on demand, and £55,032 was repaid.

At the year end, M R Feldman was owed £11,740 (2012: £997) by the company. During the year the company made payments on his behalf of £81,757, of which £34,028 were interest-free advances and repayable on demand, and £92,500 was repaid.

At the year end, D Luyk owed £15 to the company (2012: £nil). During the year the company made payments of £152 on his behalf, of which £137 was repaid.

21 Controlling parties

The ultimate controlling party is A S Feldman.