

**Report of the Directors and
Financial Statements for the Year Ended 31 December 2010
for
JAYLOW SUPPLIES LIMITED**

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for the Year Ended 31 December 2010**

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JAYLOW SUPPLIES LIMITED

**Company Information
for the Year Ended 31 December 2010**

DIRECTORS

Mr H J Lobenstein
Mrs B Lobenstein
Mr M 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 Auditor
5 North End Road
London
NW11 7RJ

**Report of the Directors
for the Year Ended 31 December 2010**

The directors present their report with the financial statements of the company for the year ended 31 December 2010

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of electrical cable distributions

REVIEW OF BUSINESS

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

	2010 £	2009 £	Change %
Turnover	52,597,030	35,509,642	48%
Margin	12%	13%	(1%)
Profit after tax	64,950	1,835,436	(96%)
Shareholders funds	13,384,520	13,337,569	Nil%

As most of the company's products contain high amounts of copper the turnover increase in 2010 was largely due to an increase in copper prices during the year. As the year progressed copper prices kept on increasing and we were able to maintain our margins.

Shareholders funds increased due to the year's profits.

The company sold its warehouse on a sale and leaseback during the year and used the funds generated to make charitable payments. Notwithstanding these substantial donations the company maintained its profitability.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2010.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2010 to the date of this report.

Mr H J Lobenstein
Mrs B Lobenstein
Mr M Lobenstein

COMPANY'S POLICY ON PAYMENT OF CREDITORS

It is the company's policy to agree the terms of payment at the commencement of business with a supplier so as to ensure that suppliers are aware of the terms of payment and they subsequently pay in accordance with their contractual and other legal obligations. The number of days' purchases outstanding as at 31 December 2010 is calculated at 28 days (2009 47 days).

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made various charitable donations amounting to £3,415,945 (2009 £210,558) and made no political donations. The charitable donations made were as follows:

Charities for religious educational projects £3,415,945

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.

**Report of the Directors
for the Year Ended 31 December 2010**

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

The 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 is a risk that one party will cause financial loss to another party by failing to discharge an obligation. It is the company 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 is the risk that will encounter difficulty in meeting its obligations associated with financial liabilities.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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.

JAYLOW SUPPLIES LIMITED (Registered number: 00463864)

**Report of the Directors
for the Year Ended 31 December 2010**

AUDITORS

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

ON BEHALF OF THE BOARD



Mr H J Lobenstein - Director

Date 26-9-2011

**Report of the Independent Auditors to the Shareholders of
JAYLOW SUPPLIES LIMITED**

We have audited the financial statements of JAYLOW SUPPLIES LIMITED for the year ended 31 December 2010 on pages six to fifteen. 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 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.

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 2010 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.

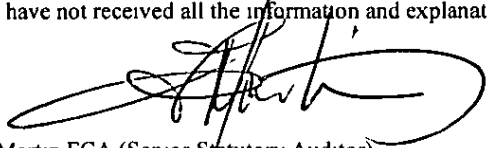
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors 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.



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

Date

26/9/2011

JAYLOW SUPPLIES LIMITED (Registered number. 00463864)

**Profit and Loss Account
for the Year Ended 31 December 2010**

	Notes	31 12 10 £	£	31 12 09 £	£
TURNOVER			52,597,030		35,509,642
Cost of sales			46,532,098		30,866,553
GROSS PROFIT			6,064,932		4,643,089
Distribution costs		982,713		826,586	
Administrative expenses		4,967,946		1,301,894	
			5,950,659		2,128,480
			114,273		2,514,609
Other operating income			1,280		12,000
OPERATING PROFIT	3		115,553		2,526,609
Interest receivable and similar income			6,729		16,900
			122,282		2,543,509
Interest payable and similar charges	4		39,166		5,443
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			83,116		2,538,066
Tax on profit on ordinary activities	5		18,166		720,629
PROFIT FOR THE FINANCIAL YEAR			64,950		1,817,437

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

JAYLOW SUPPLIES LIMITED (Registered number: 00463864)

Balance Sheet
31 December 2010

	Notes	31 12 10		31 12 09	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		84,633		2,816,481
Investment property	7		377,800		377,800
			<u>462,433</u>		<u>3,194,281</u>
CURRENT ASSETS					
Stocks	8	4,933,500		3,914,300	
Debtors	9	13,322,014		10,171,713	
Cash at bank and in hand		50,582		1,049,017	
			<u>18,306,096</u>		<u>15,135,030</u>
CREDITORS					
Amounts falling due within one year	10	5,384,009		5,009,741	
			<u>12,922,087</u>		<u>10,125,289</u>
NET CURRENT ASSETS			<u>13,384,520</u>		<u>13,319,570</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,384,520</u>		<u>13,319,570</u>
CAPITAL AND RESERVES					
Called up share capital	14		26,000		26,000
Profit and loss account	15		13,358,520		13,293,570
			<u>13,384,520</u>		<u>13,319,570</u>
SHAREHOLDERS' FUNDS			<u>13,384,520</u>		<u>13,319,570</u>

The financial statements were approved by the Board of Directors on

26.9.2011

and were signed on its behalf by



Mr H J Lobenstein - Director

JAYLOW SUPPLIES LIMITED (Registered number: 00463864)

**Cash Flow Statement
for the Year Ended 31 December 2010**

	Notes	31 12 10 £	£	31 12 09 £	£
Net cash (outflow)/inflow from operating activities	1		(4,191,740)		1,847,194
Returns on investments and servicing of finance	2		(32,437)		11,457
Taxation			(374,235)		(350,826)
Capital expenditure and financial investment	2		2,690,395		(31,811)
			<u>(1,908,017)</u>		<u>1,476,014</u>
Financing	2		22,915		(874,014)
(Decrease)/Increase in cash in the period			<u>(1,885,102)</u>		<u>602,000</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
(Decrease)/Increase in cash in the period		(1,885,102)		602,000	
Cash outflow from decrease in debt		<u>-</u>		<u>887,227</u>	
Change in net funds resulting from cash flows			<u>(1,885,102)</u>		<u>1,489,227</u>
Movement in net funds in the period			<u>(1,885,102)</u>		<u>1,489,227</u>
Net funds/(debt) at 1 January			<u>1,047,699</u>		<u>(441,528)</u>
Net (debt)/funds at 31 December			<u>(837,403)</u>		<u>1,047,699</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 December 2010

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	31 12 10	31 12 09
	£	£
Operating profit	115,553	2,526,609
Depreciation charges	22,009	84,727
Loss on disposal of fixed assets	19,443	-
Increase in stocks	(1,019,200)	(1,584,496)
Increase in debtors	(3,150,301)	(1,567,005)
(Decrease)/Increase in creditors	(179,244)	2,387,359
Net cash (outflow)/inflow from operating activities	<u>(4,191,740)</u>	<u>1,847,194</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31 12 10	31 12 09
	£	£
Returns on investments and servicing of finance		
Interest received	6,729	16,900
Interest paid	(39,166)	(5,443)
Net cash (outflow)/inflow for returns on investments and servicing of finance	<u>(32,437)</u>	<u>11,457</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(9,604)	(31,811)
Sale of tangible fixed assets	2,700,000	-
Rounding difference	(1)	-
Net cash inflow/(outflow) for capital expenditure and financial investment	<u>2,690,395</u>	<u>(31,811)</u>
Financing		
Loan repayments in year	-	(887,228)
Amount withdrawn by directors	22,915	13,214
Net cash inflow/(outflow) from financing	<u>22,915</u>	<u>(874,014)</u>

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/10	Cash flow	At
	£	£	31/12/10
			£
Net cash			
Cash at bank and in hand	1,049,017	(998,435)	50,582
Bank overdrafts	(1,318)	(886,667)	(887,985)
	<u>1,047,699</u>	<u>(1,885,102)</u>	<u>(837,403)</u>
Total	<u>1,047,699</u>	<u>(1,885,102)</u>	<u>(837,403)</u>

Notes to the Financial Statements
for the Year Ended 31 December 2010

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

Turnover

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

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

	2010 £	2009 £
United Kingdom	55,229,771	35,212,703
Rest of Europe	379,220	296,938
	55,608,991	35,509,641

Tangible fixed assets

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

Freehold property	- 2% on cost
Plant and machinery	- 20% on reducing balance
Motor vehicles	- 20% on reducing balance
Fixtures & fittings	- 20% on reducing balance

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve

Stocks

The company has invoked UITF Abstract 7 in order for the accounts to give a true and fair view. The principal raw material elements of stock are copper and PVC. Due to the fluctuating nature of the world copper and PVC markets, the company has adopted the alternative accounting rules of the Companies Act 1985. Stock is stated at the lower of current replacement cost and net realisable value. The effect of this departure upon the results in the accounts is not material, due to the high rate of stock turnover.

Deferred tax

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

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 the profit and loss account 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 the profit and loss account 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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2010

2	STAFF COSTS		
		31 12 10	31 12 09
		£	£
	Wages and salaries	1,095,688	920,808
	Social security costs	115,619	92,207
	Other pension costs	59,259	49,608
		<u>1,270,566</u>	<u>1,062,623</u>

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

		31 12 10	31 12 09
	Administration	13	13
	Warehouse	27	25
		<u>40</u>	<u>38</u>

3 OPERATING PROFIT

The operating profit is stated after charging

		31 12 10	31 12 09
		£	£
	Other operating leases	155,627	82,368
	Depreciation - owned assets	22,009	84,727
	Loss on disposal of fixed assets	19,443	-
	Auditors' remuneration	12,500	11,500
		<u>228,594</u>	<u>186,429</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 for the year ended 31 December 2010 is as follows

		31 12 10
		£
	Emoluments etc	<u>114,011</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

		31 12 10	31 12 09
		£	£
	Bank loan interest	<u>39,166</u>	<u>5,443</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2010

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	31 12 10	31 12 09
	£	£
Current tax		
UK corporation tax	22,592	721,870
Corporation tax (over)/under paid	<u>(4,426)</u>	<u>(1,241)</u>
Tax on profit on ordinary activities	<u>18,166</u>	<u>720,629</u>

UK corporation tax was charged at 28% in 2009

Factors affecting the tax charge

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

	31 12 10	31 12 09
	£	£
Profit on ordinary activities before tax	<u>83,116</u>	<u>2,538,066</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2009 - 28%)	17,454	710,658
Effects of deductible for tax purposes		
Depreciation and loss on disposal for the period in excess of capital allowances	5,138	11,212
Corporation tax underprovided in previous years	<u>(4,426)</u>	<u>(1,241)</u>
Current tax charge	<u>18,166</u>	<u>720,629</u>

Factors that may affect future tax charges

The company has adopted the requirements of FRS19 - Deferred Tax. FRS19 requires deferred tax to be recognised in full on timing differences where the transactions or events that give the Company an obligation to pay more tax in the future have occurred by the balance sheet date.

Deferred tax has not been provided for the unrecognised gains arising on the timing differences as in the opinion of directors the deferred tax will not crystallise in the foreseeable future. If the Company was to account for deferred tax in the accounts, it would be as follows:

	2010
	£
Balance @ 1 January 2010	513,046
Movement during the year	<u>(511,191)</u>
Balance @ 31 December 2010	<u>1,854</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2010

6 TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures & fittings £	Totals £
COST					
At 1 January 2010	3,020,994	80,169	59,482	138,091	3,298,736
Additions	-	-	-	9,604	9,604
Disposals	(3,020,994)	-	-	-	(3,020,994)
At 31 December 2010	-	80,169	59,482	147,695	287,346
DEPRECIATION					
At 1 January 2010	301,551	51,476	26,342	102,886	482,255
Charge for year	-	5,739	6,628	9,642	22,009
Eliminated on disposal	(301,551)	-	-	-	(301,551)
At 31 December 2010	-	57,215	32,970	112,528	202,713
NET BOOK VALUE					
At 31 December 2010	-	22,954	26,512	35,167	84,633
At 31 December 2009	2,719,443	28,693	33,140	35,205	2,816,481

7 INVESTMENT PROPERTY

	Total £
COST	
At 1 January 2010 and 31 December 2010	377,800
NET BOOK VALUE	
At 31 December 2010	377,800
At 31 December 2009	377,800

The investment property was not revalued during the year but in the opinion of the directors the market value of the investment property was not materially different from the cost price shown in the financial statements

8 STOCKS

	31 12 10 £	31 12 09 £
Finished goods and goods for resale	4,933,500	3,914,300

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 10 £	31 12 09 £
Trade debtors	13,245,701	9,867,842
Other debtors	39,712	16,939
VAT	26,181	270,032
Prepayments	10,420	16,900
	13,322,014	10,171,713

Notes to the Financial Statements - continued
for the Year Ended 31 December 2010

10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 10	31 12 09
	£	£
Bank loans and overdrafts (see note 11)	887,985	1,318
Trade creditors	3,709,201	4,184,305
Corporation tax a/c	13,734	369,803
Social security and other taxes	29,829	48,483
Directors' current accounts	24,172	1,257
Accrued expenses	719,088	404,575
	<u>5,384,009</u>	<u>5,009,741</u>

11 LOANS

An analysis of the maturity of loans is given below

	31 12 10	31 12 09
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	<u>887,985</u>	<u>1,318</u>

12 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	31 12 10	31 12 09	31 12 10	31 12 09
	£	£	£	£
Expiring				
Within one year	-	-	5,575	5,575
Between one and five years	-	-	69,785	69,785
In more than five years	235,000	-	-	-
	<u>235,000</u>	<u>-</u>	<u>75,360</u>	<u>75,360</u>

13 SECURED DEBTS

The following secured debts are included within creditors

	31 12 10	31 12 09
	£	£
Bank overdrafts	<u>887,985</u>	<u>1,318</u>

Bank facilities are secured by a fixed and floating debenture

14 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid		Nominal	31 12 10	31 12 09
Number	Class	value	£	£
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 2010

15 RESERVES

	Profit and loss account £
At 1 January 2010	13,293,570
Profit for the year	64,950
	<hr/>
At 31 December 2010	<u>13,358,520</u>

16 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 £59,259 (2009 £49,608). At the year end there were no outstanding contribution.

17 CAPITAL COMMITMENTS

The capital expenditure authorised and contracted for by the company was £Nil (2009 £Nil).

18 ULTIMATE CONTROLLING PARTY

The company is controlled jointly by H J Lobenstein and his spouse by virtue of controlling 79% of the total share capital of the company.

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 12 10 £	31 12 09 £
Profit for the financial year	64,950	1,817,437
	<hr/>	<hr/>
Net addition to shareholders' funds	64,950	1,817,437
Opening shareholders' funds	13,319,570	11,502,133
	<hr/>	<hr/>
Closing shareholders' funds	<u>13,384,520</u>	<u>13,319,570</u>