

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2016
for
John Banks Limited



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for the Year Ended 31 December 2016

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John Banks Limited
Company Information
for the Year Ended 31 December 2016

DIRECTORS:

J E Banks
Mrs M C L Banks
M J Banks
J C Banks
Mrs M K H Banks-Browne
A J Smith
C Hepton
M Evans

SECRETARY:

Mrs M K H Banks-Browne

REGISTERED OFFICE:

Kempson Way
Moreton Hall
Bury St Edmunds
Suffolk
IP32 7AR

REGISTERED NUMBER:

01831725 (England and Wales)

AUDITORS:

ASE Audit LLP
Statutory Auditors & Chartered Accountants
Rowan Court
Concord Business Park
Manchester
Greater Manchester
M22 0RR

Strategic Report
for the Year Ended 31 December 2016

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

PRINCIPAL ACTIVITY

The principal activity of the company during the period was that of motor vehicle dealerships as in the previous years franchised to Honda, Suzuki, Honda Motorcycles, Renault, Dacia and Infiniti over nine locations throughout Suffolk and Cambridgeshire.

Strategic Report
for the Year Ended 31 December 2016

REVIEW OF BUSINESS

The subsidiary of John Banks (Ipswich) Limited had no change and no profit or loss as the Company remains dormant with existing shareholder funds remaining in the Statement of Financial Position.

Once again, this year saw continued growth and expansion. Whilst waiting for the sale of one of our properties in Cambridge to go through as a student accommodation scheme, we completed on the purchase of the Mercers Row property, a site close to both our Honda and Renault franchises. This was in order to secure a base for our aftersales facility and allow us to continue to trade and grow the aftersales business. The purchase completed in February 2016, from a US company whereupon work commenced to gut out the original building to create a brand new aftersales centre with upgraded ramps, customer waiting, car parking, MOT bays and staff areas. The works were completed in October 2016, when our teams then moved from the Cheddars Lane building, to the new Mercers Row site and trade has picked up ever since. We are expecting the sale of the Cheddars lane site to exchange later in 2017.

During 2016 the Brexit announcement saw a definitive slump in enquiry rate for the first few weeks afterwards, this soon picked up again with a demand greater than prior to the announcement and although plans have not been finalised we hope that our franchise markets will not be affected moving forward over the next two year period.

Working with our KPI's monthly and our daily operating controls which run strictly via our accounts team we have been able to focus on retaining profit for the group overall.

Used Car sales to New Car sales ratio increased by 15%, as New Car sales remained static but the group focused on growing the used car sales market to counter the manufacturer driven drop in new car profits per unit. The increase in used car sales did not affect the used car PPU, this remained at the same high level.

New car PPU dropped in most franchises, Renault however, bucked that trend. The group was in its second year with Renault and felt more confident with the deals on offer and how best to deliver these. However, the sales expenses as a percentage of GP increased, this was driven by the decrease in New Car PPU and a general increase in personnel costs (to keep and attract the best team).

Labour Gross Profit % increased slightly 72% to 73% and expenses as a % of Labour Sales increased from 45% to 49%. We also had an Increase in staffing levels required to ensure we continued to provide excellent service levels and conform to manufacturer demands of reporting and warranty business.

Total labour sales increased year on year, however, retail hours as a % of total hours dropped from 70% to 64%. The main growth of labour sales came from the large warranty recall of air-bags and the increase in the internal hours from the increase in used car sales. There was no movement on the retail recovery rate.

With regards to the parts divisions Parts Gross profit decreased from 28% to 25% and expenses as a % of sales increased from 45% to 47%.

Overall, although our Gross profit for the year was 3.7% higher than the previous year the operating profit was down by 12.5%, we have been keen to keep on top of our outgoings to retain at least the same level of profit as has been achieved in prior years.

A new website was introduced in December 2016 which has reduced some of our overhead moving in to 2017 and has proved a positive increase in website enquiries and traffic and driven a substantial increase in used car sales profitability, directly from the site. Additional software integration provides more focus and detail on the leads driven from the website. We have seen a substantial shift from direct marketing leads to website driven leads.

The Directors' are very pleased that we remain 176 within the Top 200 Dealer Groups in the UK based on our 2015 profitability figures (the latest data available). We are also pleased to be placed 14th in the UK for return on sales.

Our overall employee count remains only slightly more than in 2015 at 160 staff in total. 2016 saw the start of the £25k Sales Executive's guarantee, to keep and attract the best people. The introduction of Club 150+ in 2017, means, any Sales Exec that sells over 150 cars and is consistent each month, earns over £32k

Our relationship with our banking Partner HSBC has remained as it was in the previous year and they provided the additional funding for the new site at Mercers Row in the year in order for us to move the sites prior to the sale of Cheddars Lane completing and we are happy with the continued relationship we see from the motor sector team who look after our daily requirements and we also continue to work closely on our profit retention with ASE on annual / bi-annual review meetings in order to keep ahead of the market.

The Directors are confident of the Company's ability to meet the continued challenges presented in the forthcoming year as we have very strong, sound processes in place and are very excited with our new product ranges for 2017 as we have eventually got the new models from all our manufacturers that we have been waiting for which is providing a very profitable first quarter of 2017.

By mutual agreement Infiniti in Cambridge has been closed since the year end.

Strategic Report
for the Year Ended 31 December 2016

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the nature of the Company's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business.

MANUFACTURERS SUPPLY OF NEW AND IMPROVED PRODUCTS

The Company is reliant on new vehicle products from its manufacturer partners. This exposes the company to risks in a number of areas as the company is dependent on its manufacturer/supplier in respect of:

- availability of new vehicle products
- quality of new vehicle products
- pricing of new vehicle products

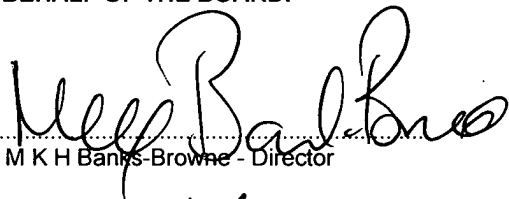
The directors are confident that future new products from its manufacturers/suppliers will continue to be competitively priced and high quality and therefore consider that this "manufacturer risk" is minimal. It is, in any case, mitigated by the other core business areas of the Company, including used vehicle sales, parts sales and service work.

ECONOMIC DOWNTURN

The success of the business is reliant on consumer spending. An economic downturn, resulting in a reduction of consumer spending power, will have a direct impact on the income achieved by the company.

In response to this risk, senior management aim to keep abreast of economic conditions. In cases of severe economic downturn, marketing and pricing strategies are modified to reflect the new market conditions.

ON BEHALF OF THE BOARD:



.....

Mrs M K H Banks-Browne - Director

Date: 25/01/17

Report of the Directors
for the Year Ended 31 December 2016

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

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2016 will be £744,938.

DIRECTORS

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

J E Banks
Mrs M C L Banks
M J Banks
J C Banks
Mrs M K H Banks-Browne
A J Smith
C Hepton
M Evans

FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Company uses various financial instruments, other than derivatives, which include bank, financial institution and stocking loans, cash and various items, such as consignment stock, trade debtors and trade creditors that arise directly from operations. The main purpose of these financial instruments is to raise finance for the Company's operations. Their existence exposes the Company to a number of financial risks.

The significant risks arising from the Company's financial instruments are interest rate risk, liquidity risk and credit risk. The directors review and agree policies for the management of each of these risks which are noted below. These policies are consistent with those from the previous year.

INTEREST RATE RISK

The Company finances its operations through a mixture of bank and other external borrowings. The Company's exposure to interest rate fluctuations on its borrowings is managed by the use of fixed and floating facilities, together with an interest rate hedge, to fix the Bank of England base rate, for half of the mortgage value. Policies are in place to control and limit such borrowings and hence such perceived risk is considered to be minimal. The Statement of Financial Position includes trade debtors and creditors which do not attract interest and are therefore subject to fair value interest rate risk.

The Company's policy throughout the year has been to achieve its objective of managing interest rate risk through day to day involvement of management in business decisions rather than through setting maximum or minimum levels for the level of fixed interest rate borrowings.

LIQUIDITY RISK

The Company seeks to manage risk by ensuring sufficient liquidity is available to meet foreseeable needs to invest cash assets safely and profitably.

The Company's policy throughout the year has been to achieve this objective through the day to day involvement of management in business decisions rather than through setting maximum or minimum liquidity ratios.

CREDIT RISK

The Company's principal financial assets are cash and trade debtors. The credit risk associated with the cash is limited as the counterparts have high credit ratings assigned by international credit-rating agencies. The principal credit risk therefore arises from its trade debtors.

In order to manage credit risk, the directors set credit limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the finance director on a regular basis in conjunction with debt ageing and collection history.

DISCLOSURE IN THE STRATEGIC REPORT

The Directors review of business, and their consideration of the risks and uncertainties surrounding the business may be found in the Strategic Report.

Report of the Directors
for the Year Ended 31 December 2016

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;
- 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.

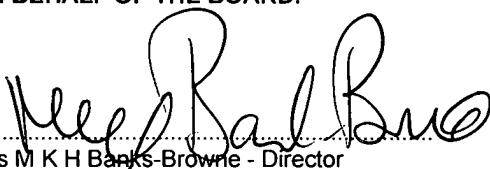
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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, ASE Audit LLP, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD:


.....
Mrs M K H Banks-Browne - Director

Date: 20/1/17.....

Report of the Independent Auditors to the Members of
John Banks Limited

We have audited the financial statements of John Banks Limited for the year ended 31 December 2016 on pages eight to twenty eight. 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 six, 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 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

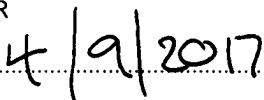
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.



Ian McMahon FCCA FMAAT (Senior Statutory Auditor)
for and on behalf of ASE Audit LLP
Statutory Auditors & Chartered Accountants
Rowan Court
Concord Business Park
Manchester
Greater Manchester
M22 0RR

Date:



Statement of Comprehensive Income
for the Year Ended 31 December 2016

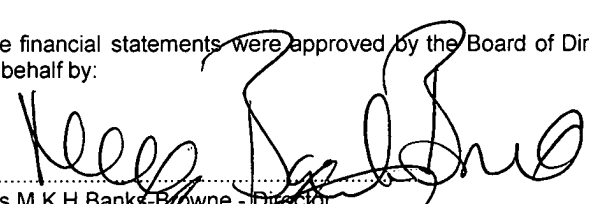
	Notes	2016 £	2015 £
TURNOVER	3	60,173,623	54,841,184
Cost of sales		56,159,784	50,972,264
GROSS PROFIT		4,013,839	3,868,920
Administrative expenses		2,407,974	2,032,777
OPERATING PROFIT	5	1,605,865	1,836,143
Income from fixed asset investments		-	11,757
		1,605,865	1,847,900
Interest payable and similar expenses	6	339,051	275,102
PROFIT BEFORE TAXATION		1,266,814	1,572,798
Tax on profit	7	50,415	342,475
PROFIT FOR THE FINANCIAL YEAR		1,216,399	1,230,323
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,216,399	1,230,323

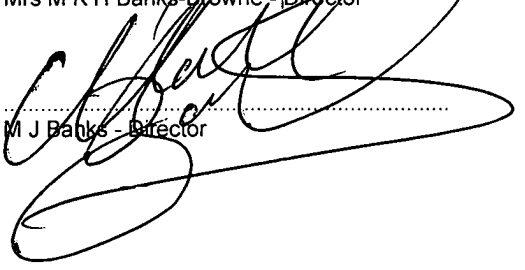
John Banks Limited (Registered number: 01831725)

**Statement of Financial Position
31 December 2016**

	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	9,705,657	8,108,897
Investments	11	-	-
		<u>9,705,657</u>	<u>8,108,897</u>
CURRENT ASSETS			
Stocks	12	7,867,360	8,713,246
Debtors	13	3,346,893	2,808,591
Cash in hand		14,300	2,698
		<u>11,228,553</u>	<u>11,524,535</u>
CREDITORS			
Amounts falling due within one year	14	(13,496,055)	(12,680,714)
NET CURRENT LIABILITIES		<u>(2,267,502)</u>	<u>(1,156,179)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,438,155</u>	<u>6,952,718</u>
CREDITORS			
Amounts falling due after more than one year	15	(3,844,225)	(3,644,942)
PROVISIONS FOR LIABILITIES	20	<u>(172,969)</u>	<u>(358,276)</u>
NET ASSETS		<u><u>3,420,961</u></u>	<u><u>2,949,500</u></u>
CAPITAL AND RESERVES			
Called up share capital	21	293,300	293,300
Share premium	22	990	990
Revaluation reserve	22	880,909	880,909
Retained earnings	22	2,245,762	1,774,301
SHAREHOLDERS' FUNDS		<u><u>3,420,961</u></u>	<u><u>2,949,500</u></u>

The financial statements were approved by the Board of Directors on 28/11/17 and were signed on its behalf by:


Mrs M K H Banks-Browne - Director


M J Banks - Director

The notes form part of these financial statements

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

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 January 2015	284,300	1,409,474	-	880,909	2,574,683
Changes in equity					
Issue of share capital	9,000	-	990	-	9,990
Dividends	-	(865,496)	-	-	(865,496)
Total comprehensive income	-	1,230,323	-	-	1,230,323
Balance at 31 December 2015	<u>293,300</u>	<u>1,774,301</u>	<u>990</u>	<u>880,909</u>	<u>2,949,500</u>
Changes in equity					
Dividends	-	(744,938)	-	-	(744,938)
Total comprehensive income	-	1,216,399	-	-	1,216,399
Balance at 31 December 2016	<u><u>293,300</u></u>	<u><u>2,245,762</u></u>	<u><u>990</u></u>	<u><u>880,909</u></u>	<u><u>3,420,961</u></u>

Statement of Cash Flows
for the Year Ended 31 December 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	2,068,790	2,247,825
Interest paid		(313,111)	(252,566)
Interest element of hire purchase payments paid		(25,940)	(22,536)
Tax paid		(249,029)	(202,840)
Net cash from operating activities		<u>1,480,710</u>	<u>1,769,883</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,810,184)	(1,582,125)
Sale of tangible fixed assets		85,323	116,536
Dividends received		-	11,757
Net cash from investing activities		<u>(1,724,861)</u>	<u>(1,453,832)</u>
Cash flows from financing activities			
New loans in year		612,000	1,000,000
Loan repayments in year		(369,549)	(298,833)
Capital repayments in year		(107,434)	(206,608)
Share issue		-	9,990
Equity dividends paid		(744,938)	(865,496)
Net cash from financing activities		<u>(609,921)</u>	<u>(360,947)</u>
Decrease in cash and cash equivalents		<u>(854,072)</u>	<u>(44,896)</u>
Cash and cash equivalents at beginning of year	2	(590,085)	(545,189)
Cash and cash equivalents at end of year	2	<u><u>(1,444,157)</u></u>	<u><u>(590,085)</u></u>

The notes form part of these financial statements

**Notes to the Statement of Cash Flows
for the Year Ended 31 December 2016**

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

	2016 £	2015 £
Profit before taxation	1,266,814	1,572,798
Depreciation charges	304,499	302,317
Loss on disposal of fixed assets	826	18,050
Finance costs	339,051	275,102
Finance income	-	(11,757)
	<u>1,911,190</u>	<u>2,156,510</u>
Increase in stocks	(87,639)	(1,965,277)
(Increase)/decrease in trade and other debtors	(538,304)	43,533
Increase in trade and other creditors	<u>783,543</u>	<u>2,013,059</u>
Cash generated from operations	<u><u>2,068,790</u></u>	<u><u>2,247,825</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2016

	31.12.16 £	1.1.16 £
Cash and cash equivalents	14,300	2,698
Bank overdrafts	<u>(1,458,457)</u>	<u>(592,783)</u>
	<u><u>(1,444,157)</u></u>	<u><u>(590,085)</u></u>

Year ended 31 December 2015

	31.12.15 £	1.1.15 £
Cash and cash equivalents	2,698	1,755
Bank overdrafts	<u>(592,783)</u>	<u>(546,944)</u>
	<u><u>(590,085)</u></u>	<u><u>(545,189)</u></u>

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

1. STATUTORY INFORMATION

John Banks 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.

The presentation currency of the financial statements is the Pound Sterling (£).

There is no single principal place of business. Details of the principal activity of the Company is noted in the Strategic Report.

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 as modified by the revaluation of certain assets.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see below).

The following principal accounting policies have been applied:

Going concern

After reviewing the Company's forecasts and projections due to the net current liability position of £2,267,502 at the reporting date (2015: £1,156,179), the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

Preparation of consolidated financial statements

The financial statements contain information about the company as an individual company and do not contain consolidated financial information as the parent of the group. The company has taken the option under Section 405 of the Companies Act 2006 not to prepare consolidated financial statements, since the inclusion of the subsidiary undertaking is not material for the purpose of giving a true and fair view.

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

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Consignment stock

Vehicles held on consignment have been included in 'vehicle stock' within 'stocks' on the basis that the Company has determined that it holds the significant risks and rewards attached to these vehicles.

Stock valuation

Stock valuation is regularly monitored against age profile and market demand. Management use a number of market tools during the appraisal process including Glass' and CAP valuation guides. The directors maintain oversight of ageing stock profiles and a monthly review of any provision required is performed.

Goodwill

Goodwill is tested at least annually for impairment in accordance with the accounting policy set out above. The recoverable amount of cash generating units is determined based on value in use calculations. These impairment calculations require the use of estimates including projected future cash flows.

Property, plant and equipment assets

Property, plant and equipment are reviewed for impairment if events or circumstances indicate that the carrying value may not be recoverable. When an impairment review is carried out the recoverable value is determined based on value in use calculations which require estimates to be made of future cash flows.

Incentives and other rebates from brand partners

The Company receives income in the form of various incentives which are determined by our brand partners. The amount we receive is generally based on achieving specific objectives such as a specified sales volume, as well as other objectives including maintaining brand partner standards which may include, but are not limited to, retail centre image and design requirements, customer satisfaction survey results and training standards. Objectives are generally set and measured on either a quarterly or annual basis.

Where incentives are based on a specific sales volume or number of registrations, the related income is recognised as a reduction in cost of sales when it is reasonably certain that the income has been earned. This is generally the later of the date the related vehicles are sold or registered or when it is reasonably certain that the related target will be met. Where incentives are linked to retail centre image and design requirements, customer satisfaction survey results or training standards, they are recognised as a reduction in cost of sales when it is reasonably certain that the incentive will be received for the relevant period.

The Company may also receive contributions towards advertising, promotional and rent expenditure. Where such contributions are received they are recognised as a reduction in the related expenditure in the period to which they relate.

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

2. ACCOUNTING POLICIES - continued

Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

Commissions receivable

Revenue from commissions receivable is recognised when the amount can be reliably measured and it is probable that the Company will receive the consideration.

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Income statement over its useful economic life. All goodwill was fully amortised during the previous period.

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

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Depreciation is provided on the following bases:

Freehold property	-	Not depreciated
Long-term leasehold property	-	Between 2.5% and 25% straight line
		Between 10% and 100% straight line and 20%
Plant and machinery	-	reducing balance
		Between 10% and 100% straight line and 20%
Motor vehicles	-	reducing balance
Fixtures and fittings	-	Between 14% and 50% straight line
Improvements to property	-	Between 2% and 100% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the Statement of Comprehensive Income.

Although the Companies Act 2006 requires all assets to be depreciated, in the directors opinion, this would result in an inappropriate carrying value of freehold property being stated in the financial statements. The directors consider that the market value of the properties is at least equal to the residual value, hence no depreciation has been provided in the financial statements.

The company have taken advantage of the transitional arrangements under FRS102 to carry forward previously revalued assets as deemed cost.

The directors are satisfied that the aggregate value of those assets was not less than the aggregate amount at which they were then stated in the company's accounts.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell, after making due allowance for obsolete and slow moving stock.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Consignment stock

Consignment vehicles which bear considerably more of the risks and responsibilities of ownership are regarded effectively as being under the control of the Company and, in accordance with FRS 102 are included in stocks on the Statement of Financial Position, although legal title has not passed to the Company. The corresponding liability is included in trade creditors and is secured directly on these vehicles.

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

2. ACCOUNTING POLICIES - continued

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 statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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.

Hire purchase and leasing commitments

Assets held under hire purchase or finance leases are capitalised in the Statement of Financial Position. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the Statement of Comprehensive Income over the relevant period. The capital element of the future payments is treated as a liability in the Statement of Financial Position.

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

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

Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

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

2. ACCOUNTING POLICIES - continued

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, together with loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income in finance costs or income as appropriate. The Company does not currently apply hedge accounting for interest rate derivatives.

3. TURNOVER

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

An analysis of turnover by class of business is given below:

	2016 £	2015 £
Sale of goods	56,333,736	51,394,178
Rendering of services	3,165,736	3,160,082
Commissions receivable	674,151	286,924
	<u>60,173,623</u>	<u>54,841,184</u>

All turnover arose within the United Kingdom.

4. EMPLOYEES AND DIRECTORS

	2016 £	2015 £
Wages and salaries	3,849,441	3,327,724
Social security costs	351,525	318,274
Other pension costs	52,554	38,278
	<u>4,253,520</u>	<u>3,684,276</u>

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

4. EMPLOYEES AND DIRECTORS - continued

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

	2016	2015
Management	22	22
Sales and service	145	128
	<u>167</u>	<u>150</u>

	2016 £	2015 £
Directors' remuneration	254,432	235,867
Directors' pension contributions to money purchase schemes	<u>17,182</u>	<u>5,565</u>

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

	2016	2015
Money purchase schemes	<u>6</u>	<u>6</u>

Information regarding the highest paid director is as follows:

	2016 £	2015 £
Emoluments etc	41,145	44,853
Pension contributions to money purchase schemes	<u>1,800</u>	<u>281</u>

The directors consider themselves to be the key management within the business.

5. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £	2015 £
Other operating leases	79,960	48,356
Depreciation - owned assets	220,089	203,362
Depreciation - assets on hire purchase contracts	84,410	53,206
Loss on disposal of fixed assets	826	18,050
Goodwill amortisation	-	45,749
Auditors' remuneration	12,480	15,120
Auditors' remuneration for non audit work	<u>4,370</u>	<u>3,780</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016 £	2015 £
Bank interest	32,689	22,089
Bank loan interest	147,778	125,034
Other interest	132,644	105,443
Hire purchase interest	<u>25,940</u>	<u>22,536</u>
	<u>339,051</u>	<u>275,102</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:

	2016 £	2015 £
Current tax:		
UK corporation tax	250,664	282,352
Prior year over accrual	(14,942)	(194)
Total current tax	235,722	282,158
Deferred tax	(185,307)	60,317
Tax on profit	50,415	342,475

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:

	2016 £	2015 £
Profit before tax	1,266,814	1,572,798
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.247%)	253,363	318,444
Effects of:		
Expenses not deductible for tax purposes	1,004	2,077
Capital allowances in excess of depreciation	(2,822)	(44,146)
Adjustments to tax charge in respect of previous periods	(14,942)	(194)
Non-tax deductible amortisation of goodwill	-	9,263
Revenue in capital	(1,015)	(835)
LLP income taxed in prior year	-	(2,386)
Short term timing differences	134	-
Marginal relief	-	(65)
Deferred tax movement	(185,307)	60,317
Total tax charge	50,415	342,475

Factors that may affect future tax charges

A reduction in the corporation tax rate from 20% to 19% from 1 April 2019 and to 18% from 1 April 2020 was substantively enacted on 18 November 2015. Future tax liabilities will reduce accordingly and deferred tax has been provided at 18% in these financial statements.

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

8. DIVIDENDS

	2016 £	2015 £
Ordinary A shares of £1 each Final	5,000	-
Ordinary B shares of £1 each Final	5,000	-
Ordinary C shares of £1 each Final	171,499	137,416
Ordinary D shares of £1 each Final	226,498	221,981
Ordinary E shares of £1 each Final	144,501	119,975
Ordinary G shares of £1 each Final	68,125	179,997
Ordinary H shares of £1 each Final	68,125	157,830
Ordinary I shares of £1 each Final	56,190	48,297
	<u>744,938</u>	<u>865,496</u>

9. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2016 and 31 December 2016	<u>242,500</u>
AMORTISATION	
At 1 January 2016 and 31 December 2016	<u>242,500</u>
NET BOOK VALUE	
At 31 December 2016	<u>-</u>
At 31 December 2015	<u>-</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Improvements to property £
COST OR VALUATION			
At 1 January 2016	5,135,000	1,981,162	398,537
Additions	-	946,787	473,430
Reclassification/transfer	-	-	33,123
At 31 December 2016	<u>5,135,000</u>	<u>2,927,949</u>	<u>905,090</u>
DEPRECIATION			
At 1 January 2016	-	27,251	135,830
Charge for year	-	43,045	74,523
Eliminated on disposal	-	-	-
At 31 December 2016	<u>-</u>	<u>70,296</u>	<u>210,353</u>
NET BOOK VALUE			
At 31 December 2016	<u>5,135,000</u>	<u>2,857,653</u>	<u>694,737</u>
At 31 December 2015	<u>5,135,000</u>	<u>1,953,911</u>	<u>262,707</u>

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

10. **TANGIBLE FIXED ASSETS - continued**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 January 2016	1,048,190	715,740	523,633	9,802,262
Additions	213,726	139,331	214,134	1,987,408
Disposals	-	-	(143,050)	(143,050)
Reclassification/transfer	(32,653)	(41,093)	40,623	-
At 31 December 2016	1,229,263	813,978	635,340	11,646,620
DEPRECIATION				
At 1 January 2016	773,046	575,450	181,788	1,693,365
Charge for year	74,104	47,458	65,369	304,499
Eliminated on disposal	-	-	(56,901)	(56,901)
At 31 December 2016	847,150	622,908	190,256	1,940,963
NET BOOK VALUE				
At 31 December 2016	382,113	191,070	445,084	9,705,657
At 31 December 2015	275,144	140,290	341,845	8,108,897

Assets with a carrying value of £9,285,890 (2015: £7,704,468) are pledged as security for the company's bank loans.

Cost or valuation at 31 December 2016 is represented by:

	Freehold property £	Long leasehold £	Improvements to property £
Valuation in 2012	1,735,000	-	-
Valuation in 2013	3,400,000	-	-
Cost	-	2,927,949	905,090
	5,135,000	2,927,949	905,090

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2012	-	-	-	1,735,000
Valuation in 2013	-	-	-	3,400,000
Cost	1,229,263	813,978	635,340	6,511,620
	1,229,263	813,978	635,340	11,646,620

If land and buildings had not been revalued they would have been included at the following historical cost:

	2016 £	2015 £
Cost	6,842,864	5,896,077
Aggregate depreciation	(98,263)	(55,218)

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

10. TANGIBLE FIXED ASSETS - continued

Freehold land and buildings consist of 3 separate valuations:

Freehold property at Cambridge was valued on an open market basis on 9 January 2012 by Rapleys LLP.

Freehold property at Bury St Edmunds was valued on an open market basis on 16 April 2013 by Barker Storey Matthews

Freehold property at Ipswich was valued on an open market basis on 3 May 2013 by Barker Storey Matthews.

The directors consider that the valuations remain appropriate and that there is no material difference between their book value and open market value.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 January 2016	42,492	84,522	352,715	479,729
Additions	-	-	177,224	177,224
Disposals	-	-	(68,025)	(68,025)
Transfer to ownership	-	-	(30,305)	(30,305)
At 31 December 2016	42,492	84,522	431,609	558,623
DEPRECIATION				
At 1 January 2016	10,041	33,005	32,254	75,300
Charge for year	9,994	19,296	55,120	84,410
Eliminated on disposal	-	-	(5,669)	(5,669)
Transfer to ownership	-	-	(15,185)	(15,185)
At 31 December 2016	20,035	52,301	66,520	138,856
NET BOOK VALUE				
At 31 December 2016	22,457	32,221	365,089	419,767
At 31 December 2015	32,451	51,517	320,461	404,429

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2016 and 31 December 2016	200,000
PROVISIONS	
At 1 January 2016 and 31 December 2016	200,000
NET BOOK VALUE	
At 31 December 2016	-
At 31 December 2015	-

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

11. FIXED ASSET INVESTMENTS - continued

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

John Banks (Ipswich) Limited
Registered office: United Kingdom
Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

12. STOCKS

	2016 £	2015 £
Vehicle stocks	7,593,356	8,417,736
Parts stocks	274,004	295,510
	<u>7,867,360</u>	<u>8,713,246</u>

Stock recognised in cost of sales during the year as an expense was £53,976,104 (2015: £50,696,078).

An impairment loss movement of £113,702 (2015: £63,386) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

Stock to the value of £7,867,360 (2015: £8,713,246) is pledged as security for the vehicle funding and bank loans.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	1,239,997	1,007,986
Directors' loan accounts	1,813,253	1,511,449
Tax	75,699	75,699
Prepayments	217,944	213,457
	<u>3,346,893</u>	<u>2,808,591</u>

An impairment loss movement of £Nil (2015: £Nil) was recognised against trade debtors.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Bank loans and overdrafts (see note 16)	2,565,404	1,611,827
Hire purchase contracts (see note 17)	109,117	84,063
Trade creditors	9,506,952	9,837,391
Tax	518,085	531,392
Social security and other taxes	78,934	56,618
VAT	360,562	108,297
Directors' current accounts	52,435	105,388
Accruals	304,566	345,738
	<u>13,496,055</u>	<u>12,680,714</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £	2015 £
Bank loans (see note 16)	3,556,964	3,402,417
Hire purchase contracts (see note 17)	287,261	242,525
	<u>3,844,225</u>	<u>3,644,942</u>

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

16. LOANS

An analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year or on demand:		
Bank overdrafts	1,458,457	592,783
Bank loans	1,106,947	1,019,044
	<u>2,565,404</u>	<u>1,611,827</u>
Amounts falling due between one and two years:		
Bank loans	<u>439,296</u>	<u>315,905</u>
Amounts falling due between two and five years:		
Bank loans	<u>1,757,224</u>	<u>1,458,163</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>1,360,444</u>	<u>1,628,349</u>

The first bank loan amounting to £2,564,723 (2015: £2,773,415) bears interest at a rate of 2.65% above the bank base rate and is due to be repaid by March 2027.

The second bank loan amounting to £680,031 (2015: £712,786) bears interest at a rate of 2.65% above the bank base rate and is due to be repaid by August 2017.

The third bank loan amounting to £846,680 (2015: £935,259) bears interest at a rate of 2.65% above the bank base rate and is due to be repaid by January 2020.

The fourth bank loan amounting to £572,477 (2015: £nil) bears interest at a rate of 2.65% above the bank base rate and is due to be repaid by February 2021.

Three directors offer a cross guarantee of £100,000 each with relation to the third loan.

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts 2016 £	2015 £
Net obligations repayable:		
Within one year	109,117	84,063
Between one and five years	287,261	242,525
	<u>396,378</u>	<u>326,588</u>
	Non-cancellable operating leases	
	2016 £	2015 £
Within one year	56,870	56,762
Between one and five years	206,772	213,872
In more than five years	4,256,513	1,307,081
	<u>4,520,155</u>	<u>1,577,715</u>

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

18. SECURED DEBTS

The following secured debts are included within creditors:

	2016 £	2015 £
Bank overdrafts	1,458,457	592,783
Bank loans	4,663,911	4,421,461
Vehicle funding	7,336,004	8,021,011
Hire purchase contracts	109,117	84,063
	<u>13,567,489</u>	<u>13,119,318</u>

The bank overdraft and loans are secured by a fixed charge over the property of the Company together with a fixed and floating charge over all the assets of the Company.

Vehicle funding is secured over the vehicles to which it relates.

Hire purchase loans are secured over the assets to which they relate.

19. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>3,053,894</u>	<u>2,519,434</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(16,382,701)</u>	<u>(15,629,348)</u>

Financial assets measured at amortised cost comprise of trade and other debtors as well as items of accrued income included within prepayments.

Financial liabilities measured at amortised cost comprise of trade creditors, accruals where a cash settlement will take place and bank loans.

On 14 February 2012 the Company entered into a Base Rate Swap with their mortgage provider, to fix the Bank of England base rate at 1.45%.

The Base Rate Swap is for a 5 year period, and for half of the mortgage value.

The Company continues to pay at the prevailing base rate, and pays/receives the difference between the Base Rate and the Swap Rate. During the year £13,902 (2015 : £13,536) was paid by the Company.

20. PROVISIONS FOR LIABILITIES

	2016 £	2015 £
Deferred tax	<u>172,969</u>	<u>358,276</u>
		Deferred tax
		£
Balance at 1 January 2016		358,276
Credit to Statement of Comprehensive Income during year		<u>(185,307)</u>
Balance at 31 December 2016		<u>172,969</u>

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

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
144,993	Ordinary A	£1	144,993	144,993
14,215	Ordinary B	£1	14,215	14,215
14,215	Ordinary C	£1	14,215	14,215
14,215	Ordinary D	£1	14,215	14,215
14,215	Ordinary E	£1	14,215	14,215
82,447	Ordinary F	£1	82,447	82,447
3,000	Ordinary G	£1	3,000	3,000
3,000	Ordinary H	£1	3,000	3,000
3,000	Ordinary I	£1	3,000	3,000
			<u>293,300</u>	<u>293,300</u>

22. RESERVES

Share premium

This reserve includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Revaluation reserve

This reserve is used to record increases in the fair value of freehold and long-term leasehold properties and decreases to the extent that such decreases relates to an increase on the same asset.

Retained earnings

This reserve includes all current and prior period retained profit and losses.

23. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme, a Company personal pension plan for employees and directors, and a self-administered scheme for certain directors. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £52,554 (2015: £38,278).

Contributions totalling £14,166 (2015: £13,498) were payable to the funds at the reporting date and are included in creditors.

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

24. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

Directors loans are interest free and repayable on demand.

During the year total dividends paid to directors were £744,938 (2015: £865,496).

The amount in brackets are owed to the directors or represent amounts paid to the company.

A summary of the advances and credits during the year

	Balance outstanding at the start of the year £	Amounts repaid £	Amounts withdrawn £	Balance outstanding at the end of the year £
J E Banks	681,051	(5,000)	61,924	737,975
M J Banks	543,398	(252,238)	370,019	661,179
J C Banks	56,900	(178,224)	177,393	56,069
Mrs MKH Banks-Browne	177,574	(150,520)	220,316	247,369
C Hepton	(50,993)	(68,125)	99,146	(19,972)
M Evans	(46,045)	(68,125)	103,364	(10,807)
Mrs M C L Banks	52,525	(5,000)	63,135	110,660
A Smith	(8,350)	(66,190)	52,884	(21,656)

All advances to the directors are unsecured, interest free and repayable on demand.

25. RELATED PARTY DISCLOSURES

Related party transactions identified by the directors are summarised below:

A company in which there are common directors made sales during the year to John Banks Limited totalling £15,087 (2015: £40,086). A short term interest free loan amounting to £8,000 (2015: £8,000) remains due from the company.

A short term interest free loan amounting to £33,084 (2015: £33,084) due from a company with a common director is held within one of the directors loan accounts.

26. ULTIMATE CONTROLLING PARTY

The company was under the control of J E Banks during the year by virtue of his majority shareholding in the company.