

REGISTERED NUMBER: 01831725 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2017
for
John Banks Limited

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

FRIDAY



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COMPANIES HOUSE

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for the Year Ended 31 December 2017

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John Banks Limited
Company Information
for the Year Ended 31 December 2017

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 2017

The directors present their strategic report for the year ended 31 December 2017.

REVIEW OF BUSINESS

The principal activity of the company during the period was that of motor vehicle dealer as in previous years with the franchises: Honda, Suzuki, Honda Motorcycles, Renault, Dacia, over eight different divisions in three locations throughout Suffolk and Cambridgeshire. In 2017 we did not continue with the Infiniti franchise and parted amicably with Infiniti in July 2017.

The subsidiary of John Banks (Ipswich) Limited remained dormant throughout the year.

2017 has been a year of difficult trading with regard to the new car market and the pressure imposed by the manufacturers. There were a number of general terms of business changes implemented in the last quarter of 2017 leading in to 2018. We have implemented a considerable number of new processes in the company via our Dealer Management System, Auto Trader upgrades for used cars and the C It Now technology for improved communication with our customers and prospects prior to the introduction of the new General Data Protection Regulation (GDPR) laws. We have also seen complete revision of our personnel Management, Storage and administration for Human Resources moving in to 2018 in line with GDPR and the ICO.

At the time of writing this report we are awaiting for the sale of Cheddars Lane, Cambridge for a student accommodation scheme, which will be a welcome disposal for the business. The disposal will ensure the company is in position to grow and add to the franchise sites in the next few years, we have already been in discussions for these sites.

Whilst we have found the conversion of new cars more difficult in 2017, we saw an increase in the turnover of our used cars shown in the new to used car ratio change:

2018 1.0 New cars : 1.1 Used cars

2017 1.0 New cars : 1.0 Used cars

The turnover in the group increased by 2.68% to £61,787,502 for the year ended 2017. This increase was seen in each area of the group: sales, service and parts - each increasing on 2016 and also all exceeded our budgets.

Our Advertising expenses were significantly up on the previous year and we have had to make dramatic cuts to the spend and way in which we target our markets for 2018 due to this high level of expenditure to get people through the door and in to both the new and used cars. We overspent in marketing by some £60,468 over budget by £29 per retail unit so measures have been taken to address this for 2018. This has been via a larger focus on our social media presence.

Service Hours remained static year on year, however the recovery rates increased by 4% and we worked hard to increase our hours per retail job-card rate from 1.1 to 1.2, thus providing an increase on labour sales of 8.23%. The average labour rate however, remained static on 74%. Expenses as a percentage of gross profit decreased by 1.5% which was a positive movement for the group.

Parts sales increased by 7.86% year on year which is a positive in tough trading conditions.

Overall, even though quarter three and four were disappointing, we have realised a profit at the end of the year again in what was a difficult year for the motor trade.

Overall, although our Gross profit for the year was only 0.80% higher than the previous year the operating profit was down by 5.89% - again mostly due to wages and salaries being up by circa 285K or 6.69%.

In preparation for GDPR in May 2018 the Directors implemented a brand new People HR system giving us secure and transparent as well as protected data links and connectivity with our staff at every level in order that we can communicate both news, information, safety, payroll and HR information to everyone at the press of a button which was rolled out in December 2017.

The Directors' are very pleased that we remain within the Top 200 Dealer Groups in the UK

Our overall employee count remains nearly the same as the previous year at 164 staff in total and we are appreciative of all of the hard work from each and every member of staff to produce the result in 2017.

Our relationship with our banking Partner HSBC has remained as it was in the previous year and have supported us through the re-development of our Honda franchise showrooms with a complete new look at all sites being completed in 2017 and ongoing work at Renault to build a new showroom for September 2018.

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 2018 as we have some very clean, desirable models that are sure to influence the coming year sales.

Strategic Report
for the Year Ended 31 December 2017

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.

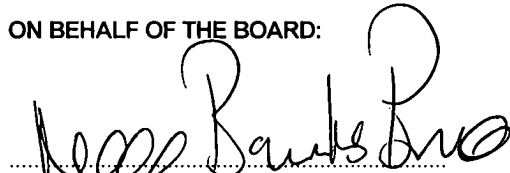
In response to this risk, senior management aim to keep abreast of economic conditions. In cases of severe economic downturn, marketing and pricing strategies are modified to reflect the new market conditions.

POSSIBLE IMPACT OF BREXIT

A "Hard" Brexit may have an impact on the UK car market from March 2019 with possible rises in the cost of vehicles and parts from overseas due to adverse exchange rates and higher tariffs.

Per SMMT "Import tariffs alone could push up the list price of cars imported to the UK from the continent by an average of £1,500 if brands and their retail networks were unable to absorb these additional costs." This would affect demand for new car sales with selling price rises inevitable, although used car sales volumes may increase.

ON BEHALF OF THE BOARD:



Mrs M R H Banks-Browne - Director

Date: 21/8/18

Report of the Directors
for the Year Ended 31 December 2017

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2017 will be £821,810 (2016: £744,938).

FUTURE DEVELOPMENTS

Details of future developments are included within the Strategic Report.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 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. 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.

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 2017

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.

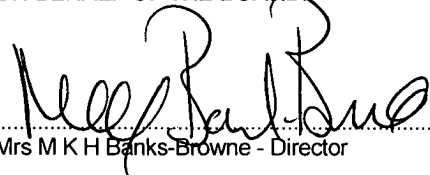
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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: 31/8/18

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

Opinion

We have audited the financial statements of John Banks Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

Responsibilities of directors

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

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

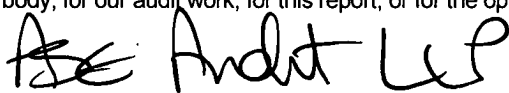
Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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.

 ASE Audit LLP

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:

11/9/2018

Statement of Comprehensive Income
for the Year Ended 31 December 2017

	Notes	2017 £	2016 £
TURNOVER	3	61,787,502	60,173,623
Cost of sales		57,741,369	56,159,784
GROSS PROFIT		4,046,133	4,013,839
Administrative expenses		2,534,894	2,407,974
OPERATING PROFIT	5	1,511,239	1,605,865
Interest payable and similar expenses	6	348,411	339,051
PROFIT BEFORE TAXATION		1,162,828	1,266,814
Tax on profit	7	235,772	50,415
PROFIT FOR THE FINANCIAL YEAR		927,056	1,216,399
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		927,056	1,216,399

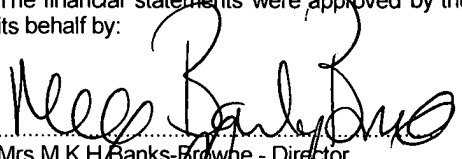
The notes form part of these financial statements

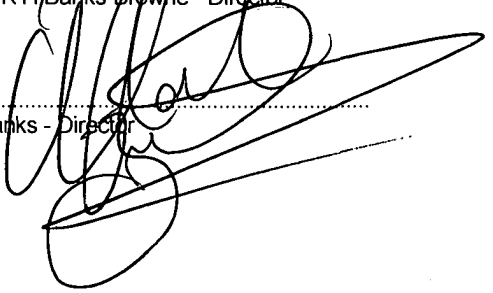
John Banks Limited (Registered number: 01831725)

**Statement of Financial Position
31 December 2017**

	Notes	2017 £	2016 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	9,772,351	9,705,657
Investments	11	-	-
		<u>9,772,351</u>	<u>9,705,657</u>
CURRENT ASSETS			
Stocks	12	9,045,487	7,867,360
Debtors	13	3,603,101	3,346,893
Cash in hand		3,294	14,300
		<u>12,651,882</u>	<u>11,228,553</u>
CREDITORS			
Amounts falling due within one year	14	(13,824,747)	(13,496,055)
NET CURRENT LIABILITIES		<u>(1,172,865)</u>	<u>(2,267,502)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,599,486</u>	<u>7,438,155</u>
CREDITORS			
Amounts falling due after more than one year	15	(4,873,846)	(3,844,225)
PROVISIONS FOR LIABILITIES	20	<u>(199,433)</u>	<u>(172,969)</u>
NET ASSETS		<u><u>3,526,207</u></u>	<u><u>3,420,961</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	2,351,008	2,245,762
SHAREHOLDERS' FUNDS		<u><u>3,526,207</u></u>	<u><u>3,420,961</u></u>

The financial statements were approved by the Board of Directors on 31/12/18 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 2017

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 January 2016	293,300	1,774,301	990	880,909	2,949,500
Changes in equity					
Dividends	-	(744,938)	-	-	(744,938)
Total comprehensive income	-	1,216,399	-	-	1,216,399
Balance at 31 December 2016	<u>293,300</u>	<u>2,245,762</u>	<u>990</u>	<u>880,909</u>	<u>3,420,961</u>
Changes in equity					
Dividends	-	(821,810)	-	-	(821,810)
Total comprehensive income	-	927,056	-	-	927,056
Balance at 31 December 2017	<u>293,300</u>	<u>2,351,008</u>	<u>990</u>	<u>880,909</u>	<u>3,526,207</u>

The notes form part of these financial statements

Statement of Cash Flows
for the Year Ended 31 December 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	991,948	2,068,790
Interest paid		(325,250)	(313,111)
Interest element of hire purchase payments paid		(23,161)	(25,940)
Tax paid		(267,410)	(249,029)
Net cash from operating activities		<u>376,127</u>	<u>1,480,710</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(342,326)	(1,810,184)
Sale of tangible fixed assets		15,101	85,323
Net cash from investing activities		<u>(327,225)</u>	<u>(1,724,861)</u>
Cash flows from financing activities			
New loans in year		5,164,000	612,000
Loan repayments in year		(4,167,910)	(369,549)
Capital repayments in year		-	(107,434)
Hire purchase payments in the year		(133,818)	-
Hire purchase introduced in the year		159,879	-
Equity dividends paid		(821,810)	(744,938)
Net cash from financing activities		<u>200,341</u>	<u>(609,921)</u>
Increase/(decrease) in cash and cash equivalents		<u>249,243</u>	<u>(854,072)</u>
Cash and cash equivalents at beginning of year	2	(1,444,157)	(590,085)
Cash and cash equivalents at end of year	2	<u><u>(1,194,914)</u></u>	<u><u>(1,444,157)</u></u>

The notes form part of these financial statements

**Notes to the Statement of Cash Flows
for the Year Ended 31 December 2017**

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

	2017 £	2016 £
Profit before taxation	1,162,828	1,266,814
Depreciation charges	240,474	304,499
(Profit)/loss on disposal of fixed assets	(4,688)	826
Finance costs	348,411	339,051
	<u>1,747,025</u>	<u>1,911,190</u>
Increase in stocks	(1,500,277)	(87,639)
Increase in trade and other debtors	(256,208)	(538,304)
Increase in trade and other creditors	1,001,408	783,543
	<u>991,948</u>	<u>2,068,790</u>
Cash generated from operations	<u>991,948</u>	<u>2,068,790</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 2017

	31.12.17 £	1.1.17 £
Cash and cash equivalents	3,294	14,300
Bank overdrafts	(1,198,208)	(1,458,457)
	<u>(1,194,914)</u>	<u>(1,444,157)</u>

Year ended 31 December 2016

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

Notes to the Financial Statements
for the Year Ended 31 December 2017

1. STATUTORY INFORMATION

John Banks Limited is a private company, limited by shares, registered in England & Wales. The company's registered number is included on the Statement of Financial Position and the registered office address of the company is Kempson Way, Moreton Hall, Bury St Edmunds, Suffolk, IP32 7AR.

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

The company does not have a single trading address. 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 and Dacia over nine locations throughout Suffolk and Cambridgeshire.

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 £1,172,865 at the reporting date (2016: £2,267,502), 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 2017

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 received 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.

Turnover

Turnover from the sale of goods is recognised in the Statement of Comprehensive Income, net of discounts and value added tax, when the significant risks and rewards of ownership have been transferred to the buyer. In general this occurs when vehicles or parts have been supplied or when a service has been completed.

Commission income is accounted for on a receivable basis.

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 has been fully amortised.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

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 1.1% and 25% straight line
Plant and machinery	-	Between 10% and 50% straight line and 20% reducing balance
Motor vehicles	-	Between 10% and 25% straight line
Fixtures and fittings	-	Between 6.67% and 50% straight line
Improvements to property	-	Between 1.1% and 50% 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 the Statement of Comprehensive Income.

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.

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 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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

2. ACCOUNTING POLICIES - continued

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.

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.

Financial instruments

The fair values of the company's financial assets, cash and cash equivalents, and financial liabilities (which include liabilities in respect of consignment stock) are assumed to approximate to their book value. The company does not enter into derivative financial instruments.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

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:

	2017 £	2016 £
Sale of goods	57,947,739	56,333,736
Rendering of services	3,266,354	3,165,736
Commissions receivable	573,409	674,151
	<u>61,787,502</u>	<u>60,173,623</u>

All turnover arose within the United Kingdom.

4. EMPLOYEES AND DIRECTORS

	2017 £	2016 £
Wages and salaries	4,104,326	3,849,441
Social security costs	372,347	351,525
Other pension costs	61,588	52,554
	<u>4,538,261</u>	<u>4,253,520</u>

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

	2017	2016
Management	22	20
Sales and service	142	145
	<u>164</u>	<u>165</u>

	2017 £	2016 £
Directors' remuneration	269,508	254,432
Directors' pension contributions to money purchase schemes	23,860	17,182
	<u></u>	<u></u>

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

	2017	2016
Money purchase schemes	<u>6</u>	<u>6</u>

Information regarding the highest paid director is as follows:

	2017 £	2016 £
Emoluments etc	42,633	41,145
Pension contributions to money purchase schemes	2,026	1,800
	<u></u>	<u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2017	2016
	£	£
Other operating leases	82,357	79,960
Depreciation - owned assets	155,757	220,089
Depreciation - assets on hire purchase contracts	84,717	84,410
(Profit)/loss on disposal of fixed assets	(4,688)	826
Auditors' remuneration	13,038	12,480
Auditors' remuneration for non audit work	3,862	4,370
	<u>3,862</u>	<u>4,370</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank interest	41,745	32,689
Bank loan interest	140,766	147,778
Other interest	139,967	132,644
Interest on corporation tax	2,772	-
Hire purchase interest	23,161	25,940
	<u>348,411</u>	<u>339,051</u>

7. TAXATION

Analysis of the tax charge

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

	2017	2016
	£	£
Current tax:		
UK corporation tax	209,636	250,664
Prior year over accrual	(328)	(14,942)
Total current tax	<u>209,308</u>	<u>235,722</u>
Deferred tax	<u>26,464</u>	<u>(185,307)</u>
Tax on profit	<u>235,772</u>	<u>50,415</u>

Reconciliation of total tax charge included in profit and loss

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

	2017	2016
	£	£
Profit before tax	<u>1,162,828</u>	<u>1,266,814</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.247% (2016 - 20%)	<u>223,810</u>	<u>253,363</u>
Effects of:		
Expenses not deductible for tax purposes	-	577
Adjustments to tax charge in respect of previous periods	(328)	(14,942)
Revenue in capital	(1,670)	(1,015)
Depreciation on non qualifying assets	16,181	22,185
Difference in deferred tax rates	(2,588)	(6,758)
Prior year deferred tax adjustment	367	16,887
CGT on Revaluation Reserve	-	(219,882)
Total tax charge	<u>235,772</u>	<u>50,415</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

7. **TAXATION - continued**

Factors that may affect future tax charges

A reduction in the corporation tax rate from 20% to 19% from 1 April 2019 and to 17% from 1 April 2020 was substantively enacted on 6 September 2016. Future tax liabilities will reduce accordingly.

8. **DIVIDENDS**

	2017 £	2016 £
Ordinary A shares of £1 each Final	20,000	5,000
Ordinary B shares of £1 each Final	20,000	5,000
Ordinary C shares of £1 each Final	176,900	171,499
Ordinary D shares of £1 each Final	234,550	226,498
Ordinary E shares of £1 each Final	164,250	144,501
Ordinary G shares of £1 each Final	72,855	68,125
Ordinary H shares of £1 each Final	72,855	68,125
Ordinary I shares of £1 each Final	60,400	56,190
	821,810	744,938

9. **INTANGIBLE FIXED ASSETS**

	Goodwill £
COST	
At 1 January 2017 and 31 December 2017	242,500
AMORTISATION	
At 1 January 2017 and 31 December 2017	242,500
NET BOOK VALUE	
At 31 December 2017	-
At 31 December 2016	-

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

10. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Improvements to property £
COST OR VALUATION			
At 1 January 2017	5,135,000	2,927,949	905,090
Additions	-	-	121,380
Disposals	-	-	(3,278)
At 31 December 2017	5,135,000	2,927,949	1,023,192
DEPRECIATION			
At 1 January 2017	-	70,296	210,353
Charge for year	-	45,306	23,135
Eliminated on disposal	-	-	-
At 31 December 2017	-	115,602	233,488
NET BOOK VALUE			
At 31 December 2017	5,135,000	2,812,347	789,704
At 31 December 2016	5,135,000	2,857,653	694,737

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 January 2017	1,229,263	813,978	635,340	11,646,620
Additions	62,399	55,488	103,059	342,326
Disposals	(13,873)	(260)	(53,498)	(70,909)
At 31 December 2017	1,277,789	869,206	684,901	11,918,037
DEPRECIATION				
At 1 January 2017	847,150	622,908	190,256	1,940,963
Charge for year	58,361	47,397	66,275	240,474
Eliminated on disposal	(3,553)	(166)	(32,032)	(35,751)
At 31 December 2017	901,958	670,139	224,499	2,145,686
NET BOOK VALUE				
At 31 December 2017	375,831	199,067	460,402	9,772,351
At 31 December 2016	382,113	191,070	445,084	9,705,657

Assets with a carrying value of £9,356,305 (2016: £9,285,890) are pledged as security for the company's bank loans.

Cost or valuation at 31 December 2017 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	1,023,192
	5,135,000	2,927,949	1,023,192

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

10. TANGIBLE FIXED ASSETS - continued

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2012	-	-	-	1,735,000
Valuation in 2013	-	-	-	3,400,000
Cost	1,277,789	869,206	684,901	6,783,037
	<u>1,277,789</u>	<u>869,206</u>	<u>684,901</u>	<u>11,918,037</u>

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

	2017 £	2016 £
Cost	6,842,864	6,842,864
Aggregate depreciation	(143,569)	(98,263)

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:

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 January 2017	-	42,492	84,522	431,609	558,623
Additions	-	-	-	96,295	96,295
Disposals	-	-	-	(42,500)	(42,500)
Reclassification/transfer	84,522	(20,148)	(64,374)	-	-
At 31 December 2017	<u>84,522</u>	<u>22,344</u>	<u>20,148</u>	<u>485,404</u>	<u>612,418</u>
DEPRECIATION					
At 1 January 2017	-	20,035	52,301	66,520	138,856
Charge for year	15,236	5,982	3,192	60,307	84,717
Eliminated on disposal	-	-	-	(27,201)	(27,201)
Reclassification/transfer	52,301	(13,651)	(38,650)	-	-
At 31 December 2017	<u>67,537</u>	<u>12,366</u>	<u>16,843</u>	<u>99,626</u>	<u>196,372</u>
NET BOOK VALUE					
At 31 December 2017	<u>16,985</u>	<u>9,978</u>	<u>3,305</u>	<u>385,778</u>	<u>416,046</u>
At 31 December 2016	<u>-</u>	<u>22,457</u>	<u>32,221</u>	<u>365,089</u>	<u>419,767</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2017 and 31 December 2017	<u>200,000</u>
PROVISIONS	
At 1 January 2017 and 31 December 2017	<u>200,000</u>
NET BOOK VALUE	
At 31 December 2017	<u>-</u>
At 31 December 2016	<u>-</u>

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:	holding
Ordinary	100.00

12. STOCKS

	2017 £	2016 £
Vehicle stocks	8,833,507	7,593,356
Parts stocks	211,980	274,004
	<u>9,045,487</u>	<u>7,867,360</u>

Stock recognised in cost of sales during the year as an expense was £52,234,356 (2016: £53,976,104).

An impairment loss reversal £30,170 (2016: Loss of £113,702) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

All stock is pledged as security for the vehicle funding and bank loans.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	1,288,537	1,239,997
Directors' loan accounts	1,984,520	1,813,253
Tax	75,699	75,699
Prepayments	254,345	217,944
	<u>3,603,101</u>	<u>3,346,893</u>

An impairment loss movement of £Nil (2016: £Nil) was recognised against trade debtors.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts (see note 16)	2,307,456	2,565,404
Hire purchase contracts (see note 17)	99,346	109,117
Trade creditors	10,160,870	9,506,952
Tax	459,983	518,085
Social security and other taxes	172,488	78,934
VAT	212,884	360,562
Directors' current accounts	65,639	52,435
Accruals	346,081	304,566
	<u>13,824,747</u>	<u>13,496,055</u>

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

	2017	2016
	£	£
Bank loans (see note 16)	4,550,753	3,556,964
Hire purchase contracts (see note 17)	323,093	287,261
	<u>4,873,846</u>	<u>3,844,225</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	1,198,208	1,458,457
Bank loans	<u>1,109,248</u>	<u>1,106,947</u>
	<u>2,307,456</u>	<u>2,565,404</u>
Amounts falling due between one and two years:		
Bank loans	<u>476,445</u>	<u>439,296</u>
Amounts falling due between two and five years:		
Bank loans	<u>1,513,849</u>	<u>1,757,224</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>2,560,459</u>	<u>1,360,444</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.

The first bank loan amounting to £646,231(2016 £680,031) bears interest at a rate of 2.65% above the bank base rate and is due to be repaid by April 2018.

The second bank loan amounting to £5,013,770 (2016 £Nil) bears interest at a rate of 2.5% above the bank base rate and is due to be repaid by August 2027.

In the prior year there were 3 other loan balances totalling £2,564,723, £846,680 and £572,477 respectively which bore interest at a rate of 2.65% above the bank base rate. These were repaid within the year and replaced with the second bank loan as above.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	99,346	109,117
Between one and five years	323,093	287,261
	<u>422,439</u>	<u>396,378</u>
	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	77,607	77,607
Between one and five years	220,408	289,719
In more than five years	4,151,569	4,256,513
	<u>4,449,584</u>	<u>4,623,839</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	2017	2016
	£	£
Bank overdrafts	1,198,208	1,458,457
Bank loans	5,660,001	4,663,911
Hire purchase contracts	422,439	396,378
Vehicle funding	7,640,965	7,336,004
	<u>14,921,613</u>	<u>13,854,750</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

	2017	2016
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>3,273,057</u>	<u>3,057,738</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(17,853,327)</u>	<u>(16,643,973)</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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

20. PROVISIONS FOR LIABILITIES

	2017 £	2016 £
Deferred tax	<u>199,433</u>	<u>172,969</u>
		Deferred tax
		£
Balance at 1 January 2017		172,969
Accelerated capital allowances		25,560
Short term timing differences		1,249
CGT on revaluation of properties		(345)
Balance at 31 December 2017		<u>199,433</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2017 £	2016 £
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 less dividends paid.

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 £61,588 (2016: £52,554). Contributions totalling £7,773 (2016: £14,166) 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 2017

24. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

During the year total dividends paid to directors were £821,810 (2016: £744,938).

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	737,975	(25,708)	88,508	800,775
M J Banks	661,179	(298,839)	366,685	729,025
J C Banks	56,069	(213,625)	190,314	32,758
Mrs MKH Banks-Browne	247,369	(165,789)	220,316	271,542
C Hepton	(19,972)	(72,855)	189,962	(28,402)
M Evans	(10,807)	(73,055)	64,425	(18,862)
Mrs M C L Banks	110,660	(20,000)	59,760	150,420
A Smith	(21,656)	(60,720)	64,000	(18,376)

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 £6,557 (2016: £15,087). A short term interest free loan amounting to £8,000 in 2016 has been repaid in the year.

A short term interest free loan amounting to £33,084 (2016: £33,084) due from a company with a common director is held within one of the directors loan accounts.

Remuneration paid to key management in the year totalled £295,388 (2016: £278,340).

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.