

Company registration number: 06499284

3LINE ELECTRICAL WHOLESALE LIMITED

FINANCIAL STATEMENTS

30 APRIL 2016



3LINE ELECTRICAL WHOLESALE LIMITED

COMPANY INFORMATION

Directors	Mr J J Kelly	(Resigned 8 June 2015)
	Mr K A Avenell	
	Mr C Browne	
	Mr S M Goulding	
	Mr P Dalglish	(Appointed 8 June 2015)
Secretary	S M Goulding	
Company number	06499284	
Registered office	Unit 3 Wessex Trade Centre Ringwood Road Poole Dorset BH12 3PF	
Business address	Unit 3 Wessex Trade Centre Ringwood Road Poole Dorset BH12 3PF	
Auditors	Martin & Company 158 Richmond Park Road Bournemouth Dorset BH8 8TW	

3LINE ELECTRICAL WHOLESALE LIMITED

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3LINE ELECTRICAL WHOLESALE LIMITED

STRATEGIC REPORT

YEAR ENDED 30 APRIL 2016

Review of the Company's Business

The principle activity of the company has remained the distribution of electrical products to trade and industry, as well as a small supply to the general public. The route to market continues to be via our 5 branch network, with no new branches opening during 2015/2016.

Over the past 12 months we have made a structural change and 3Line Holdings Limited was created by Keith Avenell, Samantha Watts and Paul Dalglish to acquire 80% of the Shareholding within 3Line Electrical Wholesale Limited. This was a positive step which has enabled us to take a slightly different strategic direction and enabled John Kelly to exit the business.

Principal Risks & Uncertainties

Competitor activity has remained intense over the past 12 months and remains the greatest challenge to our business. Competitor activity threatens both our customer base and staff retention, however with strong processes in place and a positive approach to our employees, staff attrition is low and turnover is up 15.5% year on year.

Within the next 12 months we intend to refine our internal procedures to further mitigate competitor threat and expand upon our existing branch network.

The wider economic and political risk posed by Brexit may impact part of our customer base and supply chain, and as such our focus will continue to be on diluting the reliance on fewer customers by continually expanding the number of accounts who trade with us.

Financial KPI's

We consider the four cornerstones of our business to be Turnover, Margin, Debtor collection and stock control.

During 2016, and in the months following our structural change, turnover was increased by 15.5% and we are pleased to say, in spite of the extra sales volume, margin was not sacrificed and finished slightly up on the previous year.

With our stock holding at around 8 turns, and debtor days in line with company expectation at around 60 days, our working capital position remained strong throughout the year.

This report was approved by the board of directors on 9 September 2016 and signed on behalf of the board by:



S M Goulding
Director

3LINE ELECTRICAL WHOLESALE LIMITED

DIRECTORS REPORT YEAR ENDED 30 APRIL 2016

The directors present their report and the financial statements of the company for the year ended 30 April 2016.

Directors

The directors who served the company during the year were as follows:

J J Kelly (Resigned 8 June 2015)

K A Avenell

C Browne

S M Goulding

P Dalgliesh (Appointed 8 June 2015)

Dividends

Particulars of dividends are detailed in note 10 to the financial statements.

Disclosure of information in the strategic report.

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 are set out in the strategic report.

Statement of directors responsibilities

The directors are responsible for preparing the strategic report, directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgments 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.

3LINE ELECTRICAL WHOLESALE LIMITED

**DIRECTORS REPORT (CONTINUED)
YEAR ENDED 30 APRIL 2016**

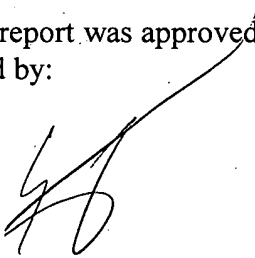
Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 9 September 2016 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'S M Goulding', written over a horizontal line.

**S M Goulding
Secretary**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
3LINE ELECTRICAL WHOLESALE LIMITED
YEAR ENDED 30 APRIL 2016**

We have audited the financial statements of 3Line Electrical Wholesale Limited for the year ended 30 April 2016 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and related notes. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the 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. 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 Directors responsibilities 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 Directors report and the Strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the directors affairs as at 30 April 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.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
3LINE ELECTRICAL WHOLESALE LIMITED (CONTINUED)
YEAR ENDED 30 APRIL 2016**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors report and the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and the 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.



Gordon Long FCA (senior statutory auditor)

For and on behalf of

Martin & Company

Statutory auditor

Chartered Accountants

158 Richmond Park Road

Bournemouth

Dorset

BH8 8TW

14.9.16

3LINE ELECTRICAL WHOLESALE LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS YEAR ENDED 30 APRIL 2016

	Note	2016 £	2015 £
Turnover	3	10,167,459	8,795,101
Cost of sales		(7,176,992)	(6,264,070)
Gross profit		2,990,467	2,531,031
Administrative expenses		(2,544,513)	(2,457,313)
Operating profit	4	445,954	73,718
Interest payable and similar charges	8	(42,941)	(37,156)
Profit on ordinary activities before taxation		403,013	36,562
Tax on profit on ordinary activities	9	(95,223)	(15,143)
Profit for the financial year and total comprehensive income		307,790	21,419
Dividends paid and payable	10	(160,000)	-
Retained earnings at the start of the year		232,134	210,715
Retained earnings at the end of the year		379,924	232,134

All the activities of the company are from continuing operations.

The notes on pages 10 to 21 form part of these financial statements.

3LINE ELECTRICAL WHOLESALE LIMITED

STATEMENT OF FINANCIAL POSITION

30 APRIL 2016

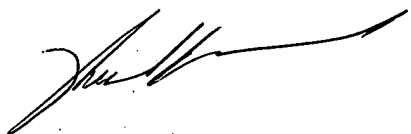
	Note	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	11	155,172		188,812	
			155,172		188,812
Current assets					
Stocks	12	961,558		894,169	
Debtors	13	2,117,132		1,842,478	
Cash at bank and in hand		11,020		22,367	
		3,089,710		2,759,014	
Creditors: amounts falling due within one year	14	(2,603,503)		(2,423,714)	
Net current assets			486,207		335,300
Total assets less current liabilities			641,379		524,112
Creditors: amounts falling due after more than one year	15		(25,030)		(52,778)
Provisions for liabilities	17		(11,425)		(14,200)
Net assets			604,924		457,134
Capital and reserves					
Called up share capital	19		225,000		225,000
Profit and loss account	20		379,924		232,134
Shareholders funds			604,924		457,134

The notes on pages 10 to 21 form part of these financial statements.

3LINE ELECTRICAL WHOLESALE LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)
30 APRIL 2016

These financial statements were approved by the board of directors and authorised for issue on 9 September 2016, and are signed on behalf of the board by:



K A Avenell
Director

Company registration number: 06499284

The notes on pages 10 to 21 form part of these financial statements.

3LINE ELECTRICAL WHOLESALE LIMITED

STATEMENT OF CASH FLOWS YEAR ENDED 30 APRIL 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	307,790	21,419
Adjustments for:		
Depreciation of tangible assets	45,927	41,038
Interest payable and similar charges	42,941	37,156
(Gain) on disposal of tangible assets	-	(2,500)
Tax on profit on ordinary activities	95,223	15,143
Accrued expenses/(income)	31,260	(11,010)
Changes in:		
Stocks	(67,389)	(32,665)
Trade and other debtors	(274,654)	(134,796)
Trade and other creditors	33,360	92,141
Cash generated from operations	214,458	25,926
Interest paid	(42,941)	(37,156)
Tax paid	(9,023)	(43,543)
Net cash from/(used in) operating activities	<u>162,494</u>	<u>(54,773)</u>
Cash flows from investing activities		
Purchase of tangible assets	(12,287)	(86,706)
Proceeds from sale of tangible assets	-	2,500
Net cash used in investing activities	<u>(12,287)</u>	<u>(84,206)</u>
Cash flows from financing activities		
Proceeds from borrowings	(1,554)	86,111
Equity dividends paid	(160,000)	-
Net cash (used in)/from financing activities	<u>(161,554)</u>	<u>86,111</u>
Net increase/(decrease) in cash and cash equivalents	(11,347)	(52,868)
Cash and cash equivalents at beginning of year	22,367	75,235
Cash and cash equivalents at end of year	<u>11,020</u>	<u>22,367</u>

3LINE ELECTRICAL WHOLESALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 APRIL 2016

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 May 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 24.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

3LINE ELECTRICAL WHOLESALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 30 APRIL 2016

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Short leasehold property	-	Straight line over the life of the lease
Computer equipment	- 33.33%	straight line
Fixtures and fittings	- 15%	reducing balance
Motor vehicles	- 25%	straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

3LINE ELECTRICAL WHOLESALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **YEAR ENDED 30 APRIL 2016**

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

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

Defined contribution pension plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

3LINE ELECTRICAL WHOLESALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 30 APRIL 2016

3. Turnover

Turnover arises from:

	2016	2015
	£	£
Sale of goods	<u>10,167,459</u>	<u>8,795,101</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

Geographical markets

	2016	2015
	£	£
United Kingdom	<u>10,167,459</u>	<u>8,795,101</u>

4. Operating profit

Operating profit is stated after charging/(crediting):

	2016	2015
	£	£
Depreciation of tangible assets	45,927	41,038
(Gain)/loss on disposal of tangible assets	-	(2,500)
Operating lease rentals	154,992	149,334
Defined contribution pension plan expense	27,185	23,092
Fees payable for the audit of the financial statements	<u>8,200</u>	<u>8,140</u>

5. Auditors remuneration

	2016	2015
	£	£
Fees payable to Martin & Company		
Fees payable for the audit of the financial statements	<u>8,200</u>	<u>8,140</u>

3LINE ELECTRICAL WHOLESALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 30 APRIL 2016

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2016	2015
Directors	5	4
Sales, administration and warehouse staff	43	47
	<u>48</u>	<u>51</u>

The aggregate payroll costs incurred during the year were:

	2016	2015
	£	£
Wages and salaries	1,444,632	1,411,446
Social security costs	136,503	143,878
Pension costs	27,185	23,092
	<u>1,608,320</u>	<u>1,578,416</u>

7. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2016	2015
	£	£
Remuneration	<u>329,277</u>	<u>265,499</u>

Remuneration of the highest paid directors in respect of qualifying services:

	2016	2015
	£	£
Aggregate remuneration	<u>88,222</u>	<u>92,791</u>

8. Interest payable and similar charges

	2016	2015
	£	£
Invoice financing	43,236	34,498
Other interest payable and similar charges	(295)	2,658
	<u>42,941</u>	<u>37,156</u>

3LINE ELECTRICAL WHOLESALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 30 APRIL 2016

9. Tax on profit on ordinary activities

Major components of tax expense

	2016 £	2015 £
Current tax:		
UK current tax expense	98,000	9,689
Adjustments in respect of previous periods	(2)	(46)
Total current tax	97,998	9,643
Deferred tax:		
Origination and reversal of timing differences	(2,775)	5,500
Tax on profit on ordinary activities	95,223	15,143

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20 % (2015: 20%).

A reconciliation is given below:

	2016 £	2015 £
Profit on ordinary activities before taxation	403,013	36,562
Profit on ordinary activities by rate of tax	80,603	7,312
Adjustments in respect of prior periods	(2)	(46)
Effect of expenses not deductible for tax purposes	14,582	7,927
Effect of capital allowances and depreciation	2,814	(5,552)
Rounding on tax charge	1	2
Tax on profit on ordinary activities	97,998	9,643

10. Dividends

Equity dividends

	2016 £	2015 £
Dividends paid during the year	160,000	-

3LINE ELECTRICAL WHOLESALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 30 APRIL 2016

11. Tangible assets

	Short leasehold property £	Computer equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 May 2015	159,270	102,295	62,635	23,962	348,162
Additions	701	6,580	4,853	153	12,287
At 30 April 2016	<u>159,971</u>	<u>108,875</u>	<u>67,488</u>	<u>24,115</u>	<u>360,449</u>
Depreciation					
At 1 May 2015	55,569	72,739	22,002	9,040	159,350
Charge for the year	17,747	16,252	6,272	5,656	45,927
At 30 April 2016	<u>73,316</u>	<u>88,991</u>	<u>28,274</u>	<u>14,696</u>	<u>205,277</u>
Carrying amount					
At 30 April 2016	<u>86,655</u>	<u>19,884</u>	<u>39,214</u>	<u>9,419</u>	<u>155,172</u>
At 30 April 2015	<u>103,701</u>	<u>29,556</u>	<u>40,633</u>	<u>14,922</u>	<u>188,812</u>

12. Stocks

	2016 £	2015 £
Finished goods and goods for resale	<u>961,558</u>	<u>894,169</u>

13. Debtors

	2016 £	2015 £
Trade debtors	1,899,970	1,666,346
Prepayments and accrued income	176,186	139,277
Other debtors	40,976	36,855
	<u>2,117,132</u>	<u>1,842,478</u>

3LINE ELECTRICAL WHOLESALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 30 APRIL 2016

14. Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts (secured)	59,527	33,333
Trade creditors	1,455,921	1,341,164
Accruals and deferred income	189,877	158,617
Corporation tax	98,875	9,900
Social security and other taxes	134,646	133,421
Other creditors	664,657	747,279
	<u>2,603,503</u>	<u>2,423,714</u>

15. Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Bank loans and overdrafts (secured)	<u>25,030</u>	<u>52,778</u>

16. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2016	2015
	£	£
Included in provisions (note 17)	<u>11,425</u>	<u>14,200</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016	2015
	£	£
Accelerated capital allowances	<u>11,425</u>	<u>14,200</u>

17. Provisions

	Deferred tax
	£
At 1 May 2015	14,200
Additions	(2,775)
At 30 April 2016	<u>11,425</u>

3LINE ELECTRICAL WHOLESALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 30 APRIL 2016

18. Employee benefits

Defined contribution pension plans

The amount recognised in profit or loss in relation to defined contribution plans was £ 27,185 (2015: £ 23,092).

19. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No	£	No	£
Ordinary shares shares of £ 1.00 each	-	-	225,000	225,000
Ordinary A shares shares of £ 1.00 each	180,000	180,000	-	-
Ordinary B shares shares of £ 1.00 each	45,000	45,000	-	-
	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>

20. Reserves

Profit and loss account:

This reserve records retained earnings and accumulated losses.

21. Operating leases

The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Not later than 1 year	257,418	20,936
Later than 1 year and not later than 5 years	472,226	153,259
Later than 5 years	120,746	73,500
	<u>850,390</u>	<u>247,695</u>

3LINE ELECTRICAL WHOLESALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 30 APRIL 2016

22. Directors advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	Advances to the directors		Amounts repaid		Balance outstanding	
	2016	2015	2016	2015	2016	2015
	£	£	£	£	£	£
Mr C Browne	<u>3,499</u>	<u>8,000</u>	<u>(2,056)</u>	<u>(3,942)</u>	<u>5,501</u>	<u>4,058</u>

23. Controlling party

The company is controlled by its holding company, 3Line Holdings Limited.

3LINE ELECTRICAL WHOLESALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 30 APRIL 2016

24. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 May 2014.

Reconciliation of equity

	At 1 May 2014			At 30 April 2015		
	Previously stated £	Effect of transition £	FRS 102 (restated) £	Previously stated £	Effect of transition £	FRS 102 (restated) £
Fixed assets	143,144	-	143,144	188,812	-	188,812
Current assets	2,642,021	2,400	2,644,421	2,756,403	2,611	2,759,014
Creditors amounts falling due within 1 year	(2,331,150)	(12,000)	(2,343,150)	(2,410,659)	(13,055)	(2,423,714)
Net current assets	310,871	(9,600)	301,271	345,744	(10,444)	335,300
Total assets less current liabilities	454,015	(9,600)	444,415	534,556	(10,444)	524,112
Creditors amounts falling due after more than 1 year	-	-	-	(52,778)	-	(52,778)
Provisions for liabilities	(8,700)	-	(8,700)	(14,200)	-	(14,200)
Net assets	445,315	(9,600)	435,715	467,578	(10,444)	457,134
Equity	445,315	(9,600)	435,715	467,578	(10,444)	457,134

3LINE ELECTRICAL WHOLESALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 30 APRIL 2016

Reconciliation of profit or loss for the year

	At 30 April 2015		
	<i>Previously stated</i>	<i>Effect of transition</i>	<i>FRS 102 (restated)</i>
	£	£	£
Turnover	8,795,101	-	8,795,101
Cost of sales	(6,264,070)	-	(6,264,070)
Gross profit	2,531,031	-	2,531,031
Administrative expenses	(2,456,258)	(1,055)	(2,457,313)
Operating profit	74,773	(1,055)	73,718
Interest payable and similar charges	(37,156)	-	(37,156)
Tax on ordinary activities	(15,354)	211	(15,143)
Profit on ordinary activities after taxation	22,263	(844)	21,419
Profit for the financial year	22,263	(844)	21,419

In previous years' accounts, holiday pay was not accrued for holiday pay that was earned but the entitlement was expected to be taken in the subsequent financial year. Under FRS 102 the company is required to accrue for all holiday entitlement earned but not taken at the statement of financial position date.