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Annual Report 1984-85

J.E. Beale plc

**Reports and financial statements for the year ended
26 October 1985**

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J.E. Beale plc

Notice of annual general meeting

Notice is hereby given that the seventy-fourth annual general meeting of the Company will be held at the Highcliff Hotel, Bournemouth, on Saturday 22 March 1986 at 12.00 noon for the following purposes:

1. To receive and adopt the report of the directors and the financial statements for the year to 26 October 1985 together with the report of the auditors.
2. To declare a dividend.
3. To elect directors:
William D Hood and Michael C H Mitchell retire by rotation and, being eligible, offer themselves for re-election.
4. To re-appoint Deloitte Haskins & Sells as auditors to the Company and to authorise the directors to fix their remuneration.
5. To transact any other ordinary business.

BY ORDER OF THE BOARD

Carol Swann
Secretary

Bournemouth
20 February 1986

A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company.

J.E. Beale plc

PRESIDENT	Ronald W Beale
DIRECTORS	Nigel B E Beale (Chairman) Michael C H Mitchell MA LLB (Chief Executive) Peter G Coleman FIB William D Hood MSAAT Michael Howson-Green FCA FCCA FTII
SECRETARY	Miss Carol Swann BA ACA
REGISTERED OFFICE	36 Old Christchurch Road Bournemouth BH1 1LJ
AUDITORS	Deloitte Haskins & Sells Chartered Accountants Vandale House Post Office Road Bournemouth BH1 1BT
BANKERS	Midland Bank plc 59 Old Christchurch Road Bournemouth BH1 1EH
SOLICITORS	Pinsent & Co Post & Mail House 26 Colmore Circus Birmingham B4 6BH
	Laceys 5 Poole Road Bournemouth BH2 5QL
DEPARTMENT STORES	Bedford Bournemouth Poole Walton-on-Thames
FUNERAL DIRECTORS AND HOME FURNISHERS	Mews and Yeatmans Limited Cherretts—Blandford Forum Mews—Lower Parkstone, Poole Yeatmans—Upper Parkstone, Poole
MANUFACTURERS' AGENT AND DISTRIBUTOR	Independent Marketing Services Limited



J.E. Beale plc

Chairman's statement



PROFIT

Profit on ordinary activities, before taxation, amounted to £770,174 which sum represents an increase of 16.6% on the preceding year.

DIVIDEND

Subject to the approval of the shareholders at the annual general meeting, a final dividend of 15p net per share will be paid to those shareholders registered at the close of business on 8 March 1986.

The proposed dividend, together with the interim dividend of 5p net per share paid on 1 October 1985, represents a total distribution of 20p net compared with 16p net per share paid last year.

DEPARTMENT STORES

Sales of £21,670,978 (inclusive of VAT) in the four department stores were 13.4% in excess of those of the previous year.

Beales of Bedford

The main contract for the building works and the complete refurbishment of the store was completed on time. The downturn in sales that resulted from the inevitable disruption was budgeted for but the trading loss incurred was exacerbated by the inordinate delay in the completion by the local authority of major road works in Silver Street.

- A significant sales increase has been achieved since early autumn and your Board's confidence in the ability of the store to trade profitably has thus been further enhanced.

MEWS AND YEATMANS LIMITED

The Parkstone branches achieved a satisfactory sales increase and a record number of funeral units. In its first full year in your Company's ownership, Cherretts of Blandford Forum exceeded its budgeted performance by a comfortable margin.

INDEPENDENT MARKETING SERVICES LIMITED

Further progress was made in the development of the UK distributorship of Yamaha sports equipment. The next twelve months will provide a basis on which to assess the level of sales attainable and the profitability of the subsidiary.

STOCKS AND MARGINS

Whilst the overall margin remained under pressure, caused largely by the sales mix, stocks remained within budget throughout the year and a welcome improvement in stockturn was achieved in the department stores.

J.E. Beale plc

Chairman's statement (continued)

PROPERTY

During the year under review your Company purchased investment property in Wimborne Minster and in Ferndown. Both properties are let on fully insuring and repairing leases at yields of 8.4% and 8.9% respectively and rents are reviewed at 5 and 3 year intervals respectively.

PERSONNEL

So often a company is only as good as the people who work in it. I am proud of the Beales team and I am grateful to all those who have contributed to the profitability of the Company in different ways and at different levels of responsibility. It is especially pleasing that, through the bonus scheme funded and administered by the John Elmes Beale Trust Company Limited, we are now able to reward long service—the backbone of any company—in a more tangible way.

THE CURRENT YEAR

The mild weather in December played havoc with clothing sales which were already depressed by a miserable spring and summer.

Pre-Christmas trading, whilst buoyant in November, failed to reach the frenzy predicted by the financial press. The winter Sales were more bouyant, albeit at the inevitable cost to margins. Nonetheless, with a sharply improved performance at the Bedford store, I am confident of further progress in your Company's fortunes this year.

Nigel Beale

J.E. Beale plc

Report of the directors

The directors present their report and the consolidated financial statements for the year ended 26 October 1985.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Group continues to be the operation of department stores.

Throughout the year under review, the Group operated department stores in Bedford, Bournemouth, Poole and Walton-on-Thames, all trading as Beales.

In addition, the Group continued to operate as funeral directors, trading as Beales Funeral Service, Cherretts, Mews and Yeatmans through a wholly owned subsidiary Mews and Yeatmans Limited.

During the year, the Group purchased investment properties in Wimborne Minster and in Ferndown, both in Dorset.

Independent Marketing Services Limited, another wholly owned subsidiary, continued to trade as sole distributors in the UK for golf, squash, badminton and tennis equipment branded Yamaha.

PROFITS AND DIVIDENDS

The Group profit for the year before taxation was

£
770,174
(24,369)

Taxation

£745,805

Profit for the year

The directors recommend that the profit be dealt with as follows:

Dividends on ordinary shares

—paid
—proposed

51,163
153,488

Dividends on management shares

—paid
—proposed

—
—

204,651

Transfer to reserves

541,154

£745,805

J.E. Beale plc

Report of the directors (continued)

FIXED ASSETS

The changes in fixed assets are set out in Notes 7 and 8 to the financial statements.

The nature of the Group's activities necessitates a large annual financial commitment towards the maintenance and refurbishment of its properties. In view of this, in the opinion of the directors, it is inappropriate to make any provision for depreciation of the Group's freehold buildings.

DONATIONS

Donations to charitable organisations during the year amounted to £4,394. There were no donations to political parties.

DIRECTORS

The directors during the course of the year were:

Nigel B E Beale (Chairman)
Peter G Coleman
William D Hood
Michael Howson-Green
Michael C H Mitchell (Chief Executive)

William D Hood and Michael C H Mitchell retire at the annual general meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS IN SHARES

	26 October 1985		27 October 1984	
	Ordinary shares of £1	Management shares of 5p	Ordinary shares of £1	Management shares of 5p
	£	£	£	£
N B E Beale	25,070	28,392	24,570	28,392
P G Coleman	1,000	28,392	1,000	28,392
W D Hood	100	28,392	100	28,392
M Howson-Green	1,000	28,392	400	28,392
M C H Mitchell	3,651	28,392	7,651	28,392

None of the directors has a beneficial interest in any contract or arrangement to which either the holding Company or a subsidiary was a party during the financial year.

J.E. Beale plc

Report of the directors (continued)

EMPLOYMENT OF DISABLED PEOPLE

The Group has a recruitment policy which gives sympathetic consideration to applications for employment from the disabled, where they have the necessary abilities and skills to perform the work.

If an employee becomes disabled, every opportunity is given for re-training in order to perform a job appropriate to his or her capabilities.

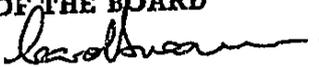
EMPLOYMENT ACT 1982

The directors believe in a policy of keeping employees informed and of consulting with them prior to reaching decisions affecting their conditions of work and their future employment. Information is disseminated through weekly Store Newsletters, through a more comprehensive quarterly Company Newsletter, and by individual letters to employees on matters of major importance. Consultation is achieved through meetings both of the Managers' Council and of individual Store Councils, whose members are then in a position to inform their own constituents.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution proposing the re-appointment of Deloitte Haskins & Sells as auditors to the Company will be put to the annual general meeting.

BY ORDER OF THE BOARD

Carol Swann 
Secretary

20 February 1986
Bournemouth

J.E. Beale plc

Report of the auditors to the members of J E Beale plc

We have audited the financial statements on pages 10 to 23 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group at 26 October 1985 and of the profit and source and application of funds of the Group for the year then ended and comply with the Companies Act 1985.

DELOITTE HASKINS & SELLS

Chartered Accountants

20 February 1986
Bournemouth

J.E. Beale plc and subsidiary companies

Accounting policies

BASIS OF ACCOUNTING

The Group prepares its financial statements on the historical cost basis of accounting, modified to include the revaluation of certain tangible fixed assets. The accounting periods are for fifty-two weeks or, when appropriate, fifty-three weeks ending on the Saturday nearest to the end of October each year.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the accounts of the Company and its subsidiaries. The holding Company has taken advantage of the provisions of the Companies Act 1985, not to prepare its own profit and loss account.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost or valuation less depreciation.

DEPRECIATION

Depreciation is provided on the straight line basis so that assets are written down to residual values over their expected useful lives.

The rates principally applied are:

Leasehold properties	Length of lease
Plant	5%
Fixtures and fittings	12½%
Office equipment	10%-25%
Motor vehicles	25%

In order to maintain the value and economic life of freehold properties the Group incurs substantial building maintenance and refurbishment costs. Accordingly, such properties and freehold land are not depreciated.

FIXED ASSET INVESTMENTS

Fixed asset investments are stated at cost.

PURCHASED GOODWILL

Purchased goodwill is written off against reserves in the year of acquisition.

DEFERRED TAXATION

The Group provides for deferred taxation in respect of timing differences between the treatment of certain items for accounting and taxation purposes, except where the tax liability is not expected to arise in the foreseeable future.

STOCKS

Stocks are valued at the lower of cost and net realisable value, cost being computed on the basis of the selling price less the appropriate trading margin.

GROUP TURNOVER AND GROSS PROFIT

Group turnover represents the value of goods and services supplied to customers excluding VAT.

The gross profit and interest on goods sold subject to instalment credit agreements are brought into profit as and when instalments are received.

CONTRIBUTIONS TO THE PENSION FUND

Contributions to the Group's occupational pension schemes are charged against profits. The schemes are valued by actuaries every three years and the rates of contribution are adjusted in accordance with their advice.

J.E. Beale plc and subsidiary companies

Consolidated profit and loss account for the year ended 26 October 1985

	Notes	Year ended 26.10.85	Year ended 27.10.84
		£	£
Turnover		19,385,872	17,688,937
Cost of sales		12,785,187	11,689,532
Gross profit		6,600,685	5,993,405
Administrative expenses	1	5,828,434	5,332,524
Operating profit		772,251	660,881
Interest payable	3	2,017	164
Profit on ordinary activities before taxation		770,174	660,717
Taxation	4	24,369	62,487
Profit on ordinary activities after taxation		745,805	598,230
Extraordinary items	5	—	(287,165)
Profit for the financial year		745,805	311,065
Dividends	6	204,651	163,721
Transfer from dividend reserve		541,154	147,344
Retained profit for the year	14	£ 541,154	£ 293,522
Profits retained by the holding company		£ 607,105	£ 310,830

J.E. Beale plc and subsidiary companies

Consolidated balance sheet
as at 26 October 1985

	Notes	26.10.85	27.10.84
		£	£
FIXED ASSETS			
Tangible assets	7	<u>3,092,734</u>	<u>1,980,422</u>
CURRENT ASSETS			
Stocks		3,046,634	2,581,090
Debtors	9	1,801,127	1,112,894
Investments	10	236,605	98,688
Cash at bank and in hand		<u>1,812,829</u>	<u>2,942,885</u>
		6,897,195	6,735,557
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	11	<u>3,448,418</u>	<u>2,715,632</u>
NET CURRENT ASSETS		<u>3,448,777</u>	<u>4,019,935</u>
NET ASSETS		<u>£6,541,511</u>	<u>£6,000,357</u>
CAPITAL AND RESERVES			
Called-up share capital	13	1,030,352	1,030,352
Share premium account	14	45	45
Capital redemption reserve fund	14	187,500	187,500
Revaluation reserve	14	49,442	51,514
Profit and loss account	14	<u>5,274,172</u>	<u>4,730,946</u>
		<u>£6,541,511</u>	<u>£6,000,357</u>

The financial statements on pages 10 to 23 were
approved by the board of directors on 20 February 1986
and were signed on its behalf by

Nigel Beale

Michael Mitchell

} Directors

Nigel Beale
Michael Mitchell

J.E. Beale plc

Balance sheet
as at 26 October 1985

	Notes	26.10.85	31.10.84
		£	£
FIXED ASSETS			
Tangible assets	7	3,062,806	1,953,514
Investments	8	724,100	724,100
		<u>3,786,906</u>	<u>2,677,614</u>
CURRENT ASSETS			
Stocks		2,922,893	2,549,340
Debtors	9	1,911,164	1,124,724
Investments	10	236,605	98,688
Cash at bank and in hand		1,724,623	2,886,365
		<u>6,795,285</u>	<u>6,659,117</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	11	4,013,053	3,374,698
		<u>2,782,232</u>	<u>3,284,419</u>
NET CURRENT ASSETS			
		<u>2,782,232</u>	<u>3,284,419</u>
NET ASSETS		<u>£6,569,138</u>	<u>£5,962,033</u>
CAPITAL AND RESERVES			
Called-up share capital	13	1,030,352	1,030,352
Share premium account	14	45	45
Capital redemption reserve fund	14	187,500	187,500
Revaluation reserve	14	49,442	51,514
Profit and loss account	14	5,301,799	4,692,622
		<u>£6,569,138</u>	<u>£5,962,033</u>

The financial statements on pages 10 to 23 were approved by the board of directors on 20 February 1986 and were signed on its behalf by

Nigel Beale
Michael Mitchell } Directors

Nigel Beale
Michael Mitchell

J.E. Beale plc and subsidiary companies

Consolidated statement of source and application of funds for the year ended 26 October 1985

	Year ended 26.10.85	Year ended 27.10.84
	£	£
SOURCE OF FUNDS		
FUNDS GENERATED FROM OPERATIONS		
Profit before taxation and extraordinary items	770,174	660,717
Extraordinary items before taxation	—	(281,525)
Items not involving the movement of funds:		
Depreciation	397,550	352,585
Loss/(profit) on sale of tangible fixed assets	74,578	(89,301)
	<u>1,242,302</u>	<u>642,476</u>
FUNDS FROM OTHER SOURCES		
Proceeds of disposals of tangible fixed assets	19,543	1,256,160
TOTAL SOURCE OF FUNDS	<u>1,261,850</u>	<u>1,898,636</u>
APPLICATION OF FUNDS		
Purchase of tangible fixed assets	1,603,988	1,334,460
Purchase of goodwill	—	2,020
Tax paid	155,226	160,306
Dividends paid	163,721	153,487
TOTAL APPLICATION OF FUNDS	<u>1,922,935</u>	<u>1,650,273</u>
NET (APPLICATION)/SOURCE OF FUNDS	<u>£ (661,085)</u>	<u>£ 248,363</u>
THE NET (APPLICATION)/SOURCE OF FUNDS IS REPRESENTED BY THE FOLLOWING MOVEMENTS IN WORKING CAPITAL		
Stocks	465,544	(154,476)
Debtors	624,717	(45,279)
Investments	137,917	98,688
Creditors falling due within one year	(425,870)	135,811
	<u>802,308</u>	<u>34,744</u>
Movement in net liquid funds:		
Cash at bank and in hand	(1,130,056)	124,331
Bank overdraft	(333,337)	89,288
	<u>(1,463,393)</u>	<u>213,619</u>
(DECREASE)/INCREASE IN WORKING CAPITAL	<u>£ (661,085)</u>	<u>£ 248,363</u>

J.E. Beale plc and subsidiary companies

Notes to the financial statements

1 ADMINISTRATIVE EXPENSES

	Year ended 26.10.85	Year ended 27.10.84
	£	£
Staff costs (see also Note 2)	3,211,087	3,017,638
Occupancy costs	1,829,213	1,683,901
Other costs	1,080,045	897,924
	<u>6,120,345</u>	<u>5,599,463</u>
Less: Other income	28,472	12,247
	<u>6,091,873</u>	<u>5,587,216</u>
Less: Interest receivable	263,439	254,692
	<u>£5,828,434</u>	<u>£5,332,524</u>
Other costs include:		
Auditors' remuneration	£ 18,400	£ 16,350
Depreciation	£ 397,550	£ 352,585

2 DIRECTORS AND EMPLOYEES

The average weekly number of persons (including directors) employed by the Group during the year was:

	Year ended 26.10.85	Year ended 27.10.84
	Number	Number
Full time	411	399
Part time	290	283
	<u>701</u>	<u>682</u>
	£	£
Staff costs (for the above persons):		
Wages and salaries	2,806,260	2,590,196
Social security costs	222,263	226,962
Other pension costs	182,564	200,480
	<u>£3,211,087</u>	<u>£3,017,638</u>

J.E. Beale plc and subsidiary companies

Notes to the financial statements (continued)

2 DIRECTORS AND EMPLOYEES (continued)

The remuneration paid to the directors of J E Beale plc was:

	Year ended 26.10.85	Year ended 27.10.84
Emoluments (including pension contributions)	<u>£117,036</u>	<u>£107,148</u>
Emoluments disclosed above (excluding pension contributions) include amounts paid to:		
The chairman	<u>£30,035</u>	<u>£26,974</u>
The highest-paid director	<u>£33,236</u>	<u>£29,976</u>

The number of directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	Year ended 26.10.85	Year ended 27.10.84
	Number	Number
£ 0 - 5,000	1	2
£ 5,001 - 10,000	1	—
£10,001 - 15,000	—	—
£15,001 - 20,000	—	—
£20,001 - 25,000	—	1
£25,001 - 30,000	1	2
£30,001 - 35,000	2	—

3 INTEREST PAYABLE

	Year ended 26.10.85	Year ended 27.10.84
On bank overdraft	<u>£2,077</u>	<u>£164</u>

J.E. Beale plc and subsidiary companies

Notes to the financial statements (continued)

4 TAXATION

	Year ended 26.10.85	Year ended 27.10.84
	£	£
UK corporation tax at 42.1% (1984 47.1%)		
Current	93,000	79,360
Advance corporation tax written off	21,407	70,166
Tax credits on dividends received	1,293	—
Over-provision in respect of prior years	(27,815)	(87,039)
Rollover relief	(63,516)	—
	<u>£24,369</u>	<u>£62,487</u>

Rollover relief arises in respect of a previous capital gain.

The corporation tax charge for the year has been reduced by £201,000 (1984 £155,000) by utilising trading losses brought forward from previous years.

The Group has tax losses of approximately £687,000 (1984 £1,080,000) which are available to carry forward for relief against future trading profits.

5 EXTRAORDINARY ITEMS

	Year ended 26.10.85	Year ended 27.10.84
	£	£
Surplus on disposal of Ilford store	—	108,796
Closure costs	—	(90,321)
	—	18,475
Transfer to Trust Fund	—	(300,000)
Taxation	—	(281,525)
	—	(5,540)
	<u>—</u>	<u>£(287,155)</u>

Transfer to Trust Fund represents a contribution to the trust which administers the John Elmes Beale Employee Profit Sharing Scheme.

J.E. Beale plc and subsidiary companies

Notes to the financial statements (continued)

6 DIVIDENDS

	Year ended 26.10.85		Year ended 27.10.84	
	£		£	
Ordinary shares:				
Interim—paid	5p	51,163		
Final —proposed	15p	153,488		
	<u>20p</u>	<u>204,651</u>	<u>16p</u>	<u>163,721</u>
Management shares:				
Interim—paid	—	—		
Final —proposed	—	—		
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
		<u>£204,651</u>		<u>£163,721</u>

7 TANGIBLE FIXED ASSETS (a) Group

	Freehold Land & Buildings	Long Leasehold Buildings	Short Leasehold Buildings	Plant Fixtures & Fittings	Total
	£	£	£	£	£
COST OR VALUATION:					
28 October 1984	205,819	265,357	122,380	3,063,650	3,657,206
Additions	260,361	—	422,836	920,791	1,603,988
Disposals	—	—	—	(265,355)	(265,355)
26 October 1985	<u>466,180</u>	<u>265,357</u>	<u>545,216</u>	<u>3,719,086</u>	<u>4,995,839</u>
REPRESENTED BY:					
Valuation in 1979	—	—	120,000	—	120,000
Cost	466,180	265,357	425,216	3,719,086	4,875,839
	<u>466,180</u>	<u>265,357</u>	<u>545,216</u>	<u>3,719,086</u>	<u>4,995,839</u>
DEPRECIATION:					
28 October 1984	—	6,199	22,499	1,648,086	1,676,784
Charge for the year	—	3,101	11,821	382,628	397,550
Eliminated in respect of disposals	—	—	—	(171,229)	(171,229)
26 October 1985	<u>—</u>	<u>9,300</u>	<u>34,320</u>	<u>1,859,485</u>	<u>1,903,105</u>
NET BOOK VALUE:					
26 October 1985	<u>£466,180</u>	<u>£256,057</u>	<u>£510,896</u>	<u>£1,859,601</u>	<u>£3,092,734</u>
27 October 1984	<u>£205,819</u>	<u>£259,158</u>	<u>£ 99,881</u>	<u>£1,415,564</u>	<u>£1,980,422</u>

J.E. Beale plc and subsidiary companies

Notes to the financial statements (continued)

7 TANGIBLE FIXED ASSETS (continued) (b) Company

	Freehold Land & Buildings	Long Leasehold Buildings	Short Leasehold Buildings	Plant Fixtures & Fittings	Total
	£	£	£	£	£
COST OR VALUATION:					
28 October 1984	205,819	265,357	122,380	3,003,940	3,597,496
Additions	260,361	—	422,836	905,882	1,589,079
Disposals	—	—	—	(263,782)	(263,782)
26 October 1985	<u>466,180</u>	<u>265,357</u>	<u>545,216</u>	<u>3,646,040</u>	<u>4,922,793</u>
REPRESENTED BY:					
Valuation in 1979	—	—	120,000	—	120,000
Cost	466,180	265,357	425,216	3,646,040	4,802,793
	<u>466,180</u>	<u>265,357</u>	<u>545,216</u>	<u>3,646,040</u>	<u>4,922,793</u>
DEPRECIATION:					
28 October 1984	—	6,199	22,499	1,615,284	1,643,982
Charge for the year	—	3,101	11,821	370,739	385,661
Eliminated in respect of disposals	—	—	—	(169,656)	(169,656)
26 October 1985	<u>—</u>	<u>9,300</u>	<u>34,320</u>	<u>1,816,367</u>	<u>1,859,987</u>
NET BOOK VALUE:					
26 October 1985	<u>£466,180</u>	<u>£256,057</u>	<u>£510,896</u>	<u>£1,829,673</u>	<u>£3,062,806</u>
27 October 1984	<u>£205,819</u>	<u>£259,158</u>	<u>£ 99,881</u>	<u>£1,388,656</u>	<u>£1,953,514</u>

J.E. Beale plc and subsidiary companies

Notes to the financial statements (continued)

7 TANGIBLE FIXED ASSETS (continued)

(b) Company (continued)

If short leasehold buildings had not been revalued they would have been included at the following amounts:

	<u>Group and Company</u>	
	<u>26.10.85</u>	<u>27.10.84</u>
Cost	<u>£483,346</u>	<u>£60,510</u>
Aggregate depreciation based on cost	<u>£ 21,892</u>	<u>£12,143</u>

Capital commitments

	<u>Group and Company</u>	
	<u>26.10.85</u>	<u>27.10.84</u>
Capital expenditure contracted for but not provided for in the financial statements	<u>£150,000</u>	<u>£54,000</u>
Capital expenditure authorised by the directors but not yet contracted for	<u>£378,000</u>	<u>£988,000</u>

8 FIXED ASSET INVESTMENTS

	<u>Company</u>	
	<u>26.10.85</u>	<u>27.10.84</u>
Shares in subsidiaries at cost	<u>£724,100</u>	<u>£724,100</u>

At 26 October 1985 J E Beale plc held the whole of the issued ordinary share capital in the following subsidiary companies, all of which are incorporated in Great Britain:

J E Beale (Stores) Limited
John Elmes Beale Trust Company Limited
Grant-Warden Limited
Independent Marketing Services Limited
Mews and Yeatmans Limited

J.E. Beale plc and subsidiary companies

Notes to the financial statements (continued)

9 DEBTORS

	Company		Group	
	26.10.85	27.10.84	26.10.85	27.10.84
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,527,275	959,541	1,611,177	1,005,931
Amounts owed by subsidiaries	203,610	67,964	—	—
Corporation tax	63,516	—	63,516	—
Prepayments and accrued income	116,763	97,219	126,434	106,963
	<u>£1,911,164</u>	<u>£1,124,724</u>	<u>£1,801,127</u>	<u>£1,112,894</u>

Trade debtors include amounts falling due after more than one year of £23,176 (1984 £24,125).

10 INVESTMENTS

	Company		Group	
	26.10.85	27.10.84	26.10.85	27.10.84
	£	£	£	£
Listed securities at cost	<u>£236,605</u>	<u>£98,688</u>	<u>£236,605</u>	<u>£98,688</u>
Listed securities at market value	<u>£269,850</u>	<u>£101,060</u>	<u>£269,850</u>	<u>£101,060</u>

11 CREDITORS

	Company		Group	
	26.10.85	27.10.84	26.10.85	27.10.84
	£	£	£	£
Amounts falling due within one year:				
Bank overdrafts	627,701	392,757	728,582	395,245
Trade creditors	1,312,573	1,127,091	1,322,157	1,139,988
Bills of exchange payable	70,466	57,038	70,466	57,038
Amount owed to subsidiaries	695,489	695,489	—	—
Dividends payable	153,488	112,558	153,488	112,558
Corporation tax	27,662	95,003	28,142	95,483
Other taxation and social security payable	154,091	185,017	156,427	185,017
Accruals	971,583	709,745	989,156	730,293
	<u>£4,013,053</u>	<u>£3,374,698</u>	<u>£3,448,418</u>	<u>£2,715,622</u>

J.E. Beale plc and subsidiary companies

Notes to the financial statements (continued)

12 DEFERRED TAXATION

The potential total liability for deferred taxation which, in accordance with the Group's accounting policy, has not been provided for is as follows:-

	Group and Company	
	26.10.85	27.10.84
	£	£
Taxation on timing differences arising from:		
Excess of tax allowances over depreciation	442,273	398,102
Trading losses	(240,555)	(386,501)
Advance corporation tax	(172,944)	—
Capital gains	10,139	9,748
	£38,913	£ 21,349

13 CALLED-UP SHARE CAPITAL

	26.10.85	27.10.84
	£	£
Authorised		
1,212,254 ordinary shares of £1 each	1,212,254	1,212,254
146,960 management shares of 5p each	7,348	7,348
	£1,219,602	£1,219,602
Allotted, called-up and fully paid		
1,023,254 ordinary shares of £1 each	1,023,254	1,023,254
141,960 management shares of 5p each	7,098	7,098
	£1,030,352	£1,030,352

J.E. Beale plc and subsidiary companies

Notes to the financial statements (continued)

14 RESERVES

	Share Premium Account	Capital Redemption Reserve Fund	Revaluation Reserve	Profit and Loss Account
	£	£	£	£
(a) Group				
At 28 October 1984	45	187,500	51,514	4,730,946
Retained profit for the year	—	—	—	541,154
Transfer	—	—	(2,072)	2,072
At 26 October 1985	<u>£45</u>	<u>£187,500</u>	<u>£49,442</u>	<u>£5,274,172</u>
(b) Company				
At 28 October 1984	45	187,500	51,514	4,692,622
Retained profit for the year	—	—	—	607,105
Transfer	—	—	(2,072)	2,072
At 26 October 1985	<u>£45</u>	<u>£187,500</u>	<u>£49,442</u>	<u>£5,301,799</u>

The reserves of J E Beale plc that may not be legally distributed under Section 264 of the Companies Act 1985 comprise the share premium account, the capital redemption reserve fund and the revaluation reserve.

No provision has been made for the additional taxation that would accrue if the leasehold property were disposed of at its revalued amount. The potential liability to such taxation is shown in note 12.

The transfer from the revaluation reserve to the profit and loss account represents the difference between the depreciation charge for the year based on revalued amounts and the depreciation charge for the year based on cost.

15 PENSION COMMITMENTS

The Group pension scheme for its employees has been professionally valued within the past three years. The valuation indicated sufficient assets in the fund to secure benefits for existing pensioners and to provide paid-up pensions to present employees on the basis of present salaries and credited periods of service.

16 COMPANY STATUS

The Company is a close company within the terms of the Income and Corporation Taxes Act 1970.

J.E. Beale plc and subsidiary companies

Group five year record

	12m to 26.10.85	12m to 27.10.84	12m to 29.10.83	9m to 30.10.82	9m to 31.10.81
	£'000	£'000	£'000	£'000	£'000
TURNOVER (excluding VAT)	<u>19,386</u>	<u>17,683</u>	<u>16,954</u>	<u>12,537</u>	<u>21,231</u>
PROFIT/(LOSS) BEFORE TAXATION AND EXTRAORDINARY ITEMS	770	660	610	(2,313)	(1,277)
TAXATION	(24)	(62)	(81)	1,250	151
	<u>746</u>	<u>598</u>	<u>529</u>	<u>(1,063)</u>	<u>(1,126)</u>
EXTRAORDINARY ITEMS	—	(287)	(118)	5,121	—
PROFIT/(LOSS) FOR THE PERIOD	746	311	411	4,058	(1,126)
DIVIDENDS	(205)	(164)	(160)	(121)	(85)
TRANSFER FROM/(TO) DIVIDEND RESERVE	—	146	146	(292)	—
RETAINED SURPLUS/(DEFICIT)	<u>541</u>	<u>293</u>	<u>397</u>	<u>3,645</u>	<u>(1,211)</u>
CAPITAL EMPLOYED					
Share capital	1,030	1,030	1,030	1,218	1,218
Reserves	5,511	4,970	4,825	4,630	668
Total shareholders' funds	<u>6,541</u>	<u>6,000</u>	<u>5,855</u>	<u>5,848</u>	<u>1,886</u>
Loans	—	—	—	—	673
	<u>6,541</u>	<u>6,000</u>	<u>5,855</u>	<u>5,848</u>	<u>2,559</u>
EMPLOYMENT OF CAPITAL					
Fixed assets	3,092	1,980	2,165	2,390	3,214
Premium on investments	—	—	—	—	14
Net current assets/(liabilities)	3,449	4,020	3,690	3,458	(669)
	<u>6,541</u>	<u>6,000</u>	<u>5,855</u>	<u>5,848</u>	<u>2,559</u>
Earnings per ordinary share	<u>72.89p</u>	<u>58.46p</u>	<u>51.06p</u>	<u>(103.08p)</u>	<u>(110.00p)</u>
Return on shareholders' funds	<u>11.40%</u>	<u>5.18%</u>	<u>7.01%</u>	<u>69.39%</u>	<u>(59.70%)</u>