NOTICE OF ILLEGIBLE DOCUMENT

ON THE MICROFICHE RECORD

Companies House regrets that the microfiche record for this company, contain some documents, which are illegible.

The poor quality has been noted, but unfortunately steps taken to improve them were unsuccessful.

Companies House would like to apologise for any inconvenience this may cause

Beales company report

1975 - 76

J. E. BEALE LIMITED

19A.

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31st JANUARY, 1976

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J. E. BEALE LIMITED	11-21 Commercial Road, Bournemouth
DIRECTORS :	Norman B. Beale *(Chairman)* Frank H. Beale Ronald W. Beale Anthony J. Beale Nigel B. E. Beale Keith Priestley Robin A. Eve
BANKERS :	Lloyds Bank Limited, 45-47 Old Christchurch Road, Bournemouth
AUDITORS :	Malpas, Simmons & Co., Wootton Grange, Wootton Mount, Bournemouth Neville, Russell & Co., 30 Artillery Lane, Bishopsgate, London E1
SOLICITORS :	Farrer & Co., 66 Lincoln's Inn Fields, London, W.C.2 Derek T. Wilkinson & Co., 2b Poole Road, Bournemouth
SECRETARY and REGISTRAR :	Keith Priestley
REGISTERED OFFICE :	11-21 Commercial Road, Bournemouth

J. E. BEALE LIMITED

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of this Company for 1976 will be held at

36 OLD CHRISTCHURCH ROAD, BOURNEMOUTH

on Saturday, 24th April, 1976 at 2.30 p.m. for the following purposes :

1. Receive the Report of the Directors and Accounts and Balance Sheet for the year ended 31st January, 1976, and the Report of the Auditors thereon.

2. Declare a Dividend.

3 Re-elect Directors.

4. Confirm appointment of Auditors.

5. Transact any other ordinary business.

A Member entitled to attend and vote at the above meeting may appoint a proxy to attend and vote instead of him. A proxy need not be a Member of the Company.

By Order of the Board,

K. PRIESTLEY

Company Secretary

31st March, 1976

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CHAIRMAN'S STATEMENT

1. Sales inclusive of VAT in your Company's financial year 1975/6 increased by 9% to £8,335,000, a period of 52 weeks against 53 last year. This fell short of our target and the percentage increase was below the average of similar organisations except in the furniture and linen group of departments.

   However, the accounts show an increase in profit which your Board presents with some satisfaction as it reflects their vigilant control of those expenses within their power. It has not been an easy year. Rates alone increased 35% or some £47,000.

2. Your Company's policy over depreciation has been varied from time to time in the past. Following extensive discussions with the Company's professional advisers, the depreciation provisions have been revised to a more realistic level. This now brings our depreciation policy [illegible] with the most stringent standards of major companies. An additional figure [illegible] has been taken from profits under this heading this year and an adjustment for previous years has been taken out of reserves.

3. Your Board is more than ever conscious that the Company's profits are below the level that they should be and our efforts to increase them continue. There seems little hope of reducing further the general level of expenses except by the sale of the warehouse at Wharfdale Road and improvements in the productivity of the staff and department managers both of which have been considerably reduced in numbers.

4. Sales in the first half were given an abnormal fillip prior to the introduction of 25% VAT on electrical appliances and radio and television. The excellent summer weather did not encourage visitors to our stores. Christmas trade was late in starting and produced an increase in volume similar to that for the year as a whole, as did the January Sales.

5. We are resisting the temptation to open on Bank Holidays during 1976 for the sake of the staff. But Bealesons will have to do so for their January Sale on New Year's Day 1977.

6. The necessity for aggressive selling became more and more apparent during the year for not only are we surrounded by tough price competition but the discounters are now in the shopping centre. The change in Board responsibilities described in my letter of November 1975 are beginning to achieve their objectives in the light of the changed conditions. We operate in a highly competitive area where money is particularly short and yet where our customers are reluctant to forgo, or pay for, any of the services to which they have become accustomed.

7. During the year, the Independent Stores Association, one of the founders of which was my cousin John, was amalgamated with its counterpart composed of smaller stores to form Associated Independent Stores. This has a buying power of £250 million, larger than the John Lewis Partnership and also Debenhams, and it is now up to us as a member to exploit it to the full. The brand name Czarina can already be seen in our stores.

8. Retailing is indeed a demanding environment, subject to constant change and activity. To survive we have to react quickly to our customers' varying needs and to our competitors' changing prices and practices. I believe that your Company has the ability and capacity to do so in a year which cannot be any easier than that under review.

B. Bealesons

Chairman

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REPORT OF THE DIRECTORS

The directors submit their report and accounts for the year ended 31st January 1976.

ACTIVITIES

The principal activity of the company continued to be the carrying on of a general retail business in three department stores, trading as Beales and Bealesons in Bournemouth and as Beales in Poole.

RESULTS

The directors report a profit for the year, after taxation, of £125,105 (1975 £116,214).

DIVIDENDS AND RESERVES

The directors recommend a final dividend of 4.55p per share on the ordinary shares, which together with the interim dividend of 1.3p per share paid on the 1st November 1975 makes a total dividend of 5.85p per share for the year ended 31st January 1976. This is equivalent to 9p (1975 9p) per share including the related tax credit.

Provision has also been made for a dividend at the annual rate of 7.8p (12p with the related tax credit) per share on the preferred ordinary shares for the period 16th June 1975 to 31st January 1976, and .1625p (.25p with the related tax credit) per share on the management shares.

After providing for the above dividends the retained profits have been carried to reserves.

SHARE CAPITAL

187,500 ordinary shares of £1 each were converted into 187,500 preferred ordinary shares of £1 each to facilitate a transfer of shares during the year.

FIXED ASSETS

Particulars of the changes in fixed assets are contained in note 7 to the accounts.

The directors are of the opinion that the aggregate market value of the company's freehold and leasehold properties exceeds the book value but do not consider it appropriate to provide a detailed assessment having regard to the volatile nature of the property market at the present time.

EXPORTS

The value of goods exported during the year amounted to £7,284.

DONATIONS

Donations for charitable purposes of £468 were made during the year.

REPORT OF THE DIRECTORS
(continued)

DIRECTORS

The following have been directors during the year unless otherwise stated. The interests of the directors holding office on 31st January 1976 in the shares of the company, according to the register of directors' interests, were as shown below:—

	5p Management Shares		*£1 Ordinary Shares*			
			Beneficial Interests		*Others*	
	31/1/76	*2/2/75*	*31/1/76*	*2/2/75*	*31/1/76*	*2/2/75*
N. B. Beale	23,660	23,660	54,280	58,062	23,904*	23,404
F. H. Beale	23,660	23,660	60,363	62,113	26,449*	26,449
R. W. Beale	23,660	23,660	51,290	57,540	83,417*	89,574
A. J. Beale	23,660	23,660	20,624	24,925	—	—
N. B. E. Beale	23,660	23,660	14,879	14,879	—	—
K. Priestley	23,660	23,660	—	—	—	—
R. Eve (appointed 16th June 1975)	—		—		—	

*Duplication to the extent of 16,074 shares in respect of the Bealesons Staff Fund.

Mr. A. J. Beale retires at the annual general meeting and, being eligible, offers himself for re-election.

None of the directors had a beneficial interest in any contract or arrangement to which the company was a party during the period.

EMPLOYEES

The average number of employees of the company was 901 and their aggregate remuneration was £1,475,827.

AUDITORS

On 16th June 1975 Neville Russell & Co., Chartered Accountants, were appointed joint auditors with the existing auditors, Malpas, Simmons & Co. Both firms continue in office in accordance with the provisions of Section 159 of the Companies Act 1948.

BY ORDER OF THE BOARD

K. PRIESTLEY
Secretary

31st March 1976

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REPORT OF THE AUDITORS TO THE MEMBERS OF J. E. BEALE LIMITED

In our opinion the Accounts set out on pages 8 to 14 comply with the Companies Acts 1948 and 1967 and give a true and fair view of the state of the Company's affairs at 31st January 1976 and of the profit for the year ended on that date.

MALPAS, SIMMONS & CO.
Bournemouth

NEVILLE RUSSELL & CO
London

31st March 1976

J. E. BEALE LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 31st JANUARY 1976

	Notes	1976		1975	
TURNOVER	1		£7,696,169		£7,060,207
PROFIT BEFORE TAXATION ...	2		289,105		256,814
TAXATION	4		164,000		140,600
PROFIT AFTER TAXATION ...			125,105		116,214
Dividends	5		(69,289)		73,228
RETAINED PROFIT ...			£ 55,816		£ 42,986

STATEMENT OF RETAINED PROFITS

RETAINED PROFIT FOR THE YEAR			55,816		42,986
RESERVES at 2nd February 1975					
As previously reported ...		703,237		613,670	
Prior years adjustments ...	6	(363,828)		(317,247)	
As restated			339,409		296,423
RESERVES at 31st January 1976			£395,225		£339,409

The attached notes form an integral part of these accounts.

J. E. BEALE LIMITED

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BALANCE SHEET 31st JANUARY 1976

	Notes	1976		1975	
FIXED ASSETS	7		1,879,220		1,796,536
DEFERRED ASSET	8		14,544		17,517
CURRENT ASSETS					
Stocks	1	945,241		790,171	
Debtors		469,439		490,488	
Bank and cash balance ...		159,681		314,940	
		1,574,361		1,595,599	
CURRENT LIABILITIES					
Creditors		635,940		604,074	
Taxation		99,430		33,090	
Bank overdraft (secured) ...		2,871		128,739	
Proposed dividends ...		55,991		57,008	
		794,232		822,911	
NET CURRENT ASSETS ...			780,129		772,688
			£2,673,893		£2,586,741
Financed by:					
SHAREHOLDERS' FUNDS					
Share Capital	9		1,217,552		1,217,552
Reserves			395,225		339,409
			1,612,777		1,556,961
DEFERRED TAXATION ...	10		346,852		310,000
LOANS	11		714,264		719,780
			£2,673,893		£2,586,741

Norman B. Beale
Frank H. Beale } Directors

The attached notes form an integral part of these accounts.

This is the copy referred to in the annexed Certificate:-

F. H. Beale Director

Secretary

J. E. BEALE LIMITED

NOTES ON THE ACCOUNTS
31st JANUARY 1976

1. ACCOUNTING POLICIES

(a) Consolidation

No consolidated accounts have been prepared as the company's only subsidiary has not traded during the year and the directors are of the opinion that a consolidated balance sheet would not be informative.

(b) Turnover

Turnover represents sales, excluding value added tax of £638,976 (1975, £595,758), to customers.

(c) Depreciation

The basis of providing for depreciation has been changed following a review of the residual lives of the company's fixed assets. New annual rates on a straight line basis have been applied to the book value of assets at 31st January 1965, and to the cost of additions (less disposals) since that date in order to write off the assets over their expected useful lives.

The rates principally applied are as follows:-

Freehold property and buildings ...	Nil
Plant	5%
Fittings:-	
Book value at 31st January 1965 ...	10%
Additions since 31st January 1965 ...	8½%
Office Equipment	10%

(d) Deferred Taxation

The basis of providing for deferred taxation has been changed to conform with the Statement of Standard Accounting Practice. A provision calculated on the liability method has been made for future taxation on the excess of the net book value of the fixed assets ranking for taxation allowances over the corresponding written down value for taxation purposes. Provision has also been made for taxation on capital gains deferred under the provisions of Section 33, Finance Act 1965.

(e) Stocks

Stock is valued at the anticipated selling price less the appropriate selling margin as in previous years.

(f) Comparative figures

The changes in bases of providing for depreciation and deferred taxation have given rise to the restatement of relevant comparative figures.

NOTES ON THE ACCOUNTS
31st JANUARY 1976
(continued)

2. PROFIT BEFORE TAXATION

The profit before taxation has been reduced by £37,048 (1975 £49,981) in respect of the change in basis of accounting for depreciation.

	1976 £	1975 £
The profit before taxation is after charging the following:-		
Emoluments of directors (note 3)	78,825	61,134
Depreciation	135,568	51,449
Auditors' remuneration ...	6,500	3,000
Interest.-		
Bank overdraft	3,855	13,964
Mortgage Loans	43,307	43,626

3. EMOLUMENTS OF DIRECTORS

Management services	77,462	60,104
Pension to former director ..	1,362	1,030
Emoluments (excluding contributions to pension scheme) were paid as follows:-		
Chairman	12,392	9,906
Other directors:-	Number	Number
0 — £2,500	1	—
£5,001 — £7,500	—	1
£7,501 — £10,000	2	4
£10,001 — £12,500	3	—

4. TAXATION ON PROFIT FOR THE YEAR

	£	£
United Kingdom Corporation Tax at 52%	97,000	72,600
Transfer to deferred taxation	67,000	68,000
	£164,000	£140,600

The transfer to deferred taxation has been reduced by £19,265 (1975 £26,000) arising from the change in basis of accounting for depreciation.

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NOTES ON THE ACCOUNTS
31st JANUARY 1976
(continued)

5. DIVIDENDS

	1976		1975	
Management shares, proposed .1625p (1975 .1675p)		231		238
Ordinary shares:-				
Interim paid 1.30p (1975 1.34p)	13,298		16,220	
Final proposed 4.55p (1975 4.69p)	46,544		56,770	
		59,842		72,990
Preferred ordinary shares, proposed 7.80p (part period)		9,216		–
		£ 69,289		£ 73,228

6. PRIOR YEARS ADJUSTMENTS

The prior years adjustments principally arising from the changes in bases of providing for depreciation and deferred taxation are as follows:-

Relating to pre 1975		
Additional depreciation less deferred taxation thereon ...		75,086
Additional deferred taxation ...		242,161
		317,247
Relating to 1975		
Additional depreciation less deferred taxation thereon ...	23,981	
Corporation tax	22,600	
		46,581
		£363,828

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NOTES ON THE ACCOUNTS
31st JANUARY 1976
(continued)

7. FIXED ASSETS

	Freehold property £	*Plant and fittings* £	*Total* £
Cost			
2nd February 1975	880,422	2,090,088	2,970,510
Adjustments (note (c) below) ...	11,833	(156,711)	(144,878)
	892,255	1,933,377	2,825,632
Additions	664	228,398	229,062
Disposals		(38,113)	(38,113)
31st January 1976	892,919	2,123,662	3,016,581
Depreciation			
2nd February 1975		967,850	967,850
Adjustments (note (c) below) ...		61,246	61,246
		1,029,096	1,029,096
Charge for the year		135,568	135,568
On disposals		(27,303)	(27,303)
31st January 1976		1,137,361	1,137,361
Net book value			
2nd February 1975	£892,255	£ 904,281	£1,796,536
31st January 1976	£892,919	£ 986,301	£1,879,220

(a) Plant and fittings includes progress payments of £130,057 on which no depreciation has been provided.
(b) The company's long leases are reflected at nil book value.
(c) The adjustments represent the changes in book figures arising from the review of the residual lives of the assets and take account of assets no longer in existence.

8. DEFERRED ASSET

The deferred asset represents debtors on extended credit terms payable in excess of twelve months.

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NOTES ON THE ACCOUNTS
31st JANUARY 1976
(continued)

9. SHARE CAPITAL

	Authorised 1976 £	Authorised 1975 £	Issued 1976 £	Issued 1975 £
Ordinary Shares of £1 each	1,024,754	1,212,254	1,022,954	1,210,454
Preferred Ordinary Shares of £1 each ...	187,500	—	187,500	—
Management Shares of 5p each	7,348	7,348	7,098	7,098
	£1,219,602	£1,219,602	£1,217,552	£1,217,552

10. DEFERRED TAXATION

The balance of deferred taxation using the liability method is made up as follows:-

	1976 £	1975 £
Deferred taxation at 52% including prior years adjustments	377,000	310,000
Advance Corporation Tax	(30,148)	—
	£346,852	£310,000

11. LOANS

Secured mortage loans of which £514,264 is repayable by annual instalments on an annuity basis up to 2,001, the remainder repayable thereafter:-

Bearing interest at 6½% per annum	380,060	382,774
Bearing interest at 5½% per annum	334,204	337,006
	£714,264	£719,780

12. FUTURE CAPITAL EXPENDITURE

Contracted for but not provided in the accounts ..	£ 28,716	£ 48,000
Authorised by the directors but not contracted for ...	£106,000	£ 7,000

13. SUBSIDIARY COMPANY

The company owns all the share capital of J. E. Beale (Eastbourne) Limited, a dormant company incorporated in the United Kingdom, the cost of the shares in this company and the amount owing to it is £60,000.

14. CLOSE COMPANY

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

NOTES