

Company Number: 120002

J E Beale plc

Directors' report and financial statements  
for the 53 weeks ended 2 November 1996



J E Beale plc

Directors' report and financial statements for the 53 weeks ended 2 November 1996

<u>CONTENTS</u>	<u>PAGES</u>
Report of the directors	2
Report of the auditor	5
Profit and loss account	6
Balance sheet	7
Accounting policies	8
Notes to the financial statements	10

**J E Beale plc**

**Report of the directors**

The directors present their annual report and the audited financial statements for the 53 weeks ended 2 November 1996.

**Principal activities and business review**

The principal activity of the Company continues to be the operation of department stores in the UK.

Throughout the year under review, the Company operated department stores in Bedford, Bournemouth, Poole, Walton-on-Thames and Winchester, all trading as Beales and a department store in Southport trading as Broadbents & Boothroyds and from 11 March, a department store in Bolton trading as Whitakers.

<b>Profit and dividends</b>	<b>£000</b>
Profit before exceptional income	3,794
Business rate rebates	465
Taxation	(1,450)
	<hr/>
Profit for the year	2,809
	<hr/>

The directors recommend that a final ordinary dividend of 252.95p per share be paid making, with the interim dividend of 25.5p per share, a total of 278.45p per share for the year (1995 67p per share).

The board considers that pre tax profit generated by the 53rd week was £140,000.

The Bolton department store contributed a small loss of £10,000 and has integrated successfully into the Company. The directors are delighted with progress to date and look forward to the store making a significant contribution over the coming years.

**Fixed assets**

Details of tangible assets are set out in Note 8 to the financial statements.

**Donations**

Donations to charitable organisations during the year amounted to £7,130. There were no donations to political parties.

**Directors**

The directors for the year were N B E Beale, K H Coates\*, W D Hood, M C H Mitchell, A K Owst, T R Rathbone and J M H Sexton\* (\*non-executive)

A K Owst and J M H Sexton will retire by rotation at the annual general meeting and, being eligible, will offer themselves for re-election.

## **J E Beale plc**

### **Report of the directors (continued)**

The interests of the directors in the share capital of Beale plc are disclosed in the report of the remuneration committee contained in the annual report of Beale plc. No director had a beneficial interest in the share capital of the Company.

#### **Directors' interests in contracts with the Company**

No director has had an interest in any contract.

#### **Employees**

Details of the average number of persons employed by the Company and their aggregate remuneration are shown in note 6 to the financial statements.

The Company's policy is to ensure that any disabled job applicant or staff member will not receive less favourable treatment than others in the same or similar situation. They will not be placed at a disadvantage by job requirements which may affect them adversely and which cannot be shown to be relevant to the job or material to the particular circumstances. Where appropriate the Company offers re-training or adjustments to working conditions or job description to assist staff members who become disabled.

Staff members receive information on the Group and Store news through weekly store newsletters. Group results and announcements are also posted on noticeboards. Consultation with staff representatives takes place through senior management meetings and individual store councils whose members are then in a position to inform staff.

The Company continues to operate a profit related pay scheme so that participating staff benefit directly from the performance of the Group.

#### **Payment practice**

The Company's policy is to settle invoices within contractual timescales agreed in advance with suppliers. Settlement terms are agreed at the time of placing orders and at the commencement of business with suppliers. Payment is made in accordance with contractual and legal obligations.

#### **Directors' responsibilities statement**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss for that period. In preparing such financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

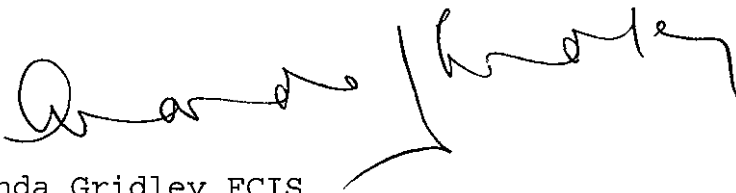
Report of the directors (continued)

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time the financial position of the Company to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

**Auditors**

A resolution to reappoint KPMG Audit Plc as auditor to the Company will be proposed at the annual general meeting.

By order of the board

A handwritten signature in black ink, appearing to read 'Amanda Gridley', written over a horizontal line.

Amanda Gridley FCIS  
Secretary

30 January 1997  
Bournemouth

J E Beale plc

Auditor's report to shareholders of J E Beale plc

We have audited the financial statements on pages 6 to 19.

**Respective responsibilities of directors and auditors**

As described on pages 3 and 4, the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 2 November 1996 and of its profit for the 53 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*  
KPMG Audit Plc

Chartered Accountants  
Registered Auditor

30 January 1997  
Southampton

J E Beale plc

Profit and loss account for the 53 weeks ended 2 November 1996

	<u>Notes</u>	<u>1996</u> 53 Weeks £000	<u>1995</u> 52 Weeks £000
<b>Turnover</b>			
Continuing operations		50,655	46,311
Acquisition	1	4,945	-
		<hr/> 55,600	<hr/> 46,311
Cost of sales		(35,126)	(28,668)
		<hr/> 20,474	<hr/> 17,643
<b>Gross profit</b>			
Administrative expenses	2	(16,160)	(14,516)
<b>Operating profit before exceptional items included in administrative expenses</b>		3,849	3,123
Business rate rebates	3	465	4
<b>Operating profit before interest and income from subsidiary</b>			
Continuing operations		4,324	3,127
Acquisition	1	(10)	-
		<hr/> 4,314	<hr/> 3,127
Income from subsidiary		-	46
Net interest payable	4	(55)	(75)
		<hr/> 4,259	<hr/> 3,098
<b>Profit on ordinary activities before taxation</b>			
Taxation	5	(1,450)	(1,001)
		<hr/> 2,809	<hr/> 2,097
<b>Profit on ordinary activities after taxation</b>			
Dividends	7	(2,849)	(686)
		<hr/> Retained (loss)/profit for the year	<hr/> 1,411
	17	(40)	1,411

There is no material difference between the results as disclosed above and the results on an unmodified historical cost basis. There are no recognised gains or losses in 1995 and 1996 other than profit for the years as reported above.

A statement of movement on reserves is set out in note 17.

J E Beale plc

Balance sheet as at 2 November 1996

	<u>Notes</u>	<u>1996</u> £000	<u>1995</u> £000
<b>Fixed assets</b>			
Tangible assets	8	8,414	6,398
Investments	9	133	133
		<hr/> 8,547	<hr/> 6,531
<b>Current assets</b>			
Stocks		6,291	5,416
Debtors - due after one year	10	572	477
- due within one year	10	7,288	6,151
Total debtors		7,860	6,628
Cash at bank and in hand		3,420	4,557
		<hr/> 17,571	<hr/> 16,601
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	11	(13,023)	(9,801)
		<hr/> 4,548	<hr/> 6,800
<b>Net current assets</b>			
		<hr/> 13,095	<hr/> 13,331
<b>Total assets less current liabilities</b>			
Creditors: amounts falling due after more than one year	12	(3,396)	(3,396)
Provisions for liabilities and charges	14	(582)	(508)
		<hr/> 9,117	<hr/> 9,427
<b>Net assets</b>			
<b>Capital and reserves</b>			
Called up share capital	16	1,030	1,030
Revaluation reserve	17	26	28
Capital redemption reserve	17	188	188
Profit and loss account	17	7,873	8,181
		<hr/> 9,110	<hr/> 9,420
Equity shareholders' funds		7	7
Non-equity shareholders' funds			
<b>Shareholders' funds</b>		<hr/> 9,117	<hr/> 9,427

These financial statements were approved by the board of directors on 30 January 1997 and were signed on its behalf by

N B E Beale                      director

A K Owst                         director



## Accounting policies

### Basis of accounting

The Company 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 or, when appropriate, fifty-three weeks. The financial statements have been prepared in accordance with applicable accounting standards. The year 1995/96 was a 53 week year.

The Company has taken advantage of the provisions of the Companies Act 1985 not to prepare Group accounts, on the basis that it is a wholly owned subsidiary of a Company registered in England and Wales (see note 22). The financial statements therefore present information about the Company as an individual undertaking and not about its Group.

### Cashflow statement

The Company is exempt from the requirement of financial reporting standard No. 1 to prepare a cashflow statement as it is a wholly owned subsidiary undertaking of Beale plc and its cashflow is included within the consolidated cashflow statement of that Company.

### Goodwill

Purchased goodwill arising on businesses acquired is written off to reserves in the year of acquisition.

### 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 life.

The rates principally applied are:

Freehold buildings	1%
Leasehold buildings	Length of lease
Plant	5%
Fixtures and fittings	12.5%
Computer and office equipment	10%-25%
Motor vehicles	25%

### Fixed asset investments

Fixed asset investments are stated at cost, but provision is made if it is considered that there has been any permanent diminution in value. For listed investments, market value is based on closing middle market price on a recognised UK stock exchange.

### Deferred taxation

The Company provides deferred taxation under the liability method. Provision is made only to the extent that it is probable that a tax liability will crystallize.

### Stocks

Stocks comprise principally retail items for resale and are valued at the lower of cost and net realisable value; cost being computed principally on the basis of the selling price less the appropriate trading margin.

Accounting Policies (continued)

**Turnover and gross profit**

Turnover includes the sales of concession departments and represents amounts received and receivable from goods and services supplied to customers after deduction of value added tax. Turnover and gross profit includes £701,000 (1995 £652,000) of interest on customers' accounts.

**Leases**

The Company's major leased assets are properties held under operating leases, and annual rentals are charged to the profit and loss account.

**Contributions to the pension scheme**

The scheme is valued by actuaries every three years and the rates of contribution are adjusted in accordance with their advice. The charge against profits is calculated in accordance with statement of standard accounting practice 24.

**Foreign currencies**

Transactions in foreign currencies are translated into sterling at rates ruling at the time of transaction. Assets and liabilities are translated at year end rates of exchange, except in those instances where forward cover has been arranged, in which case the forward rate is used. All differences arising on translation are included in the profit and loss account.

J E Beale plc

Notes to the financial statements

	<u>1996</u> 53 Weeks £000	<u>1995</u> 52 Weeks £000
<b>1 Acquisition</b>		
Operating loss in relation to Whitakers which was acquired during the year is analysed as follows:-		
Turnover	4,945	-
Cost of sales	(3,858)	-
	<hr/>	<hr/>
Gross profit	1,087	-
Administrative expenses	(1,097)	-
	<hr/>	<hr/>
Operating loss	(10)	-
	<hr/>	<hr/>
<b>2 Administrative expenses</b>		
Staff costs (see also note 6)	7,692	6,912
Occupancy costs	3,415	3,080
Other costs	5,594	4,591
Exceptional items (see note 3)	(465)	(4)
	<hr/>	<hr/>
	16,236	14,579
Less: other income	(76)	(63)
	<hr/>	<hr/>
	16,160	14,516
	<hr/>	<hr/>
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation	771	595
Operating lease rentals - land and buildings	1,742	1,475
Operating lease rentals - plant and machinery	82	55
Auditor's remuneration:		
Audit work	31	32
Other fees paid to the auditor and its associates	26	24
Profit on sale of fixed assets	(12)	(8)
Property rentals receivable	(76)	(63)
<b>3 Exceptional items: included within administrative expenses:</b>		
Uniform business rate rebates including relevant interest	465	4
	<hr/>	<hr/>

Exceptional items arise from continuing operations.

J E Beale plc

Notes to the financial statements (continued)

	1996 53 Weeks £000	1995 52 Weeks £000
<b>4 Net interest payable</b>		
Interest receivable		
Total interest receivable	999	949
Less interest on customers' accounts	(701)	(652)
	<hr/>	<hr/>
Bank & intercompany interest receivable	298	297
<b>Less interest payable</b>		
Bank overdraft	(1)	(1)
Other finance charges payable	(5)	(2)
Holding company loan repayable within 5 years	(347)	(369)
	<hr/>	<hr/>
	(55)	(75)
	<hr/>	<hr/>
Interest receivable includes £180,000 (1995 193,000) received from the parent company.		
<b>5 Taxation</b>		
United Kingdom corporation tax at 33% (1995 33%):		
Current	1,489	1,065
Adjustments in respect of prior years	(15)	(64)
	<hr/>	<hr/>
	1,474	1,001
Deferred taxation (see note 15)	(24)	-
	<hr/>	<hr/>
	1,450	1,001
	<hr/>	<hr/>
<b>6 Directors and employees</b>		
The average number (including directors) employed by the company during the year was:		
Full time	530	501
Part time	371	328
	<hr/>	<hr/>
	901	829
	<hr/>	<hr/>
Staff costs for the above:		
Wages and salaries	7,062	6,269
Social security costs	411	380
Other pensions costs (see note 19)	219	263
	<hr/>	<hr/>
	7,692	6,912
	<hr/>	<hr/>

J E Beale plc

## Notes to the financial statements (continued)

## 6 Directors and employees (continued)

No director received any emoluments from J E Beale plc. Emoluments received as directors of Beale plc are disclosed in that Company's financial statements. Emoluments received from Beale plc substantially relate to J E Beale plc.

		<u>1996</u>		<u>1995</u>
		£000		£000
<b>7 Dividends</b>				
Ordinary shares:				
Interim paid	25.5p	261	22p	225
Final proposed	252.95p	2,588	45p	461
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	278.45p	2,849	67p	686
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>Freehold</u>	<u>Short</u>	<u>Plant,</u>	
	<u>Land &amp;</u>	<u>Leasehold</u>	<u>Fixtures &amp;</u>	
	<u>Buildings</u>	<u>Buildings</u>	<u>Fittings</u>	<u>Total</u>
	£000	£000	£000	£000
<b>8 Tangible fixed assets</b>				
COST OR VALUATION:				
29 October 1995	3,208	767	9,537	13,512
Additions	80	73	2,638	2,791
Disposals	-	-	(70)	(70)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
2 November 1996	3,288	840	12,105	16,233
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
REPRESENTED BY:				
Valuation in 1979	-	120	-	120
Cost	3,288	720	12,105	16,113
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	3,288	840	12,105	16,233
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
DEPRECIATION:				
29 October 1995	77	202	6,835	7,114
Charge for the year	26	29	716	771
Eliminated in respect of disposals	-	-	(66)	(66)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
2 November 1996	103	231	7,485	7,819
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
NET BOOK VALUE:				
2 November 1996	3,185	609	4,620	8,414
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
29 October 1995	3,131	565	2,702	6,398
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Properties have been valued on an open market basis for their existing use.

J E Beale plc

Notes to the financial statements (continued)

	<u>1996</u> £000	<u>1995</u> £000
<b>8 Tangible fixed assets (continued)</b>		
If fixed assets had not been revalued they would have been included at the following historical cost amount:		
Short leasehold building cost	778	705
Aggregate depreciation based on cost	(195)	(168)
	<u>          </u>	<u>          </u>
Net book value	583	537
	<u>          </u>	<u>          </u>

**Capital commitments**

Capital expenditure contracted for but not provided for in the financial statements	1,848	165
	<u>          </u>	<u>          </u>

**Acquisition**

On 11 March 1996 the Company acquired certain of the assets and trade of Whitakers (Bolton) Limited. The consideration of £1,231,000 was satisfied in cash. The resulting goodwill of £270,000 was written off on acquisition to the profit and loss account as a movement in reserves. Purchase consideration included £5,800 of non-audit fee paid to the auditor and it's associates.

	Book Value £000	Fair Value Adjustments £000	Fair Value £000
<b>Fixed assets</b>			
Tangible	633	(7)	626
Current stock	353	(18)	335
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net assets</b>	986	(25)	961
	<u>          </u>	<u>          </u>	
Goodwill			270
			<u>          </u>
Purchase consideration and cost of acquisition			1231
			<u>          </u>

Prior to acquisition, Whitakers department store was owned and operated by Whitakers (Bolton) Ltd which had other trading interests. The profit and loss accounts of Whitakers department store are not available in isolation for periods prior to the acquisition.

J E Beale plc

Notes to the financial statements (continued)

	<u>1996</u> £000	<u>1995</u> £000
<b>9 Fixed asset investments</b>		
Shares in subsidiaries at cost	109	109
Listed on a recognised UK stock exchange	8	8
Unlisted	16	16
	<u>133</u>	<u>133</u>

At 2 November 1996 the Company held, either directly or indirectly, the whole of the issued ordinary share capital in the following dormant subsidiary companies, all of which are incorporated in Great Britain and registered in England and Wales:

J E Beale (Stores) Limited  
 John Elmes Beale Trust Company Limited  
 Grant-Warden Limited  
 IMS Finance Limited

The market value of listed investments is £9,000 (1995 £7,000)

In the opinion of the directors' the aggregate value of shares in subsidiary companies is not less than aggregate balance sheet value.

	<u>1996</u> £000	<u>1995</u> £000
<b>10 Debtors</b>		
- Due after one year:		
Trade debtors	425	362
Advance corporation tax	147	115
	<u>572</u>	<u>477</u>
 <b>Debtors</b>		
- Due within one year:		
Trade debtors	6,303	5,492
Amounts owed by holding company	182	-
Prepayments and accrued income	779	659
Deferred Taxation	24	-
	<u>7,288</u>	<u>6,151</u>
 Total Debtors	<u>7,860</u>	<u>6,628</u>

J E Beale plc

Notes to the financial statements (continued)

	<u>1996</u> £000	<u>1995</u> £000
<b>11 Creditors</b>		
Amounts falling due within one year:		
Trade creditors	4,778	3,274
Holding company loan (note 13)	2,228	2,228
Amount owed to holding company	-	627
Amounts owed to subsidiary undertakings	109	109
Corporation tax	1,384	1,009
Other taxation and social security	400	448
Accruals and deferred income	1,536	1,645
Dividends	2,588	461
	<u>13,023</u>	<u>9,801</u>
<b>12 Creditors</b>		
Amounts falling due after more than one year:		
Holding company loan (note 13)	3,396	3,396
	<u>3,396</u>	<u>3,396</u>
<b>13 Borrowings</b>		
The aggregate amount of loans was as follows:		
Holding company loan (due within 1 year)	2,228	2,228
Holding company loan (due between 1 and 2 years)	3,396	3,396
	<u>5,624</u>	<u>5,624</u>

The Company has a bank overdraft facility secured by a first fixed and floating charge over the Group's assets.

The holding company loans are secured by a fixed charge on the Company's book debts and certain freehold property and a floating charge over the Company's other assets, all subject to a deed of priority to Midland Bank plc. The holding company loan due within one year is repayable on 3 months' notice. The holding company loan due between 1 and 2 years is repayable on one year and one day's notice. Interest accrues at Midland Bank plc's base rate on both holding company loans.





## Notes to the financial statements (continued)

## 16 Share capital (continued)

## Ordinary shares - equity

The ordinary shares carry no rights to dividend other than those which may be recommended by the directors and approved by shareholders in general meeting. Ordinary shares have no redemption rights. However, they have an unlimited right to share in the surplus remaining on a winding-up, after all liabilities and participation rights of other classes of shares have been satisfied. Ordinary shares have one vote per share.

## Management shares - non-equity

The management shares carry a fixed non-cumulative dividend at the rate of 5% per annum on capital paid up thereon calculated from the date of issue of such shares and ranking pari passu with any dividend paid on ordinary shares. Beale plc has waived the dividend. On winding up, holders are entitled to repayment of the capital paid up thereon in priority to any payment to holders of ordinary shares, but the management shares shall not entitle the holders to any further or other participation in the profits or assets of the Company. Management shares have one vote per share.

	<u>Capital Redemption Reserve</u> £000	<u>Revaluation Reserve</u> £000	<u>Profit and Loss Account</u> £000
<b>17 Reserves</b>			
At 29 October 1995	188	28	8,181
Retained loss for the year	-	-	(40)
Transfer	-	(2)	2
Goodwill on acquisition	-	-	(270)
	<hr/>	<hr/>	<hr/>
At 2 November 1996	188	26	7,873
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All reserves of the Company relate to equity interests. Those that may not be distributed under Section 264 of the Companies Act 1985 comprise the capital redemption reserve and the revaluation reserve.

No provision has been made for the additional taxation that would accrue if properties were disposed of at their revalued amounts.

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 historical cost.

Goodwill written off to reserves in 1993 amounted to £290,000 relating to the acquisition of the Southport store on 31 July 1993.

Goodwill of £270,000 was written off in accordance with Statement of Standard Accounting Practice 22 related to the acquisition of the Bolton store on 11 March 1996.

## Notes to the financial statements (continued)

**17 Reserves (continued)**

Total goodwill written off to reserves for the Company amounts to £560,000 (1995 £290,000).

	<u>1996</u> <u>53 weeks</u> £000	<u>1995</u> <u>52 weeks</u> £000
<b>18 Reconciliation of movements in shareholders' funds</b>		
Profit for the financial year	2,809	2,097
Dividends	(2,849)	(686)
	<hr/> (40)	<hr/> 1,411
Goodwill written off	(270)	-
	<hr/> (310)	<hr/> 1,411
Net (deduction from)/addition to shareholders' funds	9,427	8,016
Opening shareholders' funds	<hr/> 9,117	<hr/> 9,427
Closing shareholders' funds	<hr/> <hr/> 9,117	<hr/> <hr/> 9,427

**19 Pension commitments**

The Company operates a pension scheme providing benefits based on final salary with a money purchase underpin. The assets of the scheme are held separately from those of the Company, being invested principally through the purchase of units in managed funds.

The pension cost relating to this scheme is assessed every three years in accordance with the advice of a qualified actuary using the projected unit method. The most recent actuarial valuation, at 1 April 1996, recorded that the scheme had assets of approximately £12,590,000 at market value, indicating a surplus of £1,941,000. This identified a solvency level of 131% which means that the scheme's assets were sufficient to meet its liabilities and that the reserves of the scheme are likely to meet in full the liabilities as they fall due. The valuation assumed an investment return of 9% per annum compound, average salary increases of 7% per annum compound and present and future pensions increasing at the rate of 5% per annum for past services and 4.5% per annum for future services.

Following the actuarial valuation, the directors have been advised that a proportion of Group contributions relating to the final salary part of the scheme may be suspended until the next triennial valuation. In accordance with statement of standard accounting practice 24, the benefit of this pensions holiday is recognised in the financial statements over a period of years. The pension charge included in these accounts amounted to £219,000 (1995 £263,000) including matched additional voluntary contributions.

J E Beale plc

Notes to the financial statements (continued)

**20 Contingent liabilities**

The Company has guaranteed repayment of bank borrowings of Beale plc. At the year end these liabilities totalled £2,230,000.

	<u>1996</u>		<u>1995</u>	
	<u>Land &amp; Buildings</u> £000	<u>Other</u> £000	<u>Land &amp; Buildings</u> £000	<u>Other</u> £000
<b>21 Commitments under operating leases</b>				
At 2 November 1996 the Company had annual commitments under non-cancellable operating leases as follows:				
Expiring within one year	-	1	-	1
Expiring between one and five years	20	98	-	77
Expiring in more than five years	2,109	-	1,591	-
	<hr/>	<hr/>	<hr/>	<hr/>
	2,129	99	1,591	78
	<hr/>	<hr/>	<hr/>	<hr/>

The Company's leases of land and buildings are subject to rent review periods of between one and eleven years.

**22 Ultimate holding company**

The Company's parent and ultimate holding company is Beale plc, a company registered in England and Wales. It is the only Company to prepare consolidated financial statements, copies of which may be obtained from the registered office, 545 Wallisdown Road, Poole, BH12 5AD.