

DAN EVANS (BARRY) LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE 52 WEEKS ENDED 31ST JANUARY 1998  
REGISTERED NUMBER: 556169



DAN EVANS (BARRY) LIMITED

COMPANY INFORMATION

REGISTERED NUMBER	556169
DIRECTORS	A. Evans Ll. Evans G. D. Evans A. D. Evans P. Edwards
SECRETARY	G. D. Evans
REGISTERED OFFICE	81, Holton Road Barry CF63 6SY
AUDITORS	Carston & Co. "Capella" 12, Penlline Road Whitchurch Cardiff CF4 2XR
BANKERS	Barclays Bank Plc.

DAN EVANS (BARRY) LIMITEDREPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Annual Report and Audited Accounts of the Company for the 52 weeks ended 31st January 1998.

PRINCIPAL ACTIVITY

The principal activity of the Company continues to be that of a Retail Department Store and all turnover is attributable to this activity.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The full results of the year are set out on page 4.

It was another excellent year of progress which saw a 7.2% increase in sales and a further improvement in margins, while sales per square foot exceeded £200 for the first time. There would also have been a significant increase in retained profit but for the exceptional financial charge resulting from the change of bankers during the year.

DIVIDEND

The Directors recommend the payment of a dividend of 1 pence per Ordinary Share (1997 - 4 pence per Ordinary Share).

DIRECTORS

The Directors who held office during the period, together with their interests in the Company's Share Capital were as follows:

	ORDINARY SHARES OF £1 EACH	
	1998	1997
A. Evans	1,400	1,400
G. D. Evans	71,135	61,135
Ll. Evans	22,600	82,600
A. D. Evans	5,600	5,600
P. Edwards (retired 31st March 1998)	NIL	NIL

In accordance with the Company's Articles of Association Mrs LL Evans retires by rotation and a resolution proposing her re-appointment will be put before the members at the next Annual General Meeting.

DIRECTORS' RESPONSIBILITIES

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 and of the profit or loss of the Company for that period. In preparing those 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;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

DAN EVANS (BARRY) LIMITED

REPORT OF THE DIRECTORS - continued

FIXED ASSETS

Movements in Fixed Assets are shown in notes 8 & 9 to the Accounts. In October 1997 the company's principal freehold property was valued for the purpose of bank security. The property was valued at £1.2m but as it is the directors intention to hold this property for long term trading purposes, they do not consider it appropriate to include the result of the valuation in the accounts.

DONATIONS

During the year the Company made charitable donations of £3,930 (1997 - £2,396).

AUDITORS

Messrs Carston & Co have expressed their willingness to continue in office and a resolution proposing their reappointment will be put before the members at the next Annual General Meeting.



BY ORDER OF THE BOARD

G D EVANS - DIRECTOR

AUDITORS' REPORT TO THE SHAREHOLDERS OFDAN EVANS (BARRY) LIMITED

We have audited the financial statements on pages 4 to 14 which have been prepared under the accounting policies on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 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 misstatement, 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 31st January 1998 and of its profit and cash flows for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



12 PENLLINE ROAD  
WHITCHURCH  
CARDIFF  
CF4 2XR

CARSTON & CO  
CHARTERED ACCOUNTANTS  
AND REGISTERED AUDITOR

12TH MAY 1998

DAN EVANS (BARRY) LIMITEDPROFIT AND LOSS ACCOUNTFOR THE 52 WEEKS ENDED 31ST JANUARY 1998

	NOTES	1998	1997
	-----	-----	-----
TURNOVER	1	5,136,793	4,791,026
Cost of Sales		3,634,299	3,400,118
		-----	-----
GROSS PROFIT		1,502,494	1,390,908
Operating Expenses	2	1,209,735	1,149,359
		-----	-----
		292,759	241,549
Other Operating Income		127,590	140,353
		-----	-----
OPERATING PROFIT	3	420,349	381,902
Interest Payable and Similar Financial Charges	5	244,281	230,754
Exceptional Item: Refinancing Charges	5	41,133	-
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		134,935	151,148
Tax on Profit on Ordinary Activities	6	143	445
		-----	-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		134,792	150,703
Dividend Proposed	7	2,534	10,136
		-----	-----
RETAINED PROFIT FOR THE PERIOD		132,258	140,567
PROFIT AND LOSS ACCOUNT - Brought Forward		946,413	805,846
		-----	-----
PROFIT AND LOSS ACCOUNT - Carried Forward		1,078,671	946,413
		=====	=====

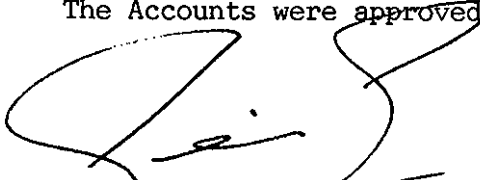
There were no recognised gains or losses other than those included in the profit and loss account (1997 - Nil).

None of the company's activities were acquired or discontinued during the above financial periods.

DAN EVANS (BARRY) LIMITEDBALANCE SHEETAS AT 31ST JANUARY 1998

<u>FIXED ASSETS</u>	NOTES	1998	1997
	-----	----	----
Tangible Assets	8	2,221,276	2,284,054
Unquoted Investments			
Other Than Loans	9	8,750	7,360
		-----	-----
		2,230,026	2,291,414
<u>CURRENT ASSETS</u>			
Stocks: Goods for Resale		732,644	720,212
Debtors & Prepayments	10	316,372	425,018
Cash in Hand		4,046	2,160
		-----	-----
		1,053,062	1,147,390
<u>CREDITORS</u> - Amounts falling due			
within one year	11	666,632	857,558
		-----	-----
NET CURRENT ASSETS		386,430	289,832
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		2,616,456	2,581,246
<u>CREDITORS</u> - Amounts falling due after			
more than one year			
Loans	12	978,071	1,075,119
Deferred Income	13	86,853	86,853
		-----	-----
		1,064,924	1,161,972
		-----	-----
		1,551,532	1,419,274
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called Up Equity Share Capital	14	253,400	253,400
Revaluation Reserve		219,461	219,461
Profit and Loss Account		1,078,671	946,413
		-----	-----
Equity Shareholders' Funds	15	1,551,532	1,419,274
		=====	=====

The Accounts were approved by the Board of Directors on 7th May 1998.



G D EVANS - DIRECTOR

DAN EVANS (BARRY) LIMITEDNOTES TO THE ACCOUNTSFOR THE 52 WEEKS ENDED 31ST JANUARY 19981. ACCOUNTING POLICIESBASIS OF PREPARATION OF ACCOUNTS

The Accounts have been prepared under the Historical Cost Convention, as modified by the revaluation of Freehold Property and include the results of the activities described in the directors report, all of which are continuing.

TURNOVER

Turnover represents the total amount receivable by the Company in the ordinary course of the business, exclusive of Value Added Tax.

DEPRECIATION AND AMORTISATIONi Plant, Equipment, Fixtures and Fittings and Motor Vehicles:

This is provided so as to write off the cost of fixed assets over their expected useful economic lives, at the following rates.

Motor Vehicles	25% pa on Reducing Balance
Computers	20% pa on Straight Line Basis
Floor Coverings	20% pa on Reducing Balance
Escalators & Lifts	5% pa on Straight Line Basis
Special Lighting,	
Fixtures & Fittings	10% pa on Straight Line Basis
Other Plant and Equipment	15% pa on Reducing Balance

ii Freehold Land and Buildings

Depreciation has not been provided on freehold property as it is the Company's policy to maintain its properties in such condition that the value to the business is not impaired by the passage of time. Such expenditure is charged to the profit and loss account in the year in which it is incurred. As a consequence any element of depreciation would, in the opinion of the Directors be immaterial and therefore no provision has been made in these accounts.

STOCKS

Stocks are valued at the lower of cost or net realisable value. Cost has been determined as retail value less average mark-up.

DEFERRED TAXATION

This provision represents Corporation Tax at 21% (1997 - 24%) on all short term timing differences and on the amount by which the written down value of certain Fixed Assets exceeds the written down value of the same assets for taxation purposes.



DAN EVANS (BARRY) LIMITEDNOTES TO THE ACCOUNTS - continued1. ACCOUNTING POLICIES - ContinuedDEFERRED INCOME

Grants received in respect of capital expenditure are treated as deferred income in the balance sheet and are credited to the profit and loss account over the life of the asset to which the grant relates. In the case of non depreciating freehold properties there is no amortisation of the grant.

PENSIONS

The Company operates a defined contribution pension scheme in respect of certain staff and contributions paid under the scheme are charged directly to the profit and loss account.

2. <u>OPERATING EXPENSES</u>	1998	1997
	----	----
Operating Expenses comprise:		
Selling Expenses	127,836	112,724
Administrative, Establishment and General Expenses	1,081,903	1,036,635
	-----	-----
	1,209,739	1,149,359
	=====	=====

3. <u>OPERATING PROFIT</u>	1998	1997
	----	----
This is stated after charging/(crediting):		
Auditors Remuneration	8,700	7,800
Depreciation of Tangible Fixed Assets	96,772	94,931
(Profit)/Loss on sale of Tangible Fixed Assets	( 204)	246
	=====	=====

4. <u>EMPLOYEE INFORMATION</u>	1998	1997
	----	----
<u>STAFF COSTS</u>		
-----		
Directors' Remuneration	97,986	87,566
Other Wages and Salaries	674,955	637,426
Social Security Contributions	46,142	41,179
Other Pension Costs	4,444	2,965
	-----	-----
	823,547	769,136
	=====	=====

STAFF NUMBERS

The average number of staff employed by the Company during the period (including Directors) was:

	1998	1997
	----	----
Full Time	51	47
Part Time	71	79
	-----	-----
	122	126
	=====	=====
Administrative Staff including directors	23	24
Customer Service	99	102
	-----	-----
	122	126
	=====	=====

DAN EVANS (BARRY) LIMITEDNOTES TO THE ACCOUNTS - continued

5. <u>INTEREST PAYABLE &amp; SIMILAR FINANCIAL CHARGES</u>	1998	1997
	----	----
Interest payable on:-		
Bank Loans and Bank Overdrafts	112,893	124,674
Hire Purchase and other Liabilities	6,549	10,082
	-----	-----
	119,442	134,756
Bank Charges	12,780	13,004
Other Financial Charges	112,330	96,726
Movement on Bad Debt Provision including		
Amounts Written Off and Recoveries	( 271)	( 13,732)
	-----	-----
	244,281	230,754
Exceptional Item:		
Refinancing Charges	41,133	-
	-----	-----
	285,414	230,754
	=====	=====
6. <u>TAXATION</u>	1998	1997
	----	----
Based on the adjusted profits for the year	67	-
Prior year adjustment	76	445
	-----	-----
	143	445
	=====	=====
7. <u>DIVIDENDS</u>	1998	1997
	----	----
Proposed dividend of 1 pence per Ordinary Share	2,534	10,136
(1997 - 4 pence)	=====	=====

DAN EVANS (BARRY) LIMITEDNOTES TO THE ACCOUNTS - continued8. TANGIBLE FIXED ASSETS

	FREEHOLD LAND AND BUILDINGS	PLANT EQUIPMENT & FIXTURES & FITTINGS	MOTOR VEHICLES	TOTAL
	-----	-----	-----	-----
COST OR VALUATION				
At 2nd February 1997	1,924,179	978,705	82,717	2,985,601
Additions	-	27,343	7,725	35,068
Disposals	-	-	( 6,022)	( 6,022)
	-----	-----	-----	-----
At 31st January 1998	1,924,179	1,006,048	84,420	3,014,647
	-----	-----	-----	-----
ACCUMULATED DEPRECIATION				
At 2nd February 1997	-	665,466	36,081	701,547
Charge for Year	-	82,613	14,161	96,774
Disposals	-	-	( 4,950)	( 4,950)
	-----	-----	-----	-----
At 31st January 1998	-	748,079	45,292	793,371
	-----	-----	-----	-----
NET BOOK VALUE				
At 31st January 1998	1,924,179	257,969	39,128	2,221,276
	=====	=====	=====	=====
At 1st February 1997	1,924,179	313,239	46,636	2,284,054
	=====	=====	=====	=====
Freehold Land and Buildings Comprise:			1998	1997
			----	----
Retail Premises at Valuation			1,741,397	1,741,397
Additions since Valuation at Cost			182,782	182,782
			-----	-----
			1,924,179	1,924,179
			=====	=====
Retail premises at Historic Cost			1,557,320	1,557,320
			=====	=====

Included in tangible fixed assets are certain assets with a net book value of £9,042 (1997 - £38,712) which are subject to hire purchase agreements.

9. UNQUOTED INVESTMENTS OTHER THAN LOANS

	1998	1997
	----	----
At Cost		
-----		
Ordinary Shares in C.I.H. Limited	1,390	-
£6,260 5% Debentures in AIS Property Limited	6,260	6,260
10 £100 10% Debentures in		
Ian Hardware Wholesale Company Limited	1,000	1,000
100 Ordinary £1 Shares in RTRA Finance Limited	100	100
	-----	-----
	8,750	7,360
	=====	=====

In the opinion of the Directors the market value at 31st January 1998 of the Company's unquoted investments is approximately £18,590 (1997 - £17,200).

DAN EVANS (BARRY) LIMITEDNOTES TO THE ACCOUNTS - continued10. DEBTORS AND PREPAYMENTS

	1998	1997
	----	----
Amounts Falling Due Within One Year:		
Trade Debtors	226,346	228,942
Other Debtors and Prepayments	26,316	118,828
Accrued Income	46,147	71,147
	-----	-----
	298,809	418,917
	-----	-----
Amounts Falling Due After More Than One Year:		
Trade Debtors	11,645	2,300
Advance Corporation Tax	5,918	3,801
	-----	-----
	17,563	6,101
	-----	-----
	316,372	425,018
	=====	=====

11. <u>CREDITORS:</u> Amounts Falling Due Within One Year	1998	1997
	----	----
Bank Overdraft	79,266	75,070
Loans (note 12)	33,429	149,253
Trade Creditors	348,843	352,891
Value Added Tax and Other Creditors	93,716	79,412
Accruals	64,521	69,807
Amount due to Gorsedd Limited	30,912	47,645
Unsecured Loans	7,693	53,312
Hire Purchase Liabilities	5,718	20,032
Proposed Dividend	2,534	10,136
	-----	-----
	666,632	857,558
	=====	=====

The bank overdraft is secured by legal charges on certain of the Company's freehold properties and by chattels mortgages on certain other tangible fixed assets. The unsecured loans have no agreed dates for their repayment and, with one exception, are interest free.

Hire Purchase liabilities are secured on certain of the Company's tangible fixed assets.

The amount due to Gorsedd Limited is interest free on the balance at the beginning of the year. The amount due is unsecured and there are no agreed terms for its repayment.

DAN EVANS (BARRY) LIMITEDNOTES TO THE ACCOUNTS - continued

12. <u>CREDITORS: Amounts Falling Due After</u>	1998	1997
More Than One Year	----	----
Bank Loans	991,919	1,178,707
Welsh Development Agency	19,581	45,665
	-----	-----
	1,011,500	1,224,372
	=====	=====

The above loans are repayable as follows:

Within one to two years	15,129	44,905
Within two to five years	55,112	91,973
After more than five years	907,830	938,241
	-----	-----
Amounts falling due after more than one year	978,071	1,075,119
Amounts falling due within one year	33,429	149,253
	-----	-----
	1,011,500	1,224,372
	=====	=====

The loan from the Welsh Development Agency was repaid in February 1998. The bank loan is primarily secured by way of a first legal charge over the company's principal freehold property.

13. <u>DEFERRED INCOME</u>	1998	1997
	----	----
Property Improvement Grants received in Year	-	86,853
At 1st February 1997	86,853	-
	-----	-----
At 31st January 1998	86,853	86,853
	=====	=====

14. <u>CALLED UP EQUITY SHARE CAPITAL</u>	1998	1997
	----	----
AUTHORISED:		
Ordinary Shares of £1 Each	1,000,000	1,000,000
	=====	=====
ISSUED AND FULLY PAID:		
Ordinary Shares of £1 Each	253,400	253,400
	=====	=====

15. <u>RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS</u>	1998	1997
	----	----
Profit for the Period	134,792	150,703
Dividend Proposed	2,534	10,136
	-----	-----
Net increase in Shareholders' Funds	132,258	140,567
Equity Shareholders' Funds at 1st February 1997	1,419,274	1,278,707
	-----	-----
Equity Shareholders' Funds at 31st January 1998	1,551,532	1,419,274
	=====	=====

DAN EVANS (BARRY) LIMITEDNOTES TO THE ACCOUNTS - continued16 DEFERRED TAXATION

The full potential amount of deferred taxation not provided for in these accounts is as follows:

	1998	1997
	----	----
Revaluation of Freehold Property	46,087	52,670
Excess Capital Allowances over Depreciation	28,705	43,236
Taxation Losses	( 56,656)	( 95,906)
	-----	-----
	18,136	-
	=====	=====

17. CAPITAL COMMITMENTS

There were no capital commitments at 31st January 1998 (1997 - Nil).

DAN EVANS (BARRY) LIMITEDCASHFLOW STATEMENTFOR THE 52 WEEKS ENDED 31ST JANUARY 1998

	1998	1997
	----	----
Net Cash Inflow from operating activities (Note 1)	555,684	391,854
Returns on Investments & Servicing of Finance:		
Interest Payable & Similar		
Financial Charges	(285,414)	(230,754)
Dividends Proposed	( 10,136)	( 7,602)
	-----	-----
	(295,550)	(238,356)
Taxation - Corporation Tax Paid	( 76)	( 445)
Capital Expenditure:		
Purchase of Tangible Fixed Assets	( 35,068)	(179,954)
Receipts from Sale of Fixed Assets	1,276	3,500
Purchase of Investments	( 1,390)	-
Deferred Income:		
Grants Receivable	-	86,853
	-----	-----
	( 35,182)	( 89,601)
Net Cash Inflow Before Financing	224,876	63,452
Management of Liquid Resources:		
Repayment of Loans	(212,872)	( 45,718)
Repayment of Hire Purchase Liabilities	( 14,314)	( 7,555)
New Loan	-	100,000
	-----	-----
(Decrease)/Increase in Cash (note 2)	( 2,310)	110,179
	=====	=====

DAN EVANS (BARRY) LIMITEDNOTES TO THE CASH FLOW STATEMENTFOR THE 52 WEEKS ENDED 31ST JANUARY 19981. RECONCILIATION OF OPERATING PROFIT TO  
NET CASH INFLOW FROM OPERATING ACTIVITIES

	1998	1997
	-----	-----
Operating Profit	420,349	381,902
Depreciation Charge	96,774	94,932
(Profit)/Loss on Sale of Assets	( 204)	246
Increase in Stocks	( 12,432)	( 10,114)
Decrease/(Increase) in Debtors	108,646	( 70,540)
(Decrease) in Creditors	( 57,449)	( 4,572)
	-----	-----
Net Cash inflow from operating activities	555,684	391,854
	=====	=====

2. ANALYSIS OF CHANGE IN NET DEBT

	At 1st February 1997	Cash Flow	At 31st January 1998
Cash at Bank and in hand	2,160	1,886	4,046
Overdraft	( 75,070)	( 4,196)	( 79,266)
	-----	-----	-----
	( 72,910)	( 2,310)	( 75,220)
Loans:			
Due within one year	(149,253)	115,824	( 33,429)
Due after one year	(1,075,119)	97,048	(978,071)
Hire Purchase	( 20,032)	14,314	( 5,718)
	-----	-----	-----
	(1,317,314)	224,876	(1,092,438)
	=====	=====	=====