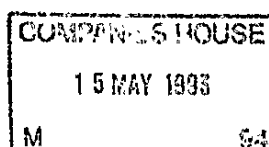


**ANNUAL REPORT  
1992**

**BEALES**



# J.E.Beale plc

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## Reports and financial statements for the year ended 31 October 1992

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# J.E.Beale plc

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## Directors, secretary and advisors

### DIRECTORS

Nigel B E Beale (chairman)  
Michael C H Mitchell (chief executive)  
William D Hood (deputy chief executive)  
Michael Howson-Green (non-executive)  
Ian Kirkpatrick (non-executive)

### SECRETARY

Mrs Jane Green

### REGISTERED OFFICE

36 Old Christchurch Road  
Bournemouth BH1 1LJ  
Telephone (0202) 552022  
Facsimile (0202) 295306

### AUDITORS

Lyon Pilcher  
Chartered Accountants  
Park House  
102-108 Above Bar  
Southampton SO9 5HJ

### BANKERS

Midland Bank plc  
59 Old Christchurch Road  
Bournemouth BH1 1EH

### SOLICITORS

Pinsent & Company  
3 Colmore Circus  
Birmingham B4 6BH

Laceys  
5 Poole Road  
Bournemouth BH2 5QL

### PROPERTY ADVISORS

N M Rothschild Asset Management Limited  
P O Box 528  
Five Arrows House  
St Swithin's Lane  
London EC4N 8NR

# J.E.Beale plc

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## Company activities

### DEPARTMENT STORES

Beales	—Bedford
Beales	—Bournemouth
Beales	—Poole
Beales	—Walton-on-Thames
Beales	—Winchester

### HOME FURNISHING SHOP

Beales	—Lower Parks' one, Poole
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### FRANCHISING

Dash	—Furcheſter
Dash	—Salisbury

a member of



Associated  
Independent  
Stores Limited

# J.E.Beale plc

## Directors' profiles



**Nigel Beale FRSA (centre) age 49.**

Appointed chairman in 1983. A great-grandson of the founder of the business, he was educated at Sherborne School and the University of Lausanne. He is chairman of Bournemouth Orchestras, a deputy chairman of the British Retail Consortium and a director of Woods (Dorchester) Limited. He is a member of the editorial advisory board of *Retail Week* and of *Dorset Life—The Dorset Magazine*.

**Michael Mitchell MA LLB (bottom left) age 43.**

Joined Beales in 1978 as company secretary and was appointed chief executive in 1982. Educated at Millfield School and Downing College, Cambridge. He is a director of EFG plc, the Southern Regional Board of the Leeds Permanent Building Society and of Dorset Training and Enterprise Council.

**William Hood MBIAT (bottom right) age 57.**

Educated at Twickenham College of Technology, he joined Beales in 1978 from Jackson, Greenen, Down and Partners Limited, the Company's architects. Deputy chief executive since 1991 he is responsible for property, capital projects, franchising, development and expansion.

**Michael Howson-Green FCA FCCA FTII (top right) age 65.**

Educated at Churchers College, Petersfield. A non-executive director since 1983. Until December 1992 he was senior partner of Burnett, Swayne and Company, Southampton, and is a director of a number of companies including White and Company plc and Landguard Property Investment plc.

**Ian Kirkpatrick BSc (top left) age 48.**

Educated at Barnard Castle School and the University of Edinburgh. He was appointed a non-executive director in 1989. He is also a director of Havering Hospitals NHS Trust, the Prime and Erecta Group of Investment Companies and of Viscose Closures Limited.

# J.E.Beale plc

## Chairman's statement

### PROFIT

I am delighted to be able to report an increase in profit before taxation to £1,070,000 (1991 £1,030,000). Whilst modest, any increase is a significant achievement against the backdrop of unremitting economic gloom during the period.

### DIVIDEND

The directors recommend an increase in the final dividend to 24p net per share which, subject to shareholders' approval at the annual general meeting, will be paid on 6 April 1993 to those shareholders registered at the close of business on 5 March 1993.

This proposed final dividend, together with the interim of 10p net per share, paid on 1 October 1992, represents a total distribution of 34p net (previous year 33p net).

### RETAILING

#### Department Stores

There was a year on year marginal decrease in net sales in the four established stores, due in part to a reduction of one week in the trading period. Nonetheless, certain areas of the business fared relatively well, not least men's and womenswear.

Beales of Winchester, in its first full year, traded below budgeted level, although the loss was reduced. Of significance was the reduction in profit, albeit from a very acceptable base, at Walton-on-Thames where there was a substantial increase in competition from new stores in Woking and Kingston-upon-Thames. Only at Bournemouth was there an increase in store trading profit.

Nonetheless, although our competitive pricing policy remains, it is pleasing to be able to record a modest increase in gross margin percentage. Further, personnel costs were contained within the rate of inflation.

#### Franchising

The two Dash shops were sold to Alexon International plc (the owner of the brand) on 3 August 1992 and the franchises revoked.

The level of trading loss recorded in 1991 was accelerating, commensurate with a severe downturn in Dash sales nationally. I believe that this situation, allied to the lack of expansion opportunities of this franchise, justifies fully your Board's decision to sell.

Provision was made in last year's accounts for the cost of closure.

## Chairman's statement (continued)

### CONSUMER CREDIT

Your Company's in-house credit business continued to make progress. Interest received showed a significant increase and bad debts written off were again contained within the sector average.

### PROPERTY

The purchase of the freehold of Association Buildings at Bedford was completed on 14 April 1992. At the current rate of bank interest, the cost of financing the purchase is less than the rent that would have been payable under the lease. However, we have no plans as yet to further the development of the unit shops fronting Silver Street. We shall await an upturn in property values before marketing these units or proceeding with any structural work.

### PERSONNEL

Through continuing tough times, the Beales spirit remains firmly intact. I am heartened by the numerous accolades that we receive from customers in appreciation of the high standard of service that they receive in all quarters of the business. The dedicated management team, of which I am very proud, has yet again served your Company well in excess of the call of duty.

### FUTURE STRATEGY

A considerable amount of work has been undertaken by your Board and its advisors during the course of the year in respect of the future strategy for your Company, which is to broaden its retail base thereby reducing reliance on the Bournemouth store. We shall continue to work with both vigour and caution towards our objective.

## Chairman's statement (continued)

### THE CURRENT YEAR

Sales were not easy to come by in the run up to Christmas, and your Board's decision not to trade illegally on Sundays resulted, inevitably, in some loss of market share. However, the improvement in gross margin percentage continued and it was the lower margin areas of the business, such as Audio and TV, where the shortfall on budgeted sales was the greatest.

There was some buoyancy in the winter Sales although the turnover increase was bought, to some degree, by a higher level of markdowns.

Trading at Winchester causes your Board some concern. Steps, however, have been taken to improve this situation by the closure of certain departments and the introduction of others, strengthened management and a degree of trading-up. I am confident that our own efforts will assist but, most of all, we need to see many new lettings in the Centre in order to increase significantly customer flow.

We still await the outcome of appeals against the assessment of the majority of your Company's properties under the Uniform Business Rate. I am confident of a beneficial outcome.

I may be proved wrong, but I believe that the storms that have been buffeting the retail trade for so long are abating. If so, your Company is more than well placed to benefit from an upturn in consumer confidence, however slight.

*Nigel Beale*

4 March 1993



# J.E.Beale plc

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## Report of the directors

The directors present their report and the consolidated financial statements for the year ended 31 October 1992.

### 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, Walton-on-Thames and Winchester, all trading as Beales.

In addition, the Group operated a home furnishing shop in Lower Parkstone, Poole, also trading as Beales, and, until 3 August, two Dash shops on a franchise basis.

### PROFIT AND DIVIDENDS

	£000
The Group profit on ordinary activities before taxation was	1,070
Taxation	465
	<hr/>
Profit for the year	605
	<hr/>
The directors recommend that the profit be dealt with as follows:	
Dividends on ordinary shares	102
—paid	246
—proposed	<hr/>
	348
Transfer to reserves	257
	<hr/>
	605
	<hr/>

## Report of the directors (continued)

### FIXED ASSETS

The changes in fixed assets are set out in Note 6 to the financial statements.

With effect from the financial year 1992/93, the Group will depreciate freehold buildings at the rate of 1% per annum. This follows the purchase of Association Buildings at Bedford.

It is not considered relevant to separately identify investment properties which are included in freehold land and buildings at a cost of £769,682 (1991 £490,874).

### DONATIONS

Donations to charitable organisations during the year amounted to £5,400. There were no donations to political parties.

### DIRECTORS

The directors during the course of the year were:

Nigel B E Beale  
William D Hood  
Michael Howson-Green  
Ian Kirkpatrick  
Michael C H Mitchell

Ian Kirkpatrick and Michael C H Mitchell retire by rotation and, being eligible, offer themselves for re-election.

### DIRECTORS' INTERESTS IN SHARES

	31 October 1992		2 November 1991	
	Ordinary shares of £1	Management shares of 5p	Ordinary shares of £1	Management shares of 5p
Nigel B E Beale	36,652	28,392	36,652	28,392
William D Hood	854	28,392	854	28,392
Michael Howson-Green	2,587	28,392	2,587	28,392
Ian Kirkpatrick	100	28,392	100	28,392
Michael C H Mitchell	10,651	28,392	10,651	28,392

# J.E.Beale plc

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## Report of the directors (continued)

### **DIRECTORS' INTERESTS IN CONTRACTS WITH THE COMPANY**

No director has had an interest in any contract, other than a contract of employment, with either the Holding Company or a subsidiary during the year.

### **DIRECTORS' LIABILITY INSURANCE**

Insurance has been effected in respect of directors against any claim made against them, either jointly or severally, by reason of any wrongful act.

### **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**

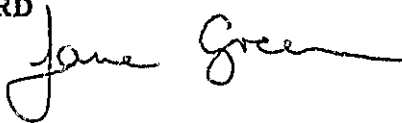
The directors believe in a policy of keeping employees informed and of consulting with them prior to reaching decisions affecting their conditions of work and their future employment. Information is disseminated through weekly Store Newsletters which, in addition, contain Company news, and by individual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

### **AUDITORS**

In accordance with section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Lyon Pilcher as auditors will be put to the annual general meeting.

### **BY ORDER OF THE BOARD**

Jane Green BA ACIS  
Secretary



4 March 1993  
Bournemouth

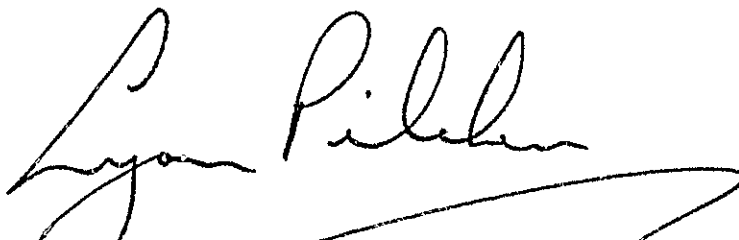
# J.E.Beale plc

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

We have audited the financial statements on pages 12 to 28 in accordance with 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 31 October 1992 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A large, stylized handwritten signature in dark ink, appearing to read 'Lyon Pilcher', with a long horizontal flourish extending to the right.

LYON PILCHER

CHARTERED ACCOUNTANTS  
and Registered Auditor

4 March 1993  
Southampton

# J.E.Beale plc and subsidiary companies

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## 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 or, when appropriate, fifty-three weeks. The financial statements have been prepared in accordance with applicable accounting standards.

### **BASIS OF CONSOLIDATION**

The consolidated financial statements incorporate the accounts of the Company and its subsidiaries, including the results of acquired subsidiaries from the date of acquisition. Goodwill arising on the consolidation of subsidiaries is written off to reserves.

The Holding Company has taken advantage of the provisions of the Companies Act 1985 not to publish 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 life.

The rates principally applied are:

Leasehold buildings	Length of lease
Plant	5%
Fixtures and fittings	12.5%
Office equipment	10%-25%
Motor vehicles	25%

Freehold properties will be depreciated at the rate of 1% per annum with effect from 1 November 1992.

### **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.

# J.E.Beale plc and subsidiary companies

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## Accounting policies (continued)

### **PURCHASED GOODWILL**

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

### **DEFERRED TAXATION**

The Group provides deferred taxation under the liability method. Provision is made to the extent that, in the opinion of the directors, 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.

### **GROUP TURNOVER**

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

### **CONTRIBUTIONS TO THE PENSION SCHEME**

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

### **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 pic and subsidiary companies

## Consolidated profit and loss account for the year ended 31 October 1992

	Notes	1992	1991
		£000	£000
Turnover		35,001	37,215
Cost of sales		22,228	24,950
Gross profit		12,773	12,265
Administrative expenses	1	11,567	11,217
Operating profit		1,206	1,048
Interest receivable		30	23
		1,236	1,071
Interest payable	3	166	41
Profit on ordinary activities before taxation		1,070	1,030
Taxation	4	465	390
Profit on ordinary activities after taxation		605	640
Dividends	5	348	338
Retained profit for the year	14	257	302

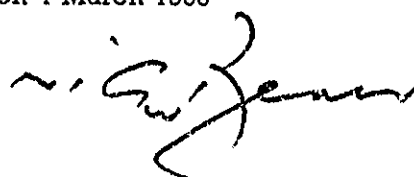
# J.E.Beale plc and subsidiary companies

## Consolidated balance sheet as at 31 October 1992

	Notes	1992	1991
		£000	£000
<b>FIXED ASSETS</b>			
Tangible assets	6	7,341	5,087
<b>CURRENT ASSETS</b>			
Stocks		4,464	4,431
Debtors	8	5,290	5,111
Cash at bank and in hand		220	51
		9,974	9,593
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	9	4,423	4,808
<b>NET CURRENT ASSETS</b>		5,551	4,785
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		12,892	9,872
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	10	2,857	—
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	11	199	293
<b>NET ASSETS</b>		9,836	9,579
<b>CAPITAL AND RESERVES</b>			
Share capital	13	1,030	1,030
Capital redemption reserve fund	14	188	188
Revaluation reserve	14	34	36
Profit and loss account	14	8,584	8,325
		9,836	9,579

The financial statements on pages 12 to 28 were approved by the board of directors on 4 March 1993 and were signed on its behalf by

Nigel Beale director





# J.E.Beale plc

## Balance sheet as at 31 October 1992

	Notes	1992	1991
		£000	£000
<b>FIXED ASSETS</b>			
Tangible assets	6	7,341	5,087
Investments	7	649	649
		<u>7,990</u>	<u>5,736</u>
<b>CURRENT ASSETS</b>			
Stocks		4,464	4,431
Debtors	8	5,290	5,460
Cash at bank and in hand		220	51
		<u>9,974</u>	<u>9,942</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	9	5,118	5,852
<b>NET CURRENT ASSETS</b>		<u>4,856</u>	<u>4,090</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>12,846</u>	<u>9,826</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	10	2,857	—
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	11	<u>199</u>	<u>293</u>
<b>NET ASSETS</b>		<u>9,790</u>	<u>9,533</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	13	1,030	1,030
Capital redemption reserve fund	14	188	188
Revaluation reserve	14	34	36
Profit and loss account	14	8,538	8,279
		<u>9,790</u>	<u>9,533</u>

The financial statements on pages 12 to 28 were approved by the board of directors on 4 March 1993 and were signed on its behalf by

Nigel Beale      director



# J.E.Beale plc and subsidiary companies

## Consolidated cash flow statement for the year ended 31 October 1992

	Notes	1992		1991	
		£000	£000	£000	£000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	1		1,702		1,700
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>					
Interest received		30		23	
Interest paid		(136)		(32)	
Dividends paid		(338)		(338)	
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			(444)		(347)
<b>TAXATION</b>					
UK corporation tax paid			(373)		(477)
<b>INVESTING ACTIVITIES</b>					
Purchase of tangible fixed assets		(3,038)		(1,575)	
Sale of tangible fixed assets		4		120	
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>			(3,034)		(1,455)
<b>NET CASH OUTFLOW BEFORE FINANCING</b>			(2,149)		(579)
<b>FINANCING</b>					
Secured variable long term loan repayable in 2002	4		2,857		—
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	2		708		(579)

# J.E.Beale plc and subsidiary companies

## Notes to the consolidated cash flow statement

	1992	1991	
	£000	£000	
<b>1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>			
Operating profit on ordinary activities before taxation	1,206	1,048	
Decrease in provisions and charges	(151)	(568)	
Depreciation	765	899	
Loss on sale of fixed assets	15	7	
(Increase)/decrease in stocks	(33)	250	
(Increase)/decrease in debtors	(176)	891	
Increase/(decrease) in creditors	76	(827)	
Net cash inflow from operating activities	1,702	1,700	
<b>2 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>			
At 2 November 1991	(488)	91	
Net cash inflow/(outflow)	708	(579)	
At 31 October 1992	220	(488)	
	1992	1991	Change
	£000	£000	£000
<b>3 ANALYSIS OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET</b>			
Cash at bank and in hand	220	51	169
Bank overdraft	—	(539)	539
	220	(488)	708
	1992	1991	
	Bank	Bank	
	Loan	Loan	
	£000	£000	
<b>4 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR</b>			
At 2 November 1991	—	—	—
Cash inflow from financing	2,857	—	—
At 31 October 1992	2,857	—	—

# J.E.Beale plc and subsidiary companies

## Notes to the financial statements

	<u>1992</u>	<u>1991</u>
	£000	£000
<b>1 ADMINISTRATIVE EXPENSES</b>		
Staff costs (see also Note 2)	5,536	5,730
Occupancy costs	2,741	2,663
Other costs	3,390	2,923
	<u>11,667</u>	<u>11,316</u>
Less: Other income	100	99
	<u>11,567</u>	<u>11,217</u>
Other costs include:		
Auditors' remuneration:		
Audit work	33	37
Non-audit work	57	63
Depreciation	765	899
Rentals under operating leases:		
Land and buildings	1,017	1,144
Other	44	41
	<u>1992</u>	<u>1991</u>
<b>2 DIRECTORS AND EMPLOYEES</b>		
The average weekly number of persons (including directors) employed by the Group during the year was:		
Full time	450	479
Part time	315	312
	<u>765</u>	<u>791</u>
	£000	£000
Staff costs for the above persons:		
Wages and salaries	5,143	5,334
Social security costs	346	365
Other pensions costs	47	31
	<u>5,536</u>	<u>5,730</u>

# J.E.Beale plc and subsidiary companies

## Notes to the financial statements (continued)

	<u>1992</u>	<u>1991</u>
	£000	£000
<b>2 DIRECTORS AND EMPLOYEES (continued)</b>		
The emoluments of the directors of J E Beale plc, including benefits in kind, were:		
Fees	—	—
Other emoluments (including pension contributions)	188	189
Emoluments disclosed above (excluding pension contributions) include amounts paid to:		
The chairman	51	51
The highest-paid director	64	65

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

	Number	Number
£ 5,001 – 10,000	1	1
£10,001 – 15,000	1	1
£50,001 – 55,000	1	1

	<u>1992</u>	<u>1991</u>
	£000	£000
<b>3 INTEREST PAYABLE</b>		
Bank overdrafts	22	41
Bank loan repayable after more than 5 years	144	—
	<u>166</u>	<u>41</u>

# J.E.Beale plc and subsidiary companies

## Notes to the financial statements (continued)

	1992	1991
	£000	£000
<b>4 TAXATION</b>		
United Kingdom corporation tax at 33% (1991 33.4%):		
Current	490	578
Over-provision in respect of prior years	(82)	(101)
	408	477
Deferred taxation	57	(41)
Over-provision in respect of prior years	—	(46)
	465	390

	1992	1991
	£000	£000
<b>5 DIVIDENDS</b>		
Ordinary shares:		
Interim—paid	10p	10p
Final —proposed	24p	23p
	102	102
	246	236
	34p	33p
	348	338

# J.E.Beale plc and subsidiary companies

## Notes to the financial statements (continued)

	Group and Company				Total
	Freehold Land & Buildings	Long Leasehold Buildings	Short Leasehold Buildings	Plant Fixtures & Fittings	
	£000	£000	£000	£000	£000
<b>6 TANGIBLE FIXED ASSETS</b>					
<b>COST OR VALUATION:</b>					
3 November 1991	614	126	1,178	8,761	10,679
Additions	2,928	—	(5)	115	3,038
Transfers	280	—	(419)	26	(113)
Disposals	—	—	(9)	(89)	(98)
31 October 1992	3,822	126	745	8,813	13,506
<b>REPRESENTED BY:</b>					
Valuation in 1979	—	—	120	—	120
Cost	3,822	126	625	8,813	13,386
	3,822	126	745	8,813	13,506
<b>DEPRECIATION:</b>					
3 November 1991	—	13	210	5,369	5,592
Charge for the year	—	1	35	729	765
Transfers	—	—	(116)	3	(113)
Eliminated in respect of disposals	—	—	(2)	(77)	(79)
31 October 1992	—	14	127	6,024	6,165
<b>NET BOOK VALUE:</b>					
31 October 1992	3,822	112	618	2,789	7,341
2 November 1991	614	113	968	3,392	5,087

# J.E.Beale plc and subsidiary companies

## Notes to the financial statements (continued)

	<u>Group and Company</u>	
	<u>1992</u>	<u>1991</u>
	<u>£000</u>	<u>£000</u>
<b>6 TANGIBLE FIXED ASSETS (continued)</b>		
If short leasehold buildings had not been revalued they would have been included at the following amounts:		
Cost	683	1,116
Aggregate depreciation based on cost	99	184
<b>Capital commitments</b>		
Capital expenditure contracted for but not provided for in the financial statements	41	—
Capital expenditure authorised by the directors but not yet contracted for	584	3,590

	<u>Company</u>	
	<u>1992</u>	<u>1991</u>
	<u>£000</u>	<u>£000</u>
<b>7 FIXED ASSET INVESTMENTS</b>		
Shares in subsidiaries at cost	649	649

At 31 October 1992 J E Beale plc held, either directly or indirectly, the whole of the issued ordinary share capital in the following 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



# J.E.Beale plc and subsidiary companies

## Notes to the financial statements (continued)

	Company		Group	
	1992	1991	1992	1991
	£000	£000	£000	£000
<b>8 DEBTORS</b>				
Amounts falling due within one year:				
Trade debtors	4,838	4,665	4,838	4,665
Amounts owed by subsidiaries	—	349	—	—
Prepayments and accrued income	370	368	370	368
Advance corporation tax	82	78	82	78
	<u>5,290</u>	<u>5,460</u>	<u>5,290</u>	<u>5,111</u>

	Company		Group	
	1992	1991	1992	1991
	£000	£000	£000	£000
<b>9 CREDITORS</b>				
Amounts falling due within one year:				
Bank overdrafts	—	888	—	539
Trade creditors	2,268	2,286	2,268	2,286
Amounts owed to subsidiaries	695	635	—	—
Dividends payable	246	236	246	236
Corporation tax	414	379	414	379
Other taxation and social security payable	432	378	432	378
Accruals and deferred income	1,063	990	1,063	990
	<u>5,118</u>	<u>5,352</u>	<u>4,423</u>	<u>4,808</u>

	Group and Company	
	1992	1991
	£000	£000
<b>10 CREDITORS</b>		
Amounts falling due after more than one year:		
Variable loan repayable 2002	<u>2,857</u>	—

The bank loan is secured by first fixed and first floating charges over the Group's assets. The interest accrues at 1% above the bank's base rate, subject to a capped rate of 13.5% until April 1995 on £2,500,000 of the loan.

# J.E.Beale plc and subsidiary companies

## Notes to the financial statements (continued)

	Group and Company			Total £000
	Future Loss Provisions	Deferred Taxation	Pension Commitments	
	£000	£000	£000	
<b>11 PROVISIONS FOR LIABILITIES AND CHARGES</b>				
At 3 November 1991	165	(57)	185	293
Charge for the year	—	57	32	89
Provision utilised	(90)	—	(18)	(108)
Provision transferred to creditors	(75)	—	—	(75)
At 31 October 1992	—	—	199	199

	Group and Company			
	Amount Provided		Liability	
	1992 £000	1991 £000	1992 £000	1991 £000
<b>12 DEFERRED TAXATION</b>				
Deferred taxation provided for in the financial statements and the total potential liability, including the amounts for which provision has been made, are as follows:				
Accelerated capital allowances	124	109	177	182
Short term timing differences	(274)	(245)	(332)	(264)
Potential capital gains on property revaluations and gains rolled over	175	136	258	268
Provisions for anticipated future losses	(25)	(57)	(25)	(57)
	—	(57)	78	129

# J.E.Beale plc and subsidiary companies

## Notes to the financial statements (continued)

	1992	1991
	£000	£000
<b>13 SHARE CAPITAL</b>		
Authorised		
1,212,254 ordinary shares of £1 each	1,212	1,212
146,960 management shares of 5p each	7	7
	<u>1,219</u>	<u>1,219</u>
 Allotted, called up and fully paid		
1,023,254 ordinary shares of £1 each	1,023	1,023
141,960 management shares of 5p each	7	7
	<u>1,030</u>	<u>1,030</u>

# J.E.Beale plc and subsidiary companies

## Notes to the financial statements (continued)

	Capital Redemption Reserve Fund	Revaluation Reserve	Profit and Loss Account
	£000	£000	£000
<b>14 RESERVES</b>			
(a) Group			
At 3 November 1991	188	36	8,325
Retained profit for the year	—	—	257
Transfer	—	(2)	2
At 31 October 1992	188	34	8,584
(b) Company			
At 3 November 1991	188	36	8,279
Retained profit for the year	—	—	257
Transfer	—	(2)	2
At 31 October 1992	188	34	8,538

The reserves of J E Beale plc that may not be distributed under Section 264 of the Companies Act 1985 comprise 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 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 Scottish Widows Managed Funds.

The most recent valuation of the scheme was as at 1 October 1990 and the directors have been advised that all Company 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 accounts over a period of years. The pension charge included in these accounts amounts to £47,000 (1991 £31,000).

## 16 CONTINGENT LIABILITIES

The Holding Company has a contingent liability in respect of the Value Added Tax liability of its subsidiary companies.

# J.E.Beale plc and subsidiary companies

## Notes to the financial statements (continued)

	Group and Company			
	1992		1991	
	Land & Buildings	Other	Land & Buildings	Other
	£000	£000	£000	£000
<b>17 COMMITMENTS UNDER OPERATING LEASES</b>				
At 31 October 1992 the Group had annual commitments under non-cancellable operating leases as follows:				
Expiring within one year	—	1	—	2
Expiring between one and five years	—	42	—	42
Expiring in more than five years	1,075	2	1,205	—
	<u>1,075</u>	<u>45</u>	<u>1,205</u>	<u>44</u>

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

## 18 COMPANY STATUS

The Company is a close company within the terms of the Income and Corporation Taxes Act 1988.

# J.E.Beale plc and subsidiary companies

## Group five year record

	1992	53 weeks 1991	1990	1989	1988
	£000	£000	£000	£000	£000
<b>TURNOVER</b>	<u>35,001</u>	<u>37,215</u>	<u>35,995</u>	<u>33,152</u>	<u>30,584</u>
<b>PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEMS</b>	1,070	1,030	1,201	1,592	1,547
<b>TAXATION</b>	(465)	(390)	(470)	(615)	(582)
	605	640	731	977	965
<b>EXTRAORDINARY ITEMS</b>	—	—	(82)	—	571
<b>PROFIT FOR THE YEAR</b>	605	640	649	977	1,536
<b>DIVIDENDS</b>	(348)	(338)	(338)	(338)	(327)
<b>RETAINED SURPLUS</b>	<u>257</u>	<u>302</u>	<u>311</u>	<u>639</u>	<u>1,209</u>
<b>CAPITAL EMPLOYED</b>					
Share capital	1,030	1,030	1,030	1,030	1,030
Reserves	8,806	8,549	8,247	7,966	7,328
Total shareholders' funds	<u>9,836</u>	<u>9,579</u>	<u>9,277</u>	<u>8,996</u>	<u>8,358</u>
<b>EMPLOYMENT OF CAPITAL</b>					
Fixed assets	7,341	5,087	4,538	4,512	4,568
Current assets less liabilities	2,495	4,492	4,739	4,484	3,790
	<u>9,836</u>	<u>9,579</u>	<u>9,277</u>	<u>8,996</u>	<u>8,358</u>
Earnings per ordinary share before taxation and extraordinary items	104.57p	100.66p	117.37p	155.58p	151.18p
Return on shareholders' funds before taxation and extraordinary items	11.02%	10.92%	13.15%	18.35%	19.95%

# J.E.Beale plc

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## Notice of annual general meeting

Notice is hereby given that the eighty-first annual general meeting of the Company will be held at the Highcliff Hotel, Bournemouth on Saturday 3 April 1993 at 12 noon for the following purposes:

- 1 To receive and adopt the report of the directors and the financial statements for the year ended 31 October 1992 together with the report of the auditors.
- 2 To declare a dividend.
- 3 To elect directors:
  - 3.1 Ian Kirkpatrick retires by rotation and, being eligible, offers himself for re-election.
  - 3.2 Michael C H Mitchell retires by rotation and, being eligible, offers himself for re-election.
- 4 To re-appoint Lyon Pilcher as auditors and to authorise the directors to fix their remuneration.

### BY ORDER OF THE BOARD

Jane Green BA ACIS  
Secretary

Bournemouth  
4 March 1993

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

# J.E.Beale plc and subsidiary companies

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## Financial calendar

Qualifying date for final dividend	5 March 1993
Final dividend payable	6 April 1993
Announcement of unaudited results for the six months to 1 May 1993	mid June 1993
Qualifying date for interim dividend	3 September 1993
Interim dividend payable	1 October 1993
End of financial year	30 October 1993
Announcement of audited results for the year to 30 October 1993	early March 1994



J.E.Beale plc

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Notes