
BEALE'S LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

BEALE'S LIMITED

COMPANY INFORMATION

DIRECTORS	P T Smale (Chairman) A E Beale A P King
COMPANY SECRETARY	M G Pettit (Taylor Walton)
COMPANY NUMBER	00043303
REGISTERED OFFICE	West Lodge Park Cockfosters Road Hadley Wood Hertfordshire EN4 0PY
AUDITOR	Hillier Hopkins LLP Midland Road Hemel Hempstead Hertfordshire HP2 5GE
SOLICITORS	Taylor Walton 33 - 44 Alma Street Luton Bedfordshire LU1 2PL

BEALE'S LIMITED

CONTENTS

	Page
Chairman's statement	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 - 20
The following pages do not form part of the statutory accounts:	
Detailed profit and loss account and summaries	21 - 23

BEALE'S LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

The chairman presents his statement for the period.

With sales up 8.5% on last year and 3% ahead of budget, 2007/08 was a very successful year. Both hotels contributed to this success. Beales Hotel continued its impressive growth pattern since it was rebuilt, with 10% growth. After a number of years with below inflation growth, West Lodge Park contributed a very creditable 8% growth.

My thanks go to the hotel general managers and to their teams. This kind of growth comes only from a well motivated and effectively managed team, with sufficient stability for people to learn and develop in their roles. We have observed their good performance for some time and now it is good to see that reflected in sales success.

Profit comparisons are less clear cut because last year was affected by the proceeds of the sale of Buckingham Beales Hotel. However, in terms of trading net profit we achieved an 70% increase to £311,651. This was the first year with a lower level of debt from the hotel sale - down to £3.1 million at the year end. This enabled us to start on a major programme of repairs and renewals, particularly with the boilers and bedrooms in West Lodge Park, costing £384,000. This work is essential to maintain the quality of the estate, in order to keep us competitive in the market place.

For the first time, we have been able to focus on a clear strategic market - "top end 4 star" hotels in Hertfordshire. In the development of the Business Plan, we have looked at opportunities to improve the sales and profit contribution from these hotels. Towards the end of the financial year we launched Beales Caterers, for people wanting functions and events at their own venue, but utilising the experience and resources that we have from running at our hotels.

A major scheme to add 19 more rooms to Beales Hotel has been under development for some time. There is no doubt that the additional business is there but we must ensure that the cost is both reasonable and known before the commitment is made. There are other large projects, such as the refurbishment of the Cedar Restaurant and Bar and the possibility of extending the lease at West Lodge Park. During 2007/08 a considerable amount of work was done to obtain sufficient information to choose between and to prioritise these projects, as our funds plus affordable loans will not cover them all.

The year ended in a very positive mode, with good morale and lots of creative ideas for moving the business forward. The potential threats of the credit crunch have yet to have an adverse impact on our guests and customers. Should the economy worsen, we are in our fittest state for many years to withstand it. Our key financial statistics were as follows:

	2007/08	2006/07	2005/06	Change on last year
Room Occupancy	75.4	71.3	62.5	+5.8%
Average Room Rate £	72.55	63.32	63.60	+14.6%
Revenue/Available Room £	54.67	45.15	39.74	+21.1%

I am pleased to inform you that the Directors feel able to recommend that the dividend be increased to £1.17 per share, reflecting the positive trading and enabling us to build funds for those much needed developments.

Peter Smale
Chairman

Date 3 July 2008

BEALE'S LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2008

The directors present their report and the financial statements for the year ended 31 March 2008.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 that disclose with reasonable accuracy at any time the financial position of the Company and 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.

PRINCIPAL ACTIVITIES

The company's principal activity is that of hoteliers.

BUSINESS REVIEW

A review of the operations is given in the chairman's statement.

The company is exposed to a variety of commercial risks. These could range from the wider effects of the general economy and external competition to those more specific to the company, such as its own financial strength and size. The Board regularly review these risks and their potential impact on the company.

The Board monitors the company's performance through the use of regular financial information and management reports. The Board particularly focuses on the company's level of profitability, levels of room occupancy, average rates per room and its financial strength.

RESULTS

The profit for the year, after taxation, amounted to £272,255. Operating profit after financial costs amounted to £276,193 (2007: 168,887).

DIRECTORS

The directors who served during the year were:

P T Smale (Chairman)
A E Beale
A P King

BEALE'S LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2008**

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

AUDITOR

The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 3 July 2008 and signed on its behalf.

P T Smale (Chairman)
Director

BEALE'S LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BEALE'S LIMITED

We have audited the financial statements of Beale's Limited for the year ended 31 March 2008, set out on pages 6 to 20. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the Annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' report, the Chairman's statement and the Operating and financial review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

BEALE'S LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BEALE'S LIMITED

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.

HILLIER HOPKINS LLP

Registered auditor

Midland Road
Hemel Hempstead
Hertfordshire
HP2 5GE

31 July 2008

BEALE'S LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008**

	Note	2008 £	2007 £
TURNOVER	1,2	5,766,460	6,238,788
Cost of sales		(2,571,711)	(2,732,549)
GROSS PROFIT		3,194,749	3,506,239
Administrative expenses		(2,703,517)	(2,939,720)
OPERATING PROFIT	3	491,232	566,519
EXCEPTIONAL ITEMS			
Other income	7	-	600,217
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		491,232	1,166,736
Interest receivable		35,458	13,973
Interest payable	6	(215,039)	(211,415)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		311,651	969,294
Tax on profit on ordinary activities	8	(39,396)	(233,244)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	17	272,255	736,050

All amounts relate to continuing operations. In 2007 the company disposed of its hotel in Buckingham. The profit on ordinary activities before taxation were increased by £600,217 as a result of the disposal.

There were no recognised gains and losses for 2008 or 2007 other than those included in the Profit and loss account.

The notes on pages 9 to 20 form part of these financial statements.

BEALE'S LIMITED

**BALANCE SHEET
AS AT 31 MARCH 2008**

	Note	£	2008 £	£	2007 £
FIXED ASSETS					
Tangible fixed assets	9		8,650,909		8,715,337
Fixed asset investments	10		40,107		40,107
			<u>8,691,016</u>		<u>8,755,444</u>
CURRENT ASSETS					
Stocks	11	27,570		20,199	
Debtors	12	357,386		409,519	
Cash at bank and in hand		543,516		780,201	
			<u>928,472</u>	<u>1,209,919</u>	
CREDITORS: amounts falling due within one year	13	<u>(1,157,201)</u>		<u>(1,583,068)</u>	
NET CURRENT LIABILITIES			<u>(228,729)</u>		<u>(373,149)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,462,287</u>		<u>8,382,295</u>
CREDITORS: amounts falling due after more than one year	14		(2,973,755)		(3,183,794)
PROVISIONS FOR LIABILITIES					
Deferred tax	15		(88,876)		(11,100)
NET ASSETS			<u>5,399,656</u>		<u>5,187,401</u>
CAPITAL AND RESERVES					
Called up share capital	16		60,000		60,000
Profit and loss account	17		5,339,656		5,127,401
SHAREHOLDERS' FUNDS	18		<u>5,399,656</u>		<u>5,187,401</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 July 2008.

P T Smale (Chairman)
Director

A E Beale
Director

The notes on pages 9 to 20 form part of these financial statements.

BEALE'S LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2008**

	Note	2008 £	2007 £
Net cash flow from operating activities	20	891,750	761,959
Returns on investments and servicing of finance	21	(179,581)	(197,442)
Taxation		(551,110)	-
Capital expenditure and financial investment	21	(306,638)	4,468,823
Equity dividends paid		(60,000)	(172,800)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(205,579)	4,860,540
Financing	21	(188,117)	(3,864,300)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(393,696)	996,240

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 MARCH 2008**

	2008 £	2007 £
(Decrease)/Increase in cash in the year	(393,696)	996,240
Cash outflow from decrease in debt and lease financing	188,117	3,864,300
MOVEMENT IN NET DEBT IN THE YEAR	(205,579)	4,860,540
Net debt at 1 April 2007	(2,657,772)	(7,518,312)
NET DEBT AT 31 MARCH 2008	(2,863,351)	(2,657,772)

The notes on pages 9 to 20 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Over the lower of useful economic life and 50 years to their estimated residual values
L/Term Leasehold Property	-	Over the period of the lease except for roof repairs which are written off over 10 years
Plant & machinery	-	10% on a straight line basis
Motor vehicles	-	25% reducing balance

1.4 INVESTMENTS

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.
- (ii) **Other investments**
Investments held as fixed assets are shown at cost less provisions for their impairment.

1.5 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES (continued)

1.6 OPERATING LEASES

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.7 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.9 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.10 ACCOUNTING DATE

The accounts are drawn up to the week ending nearest to 31 March in each year.

2. TURNOVER

The total turnover of the company for the year has been derived from its principal activity.

All turnover arose within the United Kingdom.

BEALE'S LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

3. OPERATING PROFIT

The operating profit is stated after charging:

	2008 £	2007 £
Depreciation of tangible fixed assets:		
- owned by the company	344,742	343,809
- held under finance leases	17,477	17,477
Auditors' remuneration	19,175	18,908
	<u> </u>	<u> </u>

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2008 £	2007 £
Wages and salaries	1,995,373	2,180,285
Social security costs	167,883	171,554
Other pension costs	125,992	91,915
	<u> </u>	<u> </u>
	<u>2,289,248</u>	<u>2,443,754</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2008 No.	2007 No.
Monthly staff (including directors)	211	240
	<u> </u>	<u> </u>

The above numbers include directors, full time and part time staff.

5. DIRECTORS' REMUNERATION

	2008 £	2007 £
Emoluments	191,802	188,669
	<u> </u>	<u> </u>
Company pension contributions to money purchase pension schemes	83,750	52,200
	<u> </u>	<u> </u>

During the year retirement benefits were accruing to 2 directors (2007 - 2) in respect of money purchase pension schemes.

BEALE'S LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

6. INTEREST PAYABLE

	2008	2007
	£	£
On bank loans and overdrafts	215,039	397,520
On other loans	-	118
Dividends paid on shares classed as debt	-	(186,223)
	<u>215,039</u>	<u>211,415</u>

7. EXCEPTIONAL ITEMS

	2008	2007
	£	£
Profit on disposal of Hotel	-	600,217
	<u>-</u>	<u>600,217</u>

8. TAXATION

	2008	2007
	£	£
ANALYSIS OF TAX (CREDIT)/CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year	7,092	561,325
Adjustments in respect of prior periods	(45,472)	-
TOTAL CURRENT TAX	<u>(38,380)</u>	<u>561,325</u>
DEFERRED TAX (see note 15)		
Origination and reversal of timing differences	77,776	(328,081)
TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>39,396</u>	<u>233,244</u>

BEALE'S LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

8. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2007 - *higher than*) the standard rate of corporation tax in the UK (20%). The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	311,651	969,294
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2007 - 30%)	62,330	290,788
EFFECTS OF:		
Expenses not deductible for tax purposes	20,917	-
Capital allowances for year in excess of depreciation	(57,312)	(89,085)
Utilisation of tax losses	(18,843)	(141,643)
Other tax adjustments	-	(57,405)
Adjustments to tax charge in respect of prior periods	(45,472)	-
Chargeable gain	-	558,670
CURRENT TAX (CREDIT)/CHARGE FOR THE YEAR (see note above)	(38,380)	561,325

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The company has taxable losses of £885,193 available to carry forward against future periods.

BEALE'S LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

9. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
COST				
At 1 April 2007	7,446,240	3,557,712	51,404	11,055,356
Additions	206,108	101,857	-	307,965
Disposals	(606)	(105,028)	-	(105,634)
At 31 March 2008	<u>7,651,742</u>	<u>3,554,541</u>	<u>51,404</u>	<u>11,257,687</u>
DEPRECIATION				
At 1 April 2007	499,523	1,807,585	32,911	2,340,019
Charge for the year	65,044	292,552	4,623	362,219
On disposals	(65)	(95,395)	-	(95,460)
At 31 March 2008	<u>564,502</u>	<u>2,004,742</u>	<u>37,534</u>	<u>2,606,778</u>
NET BOOK VALUE				
At 31 March 2008	<u>7,087,240</u>	<u>1,549,799</u>	<u>13,870</u>	<u>8,650,909</u>
At 31 March 2007	<u>6,946,717</u>	<u>1,750,127</u>	<u>18,493</u>	<u>8,715,337</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2008 £	2007 £
Plant and machinery	90,865	103,699
Motor vehicles	9,285	13,927
	<u>100,150</u>	<u>117,626</u>

Included in land and buildings is freehold land amounting to £400,000 (2007 - £400,000) which is not depreciated.

At 31 March 2008, included within the net book value of land and buildings is £4,965,249 (2007 - £4,943,624) relating to freehold land and buildings, £2,121,991 (2007 - £2,003,093) relating to long term leasehold land and buildings and £NIL (2007 - £NIL) relating to short term leasehold land and buildings.

10. FIXED ASSET INVESTMENTS

	Shares in group under- takings £
COST OR VALUATION	
At 1 April 2007 and 31 March 2008	<u>40,107</u>

BEALE'S LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

10. FIXED ASSET INVESTMENTS (continued)

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Holding	2008 £	2007 £
Beale's (Caterers) Limited	100%	40,007	40,007
Buckingham Lodge Hotel Limited	100%	100	100
		<hr/> 40,107 <hr/>	<hr/> 40,107 <hr/>

Name	Business	Registered office
Beale's (Caterers) Limited	Dormant	England & Wales
Buckingham Lodge Hotel Limited	Dormant	England & Wales

11. STOCKS

	2008 £	2007 £
Bar and food stocks	27,570	20,199
	<hr/> 27,570 <hr/>	<hr/> 20,199 <hr/>

12. DEBTORS

	2008 £	2007 £
Trade debtors	216,789	117,855
Other debtors	112,411	194,186
Prepayments and accrued income	28,186	97,478
	<hr/> 357,386 <hr/>	<hr/> 409,519 <hr/>

BEALE'S LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

**13. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008	2007
	£	£
Bank loans and overdrafts	410,017	253,006
Other loans	30,808	-
Payments received on account	95,443	81,715
Net obligations under finance leases and hire purchase contracts	32,394	41,280
Trade creditors	167,004	191,127
Corporation tax	17,308	606,797
Social security and other taxes	181,121	178,407
Accruals and deferred income	223,106	230,736
	1,157,201	1,583,068

The company has given a debenture to its bankers to secure all monies and liabilities due or owing to the bank. The debenture creates a fixed charge on the freehold properties, a fixed charge on the company's book debts and a floating charge on all other assets.

**14. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2008	2007
	£	£
Bank loans	2,846,318	3,099,325
Other loans	74,075	1,451
Net obligations under finance leases and hire purchase contracts	13,255	42,911
Amounts owed to group undertakings	40,107	40,107
	2,973,755	3,183,794

Included within the above are amounts falling due as follows:

	2008	2007
	£	£
BETWEEN ONE AND TWO YEARS		
Bank loans	253,006	253,006
Other loans	30,808	1,451
BETWEEN TWO AND FIVE YEARS		
Bank loans	759,018	759,018
Other loans	43,267	-
OVER FIVE YEARS		
Bank loans	1,834,293	2,087,301

BEALE'S LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

**14. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)**

Creditors include amounts not wholly repayable within 5 years as follows:

	2008	2007
	£	£
Repayable by instalments	1,834,293	2,087,301

The loan is repayable in quarterly installments over 15 years commencing 30 September 2005. Interest is charged at 1.25% above LIBOR. Of the total loans outstanding £2,856,500 is hedged at a rate of 5.11%, expiring on 30 June 2008.

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2008	2007
	£	£
Between one and five years	13,255	42,911

15. DEFERRED TAXATION

	2008	2007
	£	£
At 1 April 2007	11,100	339,181
Charge for/(released during) the year	77,776	(328,081)
At 31 March 2008	88,876	11,100

The provision for deferred taxation is made up as follows:

	2008	2007
	£	£
Accelerated capital allowances	265,915	208,714
Tax losses carried forward	(177,039)	(179,772)
Other timing differences	-	(17,842)
	88,876	11,100

16. SHARE CAPITAL

	2008	2007
	£	£
SHARES CLASSIFIED AS CAPITAL		
AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID		
60,000 Ordinary Shares shares of £1 each	60,000	60,000

BEALE'S LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

16. SHARE CAPITAL (continued)

SHARES CLASSIFIED AS DEBT

17. RESERVES

	Profit and loss account £
At 1 April 2007	5,127,401
Profit for the year	272,255
Dividends: Equity capital	(60,000)
	<hr/>
At 31 March 2008	<u>5,339,656</u>

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Opening shareholders' funds	5,187,401	4,624,151
Profit for the year	272,255	736,050
Dividends (Note 19)	(60,000)	(172,800)
	<hr/>	<hr/>
Closing shareholders' funds	<u>5,399,656</u>	<u>5,187,401</u>

19. DIVIDENDS

	2008 £	2007 £
DIVIDENDS PAID ON EQUITY CAPITAL		
Dividends paid on equity capital	<u>60,000</u>	<u>172,800</u>
DIVIDENDS PAID ON SHARES CLASSED AS DEBT		
Dividends paid on shares classed as debt	<u>-</u>	<u>(186,223)</u>
TOTAL DIVIDENDS PAID	<u>60,000</u>	<u>(13,423)</u>

BEALE'S LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating profit	491,232	566,519
Depreciation of tangible fixed assets	362,219	361,286
Loss on disposal of tangible fixed assets	8,847	-
(Increase)/decrease in stocks	(7,371)	8,042
Decrease/(increase) in debtors	52,133	(130,278)
Decrease in creditors	(15,310)	(43,610)
NET CASH INFLOW FROM OPERATIONS	891,750	761,959

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2008 £	2007 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	35,458	13,973
Interest paid	(215,039)	(397,638)
Other income	-	186,223
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(179,581)	(197,442)

	2008 £	2007 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(307,965)	(179,304)
Sale of tangible fixed assets	1,327	4,648,127
NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE	(306,638)	4,468,823

	2008 £	2007 £
FINANCING		
Repayment of loans	(253,007)	(3,831,335)
Other new loans	103,432	-
Repayment of other loans	-	(6,764)
Repayment of finance leases	(38,542)	(26,201)
NET CASH OUTFLOW FROM FINANCING	(188,117)	(3,864,300)

BEALE'S LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

22. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2007 £	Cash flow £	Other non-cash changes £	31 March 2008 £
Cash at bank and in hand:	780,201	(236,685)	-	543,516
Bank overdraft	-	(157,011)	-	(157,011)
	<u>780,201</u>	<u>(393,696)</u>	<u>-</u>	<u>386,505</u>
DEBT:				
Debts due within one year	(294,286)	188,117	(210,039)	(316,208)
Debts falling due after more than one year	(3,143,687)	-	210,039	(2,933,648)
NET DEBT	<u>(2,657,772)</u>	<u>(205,579)</u>	<u>-</u>	<u>(2,863,351)</u>

23. PENSION COMMITMENTS

Contributions payable by the company for the year £125,992 (2007: £91,915).

24. OPERATING LEASE COMMITMENTS

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2008 £	2007 £	2008 £	2007 £
EXPIRY DATE:				
Within 1 year	-	-	-	1,241
Between 2 and 5 years	38,000	38,000	-	-
	<u>38,000</u>	<u>38,000</u>	<u>-</u>	<u>-</u>

25. CONTROLLING PARTY

There is no ultimate controlling party.

BEALE'S LIMITED

**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008**

	Page	2008 £	2007 £
Turnover	22	5,766,460	6,238,788
Cost of sales	22	(2,571,711)	(2,732,549)
		<hr/>	<hr/>
Gross profit		3,194,749	3,506,239
Gross profit %		55.4 %	56.2 %
Less: Overheads			
Administration expenses	22	(2,703,517)	(2,939,720)
		<hr/>	<hr/>
Operating profit		491,232	566,519
Interest receivable	23	35,458	13,973
Interest payable	23	(215,039)	(211,415)
Exceptional items	23	-	600,217
		<hr/>	<hr/>
Profit for the year		311,651	969,294
		<hr/> <hr/>	<hr/> <hr/>

BEALE'S LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

	2008 £	2007 £
Turnover		
Sales	5,536,386	6,033,965
Rent receivable	8,964	18,940
Other income	221,110	185,883
	5,766,460	6,238,788
	5,766,460	6,238,788
	2008 £	2007 £
Cost of sales		
Purchases	844,917	816,709
Wages and salaries	1,726,794	1,915,840
	2,571,711	2,732,549
	2,571,711	2,732,549
	2008 £	2007 £
Administration expenses		
Directors salaries	181,701	168,769
Directors fees	10,101	19,900
Directors pension costs	83,750	52,200
Staff salaries	76,776	75,776
Staff national insurance	167,883	171,554
Staff pension costs	42,242	39,715
Staff training	13,167	22,628
Staff welfare	21,802	28,499
Agency costs	21,058	26,132
Hotels, travel, subsistence and entertainment	22,589	22,800
Printing and stationery	66,936	83,283
Postage	5,982	8,719
Telephone and fax	6,215	19,837
Advertising and promotion	56,233	146,186
Trade subscriptions	8,591	14,913
Legal and professional	115,965	6,853
Auditors' remuneration	19,175	18,908
Bank charges	10,475	38,897
Bad debts	3,781	1,691
Sundry expenses	157,733	195,375
Rent	38,000	48,000
Rates	159,889	197,752
Water	30,077	56,478
Light and heat	138,277	182,923
Cleaning	208,555	241,621
Insurances	56,916	67,605
	1,723,869	1,957,014
Sub-total carried forward	1,723,869	1,957,014

BEALE'S LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

	2008 £	2007 £
Administration expenses (continued)		
Sub-total brought forward	1,723,869	1,957,014
Repairs and maintenance	383,591	302,387
Depreciation - plant and machinery	357,596	354,646
Depreciation - motor vehicles	4,623	6,639
Profit/loss on sale of tangible assets	8,847	-
Sundry operating expenses	116,731	157,252
Commissions payable	108,260	161,782
	<u>2,703,517</u>	<u>2,939,720</u>
	2008 £	2007 £
Interest receivable		
Bank interest receivable	<u>35,458</u>	<u>13,973</u>
	2008 £	2007 £
Interest payable		
Bank overdraft interest payable	3,954	6,155
Bank loan interest payable	211,085	391,365
Other loan interest payable	-	118
Dividends on non-equity shares treated as debt	-	(186,223)
	<u>215,039</u>	<u>211,415</u>
	2008 £	2007 £
Exceptional items		
Profit/(loss) on disposal of fixed assets	<u>-</u>	<u>600,217</u>