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BEACONSFIELD FOOTWEAR LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 1980

J.BERRY F.A.P.A.,
AUTHORISED PUBLIC ACCOUNTANT,
59 CROSSPIT LANE,
RAINFORD,
ST.HELENS,
MERSEYSIDE WA11 8AJ.



BEACONSFIELD FOOTWEAR LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 31ST DECEMBER 1980

Directors:-

Thomas Leonard Houlgrave
Paul Houlgrave
Stewart Houlgrave

Registered Office:-

Liverpool Road,
Skelmersdale,
Lancashire.

The Directors present their Annual Report and the Company's audited accounts for the year ended 31st December 1980.

ACTIVITY

The principal activity of the Company is the manufacture of ladies and childrens footwear and mens moulded slippers and there has been no change in this activity during the year.

STATE OF AFFAIRS

The state of the Company's affairs at 31st December 1980 was satisfactory. The profit for the year after taxation £61,580 (1979 - £10,515) has been carried to reserves. The Directors do not recommend the payment of any dividend for the year.

TURNOVER AND EXPORTS

The turnover for the year, based on net sales excluding VAT, was £1,089,675 (1979 - £931,786) all from the principal activity of the Company and included export sales of £37,390 (1979 - £25,534)

TAX STATUS

In the opinion of the Directors the Company is a close company within the meaning of Section 282, Income and Corporation Taxes Act 1970.

FIXED ASSETS

Full details of the fixed assets and any changes therein during the year are shown in Note 4. In the opinion of the Directors the market value of the Land and Buildings shown in Note 4 at a written down value of £69,186 (1979 - £71,743) is £125,000 (1979 - £120,000).

EMPLOYMENT

The average numbers employed during the year did not exceed 100.

DIRECTORS

The Directors set out above have served throughout the year and no other persons have served as Directors. Their interests in the shares of the Company at 31st December 1980 were as follows:-

		1980	1979
Thomas Leonard Houlgrave	Ordinary Shares	11,500	11,500
Paul Houlgrave	" "	10,000	10,000
Stewart Houlgrave	" "	10,000	10,000

The Director retiring by rotation is Mr. P.Houlgrave who being eligible offers himself and is recommended for re-election.

AUDITOR

The auditor Mr.J.Berry offers himself and is recommended for re-appointment under the provisions of Section 14 (1), Companies Act 1976.

On behalf of the Board

Liverpool Road,
Skelmersdale, Lancs

T.L.Houlgrave
Chairman

28th July 1981

BEACONSFIELD FOOTWEAR LIMITED

BALANCE SHEET

AT

31ST DECEMBER 1980

	Note	1980	1979
<u>EMPLOYMENT OF CAPITAL</u>			
<u>Fixed Assets</u>	(4)	148,740	169,490
<u>Current Assets</u>			
Stocks and Work in Progress	(3) (1(c))	186,537	179,024
Sundry Debtors		82,058	67,428
Stewart Paul Limited		1,705	1,087
Cash in hand		659	261
Cash at Bank		3,687	
		<u>274,646</u>	<u>247,800</u>
<u>Current Liabilities</u>			
Sundry Creditors		79,748	56,703
Directors' Accounts		323	308
Bank Overdraft			32,902
		<u>80,071</u>	<u>89,913</u>
<u>Net Current Assets</u>		<u>194,575</u>	<u>157,887</u>
		<u>£ 343,315</u>	<u>£ 327,377</u>
<u>CAPITAL EMPLOYED</u>			
<u>Share Capital</u>	(7)	42,000	42,000
<u>Profit and Loss Account</u>		<u>271,699</u>	<u>210,119</u>
Shareholders Funds		313,699	252,119
<u>Deferred Taxation</u>	(5) (1(d))	<u>29,616</u>	<u>15,258</u>
		<u>£ 343,315</u>	<u>£ 327,377</u>

P. Houlgrave
Director

S. Houlgrave
Director

BEACONSFIELD FOOTWEAR LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 1980

	Note	1980	1979
Turnover		<u>£ 1,089,675</u>	<u>£ 931,786</u>
Trading profit for year		15,338	26,565
After charging:-			
Directors' Salaries for management services		50,037	32,996
Directors' Pension Scheme contributions		3,336	3,336
Auditor's Remuneration		1,235	980
Bank Interest		4,219	2,030
Depreciation		14,852	18,500
Loss on plant scrapped		<u>5,814</u>	<u> </u>
and after crediting:-			
Profit on sale of fixed assets			<u>1,355</u>
Profit for year before taxation		15,938	26,565
Taxation	(6)	<u>(45,642)</u>	<u>16,050</u>
		61,580	10,515
Balance brought forward		<u>210,119</u>	<u>199,604</u>
Balance carried forward		<u>£ 271,699</u>	<u>£ 210,119</u>

BEACONSFIELD FOOTWEAR LIMITED

SOURCE AND APPLICATION OF FUNDS STATEMENT

YEAR ENDED 31ST DECEMBER 1980

	1980	1979
<u>SOURCE OF FUNDS</u>		
Profit for year before taxation	15,938	26,565
Add		
Depreciation	14,852	18,503
(Profit)/Loss on disposal of fixed assets	5,814	(1,355)
Regional Development Grants	2,524	1,172
Proceeds sale of fixed assets	<u> </u>	<u>11,883</u>
	<u>39,128</u>	<u>56,768</u>
<u>APPLICATION OF FUNDS</u>		
Taxation paid		1,137
Purchase of fixed assets	<u>2,440</u>	<u>44,603</u>
	<u>2,440</u>	<u>45,740</u>
<u>INCREASE IN FUNDS</u>	<u>£ 36,688</u>	<u>£ 11,028</u>
<u>INCREASE/DECREASE IN WORKING CAPITAL</u>		
Increase in Stocks and Work in Progress	7,513	50,758
Increase in Debtors	15,248	13,400
(Increase) in Creditors	<u>(23,060)</u>	<u>(18,003)</u>
	(299)	46,155
Increase/(Decrease) in cash and bank balances	<u>36,887</u>	<u>(35,127)</u>
	<u>£ 36,688</u>	<u>£ 11,028</u>

BEACONSFIELD FOOTWEAR LIMITED

NOTES ON THE ACCOUNTS

YEAR ENDED 31ST DECEMBER 1980

1. ACCOUNTING POLICIES

- (a) Depreciation is written off the fixed assets at the following rates:-

Plant, Machinery, Fixtures and Fittings	10% p.a. on reducing balance
Motor Vehicles	25% p.a. on reducing balance
Land and Buildings (Buildings only)	2% p.a. straight line

- (b) Regional Development Grants received are deducted from the cost of the assets concerned.

- (c) Stocks and Work in Progress

Stocks are valued at the lower of cost and net realisable value. Work in Progress is valued at cost, including all expenditure in bringing the work to its present location and condition and an appropriate portion of production overheads.

- (d) Deferred Taxation

Provision is made for tax on the excess of the net book value over the tax written down value of those assets on which capital allowances are claimed, excepting Land and Buildings. In view of the proposed changes in legislation regarding stock relief, provision is no longer made for tax deferred as a result of claims for increases in stock values. The tax thus released from deferred taxation has been credited to the Profit and Loss Account as a component part of the tax credit for the year.

2. DIRECTORS' EMOLUMENTS

All for management services

	1980	1979
Salaries	50,037	32,996
Other	1,680	1,422
Contribution to Pension Scheme	3,336	3,356
	<u>£ 55,053</u>	<u>£ 37,754</u>

Excluding Pension Scheme Contributions

Chairman	£ 14,620	£ 13,180
Highest paid Director	£ 18,549	£ 13,180

Number of other Directors receiving:-

£10,000 - £15,000		2
£15,000 - £20,000	1	

3. STOCKS AND WORK IN PROGRESS

	1980	1979
Raw Materials and miscellaneous stocks	125,033	120,235
Work in Progress	8,531	17,572
Finished Goods	52,973	41,217
	<u>£ 186,537</u>	<u>£ 179,024</u>

BEACONSFIELD FOOTWEAR LIMITED

NOTES ON THE ACCOUNTS

YEAR ENDED 31ST DECEMBER 1980

4. FIXED ASSETS

	<u>Plant & Machinery</u>	<u>Fixtures & Fittings</u>	<u>Land & Buildings</u>	<u>Motor Vehicles</u>	<u>Total</u>
<u>At cost</u>					
To 31.12.79	117,638	10,467	85,033	44,766	257,904
Additions	2,224	216			2,440
Scrapped	(13,350)				(13,350)
Grants	<u>(1,587)</u>		<u>(937)</u>		<u>(2,524)</u>
To 31.12.80	<u>£ 104,925</u>	<u>10,683</u>	<u>84,096</u>	<u>44,766</u>	<u>244,470</u>
<u>Depreciation</u>					
To 31.12.79	50,917	6,456	13,290	17,751	88,414
On plant scrapped	(7,536)				(7,536)
This year	<u>6,055</u>	<u>423</u>	<u>1,620</u>	<u>6,754</u>	<u>14,852</u>
To 31.12.80	<u>£ 49,436</u>	<u>6,879</u>	<u>14,910</u>	<u>24,505</u>	<u>95,730</u>
Net Book Value 31.12.80	<u>£ 55,489</u>	<u>3,804</u>	<u>69,186</u>	<u>20,261</u>	<u>148,740</u>
Net Book Value 31.12.79	<u>£ 66,721</u>	<u>4,011</u>	<u>71,743</u>	<u>27,015</u>	<u>169,490</u>

5. DEFERRED TAXATION

	<u>1980</u>	<u>1979</u>
Balance brought forward	75,258	60,345
Transfer Taxation Account (Stock Relief 31.12.79)	(39,471)	
Transfer Taxation Account this year	<u>(6,171)</u>	<u>14,913</u>
Balance carried forward	<u>£ 29,616</u>	<u>£ 75,258</u>
On accelerated capital allowances	31,501	37,672
On stock relief		39,471
Advance Corporation Tax recoverable	<u>(1,885)</u>	<u>(1,885)</u>
	<u>£ 29,616</u>	<u>£ 75,258</u>
Total potential liability 31.12.80	<u>£ 70,968</u>	

6. TAXATION

	<u>1980</u>	<u>1979</u>
On profits for the year	-	-
Underprovision previous year		1,137
Transfer Deferred Taxation Account	<u>(45,642)</u>	<u>14,913</u>
	<u>£(45,642)</u>	<u>£ 16,050</u>

The taxation charge for the year has been reduced to Nil by stock relief of £2,477

BEACONSFIELD FOOTWEAR LIMITED

NOTES ON THE ACCOUNTS

YEAR ENDED 31ST DECEMBER 1980

7. <u>SHARE CAPITAL</u>	1980	1979
<u>Authorised</u>		
50,000 Ordinary Shares of £1 each	£ 50,000	£ 50,000
<u>Issued and Fully Paid</u>		
42,000 Ordinary Shares of £1 each	£ 42,000	£ 42,000

8. BANK OVERDRAFT

The Company's bank overdraft is secured by a legal mortgage dated 16th March 1971 over the property at Liverpool Road, Skelmersdale, Lancashire.

9. CONTINGENT LIABILITY

The Company has given a guarantee dated 29th August 1980 in the sum of £20,000 to secure the account of Stewart Paul Limited. Mr.T.L.Houlgrave, Mr. P.Houlgrave and Mr.S.Houlgrave are directors of that Company.

10. FUTURE CAPITAL EXPENDITURE

	1980	1979
Capital expenditure committed but not provided for in the accounts.	Nil	Nil
Capital expenditure authorised but not committed	£ 11,500	Nil

BEACONSFIELD FOOTWEAR LIMITED

NOTES ON THE ACCOUNTS

YEAR ENDED 31ST DECEMBER 1980

7. SHARE CAPITAL

Authorised

1980 1979

50,000 Ordinary Shares of £1 each

£ 50,000 £ 50,000

Issued and Fully Paid

42,000 Ordinary Shares of £1 each

£ 42,000 £ 42,000

8. BANK OVERDRAFT

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10. FUTURE CAPITAL EXPENDITURE

1980 1979

Capital expenditure committed but not provided for in the accounts.

Nil Nil

Capital expenditure authorised but not committed

£ 11,500 Nil

REPORT OF THE AUDITOR TO THE MEMBERS

OF

BEACONSFIELD FOOTWEAR LIMITED

I have examined the financial statements set out on pages 1 to 6 which have been prepared under the historical cost convention.

In my opinion the financial statements give, under the accounting convention mentioned above, a true and fair view of the state of the Company's affairs at 31st December 1980, and of its profit and source and application of funds for the year ended on that date and comply with the Companies Acts 1948 to 1980.

59, Crosspit Lane,
Rainford,
St. Helens,
Merseyside WA11 8AJ


Authorised Public Accountant

28th July 1981