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BEACONSFIELD FOOTWEAR LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 1981

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 1981

Directors:

Thomas Leonard Houlgrave
Paul Houlgrave
Stewart Houlgrave

Registered Office:

Liverpool Road,
Skelmersdale,
Lancashire.

The directors submit their report and accounts for the year ended 31st December 1981.

RESULTS AND DIVIDENDS

The trading profit for the year, after taxation, £25,644 (1980 - £61,580) has been carried to reserves. The directors do not recommend the payment of any dividend for the year. The state of the Company's affairs at 31st December 1981 was satisfactory.

REVIEW OF THE BUSINESS

The Company's activity during the year was the manufacture of ladies and childrens footwear and mens moulded slippers. At the end of the year the production of childrens veldt sandals ceased. The turnover for the year £1,166,113 (1980 - £1,089,675), based on net sales excluding VAT, included export sales of £24,303 (1980 - £37,390), being an increase of 7%. Increasing costs incurred during the year have been offset by a further improvement in production methods and organisation.

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. Capital expenditure for the year amounted to £23,634 (1980 - £2,440). In the opinion of the directors the market value of the land and buildings shown in Note 4 at a written down value of £68,742 (1980 - £69,186) is £125,000 (1980 - £125,000).

FUTURE DEVELOPMENTS

The directors consider that 1982 will be a difficult trading year, though at the date of this report the forward order position is satisfactory.

EVENTS SINCE THE END OF THE YEAR

The space made available by the closure of the veldt childrens sandal production line has been let to Stewart Paul Limited at an annual rental of £8,000 per annum inclusive of rates.

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, all beneficially held, at 31st December 1981 were as follows:-

	Ordinary Shares	1981	1980
Thomas Leonard Houlgrave	"	11,500	11,500
Paul Houlgrave	"	15,250	10,000
Stewart Houlgrave	"	15,250	10,000

BEACONSFIELD FOOTWEAR LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 31ST DECEMBER 1981

DIRECTORS (Cont)

The director retiring by rotation is Mr. S.Houlgrave and, being eligible, offers himself and is recommended for re-election. The directors of this company are also the sole directors and shareholders of Stewart Paul Limited.

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

T.L.Houlgrave

Chairman

Liverpool Road,
Skelmersdale, Lancs.

31st August 1982

BEACONSFIELD FOOTWEAR LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 1981

Note

Turnover		<u>£1,166,113</u>	<u>£1,089,675</u>
Trading profit for year		22,809	15,938
After charging:-			
Directors' Salaries for management services		52,452	50,037
Directors' Pension Scheme contributions		3,336	3,336
Auditor's Remuneration		1,620	1,235
Bank Interest		2,324	4,219
Depreciation		13,012	14,852
Loss on plant scrapped and sold		<u>4,122</u>	<u>5,814</u>
and after crediting:-			
Profit on sale of fixed assets		Nil	Nil
Profit for year before taxation		22,809	15,938
Taxation	(6)	<u>(2,835)</u>	<u>(45,642)</u>
		25,644	61,580
Balance brought forward		<u>271,699</u>	<u>210,119</u>
Balance carried forward		<u>£ 297,343</u>	<u>£ 271,699</u>

BEACONSFIELD FOOTWEAR LIMITED

BALANCE SHEET

AT

31ST DECEMBER 1981

	Note	1981	1980
<u>EMPLOYMENT OF CAPITAL</u>			
<u>Fixed Assets</u>	(4)	141,670	148,740
<u>Current Assets</u>			
Stocks and Work in Progress	(3) (1(c))	178,617	186,537
Sundry Debtors		161,050	82,058
Stewart Paul Limited		11,407	1,705
Cash in hand		95	659
Cash at Bank			3,687
		<u>351,169</u>	<u>274,646</u>
<u>Current Liabilities</u>			
Sundry Creditors		65,170	79,748
Directors' Accounts		323	323
Bank Overdraft		61,222	
		<u>126,715</u>	<u>80,071</u>
<u>Net Current Assets</u>		<u>224,454</u>	<u>194,575</u>
		<u>£ 366,124</u>	<u>£ 343,315</u>
<u>CAPITAL EMPLOYED</u>			
<u>Share Capital</u>	(7)	42,000	42,000
<u>Profit and Loss Account</u>		297,343	271,699
Shareholders Funds		<u>339,343</u>	<u>313,699</u>
<u>Deferred Taxation</u>	(5) (1(d))	26,781	29,616
		<u>£ 366,124</u>	<u>£ 343,315</u>

P. Houlgrave
Director

S. Houlgrave
Director

P. Houlgrave

S. Houlgrave

BEACONSFIELD FOOTWEAR LIMITED

SOURCE AND APPLICATION OF FUNDS STATEMENT

YEAR ENDED 31ST DECEMBER 1981

	1981	1980
<u>SOURCE OF FUNDS</u>		
Trading profit for year	22,809	15,938
Add:		
Depreciation	13,012	14,852
Loss on disposal of fixed assets	4,122	5,814
Regional Development Grants received	228	2,524
Proceeds sale of fixed assets	13,750	
	<u>53,921</u>	<u>39,128</u>
<u>APPLICATION OF FUNDS</u>		
Purchase of fixed assets	23,634	2,440
Regional Development Grant repayment	408	
	<u>24,042</u>	<u>2,440</u>
<u>INCREASE IN FUNDS</u>	<u>£ 29,879</u>	<u>£ 36,688</u>
<u>INCREASE/DECREASE IN WORKING CAPITAL</u>		
Increase/(Decrease) in Stocks and Work in Progress	(7,920)	7,513
Increase in Debtors	88,694	15,248
(Increase)/Decrease in Creditors	14,578	(23,060)
	95,352	(299)
Increase/(Decrease) in cash and bank balances	<u>(65,473)</u>	<u>36,987</u>
	<u>£ 29,879</u>	<u>£ 36,688</u>

BEACONSFIELD FOOTWEAR LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST DECEMBER 1981

1. Accounting policies

- (a) The accounts have been prepared under the historical cost convention and in compliance with Section 149A of Schedule 8A to the Companies Act 1948.
- (b) Depreciation is written off the fixed assets at the following rates:-
- | | |
|---|-------------------------|
| Plant, Machinery, Fixtures and Fittings | 10% on reducing balance |
| Motor Vehicles | 25% on reducing balance |
| Freehold Buildings | 2% on original cost |
- (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 is provided on any short term timing differences and on the excess of the net book value over the tax written down value of those assets on which capital allowances are claimed, excepting industrial buildings, less advance corporation tax recoverable.
- (e) Regional Development Grants received are deducted from the cost of the assets concerned.

2. Directors' Emoluments

All for management services.

	1981	1980
Salaries	52,952	50,037
Other	1,868	1,680
Contributions to Pension Scheme	3,336	3,336
	<u>£ 58,156</u>	<u>£ 55,053</u>
Excluding Pension Scheme Contributions:		
Chairman	£ 13,543	£ 14,620
Highest paid director	£ 20,649	£ 18 549
Number of other directors receiving:-		
£15,001 - £20,000		1
£20,001 - £25,000	1	

3 Stocks and Work in Progress

	1981	1980
Raw materials and miscellaneous stocks	103,360	125,033
Work in Progress	16,364	8,531
Finished Goods	58,893	52,973
	<u>£178,617</u>	<u>£186,537</u>

BEACONSFIELD FOOTWEAR LIMITED

NOTE: TO THE ACCOUNTS

YEAR ENDED 31ST DECEMBER 1981

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 31.12.80	104,925	10,683	84,096	44,766	244,470
Additions	21,836	108	1,200	490	23,634
Grant	(228)				(228)
Disposals	(32,971)			(3,700)	(36,671)
To 31.12.81	£ 93,562	10,791	85,296	41,556	231,205
<u>Depreciation</u>					
To 31.12.80	49,436	6,879	14,910	24,505	95,730
This year	6,081	392	1,644	4,895	13,012
On disposals	(16,678)			(2,529)	(19,207)
To 31.12.81	£ 38,839	7,271	16,554	26,871	89,535
Net Book Value 31.12.81	£54,723	3,520	68,742	14,685	141,670
Net Book Value 31.12.80	£55,489	3,804	69,186	20,261	148,740

5. Deferred Taxation

	1981	1980
Balance brought forward	29,616	75,258
Transfer Taxation Account	(2,835)	(45,642)
Balance carried forward	£ 26,781	£ 29,616
On accelerated capital allowances	28,666	31,501
Advance Corporation Tax recoverable	(1,885)	(1,885)
	£ 26,781	£ 29,616
Total potential liability	£95,620	(1980 - £70,968)

6. Taxation

	1981	1980
Corporation Tax on profits for the year	-	-
Transfer Deferred Taxation Account	(2,835)	(45,642)
	£ (2,835)	£ (45,642)

There are tax losses carried forward and available to be set off against future taxable profits amounting to £2,550. (1980 - £10,500)

BEACONSFIELD FOOTWEAR LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST DECEMBER 1981

7. Share Capital

	1981	1980
<u>Authorised</u>		
50,000 Ordinary Shares of £1 each	£ 50,000	£ 50,000
	<u> </u>	<u> </u>
<u>Issued and fully paid</u>		
42,000 Ordinary Shares of £1 each	£ 42,000	£ 42,000
	<u> </u>	<u> </u>

8. Bank Overdraft

The Company's bank overdraft facility is secured by the Deeds and Documents relating to freehold Land and Property situated at Liverpool Road, Skelmersdale, Lancs.

9. Contingent Liability

The Company has given a guarantee in the sum of £20,000 to Midland Bank P.L.C. 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

	1981	1980
Capital expenditure committed but not provided for in the accounts to 31st December 1981.	10,884	Nil
Capital expenditure authorised but not committed at 31st December 1981.	14,000	11,500

REPORT OF THE AUDITOR

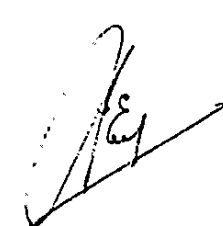
TO THE MEMBERS OF

BEACONSFIELD FOOTWEAR LIMITED

I have audited the financial statements on pages 1 to 5 in accordance with Approved Auditing Standards.

In my opinion the financial statements, which have been prepared under the historical cost convention and in compliance with Section 149A of Schedule 8A of the Companies Act 1948, give a true and fair view of the state of the Company's affairs at 31st December 1981 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1948 - 1981, as far as the provisions of those Acts apply to these financial statements.

59 Crosspit Lane,
Rainford,
St. Helens,
Merseyside W11 8AJ.


Authorised Public Accountant

31st August 1982