

J & A BEARE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

J & A BEARE LIMITED

COMPANY INFORMATION

DIRECTOR	S E Smith
REGISTERED NUMBER	03487761
REGISTERED OFFICE	30 Queen Anne Street London W1G 8HX
INDEPENDENT AUDITORS	Wilder Coe Ltd Chartered Accountants & Statutory Auditors 1st Floor, Sackville House 143-149 Fenchurch Street London EC3M 6BL

J & A BEARE LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

INTRODUCTION

The director presents his Strategic Report for the year ended 31 March 2022.

The principal activity of the Company continued to be that of dealers, restorers and makers of fine violins, other stringed instruments and antique bows.

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks facing the business are market conditions, availability of instruments, maintaining the quality of products offered, competitive pressures and currency fluctuations.

The impact of the Covid-19 pandemic has been considered while preparing these financial statements. While the pandemic has created unprecedented global uncertainty, including within the market the Company operates, the Company has efficiently taken a number of measures to mitigate the financial and operational impact on profitability and cash flow. During the year, Company applied for governmental grants such as the Coronavirus Job Retention Scheme. Further developments are being closely monitored so effective and appropriate actions

can be made on a timely basis.

Whilst no immediate or material impacts from the Brexit decision have yet been seen, aside from significant exchange rate fluctuations, the Company recognises that the coming years will be challenging in the UK and is monitoring political and macro-economic developments closely.

FAIR REVIEW OF THE BUSINESS

The last set of Covid-19 pandemic restrictions ended early in the year which has allowed J&A Beare to return to their normal business model which is largely face to face sales. This has resulted in a number of large sales resulting in strong revenue growth.

Profitability has decreased in the current year despite the growth in revenue, this is due to J&A Beare accepting smaller margins on large sales but is also due to an investment in stock, in an effort to improve future performance.

FINANCIAL PERFORMANCE INDICATORS

The Company's financial key performance indicators are stock turnover and sales growth.

The Company's stock turnover ratio and turnover experienced a significant increase compared to prior year. This is a result of a move back to normal performance based on pre pandemic levels. J & A Beare's stock turnover continues to be above industry average performance due to strong internal controls and effective management of antique instruments.

The directors are of the opinion that J & A Beare will continue to grow its market share in the year ended 31 March 2023.

This report was approved by the board on 19 December 2022 and signed on its behalf.

S E Smith

Director

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The director presents his report and the audited financial statements for the year ended 31 March 2022.

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Strategic Report, the Director's Report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare audited financial statements for each financial year. Under that law the director has elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the audited financial statements unless he is satisfied that they 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 audited financial statements, the director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the audited financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the audited financial statements comply with the Companies Act 2006. He is 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.

DISCLOSURE OF INFORMATION TO AUDITORS

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £817,639 (2021 - £815,917).

The director does not recommend the payment of a dividend.

DIRECTOR

The director who served during the year was:

S E Smith

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is exposed to credit risk and liquidity risk from the financial instruments it holds.

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows. Risk is mitigated by requesting up front deposits from the customers to secure future sales.

Liquidity risk

Liquidity risk arises from a decline in liquid assets to meet liabilities as they fall due. To manage liquidity risk the Company is using short and long term funding.

AUDITORS

The auditors, Wilder Coe Ltd, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 19 December 2022 and signed on its behalf.

S E Smith

Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF J & A BEARE LIMITED

OPINION

We have audited the financial statements of J & A Beare Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The director is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF J & A BEARE LIMITED (CONTINUED)

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Director's Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Director's Responsibilities Statement set out on page 2, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF J & A BEARE LIMITED (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, company law, tax and pensions legislation and distributable profits legislation; and
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the

business and therefore may have a material effect on the financial statements include GDPR in relation to

retail standards, employment law and health and safety legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

Where irregularities have been found and treatments have differed from what we have expected additional procedures have been conducted to ratify the discrepancies. If the irregularity is financial in nature then samples have been extended, and the irregular items extrapolated to ensure that no material misstatement has occurred. These irregularities are also communicated to management so that they can rectify the discrepancies or provide an explanation for the difference. Where the irregularity is a difference in treatment to what we had expected this has been communicated to management and additional explanation has been added ensure adequate disclosure where necessary.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud

might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF J & A BEARE LIMITED (CONTINUED)

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 Auditors' 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.

Bee-Lean Chew MSc BA (Hons) FCA (Senior Statutory Auditor)
for and on behalf of

Wilder Coe Ltd
Chartered Accountants & Statutory Auditors
1st Floor, Sackville House
143-149 Fenchurch Street
London
EC3M 6BL

Date: 19 December 2022

J & A BEARE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover	4	52,318,048	14,714,980
Cost of sales		(48,930,988)	(11,987,388)
GROSS PROFIT		3,387,060	2,727,592
Administrative expenses		(2,133,060)	(1,642,623)
Other operating income	5	34,258	170,537
OPERATING PROFIT	6	1,288,258	1,255,506
Profit on disposal of investment		-	46,274
Interest receivable and similar income		-	55
Interest payable and similar expenses	10	(187,315)	(227,097)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,100,943	1,074,738
Taxation on profit on ordinary activities	11	(283,304)	(258,821)
PROFIT FOR THE FINANCIAL YEAR		817,639	815,917

The notes on pages 14 to 27 form part of these financial statements.

J & A BEARE LIMITED
REGISTERED NUMBER: 03487761

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	12	4,221,127	4,340,085
Investments	13	74,476	169,950
		<hr/>	<hr/>
		4,295,603	4,510,035
CURRENT ASSETS			
Stocks	14	9,357,112	7,405,817
Debtors	15	4,503,182	1,663,546
Cash at bank and in hand	16	791,930	1,562,197
		<hr/>	<hr/>
		14,652,224	10,631,560
Creditors: amounts falling due within one year	17	(10,055,407)	(6,824,103)
		<hr/>	<hr/>
NET CURRENT ASSETS		4,596,817	3,807,457
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,892,420	8,317,492
Creditors: amounts falling due after more than one year	18	(4,603,600)	(4,891,325)
PROVISIONS FOR LIABILITIES			
Deferred tax		(252,158)	(207,144)
		<hr/>	<hr/>
NET ASSETS		4,036,662	3,219,023
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	21	1,710	1,710
Revaluation reserve	22	2,304,789	2,346,789
Other reserves	22	308,290	308,290
Profit and loss account	22	1,421,873	562,234
		<hr/>	<hr/>
EQUITY SHAREHOLDER'S FUNDS		4,036,662	3,219,023
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 December 2022.

S E Smith
Director

The notes on pages 14 to 27 form part of these financial statements.

J & A BEARE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total equity £
AT 1 APRIL 2021	1,710	2,346,789	308,290	562,234	3,219,023
COMPREHENSIVE INCOME FOR THE YEAR					
Profit for the year	-	-	-	817,639	817,639
Surplus of excess depreciation based on revalued amount	-	-	-	42,000	42,000
Transfer to profit and loss account	-	(42,000)	-	-	(42,000)
AT 31 MARCH 2022	1,710	2,304,789	308,290	1,421,873	4,036,662

The notes on pages 14 to 27 form part of these financial statements.

J & A BEARE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total equity £
AT 1 APRIL 2020	3,250	2,388,789	306,750	2,547,394	5,246,183
COMPREHENSIVE INCOME FOR THE YEAR					
Profit for the year	-	-	-	815,917	815,917
Surplus of excess depreciation based on revalued amount	-	-	-	42,000	42,000
Acquisition of own shares	-	-	-	(2,843,077)	(2,843,077)
Shares repurchased	-	-	1,540	-	1,540
Shares cancelled	(1,540)	-	-	-	(1,540)
Transfer to profit and loss account	-	(42,000)	-	-	(42,000)
AT 31 MARCH 2021	1,710	2,346,789	308,290	562,234	3,219,023

The notes on pages 14 to 27 form part of these financial statements.

J & A BEARE LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	2022	2021
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	817,639	815,917
ADJUSTMENTS FOR:		
Depreciation of tangible assets	150,654	151,159
Profit/(Loss) on disposal of tangible assets	-	(14,959)
Interest paid	187,315	227,097
Interest received	-	(55)
Taxation charge	283,304	258,821
(Increase)/decrease in stocks	(1,951,295)	1,491,958
(Increase)/decrease in debtors	(2,839,636)	22,986
Increase in creditors	2,491,381	2,832,791
Corporation tax paid	(197,191)	(95,623)
NET CASH GENERATED (USED IN) / FROM OPERATING ACTIVITIES	(1,057,829)	5,690,092
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(31,696)	(26,331)
Sales of tangible fixed assets	-	14,959
Sale of unlisted and other investments	95,474	24,126
Interest received	-	55
NET CASH FROM INVESTING ACTIVITIES	63,778	12,809
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans	(215,794)	(287,725)
Interest paid	(187,315)	(227,097)
Share buy-back	-	(2,843,077)
NET CASH USED IN FINANCING ACTIVITIES	(403,109)	(3,357,899)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,397,160)	2,345,002
Cash and cash equivalents at beginning of year	1,554,281	(790,721)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	157,121	1,554,281
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	791,930	1,562,197
Bank overdrafts	(634,809)	(7,916)
	157,121	1,554,281

The notes on pages 14 to 27 form part of these financial statements.

J & A BEARE LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2022**

	At 1 April 2021	Cash flows	At 31 March
	£	£	2022
			£
Cash at bank and in hand	1,562,197	(770,267)	791,930
Bank overdrafts	(7,916)	(626,893)	(634,809)
Debt due after 1 year	(4,891,325)	287,725	(4,603,600)
Debt due within 1 year	(287,725)	(1,418,096)	(1,705,821)
	<u>(3,624,769)</u>	<u>(2,527,531)</u>	<u>(6,152,300)</u>

The notes on pages 14 to 27 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. GENERAL INFORMATION

J & A Beare Limited (Company number 03487761), having its registered office and principal place of business at 30 Queen Anne Street, London, W1G 8HX, is a private limited company incorporated in England and Wales.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 GRANTS

Grants due from government organisations or received in advance are included as current assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

2.4 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

L/Term Leasehold Property	- 2% straight-line basis
Fixtures and fittings	- 10-25%-straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in Statement of Comprehensive Income.

2.5 REVALUATION OF TANGIBLE FIXED ASSETS

The leasehold property is carried at fair value at its deemed cost as at 31 March 2014 less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

2.6 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to Statement of Comprehensive Income on a straight-line basis over the lease term.

2.7 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Net realisable value is based on selling prices less anticipated costs to completion and selling costs.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

2.9 DEBTORS

Short-term debtors are measured at transaction price.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (continued)

2.10 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.11 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Balance Sheet date.

2.12 CREDITORS

Short-term creditors are measured at the transaction price.

2.13 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is British Pounds Sterling GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period-end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (continued)

2.14 FINANCE COSTS

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.16 INTEREST INCOME

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.17 BORROWING COSTS

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.18 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (continued)

2.19 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The valuation of stock requires the directors to apply their judgement to identify whether an impairment provision is required to ensure that stock is held at the lower of cost and net realisable value.

4. TURNOVER

The directors believe disclosing segmental information would be seriously prejudicial to the Company's interests.

All turnover arose within the United Kingdom.

5. OTHER OPERATING INCOME

	2022	2021
	£	£
Coronavirus Job Retention Scheme	<u>34,258</u>	<u>170,537</u>

J & A BEARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. OPERATING PROFIT

The operating profit is stated after charging:

	2022	2021
	£	£
Depreciation of tangible fixed assets	150,654	151,159
Difference on foreign exchange	(126,947)	217,462
Other operating lease rentals	9,889	10,871
Defined contribution pension costs	<u>46,020</u>	<u>54,403</u>

7. AUDITORS' REMUNERATION

	2022	2021
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>14,825</u>	<u>11,400</u>

FEES PAYABLE TO THE COMPANY'S AUDITOR AND ITS ASSOCIATES IN RESPECT OF:

All other services	<u>4,072</u>	<u>-</u>
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8. EMPLOYEES

Staff costs, including director's remuneration, were as follows:

	2022	2021
	£	£
Wages and salaries	1,242,602	837,003
Social security costs	144,748	94,218
Cost of defined contribution scheme	46,020	54,403
	<u>1,433,370</u>	<u>985,624</u>

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

	2022	2021
	No.	No.
Directors	1	2
Administration and support	10	8
Craftsmen	6	6
	<u>17</u>	<u>16</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. DIRECTORS' REMUNERATION

	2022	<i>2021</i>
	£	£
Director's emoluments	145,000	<i>145,000</i>
Company contributions to defined contribution pension schemes	15,948	<i>30,553</i>
	<u>160,948</u>	<i><u>175,553</u></i>

During the year retirement benefits were accruing to 1 director (2021 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £145,000 (2021 - £84,583).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £15,948 (2021 - £16,714).

The director is the only key management personnel of the Company.

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	<i>2021</i>
	£	£
Bank interest payable	187,208	<i>227,097</i>
Other loan interest payable	107	<i>-</i>
	<u>187,315</u>	<i><u>227,097</u></i>

11. TAXATION

	2022	<i>2021</i>
	£	£
CORPORATION TAX		
Current tax on profits for the year	238,290	<i>251,455</i>
DEFERRED TAX		
Origination and reversal of timing differences	45,014	<i>7,366</i>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>283,304</u>	<i><u>258,821</u></i>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. TAXATION (continued)**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022	2021
	£	£
Profit on ordinary activities before tax	<u>1,100,943</u>	<u>1,074,738</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	209,179	204,200
EFFECTS OF:		
Expenses not deductible for tax purposes	12,989	23,566
Depreciation for year in excess of capital allowances	16,122	15,864
Deferred taxation	45,014	7,366
Non-taxable income	-	(1,235)
Chargeable gains	-	9,060
TOTAL TAX CHARGE FOR THE YEAR	<u>283,304</u>	<u>258,821</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Fixtures & fittings £	Total £
COST OR VALUATION			
At 1 April 2021	5,040,262	581,611	5,621,873
Additions	-	31,696	31,696
At 31 March 2022	5,040,262	613,307	5,653,569
DEPRECIATION			
At 1 April 2021	743,595	538,193	1,281,788
Charge for the year	100,805	49,849	150,654
At 31 March 2022	844,400	588,042	1,432,442
NET BOOK VALUE			
At 31 March 2022	4,195,862	25,265	4,221,127
At 31 March 2021	4,296,667	43,418	4,340,085

Cost or valuation at 31 March 2022 is as follows:

	Long Term Leasehold Property £
At cost	2,940,262
Uplift per revaluation on:	
31 March 2014	2,100,000
	5,040,262

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2022 £	2021 £
Cost	2,940,262	2,940,262
Accumulated depreciation	-	(930,668)
NET BOOK VALUE	2,940,262	2,009,594

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 April 2021	169,950
Disposals	(95,474)
	<hr/>
At 31 March 2022	74,476
 NET BOOK VALUE	
At 31 March 2022	<hr/> 74,476
<i>At 31 March 2021</i>	<hr/> <i>169,950</i> <hr/>

14. STOCKS

	2022 £	2021 £
Finished goods	<u>9,357,112</u>	<u>7,405,817</u>

15. DEBTORS

	2022 £	2021 £
Due within one year		
Trade debtors	4,185,208	335,502
Other debtors	213,529	190,493
Prepayments and accrued income	104,445	1,137,551
	<hr/> 4,503,182	<hr/> 1,663,546 <hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. CASH AND CASH EQUIVALENTS

	2022	<i>2021</i>
	£	<i>£</i>
Cash at bank and in hand	791,930	<i>1,562,197</i>
Less: bank overdrafts	(634,809)	<i>(7,916)</i>
	<u>157,121</u>	<i><u>1,554,281</u></i>

17. CREDITORS: Amounts falling due within one year

	2022	<i>2021</i>
	£	<i>£</i>
Bank overdrafts (secured - see Note 18)	634,809	<i>7,916</i>
Bank loans (secured - see Note 18)	359,656	<i>287,725</i>
Trade creditors	2,389,381	<i>2,074,388</i>
Corporation tax	381,589	<i>340,490</i>
Other taxation and social security	34,406	<i>35,215</i>
Other creditors	3,393,463	<i>3,425,531</i>
Accruals and deferred income	2,862,103	<i>652,838</i>
	<u>10,055,407</u>	<i><u>6,824,103</u></i>

18. CREDITORS: Amounts falling due after more than one year

	2022	<i>2021</i>
	£	<i>£</i>
Bank loans	<u>4,603,600</u>	<i><u>4,891,325</u></i>

Secured loans

The bank loan and overdraft are secured by a debenture, a first legal charge over the Company's long term leasehold property and a personal guarantee of £500,000 to which the director is the guarantor.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. LOANS

Analysis of the maturity of loans is given below:

	2022	<i>2021</i>
	£	<i>£</i>
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	359,656	<i>287,725</i>
AMOUNTS FALLING DUE 1-2 YEARS		
Bank loans	287,725	<i>287,725</i>
AMOUNTS FALLING DUE 2-5 YEARS		
Bank loans	4,315,875	<i>4,603,600</i>
	<u>4,963,256</u>	<u><i>5,179,050</i></u>

The Company entered into a loan agreement in November 2018 with Barclays Bank PLC which is due to be repaid by quarterly instalments over five years. Interest is charged in two ways: there is an annual charge on a floating rate basis plus 3.08% on £2,301,800 of the capital amount and a fixed annual charge of 3.356% on the remaining £2,877,250 of the capital amount.

20. DEFERRED TAXATION

	2022	<i>2021</i>
	£	<i>£</i>
At 1 April 2021	(207,144)	<i>(199,778)</i>
Released during the year	(45,014)	<i>(7,366)</i>
AT END OF YEAR	<u>(252,158)</u>	<u><i>(207,144)</i></u>

The provision for deferred taxation is made up as follows:

	2022	<i>2021</i>
	£	<i>£</i>
Accelerated capital allowances	(52,380)	<i>(7,366)</i>
Arising on revaluation of leasehold properties	(199,778)	<i>(199,778)</i>
	<u>(252,158)</u>	<u><i>(207,144)</i></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

21. SHARE CAPITAL

	2022	<i>2021</i>
	£	£
ALLOTTED, CALLED UP AND FULLY PAID		
1,125 (2021 - 1,125) Ordinary B shares of £1.00 each	1,125	<i>1,125</i>
585 (2021 - 585) Ordinary C shares of £1.00 each	585	<i>585</i>
	<hr/>	<hr/>
	1,710	<i>1,710</i>
	<hr/>	<hr/>

During the prior year, 1,125 Ordinary B shares and 415 Ordinary C shares were bought back by the company.

'B' Ordinary shares carry two votes per share.

'C' Ordinary shares carry one vote per share.

'B' Ordinary shares and 'C' Ordinary shares rank pari passu in all other respects.

22. RESERVES**Revaluation reserve**

The revaluation reserve relates to the revaluation of the leasehold property and is a non-distributable reserve.

Other reserves

Other reserves relate to the repurchase of own shares in 2021 by the Company and is a non-distributable reserve.

23. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	<i>2021</i>
	£	£
Not later than 1 year	7,000	<i>7,000</i>
Later than 1 year and not later than 5 years	28,000	<i>28,000</i>
Later than 5 years	6,468,000	<i>6,475,000</i>
	<hr/>	<hr/>
	6,503,000	<i>6,510,000</i>
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

24. CONTINGENT LIABILITIES

The Company has provided a cross guarantee between itself and Beares Publishing Limited in favour of Barclays Bank Plc in respect of the latter company's overdraft facility. A contingent liability therefore exists to the extent of the indebtedness to the bank of Beares Publishing Limited. At 31 March 2022 the contingent liability of the Company was £338,563 (2021: £628,401). No liability is expected to crystallise in this respect.

25. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The pension costs for the year amounted to £46,020 (2021: £54,403). There were contributions totalling £Nil (2021: £Nil) payable to the scheme at the year end.

26. RELATED PARTY TRANSACTIONS

During the year purchases were made from related companies of £1,439,056 (2021: £Nil). These related companies charged the Company consultancy fees of £100,000 (2021: £467,750). Included within accruals are amounts due to related companies of £300,000 (2021: £50,000). The related companies are related by virtue of common ownership.

During the year sales of £93,529 (2021: £494,000) were made to related companies. At the Balance Sheet date the amount due from related companies was £74,476 (2021: £67,511) and amounts due to related companies was £153 (2021: £153). These companies are related through common ownership.

At the Balance Sheet date an amount due to the director of the company of £1,346,140 (2021: £608,730) was included in other creditors.

J & A Beare Limited has also provided a guarantee to Beares Publishing Limited in relation to the latter company's overdraft facility. Beares Publishing Limited is related by virtue of common control.

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