

---

**BEALE'S LIMITED**

---

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2007**

---

**BEALE'S LIMITED**

---

**COMPANY INFORMATION**

---

**DIRECTORS**

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

**SECRETARY**

M G Pettit (Taylor Walton)

**COMPANY NUMBER**

00043303

**REGISTERED OFFICE**

West Lodge Park  
Cockfosters Road  
Hadley Wood  
Hertfordshire  
EN4 0PY

**AUDITORS**

Hillier Hopkins LLP  
Registered Auditors & Chartered Accountants  
Charter Court  
Midland Road  
Hemel Hempstead  
Hertfordshire  
HP2 5GE

**SOLICITORS**

Taylor Walton  
33 - 44 Alma Street  
Luton  
Bedfordshire  
LU1 2PL

---

**BEALE'S LIMITED**

---

**CONTENTS**

---

	Page
<b>Chairman's statement</b>	1
<b>Directors' report</b>	2 - 3
<b>Independent auditors' report</b>	4 - 5
<b>Profit and loss account</b>	6
<b>Balance sheet</b>	7
<b>Cash flow statement</b>	8
<b>Notes to the financial statements</b>	9 - 19
The following pages do not form part of the statutory accounts:	
<b>Detailed profit and loss account and summaries</b>	20 - 22

---

## BEALE'S LIMITED

---

### CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

---

The chairman presents his statement for the period.

The most notable event during this year has been the sale of Buckingham Beales Hotel in November 2006. This followed a strategic review of our activities, which highlighted the constraints that funding our debt was putting on refurbishment and priority capital projects. Buckingham Beales had always been a moderate contributor of profits, but the market place has been valuing hotels highly so the £4.75m that we received was very attractive. We can now focus strategically on the market for "top end 4 star" hotels in Hertfordshire.

The proceeds from the sale enabled us to halve our debt, to approximately £3.5 million, thus reducing the impact of the current rises in interest rates. A special dividend of £120,000 was paid to shareholders and we were able to start building funds to pay for essential development projects.

The success of the sale has transformed the activities and helped morale of the teams at our other hotels. Refurbishments and improvement projects were implemented and the outlook is much more positive, even though there are still many competing requirements for funds that have to be prioritised. These are reflected in the latest Strategic Business Plan that has been prepared by the Board and hotel management teams.

Sales for the year (with only 8 months of Buckingham) at £6,238,788, were almost the same as the previous year's, thanks in the main to a 29% increase at Beales Hatfield. The management team there is now established, knows its market and is working hard to continue strong growth.

Sales at West Lodge Park grew by only 1.6%, which is disappointing in the light of inflation running at 3%, although it was a positive turnaround of the previous year's 3% decline. The rising costs of labour, energy and repairs/renewals, with the below inflation sales increase caused a significant fall in net operating profit at the hotel, although it is still by far the greater contributor to company profits. The management team under its new General Manager (transferred from Buckingham) are striving to increase sales, whilst controlling costs.

Trading profits before taxation and dividend were £969,294, which is a significant improvement on last year's £95,620, but reflects the gains from the sale of Buckingham and taxation recoverable from the previous owner under the original sale agreement. However, net profit without those gains was £182,854, which was £87,234 better than the previous year.

Our key financial statistics were as follows:

	2006/07	2005/06	2004/05	Change on last year
Room Occupancy %	71.3	62.5	63.0	+14.1%
Average Room Rate £	63.32	63.60	59.69	- 0.4%
Revenue/Available Room £	45.15	39.74	37.59	+13.6%

I am pleased to inform you that the Directors feel able to recommend that the dividend be increased to £1 per share, reflecting the more positive trading, but enabling us to build funds for much needed developments.

Name Peter Smale  
Chairman

Date 5 July 2007

---

## BEALE'S LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2007

---

The directors present their report and the financial statements for the year ended 31 March 2007.

#### 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.

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### 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 £736,050 (2006 - £246,792).

---

**BEALE'S LIMITED**

---

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2007**

---

**DIRECTORS**

The directors who served during the year and their interests in the company's issued share capital were:

	<b>Ordinary Shares shares of £1 each</b>	
	<b>31/3/07</b>	<b>1/4/06</b>
P T Smale (Chairman)	-	-
A E Beale	<b>10,450</b>	<b>10,450</b>
A P King	-	-

**AUDITORS**

The auditors, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 5 July 2007 and signed on its behalf.

**P T Smale (Chairman)**  
Director

---

## BEALE'S LIMITED

---

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BEALE'S LIMITED

---

We have audited the financial statements of Beale's Limited for the year ended 31 March 2007 set out on pages 6 to 19. These financial statements have been prepared in accordance with the accounting policies set out therein.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

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 AUDITORS' 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 2007 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 Auditors  
Chartered Accountants

Charter Court  
Midland Road  
Hemel Hempstead  
Hertfordshire  
HP2 5GE

26 July 2007



---

**BEALE'S LIMITED**

---

---

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2007**

---

	Note	2007 £	2006 £
<b>TURNOVER</b>	1,2	<b>6,238,788</b>	6,233,342
Cost of sales		<b>(2,758,681)</b>	(2,805,262)
<b>GROSS PROFIT</b>		<b>3,480,107</b>	3,428,080
Administrative expenses		<b>(2,913,588)</b>	(2,852,694)
<b>OPERATING PROFIT</b>	3	<b>566,519</b>	575,386
<b>EXCEPTIONAL ITEMS</b>			
Net profit on sale of tangible fixed assets	7	<b>600,217</b>	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>1,166,736</b>	575,386
Interest receivable		<b>13,973</b>	3,493
Interest payable	6	<b>(397,638)</b>	(483,259)
Other income		<b>186,223</b>	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>969,294</b>	95,620
Tax on profit on ordinary activities	8	<b>(233,244)</b>	151,172
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	17	<b>736,050</b>	246,792

All amounts relate to continuing operations.

There were no recognised gains and losses for 2007 or 2006 other than those included in the profit and loss account.

The notes on pages 9 to 19 form part of these financial statements.

**BEALE'S LIMITED**

**BALANCE SHEET  
AS AT 31 MARCH 2007**

	Note	£	2007 £	£	2006 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	9		8,715,337		12,945,229
Fixed asset investments	10		40,107		40,107
			<u>8,755,444</u>		<u>12,985,336</u>
<b>CURRENT ASSETS</b>					
Stocks	11	20,199		28,241	
Debtors	12	409,519		279,241	
Cash at bank and in hand		780,201		2,667	
		<u>1,209,919</u>		<u>310,149</u>	
<b>CREDITORS:</b> amounts falling due within one year	13		<u>(1,583,068)</u>	<u>(1,361,961)</u>	
<b>NET CURRENT LIABILITIES</b>			<b>(373,149)</b>		<b>(1,051,812)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>8,382,295</b>		<b>11,933,524</b>
<b>CREDITORS:</b> amounts falling due after more than one year	14		<b>(3,183,794)</b>		<b>(6,970,192)</b>
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	15		<u>(11,100)</u>		<u>(339,181)</u>
<b>NET ASSETS</b>			<b>5,187,401</b>		<b>4,624,151</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		60,000		60,000
Profit and loss account	17		5,127,401		4,564,151
<b>SHAREHOLDERS' FUNDS</b>	18		<b>5,187,401</b>		<b>4,624,151</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 July 2007.

**P T Smale (Chairman)**  
Director

**A E Beale**  
Director

The notes on pages 9 to 19 form part of these financial statements.

---

**BEALE'S LIMITED**

---

---

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2007**

---

	<b>Note</b>	<b>2007 £</b>	<b>2006 £</b>
Net cash flow from operating activities	19	<b>761,959</b>	540,920
Returns on investments and servicing of finance	20	<b>(197,442)</b>	(481,356)
Taxation		-	(73,979)
Capital expenditure and financial investment	20	<b>4,468,823</b>	(131,198)
Equity dividends paid		<b>(172,800)</b>	(105,600)
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<b>4,860,540</b>	(251,213)
Financing	20	<b>(3,864,300)</b>	817,419
<b>INCREASE IN CASH IN THE YEAR</b>		<b>996,240</b>	566,206

---

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 MARCH 2007**

---

	<b>2007 £</b>	<b>2006 £</b>
Increase in cash in the year	<b>996,240</b>	566,206
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	<b>3,864,300</b>	(817,419)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>4,860,540</b>	(251,213)
Net debt at 1 April 2006	<b>(7,518,312)</b>	(7,267,099)
<b>NET DEBT AT 31 MARCH 2007</b>	<b>(2,657,772)</b>	(7,518,312)

The notes on pages 9 to 19 form part of these financial statements.

---

## BEALE'S LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

---

#### 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

Investments in subsidiaries are valued at cost less provision for 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.

##### 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.

---

**BEALE'S LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

---

**1. ACCOUNTING POLICIES (continued)**

**1.7 STOCKS**

Stocks are valued at the lower of cost and net realisable value.

**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.

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the company	<b>361,286</b>	<b>354,034</b>
Auditors' remuneration	<b>18,908</b>	<b>10,908</b>
	<b>=====</b>	<b>=====</b>

---

**BEALE'S LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

---

**4. STAFF COSTS**

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

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>2,180,285</b>	2,247,230
Social security costs	<b>171,554</b>	172,813
Other pension costs	<b>91,915</b>	69,618
	<b><u>2,443,754</u></b>	<b><u>2,489,661</u></b>

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

	<b>2007</b>	<b>2006</b>
	<b>No.</b>	<b>No.</b>
Monthly staff (including directors)	<b>240</b>	229
Weekly staff	<b>0</b>	17
	<b><u>240</u></b>	<b><u>246</u></b>

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

**5. DIRECTORS' REMUNERATION**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Emoluments	<b>188,669</b>	185,127
Company pension contributions to money purchase pension schemes	<b>52,200</b>	23,084

During the year retirement benefits were accruing to 2 directors (2006 - 2) in respect of money purchase pension schemes.

**6. INTEREST PAYABLE**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	<b>397,520</b>	484,730
On other loans	<b>118</b>	120
Other interest payable	<b>-</b>	(1,591)
	<b><u>397,638</u></b>	<b><u>483,259</u></b>

**BEALE'S LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**7. EXCEPTIONAL ITEMS**

	<b>2007</b>	<b>2006</b>
	£	£
Profit on disposal of Hotel	<b>600,217</b>	-

**8. TAXATION**

	<b>2007</b>	<b>2006</b>
	£	£
<b>ANALYSIS OF TAX CHARGE/(CREDIT) IN THE YEAR</b>		
<b>CURRENT TAX</b> (see note below)		
UK corporation tax charge on profits for the year	<b>561,325</b>	-
Adjustments in respect of prior periods	-	(30,978)
<b>TOTAL CURRENT TAX</b>	<b>561,325</b>	(30,978)
<b>DEFERRED TAX</b> (see note 15)		
Origination and reversal of timing differences	<b>(328,081)</b>	(120,194)
<b>TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES</b>	<b>233,244</b>	(151,172)

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	<b>2007</b>	<b>2006</b>
	£	£
Profit on ordinary activities before tax	<b>969,294</b>	95,620
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 - 19%)	<b>290,788</b>	18,168
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	-	5,556
Capital allowances for year in excess of depreciation	<b>(89,085)</b>	(110,167)
Utilisation of tax losses	<b>(141,643)</b>	78,363
Other tax adjustments	<b>(57,405)</b>	8,080
Adjustments to tax charge in respect of prior periods	-	(30,978)
Chargeable gain	<b>558,670</b>	-
<b>CURRENT TAX CHARGE/(CREDIT) FOR THE YEAR</b> (see note above)	<b>561,325</b>	(30,978)

**BEALE'S LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**9. TANGIBLE FIXED ASSETS**

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
<b>COST</b>				
At 1 April 2006	10,904,072	5,350,546	51,404	16,306,022
Additions	63,123	116,181	-	179,304
Disposals	(4,209,453)	(1,220,517)	-	(5,429,970)
Transfer between classes	688,498	(688,498)	-	-
At 31 March 2007	<u>7,446,240</u>	<u>3,557,712</u>	<u>51,404</u>	<u>11,055,356</u>
<b>DEPRECIATION</b>				
At 1 April 2006	602,175	2,732,346	26,272	3,360,793
Charge for the year	64,123	290,524	6,639	361,286
On disposals	(166,775)	(1,215,285)	-	(1,382,060)
At 31 March 2007	<u>499,523</u>	<u>1,807,585</u>	<u>32,911</u>	<u>2,340,019</u>
<b>NET BOOK VALUE</b>				
At 31 March 2007	<u>6,946,717</u>	<u>1,750,127</u>	<u>18,493</u>	<u>8,715,337</u>
At 31 March 2006	<u>10,301,897</u>	<u>2,618,200</u>	<u>25,132</u>	<u>12,945,229</u>

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

	2007 £	2006 £
Plant and machinery	103,699	102,913
Motor vehicles	13,927	18,569
	<u>117,626</u>	<u>121,482</u>

Included in land and buildings is freehold land amounting to £400,000 (2006 - £1,600,000) which is not depreciated.

At 31 March 2007, included within the net book value of land and buildings is £4,943,624 (2006 - £8,954,471) relating to freehold land and buildings, £2,003,093 (2006 - £2,035,924) relating to long term leasehold land and buildings and £NIL (2006 - £NIL) relating to short term leasehold land and buildings.



---

**BEALE'S LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

---

**10. FIXED ASSET INVESTMENTS**

	Shares in group under- takings £
<b>COST OR VALUATION</b>	
At 1 April 2006 and 31 March 2007	<b>40,107</b>

**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the company:

Beale's (Caterers) Limited	100% shareholding
Buckingham Lodge Hotel Limited	100% shareholding

The aggregate of the share capital and reserves as at 31 March 2007 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Beale's (Caterers) Limited	40,007	-
Buckingham Lodge Hotel Limited	2,838,042	-

Both companies are dormant.

**11. STOCKS**

	2007 £	2006 £
Bar and food stocks	20,199	28,241

**12. DEBTORS**

	2007 £	2006 £
Trade debtors	41,167	132,682
Taxation recoverable	186,223	-
Other debtors	7,964	6,683
Prepayments and accrued income	174,165	139,876

---

**BEALE'S LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

---

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

	2007 £	2006 £
Bank loans and overdrafts	253,006	551,173
Payments received on account	81,715	113,510
Net obligations under finance leases and hire purchase contracts	41,280	39,721
Trade creditors	191,127	170,718
Corporation tax	606,797	45,472
Social security and other taxes	178,407	202,927
Accruals and deferred income	230,736	238,440
	<u>1,583,068</u>	<u>1,361,961</u>

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**

	2007 £	2006 £
Bank loans	3,099,325	6,851,199
Other loans	1,451	8,215
Net obligations under finance leases and hire purchase contracts	42,911	70,671
Amounts owed to group undertakings	40,107	40,107
	<u>3,183,794</u>	<u>6,970,192</u>

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

	2007 £	2006 £
Repayable by instalments	<u>2,087,301</u>	<u>6,851,199</u>

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 £3,090,500 is hedged at a rate of 5.11%, expiring on 29 June 2008.

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

	2007 £	2006 £
Between one and five years	<u>42,911</u>	<u>70,671</u>

---

**BEALE'S LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

---

**15. DEFERRED TAXATION**

	2007 £	2006 £
At 1 April 2006	339,181	459,375
Released during the year	(328,081)	(120,194)
	<u>11,100</u>	<u>339,181</u>
At 31 March 2007	<u>11,100</u>	<u>339,181</u>

The provision for deferred taxation is made up as follows:

	2007 £	2006 £
Accelerated capital allowances	208,714	610,217
Tax losses brought forward	(179,772)	(254,286)
Other timing differences	(17,842)	(16,750)
	<u>11,100</u>	<u>339,181</u>
	<u>11,100</u>	<u>339,181</u>

**16. SHARE CAPITAL**

	2007 £	2006 £
<b>AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID</b>		
60,000 Ordinary Shares shares of £1 each	<u>60,000</u>	<u>60,000</u>

**17. RESERVES**

	Profit and loss account £
At 1 April 2006	4,564,151
Profit retained for the year	736,050
Dividends: Equity capital	(172,800)
	<u>5,127,401</u>
At 31 March 2007	<u>5,127,401</u>

---

**BEALE'S LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

---

**18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2007 £	2006 £
Opening shareholders' funds	4,624,151	4,430,159
Profit for the year	736,050	246,792
Dividends	(172,800)	(52,800)
	<hr/>	<hr/>
Closing shareholders' funds	<u>5,187,401</u>	<u>4,624,151</u>

**19. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2007 £	2006 £
Operating profit	566,519	575,386
Depreciation of tangible fixed assets	361,286	354,034
Loss on disposal of tangible fixed assets	-	5,256
Decrease in stocks	8,042	4,179
Increase in debtors	(130,278)	(34,347)
Decrease in creditors	(43,610)	(363,588)
	<hr/>	<hr/>
<b>NET CASH INFLOW FROM OPERATIONS</b>	<u>761,959</u>	<u>540,920</u>

**20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2007 £	2006 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	13,973	3,493
Interest paid	(397,638)	(484,849)
Other income	186,223	-
	<hr/>	<hr/>
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<u>(197,442)</u>	<u>(481,356)</u>
	<hr/>	<hr/>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(179,304)	(131,198)
Sale of tangible fixed assets	4,648,127	-
	<hr/>	<hr/>
<b>NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE</b>	<u>4,468,823</u>	<u>(131,198)</u>

---

**BEALE'S LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	2007 £	2006 £
<b>FINANCING</b>		
New secured loans	-	6,851,199
Repayment of loans	(3,831,335)	(5,965,556)
Other new loans	-	334,657
Repayment of other loans	(6,764)	(426,111)
(Repayment of)/new finance leases	(26,201)	23,230
	<b>(3,864,300)</b>	<b>817,419</b>
<b>NET CASH (OUTFLOW)/INFLOW FROM FINANCING</b>	<b>(3,864,300)</b>	<b>817,419</b>

**21. ANALYSIS OF CHANGES IN NET DEBT**

	1 April 2006 £	Cash flow £	Other non-cash changes £	31 March 2007 £
Cash at bank and in hand:	2,667	777,534	-	780,201
Bank overdraft	(218,706)	218,706	-	-
	<b>(216,039)</b>	<b>996,240</b>	<b>-</b>	<b>780,201</b>
<b>DEBT:</b>				
Debts due within one year	(372,188)	3,857,536	(3,779,634)	(294,286)
Debts falling due after more than one year	(6,930,085)	-	3,786,398	(3,143,687)
<b>NET DEBT</b>	<b>(7,518,312)</b>	<b>4,853,776</b>	<b>6,764</b>	<b>(2,657,772)</b>

**22. PENSION COMMITMENTS**

Contributions payable by the company for the year £68,214 (2005: £95,531).

---

BEALE'S LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007

---

23. OPERATING LEASE COMMITMENTS

At 31 March 2007 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		2007 £	Other 2006 £
	2007 £	2006 £		
<b>EXPIRY DATE:</b>				
Within 1 year	-	-	1,241	-
Between 2 and 5 years	38,000	-	-	1,241
After more than 5 years	-	38,000	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

24. CONTROLLING PARTY

There is no ultimate controlling party.

---

**BEALE'S LIMITED**

---

---

**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2007**

---

	<b>Page</b>	<b>2007 £</b>	<b>2006 £</b>
<b>Turnover</b>	21	<b>6,238,788</b>	6,233,342
Cost of sales	21	<b>(2,758,681)</b>	(2,805,262)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>3,480,107</b>	3,428,080
<b>Gross profit %</b>		<b>55.8 %</b>	55.0 %
<b>Less: Overheads</b>			
Administration expenses	21	<b>(2,913,588)</b>	(2,852,694)
		<hr/>	<hr/>
<b>Operating profit</b>		<b>566,519</b>	575,386
Interest receivable	22	<b>13,973</b>	3,493
Interest payable	22	<b>(397,638)</b>	(483,259)
Other income	22	<b>186,223</b>	-
Exceptional items	22	<b>600,217</b>	-
		<hr/>	<hr/>
<b>Profit for the year</b>		<b>969,294</b>	95,620
		<hr/> <hr/>	<hr/> <hr/>

**BEALE'S LIMITED**

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2007**

	2007	2006
	£	£
<b>Turnover</b>		
Sales	6,033,965	6,025,940
Rent receivable	18,940	-
Commissions receivable	185,883	207,402
	6,238,788	6,233,342
	6,238,788	6,233,342
	2007	2006
	£	£
<b>Cost of sales</b>		
Purchases	816,709	794,017
Wages and salaries	1,915,840	1,987,327
Agency costs	26,132	23,918
	2,758,681	2,805,262
	2,758,681	2,805,262
	2007	2006
	£	£
<b>Administration expenses</b>		
Directors salaries	168,769	162,067
Directors fees	19,900	23,060
Directors pension costs - money purchase schemes	52,200	23,084
Wages and salaries	75,776	74,776
Employers national insurance	171,554	172,813
Pension costs	39,715	46,534
Staff training	22,628	35,119
Staff welfare	28,499	25,913
Entertainment	1,332	10,611
Travel and subsistence	21,468	20,971
Stationery	17,498	17,919
Postage	8,719	8,680
Telephone and fax	19,837	25,815
Advertising and promotion	211,971	214,529
Trade subscriptions	14,913	18,253
Legal and professional	6,853	25,998
Auditors' remuneration	18,908	10,908
Bank charges	38,897	10,710
Bad debts	1,691	(545)
Sundry expenses	195,375	197,601
Rent - non-operating leases	48,000	35,658
Rates	197,752	205,421
Water	56,478	35,602
Light and heat	182,923	133,202
Cleaning	241,621	235,271
	1,863,277	1,769,970
Sub-total carried forward	1,863,277	1,769,970



---

**BEALE'S LIMITED**

---

---

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2007**

---

	2007 £	2006 £
<b>Administration expenses (continued)</b>		
Sub-total brought forward	1,863,277	1,769,970
Insurances	67,605	76,239
Repairs and maintenance	302,387	264,793
Depreciation - plant and machinery	354,646	345,656
Depreciation - motor vehicles	6,639	8,378
Profit/loss on sale of tangible assets	-	5,256
Sundry operating expenses	157,252	204,758
Commissions payable	161,782	177,644
	<u>2,913,588</u>	<u>2,852,694</u>
	2007 £	2006 £
<b>Interest receivable</b>		
Interest receivable	<u>13,973</u>	<u>3,493</u>
	2007 £	2006 £
<b>Interest payable</b>		
Bank overdraft interest payable	6,155	21,307
Bank loan interest payable	391,365	463,423
Other loan interest payable	118	120
Other interest - on overdue tax	-	(1,591)
	<u>397,638</u>	<u>483,259</u>
	2007 £	2006 £
<b>Other income</b>		
Taxation recoverable	<u>186,223</u>	<u>-</u>
	2007 £	2006 £
<b>Exceptional items</b>		
Profit/(loss) on disposal of fixed assets	<u>600,217</u>	<u>-</u>