

# Keeping it in the family

*Shipshape talks to John Daniel of Daniel Department Stores, which has been a family-run business for over 110 years.*



Daniel Department Stores first opened its doors in 1901 as a small drapers shop in Ealing. Today it is still run by the same family and has three stores – a large department store in Windsor and two smaller shops in Ealing and Chiswick.

“Daniel’s success can be attributed to a fantastic team of staff, supported by a very hands-on approach by the family,” explains joint managing director John Daniel. “Founder Walter James Daniel and his son Charles Daniel had the foresight to purchase the department stores as freehold property and this has been the bedrock of the business. The company has never paid out all its profits to shareholders, which has allowed the store to continually re-invest in property and refurbishment. In addition, we’ve been selling the right merchandise for over 110 years.”

#### Royal seal of approval

The stores sell many strong brands across their homeware, fashion, musical instruments, sports and toy departments. Membership of buying group AIS, which is made up of 450 independent stores nationwide, provides similar buying power to groups such as House of Fraser, Debenhams and John Lewis. Daniel Stores are proud holders of Her Majesty The Queen’s Royal Warrant and were awarded the 2011 Independent Toy Retailer of the Year Award.

Commenting on the current retail environment, John says that in recent years the retail multiples

have squeezed margins and made it harder to compete. While the company was initially successful selling online at competitive prices, more recently many manufacturers have introduced pricing agreements that have reduced gross margins. Higher raw material prices, rates and utility costs also continue to put pressure on profit margins.

#### Cutting through the red tape

On the subject of red tape, John says that this cost the company considerable time and money. Daniel’s restaurants, for example, have to carry out regular nutrition and hygiene training, and staff are regularly trained in areas such as manual handling, fire and protective equipment. The introduction of the new pension regulations are expected to be yet another administrative burden, as well as a financial cost to the business.

John believes that the Government could do more to help UK businesses – for example stimulating investment through enhanced capital allowances. “Businesses are now paying a fifth of their sales revenue in VAT, while National Insurance and business rates continue to increase. He’d like to see the Government apply pressure on the Bank of England to maintain interest rates at a low level and somehow ensure that this is reflected in the interest rate on loans and other financial support provided by the banking sector.”

With many multinationals currently under fire for mitigating

their tax liability in the UK by transferring UK profits to other jurisdictions, John believes that “all businesses should contribute to the economy in a fair and proportional way”.

#### Shipleys support

Shipleys provides Daniel with tax and compliance support. “Nancy Cruickshanks, a former VAT officer, gave us very strong VAT support during a VAT inspection and Penny Brockhurst, an ex-inspector, has a great insight into taxation which is invaluable to us” explains John. We would also like to extend our appreciation to Graham Baxter and Simon Robinson.”

#### Future plans

The Windsor department store has recently been extended to more than 70,000 sq ft and is in the process of introducing a number of new concessions and departments, such as televisions. With the current challenging economic conditions expected to continue for at least the majority of 2013, while operating in an increasingly competitive market place, John says the company will “continue to regularly review our trading strategies to maintain a competitive advantage, ultimately to sustain value for money for our customers and at the same time make Daniel an exciting place to be”.

Daniel would like to extend a warm welcome to Shipleys’ clients visiting one of its stores.

[www.danielstores.co.uk](http://www.danielstores.co.uk)

Daniel’s management team collecting the Independent Toy Retailer of the Year Award

