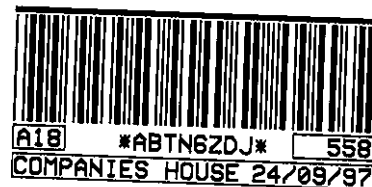


HAYNES BROTHERS LIMITED
REPORT AND FINANCIAL STATEMENTS
31ST DECEMBER 1996

REGISTERED NUMBER: 48511

Kidsons Impey
Chartered Accountants
Spectrum House
20-26 Cursitor Street
London EC4A 1HY



HAYNES BROTHERS LIMITED

DIRECTORS REPORT

31st December 1996

The directors present their annual report and the audited financial statements of the company for the year ended 31st December 1996.

Principal activities and business review

The company trades under the name Haynes of Maidstone Limited as Motor Engineers with a Distributorship for Ford cars that includes the Sports Coupé and Off-road Vehicle Franchise and the Ford Transit Specialist Dealer Franchise. Additionally, the company holds an Iveco Ford Truck Franchise. The company also trades under the name Haynes Agricultural (Kent) Limited as Agricultural Engineers including the New Holland Franchise for Ford and Fiat Tractors and Harvest Equipment for Kent together with other Franchises for Agricultural and Turfcare Equipment.

In the face of the continuing pressures generally of a highly competitive market, the balance sheet on page 5 continues to reflect a very strong commercial base, from which the company will continue wherever possible to expand its business opportunities.

Statement of directors' responsibilities

The directors are required under company law to prepare financial statements for each financial year which 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 they are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, and give details of any departures;
- prepare the financial statements on a going concern basis unless in my view the company will be unable to continue in business.

They are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

Profits and dividends

The profit on ordinary activities for the year after tax amounted to £173,141 (1995: £127,324). An interim dividend of £100,000 on the ordinary shares was paid during the year; no final dividend is recommended. It is recommended that a dividend of £175 be paid in respect of the 3½% preference shares. The balance of £44,290 (1995: £2,788) is added to reserves.

Directors

Mr. D.B. Haynes was a director of the company at 31st December 1996 and served throughout the year.

On 4th March 1996, Mr. A.D.S. Haynes was appointed a director.

HAYNES BROTHERS LIMITED

DIRECTORS REPORT

31st December 1996

(continued)

Directors shareholdings

The interests of the directors in the company's share capital are set out below:

	At 31st December 1996		At 31st December 1995 (or date of appointment if later)	
	Shares of £10 each		Shares of £10 each	
	Ordinary	3½% cumulative preference shares	Ordinary	3½% cumulative preference shares
D.B. Haynes	4,200	225	4,200	225
A.D.S. Haynes	-	-	-	-

The interest of Mr D.B. Haynes in 1,440 ordinary shares of £10 each is non-beneficial and Mr A.D.S. Haynes has an interest as trust beneficiary in these shares.

In addition D.B. Haynes holds £14,000 (1995: £14,000) of the perpetual unsecured loan stock.

Disabled persons

It is established company policy to offer the same opportunity to disabled people as to all others in matters of recruitment and career advancement, provided they have the ability to perform the tasks required with or without training, and to provide retraining where necessary in cases when disability is incurred during employment with the company.

Employee involvement

It is company policy to ensure that employees are provided with information on all matters of concern to them. Accordingly appropriate steps are taken to ensure that employees or their representatives are aware of the financial and economic factors affecting the company's performance, are consulted wherever necessary and are encouraged generally to be involved in the company's overall performance.

Donations

During the year, the company made donations for political and charitable purposes amounting to £3,171 (1995: £2,218).

Fixed assets

The movements in fixed assets during the year are set out in the notes to the financial statements. The company's freehold premises in Maidstone were professionally valued in November 1992, and the freehold properties at Appledore and Eastry continue to be shown at cost. In the directors' opinion the current value of these properties exceeds their balance sheet value by at least 10%.

Auditors

Kidsons Impey have agreed to offer themselves for re-election as auditors of the company.

By order of the board

G.J. Morgan

Secretary



Registered Office:
23 Ashford Road
Maidstone
Kent
ME14 5DQ

30th July 1997

HAYNES BROTHERS LIMITED

AUDITORS' REPORT

Auditors' report to the members of Haynes Brothers Limited

We have audited the financial statements on pages 4 to 13 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 1 the directors of the company are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 judgements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Clive Impéy
Kidsons Impéy

Registered Auditors

Chartered Accountants

London

30th July 1997

HAYNES BROTHERS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1996

	Note	1996 £	1995 £
Turnover	2	30,798,180	27,908,525
Cost of sales		<u>(28,527,549)</u>	<u>(25,728,183)</u>
Gross profit		2,270,631	2,180,342
Advertising and distribution costs		(443,502)	(506,842)
Administrative expenses		<u>(1,461,993)</u>	<u>(1,362,294)</u>
Operating profit		365,136	311,206
Interest payable	3	<u>(136,995)</u>	<u>(155,432)</u>
Profit on ordinary activities before taxation	3	228,141	155,774
Taxation	6	<u>(55,000)</u>	<u>(28,450)</u>
Profit on ordinary activities after taxation		173,141	127,324
Dividends	7	<u>(128,851)</u>	<u>(124,536)</u>
Retained profit for the financial year		44,290	2,788
Balance brought forward		<u>4,278,767</u>	<u>4,275,979</u>
Balance carried forward		<u>4,323,057</u>	<u>4,278,767</u>

All activities are classed as continuing. There were no acquisitions during the year.

A statement of recognised gains and losses has not been prepared as there are no recognised gains and losses other than the profit for the year.

The notes on pages 8 to 13 form part of these financial statements.

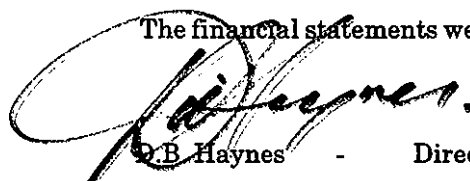
HAYNES BROTHERS LIMITED

BALANCE SHEET

at 31st December 1996

	Note	1996		1995	
		£	£	£	£
Fixed assets					
Investments	8		8,080		8,000
Tangible assets	9		<u>5,240,218</u>		<u>5,206,721</u>
			5,248,298		5,214,721
Current assets					
Stocks	10	5,390,511		4,891,307	
Debtors	11	2,934,946		3,164,183	
Cash at bank and in hand		<u>2,070</u>		<u>5,290</u>	
		8,327,527		8,060,780	
Creditors: amounts falling due within one year	12	<u>5,528,957</u>		<u>5,303,958</u>	
Net current assets			<u>2,798,570</u>		<u>2,756,822</u>
Total assets less current liabilities			8,046,868		7,971,543
Creditors: amounts falling due after more than one year	12	474,280		451,245	
Provisions for liabilities and charges	13	<u>24,500</u>		<u>16,500</u>	
			<u>498,780</u>		<u>467,745</u>
Net assets			<u>7,548,088</u>		<u>7,503,798</u>
Capital and reserves					
Called up share capital	14		415,000		415,000
Revaluation reserve	15		2,810,031		2,810,031
Profit and loss account	15		<u>4,323,057</u>		<u>4,278,767</u>
Net assets			<u>7,548,088</u>		<u>7,503,798</u>
Attributable to:					
Equity shareholders			7,193,088		7,148,798
Non-equity shareholders			<u>355,000</u>		<u>355,000</u>
			<u>7,548,088</u>		<u>7,503,798</u>

The financial statements were approved by the Board of Directors on 30th July 1997.


D.B. Haynes - Director

The notes on pages 8 to 13 form part of these financial statements.

HAYNES BROTHERS LIMITED

CASH FLOW STATEMENT

for the year ended 31st December 1996

	1996		1995	
	£	£	£	£
Net cash inflow/(outflow) from operating activities		539,612		(517,928)
Returns on investments and servicing of finance				
Interest paid	(136,995)		(155,432)	
Dividends paid	<u>(228,851)</u>		<u>(24,536)</u>	
Net cash outflow from returns on investments and servicing of finance		(365,846)		(179,968)
Taxation				
Corporation tax paid (including advance corporation tax)		(56,688)		(23,452)
Investing activities				
Payments to acquire fixed asset investments	(80)		-	
Payments to acquire tangible fixed assets	(179,888)		(81,621)	
Receipts from sales of tangible fixed assets	<u>38,981</u>		<u>24,225</u>	
Net cash outflow from investing activities		<u>(140,987)</u>		<u>(57,396)</u>
Net cash outflow before financing		(23,909)		(778,744)
Financing				
Bill of Exchange acquired	500,000		-	
Capital element of finance leases	(242,651)		(113,634)	
Finance leases acquired	<u>240,556</u>		<u>208,500</u>	
Increase/(decrease) in cash and cash equivalents		<u>497,905</u>		<u>94,866</u>
		<u>473,996</u>		<u>(683,878)</u>

Notes to the cash flow statement are set out on page 7.

HAYNES BROTHERS LIMITED

NOTES TO THE CASH FLOW STATEMENT

for the year ended 31st December 1996

1 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	1996 £	1995 £
Operating profit	365,136	311,206
Depreciation charges	107,410	119,596
(Increase) in stocks	(499,204)	(190,863)
Decrease/(increase) in debtors	74,590	(922,981)
Increase/(decrease) in creditors	342,236	(393,031)
Decrease in deposit with Ford Motor Company	<u>149,444</u>	<u>558,145</u>
	<u>539,612</u>	<u>(517,928)</u>

2 Analysis of changes in cash and cash equivalents during the year

	1994 £	1995 £
Balance at 1st January 1996	(1,080,139)	(396,261)
Net cash inflow/(outflow)	<u>473,996</u>	<u>(683,878)</u>
Balance at 31st December 1996	<u>(606,143)</u>	<u>(1,080,139)</u>

3 Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1996 £	1995 £	Change in the year £
Cash at bank and in hand	2,070	5,290	(3,220)
Bank overdraft	<u>(608,213)</u>	<u>(1,085,429)</u>	<u>477,216</u>
	<u>(606,143)</u>	<u>(1,080,139)</u>	<u>473,996</u>

4 Analysis of changes in financing during the year

	Finance leases and hire purchase agreements £	Perpetual unsecured loan stock £	Total £
Balance at 1st January 1996	208,500	55,000	263,500
Cash outflow from financing	(242,651)	-	(242,651)
Hire purchase agreements undertaken	<u>240,556</u>	<u>-</u>	<u>240,556</u>
Balance at 31st December 1996	<u>206,405</u>	<u>55,000</u>	<u>261,405</u>

HAYNES BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st December 1996

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules except for certain freehold land and buildings which are stated at revalued amounts.

Cost of sales

Cost of sales is stated as all those costs directly incurred by the company, including depreciation, in order to bring each product sold to its saleable condition and to provide the services to customers.

Depreciation

Depreciation is calculated to write off the cost of all tangible fixed assets, other than freehold land and buildings, in equal annual instalments over their estimated useful lives, at the rate of 10% per annum, except for motor vehicles which are written down to their estimated realisable value at the balance sheet date.

It is the company's policy to maintain its properties in such a condition that their residual value, as assessed at the time of acquisition or subsequent valuation, is at least equal to book value. Having regard to this, it is the opinion of the directors that depreciation of any such freehold property, as required by the Companies Act 1985 and accounting standards, would not be material and accordingly none is provided.

Stocks

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

The dealership has made arrangements with a limited number of customers which include the commitment to repurchase vehicles at a future date at a pre-determined price. In accordance with Financial Reporting Standard No. 5, the residual interest in these vehicles is included in stock with the corresponding liability included in creditors falling due within one year and creditors falling due after more than one year.

Deferred taxation

Deferred taxation is provided under the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Assets held under finance leases

For assets under finance leases acquired since 1st January 1991, the asset is capitalised and the corresponding liability to the finance company is included in finance lease creditors. Depreciation on such assets is charged to the profit and loss account at rates calculated to write off the capitalised value of the asset over the shorter of its expected useful life and the term of the lease. Finance lease payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account over the period of the agreement.

Certain agricultural vehicles are leased to customers on a short-term basis, the asset being included in agricultural stocks.

For assets acquired under finance leases in earlier years, the assets were not capitalised and the rentals are charged to the profit and loss account on a straight line basis.

Pensions

Contributions are charged to the profit and loss account on the basis of actuarial recommendations to the scheme trustees.

2 Turnover

Turnover represents the invoiced value excluding value added tax, of goods sold and services provided to customers.

HAYNES BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st December 1996
(continued)

3 Profit on ordinary activities before taxation	1996		1995	
	£	£	£	£
This is stated after charging:				
Interest payable:				
Finance charges under finance leases	-		-	
Loans wholly repayable within five years	36,155		66,249	
Loans not wholly repayable within five years	5,500		5,500	
Bank overdraft and other interest	<u>95,340</u>		<u>83,683</u>	
		136,955		155,432
Depreciation		107,410		119,596
Auditors' remuneration for audit		18,000		17,000
Auditors' remuneration for other services		14,355		13,999
Directors' emoluments		<u>253,380</u>		<u>203,236</u>
4 Directors' emoluments				
Emoluments, which are for management, excluding pension contributions, are analysed as follows:				
Chairman and highest paid director				
Salary	181,987		181,987	
Assessable benefits	<u>19,196</u>		<u>21,249</u>	
		<u>201,183</u>		<u>203,236</u>
Number of other directors whose emoluments were within the ranges:			1996	1995
			Number	Number
£45,001 - £50,000			<u>1</u>	<u>-</u>
5 Employees				
The average number of persons including directors employed by the company during the year was:				
Service and workshop staff			138	137
Management and administration			61	61
Sales staff			<u>24</u>	<u>24</u>
			<u>223</u>	<u>222</u>
Staff costs:			£	£
Wages and salaries			3,453,409	3,302,957
Social security costs			331,615	316,183
Other pension costs			<u>102,917</u>	<u>101,745</u>
			<u>3,887,941</u>	<u>3,720,885</u>
Pensions costs				

The company operates a pension scheme based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Contributions funding the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

HAYNES BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st December 1996

(continued)

5 Employees (continued)

Pension costs (continued)

The financial position of the scheme is determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return of investments and the rates of increase in salaries. The most recent valuation available was at 1st April 1993. It was then assumed that share dividends would increase by 4%, pensionable salaries by 7% and investment returns by 9% per annum. This valuation showed that the scheme's assets covered 89% (1990: 83%) of its liabilities.

For the purposes of determining the pension charge in the financial statements, different actuarial assumptions are used, the key change being a higher assumed investment return. These assumptions lead to a pension charge for the year of £102,917 (1995: £101,745).

The contributions of the company for the year were 7½% (staff) and 2½% (works) and contributions are to continue at this level until the next triennial valuation. No contributions are paid by employees.

6 Taxation	1996 £	1995 £
United Kingdom corporation tax payable based on the profit for the year at 25%	47,000	57,000
Transfer from/(to) deferred taxation (Note 13)	8,000	(28,000)
(Over) under provision in respect of prior years	-	(550)
	<u>55,000</u>	<u>28,450</u>

7 Dividends	£	£
3½% Cumulative preference shares -proposed	175	175
Variable rate cumulative preference shares -paid	28,676	24,361
Ordinary shares - interim paid	100,000	-
Ordinary shares - final proposed	-	100,000
	<u>128,851</u>	<u>124,536</u>

8 Fixed asset investments	Others £	Subsidiary undertakings £	Total £
At 31st December 1995	<u>7,800</u>	<u>200</u>	<u>8,000</u>
At 31st December 1996	<u>7,880</u>	<u>200</u>	<u>8,080</u>

The investments in subsidiary undertakings are in two dormant agency wholly-owned subsidiary companies, Haynes of Maidstone Limited and Haynes Agricultural (Kent) Limited. Both are incorporated in Great Britain and registered in England and Wales.

The other investment relates to a minority holding in Dealer Truck Services, an unlimited private company formed to hold Iveco Ford dealers' interests in Trucksure Services Limited. This investment is held through a wholly-owned subsidiary company, Haynes Truck (Contracts) Limited.

HAYNES BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st December 1996
(continued)

9 Tangible fixed assets	Freehold Land and Buildings £	Fixtures and Fittings £	Plant and Equipment £	Motor Vehicles £	Total £
Cost or valuation					
1st January 1996	4,790,355	278,086	999,485	303,622	6,371,548
Additions	-	8,028	67,874	75,311	151,213
Transfers from vehicle stocks	-	-	-	28,675	28,675
Disposals	-	(1,330)	-	(60,291)	(61,621)
31st December 1996	<u>4,790,355</u>	<u>284,784</u>	<u>1,067,359</u>	<u>347,317</u>	<u>6,489,815</u>
Depreciation					
1st January 1996	-	226,474	755,156	183,197	1,164,827
Charge for the year	-	13,232	55,128	39,050	107,410
Disposals	-	(1,060)	-	(21,580)	(22,640)
31st December 1996	<u>-</u>	<u>238,646</u>	<u>810,284</u>	<u>200,667</u>	<u>1,249,597</u>
Net book amount					
31st December 1996	<u>4,790,355</u>	<u>46,138</u>	<u>257,075</u>	<u>146,650</u>	<u>5,240,218</u>
31st December 1995	<u>4,790,335</u>	<u>51,612</u>	<u>244,329</u>	<u>120,425</u>	<u>5,206,721</u>

All tangible fixed assets are shown at cost with the exception of freehold land and buildings which comprised £4,521,000 at valuation in 1992 and £269,355 at cost. The company's freehold premises in Maidstone were revalued on 19th November 1992 by Montagu Evans Chartered Surveyors on the basis of open market value for existing use. The freehold properties at Appledore and Eastry continue to be shown at cost.

10 Stocks	1996 £	1995 £
Cars and commercial vehicles	1,984,274	1,914,596
Vehicle repurchase commitments	564,980	504,630
Agricultural vehicles and implements	1,571,749	1,285,135
Parts stock	<u>1,269,508</u>	<u>1,186,946</u>
	<u>5,390,511</u>	<u>4,891,307</u>

The replacement cost of stocks is not materially different from the balance sheet value.

At 31st December 1996 the total amount of consignment stock held on a sale or return basis and not recorded in the balance sheet amounted to £1,962,080 (1995: £2,237,151). The principal terms of the consignment agreements, which can be terminated by either side, are such that the company can return any or all of the stock to the relevant suppliers without financial or commercial penalties and the supplier can vary stock prices. The dealer was previously required to lodge a financial deposit under these agreements.

Stocks include £564,980 (1995: £504,630) relating to the residual interest on vehicles which include a commitment to repurchase at a future date at a pre-determined price. The corresponding liability is included in creditors falling due within one year and creditors falling due after more than one year to comply with Financial Reporting Standard No. 5.

HAYNES BROTHERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

31st December 1996
(continued)

11 Debtors	1996	1995
	£	£
Amounts due within one year:		
Trade debtors	2,579,941	2,604,524
Deposits with motor vehicle manufacturers (see note 10 above)	-	149,444
Other debtors	215,081	237,333
Prepayments and accrued income	120,127	147,882
Advance corporation tax recoverable	<u>19,797</u>	<u>25,000</u>
	<u>2,934,946</u>	<u>3,164,183</u>

12 Creditors	Amounts falling due within one year		Amounts falling due after more than one year	
	1996	1995	1996	1995
	£	£	£	£
Bank loans and overdrafts	608,213	1,085,429	-	-
Perpetual unsecured loan stock	-	-	55,000	55,000
Other loans	342,000	125,000	-	-
Bills of exchange	500,000	-	-	-
Trade creditors	2,885,121	2,915,441	-	-
Corporation tax	10,199	53,685	-	-
Advance corporation tax	53,595	25,000	-	-
Other taxes and social security costs	184,198	98,354	-	-
Other creditors	219,306	218,078	-	-
Accruals and deferred income	373,845	365,711	-	-
Amounts owed to subsidiary undertakings	200	200	-	-
Net obligations under finance leases	206,405	208,500	-	-
Vehicle repurchase commitments	145,700	108,385	419,280	396,245
Proposed dividends	<u>175</u>	<u>100,175</u>	<u>-</u>	<u>-</u>
	<u>5,528,957</u>	<u>5,303,958</u>	<u>474,280</u>	<u>451,245</u>

The finance lease obligations shown above relate to short term leases lasting less than a year where the corresponding assets are included under agricultural vehicle stocks.

13 Provisions for liabilities and charges	Accelerated capital allowances	Short term timing differences	Total
	£	£	£
Full provision has been made, based on a corporation tax rate of 25%, in respect of corporation tax deferred because of timing differences			
At 1st January 1996	36,500	(20,000)	16,500
Transfer from profit and loss account - movement	<u>-</u>	<u>8,000</u>	<u>8,000</u>
At 31st December 1996	<u>36,500</u>	<u>(12,000)</u>	<u>24,500</u>

HAYNES BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st December 1996
(continued)

14 Called-up share capital	1996 and 1995		
	Number of shares	Authorised £	Allotted, Called-up and Fully Paid £
Equity share capital			
Ordinary shares of £10 each	5,600	56,000	56,000
Non-voting ordinary shares of £10 each	400	<u>4,000</u>	<u>4,000</u>
		<u>60,000</u>	<u>60,000</u>
Non-equity share capital			
Variable rate cumulative preference shares of £1 each	350,000	350,000	350,000
3½% cumulative preference shares of £10 each	500	<u>5,000</u>	<u>5,000</u>
		<u>355,000</u>	<u>355,000</u>
Total share capital		<u>415,000</u>	<u>415,000</u>

The variable rate preference shares have no rights other than the right to a dividend of 1½% over average bank base rate for the preceding year payable in arrears on 30th June and 31st December and the right on a return of assets on liquidation or otherwise for the capital paid up to be repaid together with any arrears or accruals of the cumulative preference dividend before any amounts are repaid to any other shareholder. The 3½% cumulative preference shares have no rights other than the right to a dividend of 3½% payable annually and the right to second preference behind the variable rate cumulative preference shares on a return of assets on liquidation or otherwise.

15 Reserves	Total £	Revaluation reserve £	Profit and loss account £
1st January 1996	7,088,798	2,810,031	4,278,767
Profit for the financial year	<u>44,290</u>	-	<u>44,290</u>
31st December 1996	<u>7,133,088</u>	<u>2,810,031</u>	<u>4,323,057</u>

16 Capital commitments and contingent liabilities	1996 £	1995 £
Capital commitments authorised by the Board and for which contracts had been placed:	<u>Nil</u>	<u>Nil</u>
Contingent liabilities:		
Terminable indemnity re advance payment guarantee	<u>185,000</u>	<u>185,000</u>

17 Reconciliation of movement in shareholders' funds	£	£
Profit for the financial year	173,141	127,324
Dividends	<u>(128,851)</u>	<u>(124,536)</u>
Net addition to shareholders' funds	44,290	2,788
Opening shareholders' funds	<u>7,503,798</u>	<u>7,501,010</u>
Closing shareholders' funds	<u>7,548,088</u>	<u>7,503,798</u>

18 Related party transactions

Mr. D.B. Haynes, the Chairman, owns 46% and Mr. A.D.S. Haynes has an interest in 24% of the equity share capital of the company; taken together these shares control 75% of the voting rights. No transactions under FRS 8 arose.