

**HAYNES BROTHERS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**

**31ST DECEMBER 1992**

**REGISTERED NUMBER: 48511**

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



# HAYNES BROTHERS LIMITED

## DIRECTOR'S REPORT

31st December 1992

The director presents the annual report and the audited financial statements of the company for the year ended 31st December 1992.

### Principal activities and business review

The company trades under the name Haynes of Maidstone Limited as motor engineers including distributorships for Ford cars and Rallye-Sport, Ford commercial vehicles and Iveco Ford trucks and under the name Haynes Agricultural (Kent) Limited as agricultural engineers including distributorships for Ford New Holland and FiatAgri tractors and harvest equipment together with other franchises for agricultural and turfcare equipment.

Despite in particular all the considerable costs involved in opening a new agricultural depot at Eastry in East Kent, following the formation of Haynes Agricultural (Kent) Limited, and all the other pressures of a highly competitive market, the balance sheet on page 5 continues to reflect a very strong commercial base.

### Profits and dividends

The loss on ordinary activities for the year after tax amounted to £98,453 (1991: £67,581 profit). Dividends of £46,138 were paid during the year in respect of the variable rate preference shares. It is recommended that a dividend of £175 be paid in respect of the 3½% preference shares. The balance of £(144,766) (1991: £10,470 profit) is deducted from reserves.

### Director

Mr. D.B. Haynes was a director of the company at 31st December 1992 and served throughout the year.

### Director's shareholdings

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

	At 31st December 1992		At 31st December 1991	
	Shares of £10 each 3½% cumulative Ordinary preference shares	Shares of £10 each 3½% cumulative Ordinary preference shares	Shares of £10 each 3½% cumulative Ordinary preference shares	Shares of £10 each 3½% cumulative Ordinary preference shares
D.B. Haynes	4,200	225	4,200	225

In addition D.B. Haynes holds £14,000 (1991: £14,000) of the perpetual unsecured loan stock.

The director has no interest in the variable rate preference shares or the non-voting ordinary shares.

### 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.

# HAYNES BROTHERS LIMITED

## DIRECTOR'S REPORT

31st December 1992  
(continued)

### Donations

During the year, the company made donations for political and charitable purposes amounting to £1,656 (1991: £3,191).

### 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. The freehold properties at Appledore and Eastry continue to be shown at cost.

### Auditors

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

On behalf of the board



G.J. Morgan  
Secretary

### Registered Office:

23 Ashford Road  
Maidstone  
Kent  
ME14 5DQ

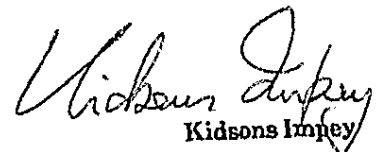
28th July 1993

**HAYNES BROTHERS LIMITED**  
**AUDITORS' REPORT**

**Auditors' report to the members of Haynes Brothers Limited**

We have audited the financial statements on pages 4 to 12 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 1992 and of its loss and cash flow for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985.

  
Nicholas Impey

Registered Auditors

Chartered Accountants

London

28th July 1993

# HAYNES BROTHERS LIMITED

## PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1992

	Note	1992 £	1991 £
Turnover		22,169,923	25,213,725
Cost of sales		<u>20,573,295</u>	<u>23,119,764</u>
Gross profit		1,596,628	2,093,961
Advertising and distribution costs		448,451	378,652
Administrative expenses		<u>1,414,002</u>	<u>1,464,845</u>
Operating (loss)/profit		(265,825)	250,464
Interest receivable		92,900	-
Interest payable		(162,565)	(133,825)
Exceptional items	3	<u>187,926</u>	<u>-</u>
(Loss)/profit on ordinary activities before taxation	3	(147,564)	116,639
Taxation	6	<u>(49,111)</u>	<u>49,058</u>
(Loss)/profit on ordinary activities after taxation		(98,453)	67,581
Dividends	7	<u>46,313</u>	<u>57,111</u>
Retained (loss)/profit for the financial year		(144,766)	10,470
Balance brought forward		<u>3,447,033</u>	<u>3,436,563</u>
Balance carried forward		<u>3,302,267</u>	<u>3,447,033</u>

The notes on pages 8 to 12 form part of these financial statements.

# HAYNES BROTHERS LIMITED

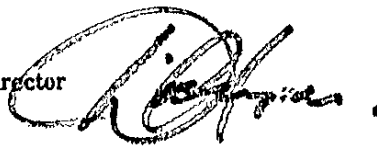
## BALANCE SHEET

at 31st December 1992

	Note	1992		1991	
		£	£	£	£
<b>Fixed assets</b>					
Investments	8		200		200
Tangible assets	9		<u>5,325,479</u>		<u>2,360,392</u>
			5,325,679		2,360,592
<b>Current assets</b>					
Stocks	10	3,479,823		3,024,130	
Debtors	11	1,512,002		2,483,284	
Cash at bank and in hand		<u>6,459</u>		<u>6,698</u>	
		4,998,284		5,514,112	
Creditors: amounts falling due within one year	12	<u>2,860,810</u>		<u>3,076,816</u>	
Net current assets			<u>2,137,474</u>		<u>2,437,296</u>
Total assets less current liabilities			7,463,153		4,797,888
Creditors: amounts falling due after more than one year	12	55,000		55,000	
Provisions for liabilities and charges	13	<u>46,000</u>		<u>46,000</u>	
			<u>101,000</u>		<u>101,000</u>
Net assets			<u>7,362,153</u>		<u>4,696,888</u>
<b>Capital and reserves</b>					
Called up share capital	14		415,000		415,000
Capital reserve			9,855		9,855
Revaluation reserve			2,810,031		-
General reserve			825,000		825,000
Profit and loss account			<u>3,302,267</u>		<u>3,447,033</u>
Shareholders' funds			<u>7,362,153</u>		<u>4,696,888</u>

The financial statements were approved by the director on 28th July 1993

D.B. Haynes - Director



The notes on pages 8 to 12 form part of these financial statements.

# HAYNES BROTHERS LIMITED

## CASH FLOW STATEMENT

for the year ended 31st December 1992

	1992		1991	
	£	£	£	£
<b>Net cash (outflow)/inflow from operating activities</b>		(50,667)		1,274,331
<b>Returns on investments and servicing of finance</b>				
Interest received	92,900		-	
Interest paid	(157,321)		(134,728)	
Dividends paid	<u>(46,313)</u>		<u>(57,111)</u>	
<b>Net cash (outflow)/inflow from returns on investments and servicing of finance</b>		(110,734)		(191,839)
<b>Taxation</b>				
Corporation tax paid (including advance corporation tax)	<u>(36,250)</u>		<u>(105,819)</u>	
<b>Tax paid</b>		(36,250)		(105,819)
<b>Investing activities</b>				
Payments to acquire investments in subsidiaries	-		(200)	
Payments to acquire tangible fixed assets	(305,887)		(229,709)	
Receipts from sales of tangible fixed assets	<u>9,500</u>		<u>12,210</u>	
<b>Net cash outflow from investing activities</b>		(296,387)		(217,699)
<b>Financing</b>				
Capital element of finance leases	<u>30,622</u>		<u>(92,087)</u>	
		<u>30,622</u>		<u>(92,087)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(463,416)</u>		<u>666,887</u>

**HAYNES BROTHERS LIMITED**  
**NOTES TO THE CASH FLOW STATEMENT**  
for the year ended 31st December 1992

**1 Reconciliation of operating profit to net cash inflow from operating activities**

	1992 £	1991 £
Operating (loss)/profit	(265,825)	250,464
Depreciation charges	114,288	124,288
Loss on sale of tangible fixed assets	950	-
(Increase)/decrease in stocks	(455,693)	503,228
Decrease/(increase) in debtors	867,801	(17,652)
(Decrease)/increase in creditors	(660,097)	227,180
Decrease in deposit with Ford Motor Company	159,893	186,823
Exceptional income from local authority compensation	<u>187,926</u>	<u>-</u>
	<u>(50,667)</u>	<u>1,274,331</u>

**2 Analysis of changes in cash and cash equivalent during the year**

	1992 £	1991 £
Balance at 1st January 1992	(119,808)	(706,695)
Net cash (outflow)/inflow	<u>(463,416)</u>	<u>666,887</u>
Balance at 31st December 1992	<u>(583,224)</u>	<u>(119,808)</u>

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

	1992 £	1991 £	Change in the year £
Cash at bank and in hand	6,459	6,698	(239)
Bank overdraft	<u>(589,683)</u>	<u>(126,506)</u>	<u>(463,177)</u>
	<u>(583,224)</u>	<u>(119,808)</u>	<u>(463,416)</u>



**HAYNES BROTHERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

31st December 1992

**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 which are not depreciated, 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.

**Stocks**

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

**Deferred taxation**

Deferred taxation is provided at current taxation rates under the liability method to take account of all timing differences between profits as stated in the financial statements and as computed for tax purposes.

**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.

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.

**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 1992  
(continued)

3	<b>Profit on ordinary activities before taxation</b>	1992	1991
		£	£
	This is stated after charging:		
	Interest payable:		
	Loans wholly repayable within five years	49,956	58,901
	Loans not wholly repayable within five years	5,500	5,500
	Bank overdraft and other interest	<u>107,109</u>	<u>69,424</u>
		162,565	133,825
	Hire of plant and machinery held under finance leases	16,393	23,221
	Depreciation	114,288	72,087
	Loss on sale of tangible fixed assets	950	-
	Auditors' remuneration for audit	15,000	14,000
	Auditors' remuneration for other services	25,352	22,820
	Directors' emoluments (including pension contributions) (see note 4)	<u>189,941</u>	<u>236,636</u>
	The exceptional item of £187,926 is in relation to compensation money received in 1992 from Kent County Council for disruption to trade following a road improvement scheme.		
4	<b>Directors' emoluments</b>	1992	1991
		£	£
	For management	<u>189,941</u>	<u>236,636</u>
	Emoluments, excluding pension contributions, are analysed as follows:		
	Highest paid director (including pension - related supplement £Nil (1991: £40,000))	<u>189,941</u>	<u>196,636</u>
5	<b>Employees</b>	Number	Number
	The average number of persons including directors employed by the company during the year was:		
	Service and workshop staff	159	166
	Management and administration	70	70
	Sales staff	<u>25</u>	<u>26</u>
		<u>254</u>	<u>262</u>
	Staff costs:	£	£
	Wages and salaries	3,315,640	3,295,791
	Social security costs	328,836	326,433
	Other pension costs	<u>122,061</u>	<u>160,192</u>
		<u>3,766,537</u>	<u>3,782,416</u>
6	<b>Taxation</b>		
	United Kingdom corporation tax (repayable)/payable based on the (loss)/profit for the year at 25%	(41,183)	26,000
	Transfer to deferred taxation	-	7,058
	(Over)/underprovision in respect of prior years	<u>(7,928)</u>	<u>16,000</u>
		<u>(49,111)</u>	<u>49,058</u>

# HAYNES BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31st December 1992  
(continued)

7	Dividends	1992 £	1991 £
	3½% Cumulative preference shares -proposed	175	175
	Variable rate cumulative preference shares -paid	<u>46,138</u>	<u>56,936</u>
		<u>46,313</u>	<u>57,111</u>

8	Fixed asset investments	£
	At 31st December 1992 and 31st December 1991	<u>200</u>

The investments 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.

9	Tangible fixed assets	Freehold Land and Buildings £	Fixtures and Fittings £	Plant and Equipment £	Motor Vehicles £	Total £
	<b>Cost or Valuation</b>					
	1st January 1992	1,789,284	244,293	857,394	244,087	3,135,058
	Additions	191,040	7,464	26,317	54,973	279,794
	Disposals	-	-	-	(11,350)	(11,350)
	Revaluations	<u>2,810,031</u>	-	-	-	<u>2,810,031</u>
	31st December 1992	<u>4,790,355</u>	<u>251,757</u>	<u>883,711</u>	<u>287,710</u>	<u>6,213,533</u>
	<b>Depreciation</b>					
	1st January 1992	-	172,086	550,379	52,201	774,666
	Charge for the year	-	14,624	54,775	44,899	114,288
	Disposals	-	-	-	(900)	(900)
	31st December 1992	-	<u>186,710</u>	<u>605,154</u>	<u>96,190</u>	<u>888,054</u>
	<b>Net book amount</b>					
	31st December 1992	<u>4,790,355</u>	<u>65,047</u>	<u>278,557</u>	<u>191,520</u>	<u>5,325,479</u>
	31st December 1991	<u>1,789,284</u>	<u>72,207</u>	<u>307,015</u>	<u>191,886</u>	<u>2,360,392</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	1992 £	1991 £
	Cars and commercial vehicles	1,404,855	1,326,811
	Agricultural vehicles and implements	1,023,328	732,204
	Parts stock	<u>1,051,840</u>	<u>965,115</u>
		<u>3,479,823</u>	<u>3,024,130</u>

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

# HAYNES BROTHERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31st December 1992  
(continued)

11 Debtors	1992	1991
	£	£
Amounts due within one year:		
Trade debtors	1,184,097	1,899,578
Deposit with Ford Motor Company (note (i))	19,667	179,560
Other debtors	137,898	255,717
Prepayments and accrued income	113,928	148,429
Corporation tax	<u>56,412</u>	<u>-</u>
	<u>1,512,002</u>	<u>2,483,284</u>

Note (i): The short term deposit with Ford Motor Company has been reduced by a related short term loan of £500,000 (1991: £426,830).

12 Creditors	Amounts falling due within one year		Amounts falling due after more than one year	
	1992	1991	1992	1991
	£	£	£	£
Bank loans and overdrafts	589,683	126,506	-	-
Perpetual unsecured loan stock	-	-	55,000	55,000
Trade creditors	1,398,098	2,027,308	-	-
Corporation tax	-	28,948	-	-
Other taxes and social security costs	189,594	151,840	-	-
Other creditors	228,989	279,983	-	-
Accruals and deferred income	405,583	382,746	-	-
Amounts owed to subsidiary undertakings	200	200	-	-
Finance leases	48,488	79,110	-	-
Proposed dividends	<u>175</u>	<u>175</u>	<u>-</u>	<u>-</u>
	<u>2,860,810</u>	<u>3,076,816</u>	<u>55,000</u>	<u>55,000</u>

13 Provisions for liabilities and charges	1992	1991
	£	£
The provision included in the balance sheet relates to deferred taxation and consists of the following using a corporation tax rate of 33% (1991: 33%):-		
Accelerated capital allowances	<u>46,000</u>	<u>46,000</u>

14 Called-up share capital	1992		1991	
	Authorised	Allotted, Issued and Fully Paid	Authorised	Allotted, Issued and Fully Paid
	£	£	£	£
Ordinary shares of £10 each	56,000	56,000	56,000	56,000
Non-voting ordinary shares of £10 each	4,000	4,000	4,000	4,000
Variable rate preference shares of £1 each	350,000	350,000	350,000	350,000
3½% cumulative preference shares of £10 each	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
	<u>415,000</u>	<u>415,000</u>	<u>415,000</u>	<u>415,000</u>

**HAYNES BROTHERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 1992**  
(continued)

**15 Leasing commitments**

£

Net future commitments due under finance leases (including non-capitalised finance leases) for plant and machinery at 31st December 1992 are as follows:-

Year to 31st December 1993	44,253
Years to 31st December 1996	<u>17,863</u>
	<u>62,116</u>

**16 Capital commitments and contingent liabilities**

Capital commitments authorised by the Board and for which contracts had been placed amounted to £Nil (1991: £250,000).

There were no contingent liabilities at the balance sheet date.