

Reg of Co.

48511  
/115

HAYNES BROTHERS LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31ST DECEMBER 1979

KIDSONS  
Chartered Accountants  
LONDON



Directors:P.F. Haynes  
D.B. HaynesSecretary and Registered Office:B.H. Fuller F.C.A.  
21a Ashford Road,  
Maidstone,  
Kent.Auditors:Kidsons,  
Columbia House,  
69, Aldwych,  
LONDON, WC2B 4DY.REPORT OF THE DIRECTORS

The directors present their annual report and the audited accounts of the company for the year ended 31st December 1979.

## PROFITS AND DIVIDEND

The results for the year are set out on page 4. No dividend is recommended on the ordinary shares, but the directors recommend a dividend of 3.5% on the preference shares.

## ACTIVITIES

The company trades as motor and agricultural engineers including Distributorships for Ford cars, vans, trucks and tractors and Glas combines and balers.

## EXPORTS

Exports during the year amounted to £50,107 (1978 : £60,688).

## CHARITABLE CONTRIBUTIONS

These amounted during the year to £1,012 (1978 : £539).

## DIRECTORS

Mr. P.F. Haynes retires by rotation and is eligible for re-election.

Directors' interests in shares of the company were:

	Shares of £10 each			
	Ordinary		Non-voting ordinary	
	1979	1978	1979	1978
P.F. Haynes	1,150	1,150	400	400
D.B. Haynes	3,550	3,550	-	-
	<u>4,700</u>	<u>4,700</u>	<u>400</u>	<u>400</u>

## FIXED ASSETS

Changes in fixed assets during the year are set out in Note 1 on page 6.

The directors' estimate of the current market value of freehold land and buildings is also shown in note 1. on page 6.

HAYNES BROTHERS LIMITEDREPORT OF THE DIRECTORS(CONTINUED)

## EMPLOYEES

An average of 292 (1978 : 295) persons were employed during the year, their remuneration amounting to £1,284,711 (1978 : £1,103,298).

## AUDITORS

The auditors, Messrs. Kidsons, chartered accountants, have intimated their willingness to continue in office, subject to the approval of the members in general meeting.

## CLOSE COMPANY PROVISIONS

The company is a close company within the meaning of the Income and Corporation Taxes Act 1970 as amended.

By Order of the Board

B.H. FULLER

18th July 1980.

Secretary.

HAYNES BROTHERS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

As stated in note 1 to the accounts, no depreciation is provided in respect of freehold buildings as required by Statement of Standard Accounting Practice No. 12. With this exception, in our opinion the accounts set out on pages 4 to 8, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 31st December 1979 and of the profit and the source and application of funds for the year to that date and comply with the Companies Acts 1948 and 1967.

KIDSONS

London, 18th July 1980.

Chartered Accountants

HAYNES BROTHERS LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST DECEMBER 1979

	<u>Note</u>	£	<u>1979</u>	£	£	<u>1978</u>	£
SALES: Car and truck divisions			9,661,333			7,318,992	
Agricultural division			3,172,040			2,636,487	
			<u>12,833,373</u>			<u>9,955,479</u>	
TRADING PROFIT before charging:-			474,002			430,152	
Directors' emoluments	7	65,425			59,179		
Directors' pension contributions		19,000			40,550		
Bank interest		56,376			34,234		
Loan interest: long-term		5,706			6,201		
loan stock		4,125			4,125		
short-term		30,202			15,184		
Auditors' remuneration		4,600			3,500		
Depreciation (less profit on sale)	1	26,571			20,113		
before crediting:-							
Interest received			982		(1,124)		
			<u>212,987</u>			<u>181,962</u>	
PROFIT BEFORE TAXATION			261,015			248,190	
TAXATION	8		140,000			130,000	
PROFIT AFTER TAXATION			<u>121,015</u>			<u>118,190</u>	
APPROPRIATIONS							
Preference dividend proposed			175			175	
PROFIT RETAINED			<u>120,840</u>			<u>118,015</u>	
UNAPPROPRIATED PROFITS brought forward			713,652			595,637	
UNAPPROPRIATED PROFITS carried forward	4		<u>834,492</u>			<u>713,652</u>	

HAYNES BROTHERS LIMITED

5.

BALANCE SHEET AT 31ST DECEMBER 1979

<u>ASSETS EMPLOYED</u>	<u>Note</u>	<u>1979</u>		<u>1978</u>	
		£	£	£	£
<b>FIXED ASSETS</b>	1				
Freehold land and buildings		312,048		239,588	
Plant and equipment		177,909		129,140	
			489,957		368,728
<b>INVESTMENT</b>					
Unquoted at directors' valuation			1		1
<b>CURRENT ASSETS</b>					
Stocks	2	2,022,392		1,839,322	
Deposit with Ford Motor Company Limited		503,901		320,134	
Debtors		846,911		592,480	
Cash in hand		3,118		2,705	
		3,376,322		2,754,641	
<b>CURRENT LIABILITIES</b>					
Creditors and deposits received		977,833		1,220,686	
Bank overdraft (secured)		730,034		151,725	
Stocking loan		305,000		155,000	
Current taxation		1,891		1,777	
Proposed dividend		175		175	
		2,014,933		1,529,363	
<b>NET CURRENT ASSETS</b>			1,361,389		1,225,278
			1,851,347		1,594,007
<b>Represented by:-</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share capital	3	65,000		65,000	
Reserves	4	1,269,347		1,148,507	
			1,334,347		1,213,507
<b>DEFERRED TAXATION</b>	5		407,000		265,000
<b>BORROWINGS</b>					
Perpetual unsecured loan stock		55,000		55,000	
Mortgage loans	6	55,000		60,500	
			110,000		115,500
P. F. HAYNES			1,851,347		1,594,007
D. B. HAYNES					

*(Handwritten signatures of P.F. Haynes and D.B. Haynes)*  
Directors

NOTES TO THE ACCOUNTS AT 31ST DECEMBER 1979

1. FIXED ASSETS	<u>1979</u> £	<u>1978</u> £
(a) Freehold land and buildings		
At professional valuation in 1946	9,500	9,500
At cost	302,548	230,088
	<u>312,048</u>	<u>239,588</u>

The directors estimate that the Ashford Road and Parkwood Industrial Estate properties in Maidstone and the Appledore property, have a current market value at least £1,000,000 in excess of their book value. No provision is made for depreciation of freehold properties. All the properties, except Appledore, are charged.

(b) Plant, equipment, fixtures and fittings:	<u>Plant and machinery</u> £	<u>Fixtures and fittings</u> £	<u>Total</u> £
<u>COST</u>			
1st January 1979	216,219	56,846	273,065
Additions	67,305	8,356	75,661
Disposals	(1,766)	(228)	(1,994)
31st December 1979	<u>281,758</u>	<u>64,974</u>	<u>346,732</u>
<u>DEPRECIATION</u>			
1st January 1979	119,684	24,241	143,925
Provision for year	21,506	5,185	26,691
Adjustment for disposals	(1,677)	(116)	(1,793)
31st December 1979	<u>139,513</u>	<u>29,310</u>	<u>168,823</u>
<u>NET BOOK VALUE</u>			
31st December 1979	<u>142,245</u>	<u>35,664</u>	<u>177,909</u>
31st December 1978	<u>96,535</u>	<u>32,605</u>	<u>129,140</u>

(c) Depreciation is provided on the cost of plant, machinery, fixtures and fittings at 10% p.a.

(d) Authorised capital expenditure at 31st December 1979, but not contracted for, amounted to £1,000 (1978 : £30,000) and contracted expenditure not provided in the accounts amounted to £30,000 (1978 : £37,000).

## 2. STOCKS

These have been valued at the lower of cost and estimated net realisable value, a basis consistent with that used in previous years.

## 3. SHARE CAPITAL

Authorised, issued and fully paid in shares of £10 each, divided as to:

500	5% Cumulative preference shares (now designated 3.5% shares)
5,600	Ordinary shares
400	Non-voting ordinary shares

NOTES TO THE ACCOUNTS AT 31ST DECEMBER 1979

(CONTINUED)

4.	RESERVES	<u>1979</u>	<u>1978</u>
		£	£
	Capital	9,855	9,855
	General	425,000	425,000
	Unappropriated profits	834,492	713,652
		<u>1,269,347</u>	<u>1,148,507</u>

5.	DEFERRED TAXATION	<u>1979</u>	<u>1978</u>
		£	£
	This has been provided where there is reasonable probability that such taxation will become payable in the foreseeable future. The calculation on the liability method takes account of:		
	(a) the differing treatment of depreciation for accounting and taxation purposes	90,000	64,000
	(b) stock appreciation relief	358,000	283,000
	(c) other timing differences	(41,000)	(82,000)
		<u>407,000</u>	<u>265,000</u>

The contingent liability in respect of stock relief not provided for in these accounts amounts to £208,000 (1978 : £372,000).

6.	MORTGAGE LOANS	
	(a) £55,000 (1978 : £60,000) bearing interest at 1½% over Bank Base Rate, with a maximum of 10% p.a.	
	(b) - (1978 : £500) bearing interest at a fixed rate of 5½%	
	These loans are secured by charges on certain of the company's freehold property and are being repaid as to:	
	(a) by quarterly instalments of £1,250	
	(b) by half-yearly instalments of £500	

7. EMOLUMENTS  
The highest paid director earned £48,625 (1978 : £43,946). The other directors received emoluments within the following ranges:

	£	<u>1979</u>	<u>1978</u>
	Nil to 5,000	-	1
	10,001 to 15,000	-	1
	15,001 to 20,000	1	-

8.	TAXATION	<u>1979</u>	<u>1978</u>
		£	£
	Transfer to deferred taxation	142,000	130,000
	Tax recovered re prior years	(2,000)	-
		<u>140,000</u>	<u>130,000</u>



STATEMENT OF SOURCE AND APPLICATION OF FUNDSFOR THE YEAR ENDED 31ST DECEMBER 1979

	£	<u>1979</u>	£	£	<u>1978</u>	£
<b>SOURCE OF FUNDS</b>						
Profit before taxation			261,015			248,190
Adjustment for items not involving the movement of funds:						
Depreciation			26,691			19,733
(Profit) loss on disposal of fixed assets			(120)			380
<b>TOTAL GENERATED FROM OPERATIONS</b>			<u>287,586</u>			<u>268,303</u>
<b>FUNDS FROM OTHER SOURCES</b>						
Taxation repayment			2,200			-
Proceeds from disposal of fixed assets			321			116
			<u>290,107</u>			<u>268,419</u>
<b>APPLICATION OF FUNDS</b>						
Purchase of fixed assets	148,121			81,436		
Mortgage repayments	5,500			6,000		
Dividends paid		175			175	
			<u>153,796</u>			<u>87,611</u>
<b>INCREASE IN WORKING CAPITAL</b>			<u><u>136,311</u></u>			<u><u>180,808</u></u>
<b>Represented by:-</b>						
Increase in stocks			183,070			168,123
Increase in F.M.C. deposit			183,767			86,401
Increase/(decrease) in debtors			254,431			(107,158)
Decrease/(increase) in creditors			242,939			(379,442)
(Increase) in stocking loan			(150,000)			-
			<u>714,207</u>			<u>(232,076)</u>
<b>Movement in net liquid funds:</b>						
(Increase)/decrease in bank overdraft	(578,309)			411,923		
Increase in cash in hand		413			961	
			<u>(577,896)</u>			<u>412,884</u>
			<u><u>136,311</u></u>			<u><u>180,808</u></u>