

48511

J

HAYNES BROTHERS LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31ST DECEMBER 1975

KIDSONS
Chartered Accountants
LONDON

23 DEC 1976

HAYNES BROTHERS LIMITED

Directors:

R. B. Haynes
P. F. Haynes
D. B. Haynes

Secretary:

B. H. Fuller F.C.A.

Registered Office:

21a Ashford Road, Maidstone, Kent.

Auditors:

Kidsons
Columbia House,
69 Aldwych, London, WC2B 4DY.

REPORT OF THE DIRECTORS

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 operates a Ford Main Dealership in cars, trucks and tractors, together with the associated activities of such a franchise.

EXPORTS

There were no exports during the year.

CHARITABLE CONTRIBUTIONS

These amounted to £527 during the year.

DIRECTORS

Directors' interests in shares of the company were:

	<u>Shares of £10 each</u>			
	<u>Ordinary</u>		<u>Non-voting Ordinary</u>	
	<u>1975</u>	<u>1974</u>	<u>1975</u>	<u>1974</u>
R. B. Haynes	650	650	-	-
P. F. Haynes	1,400	1,400	400	400
D. B. Haynes	3,550	3,550	-	-
	<u>5,600</u>	<u>5,600</u>	<u>400</u>	<u>400</u>

Messrs. P. F. Haynes and D. B. Haynes retire by rotation and are eligible for re-election.

2.

HAYNES BROTHERS LIMITED

REPORT OF THE DIRECTORS

(CONTINUED)

FREEHOLD LAND AND BUILDINGS

The directors' estimate of current market value is in note 1 on page 6.

EMPLOYEES


An average of 295 persons were employed during the year, their remuneration amounting to £678,617.

AUDITORS

Messrs. Kidsons, chartered accountants, have expressed their willingness to continue in office.

By Order of the Board

B.H. FULLER

Secretary. 

19th October 1976

HAYNES BROTHERS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

In our opinion the accounts and notes on pages 4 to 7 comply with the Companies Acts 1948 and 1967 and give a true and fair view of the company's affairs at 31st December 1975 and of the profit for the year to that date.

KIDSONS

London, 19th October 1976

Chartered Accountants

HAYNES BROTHERS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1975

	<u>Note</u>	<u>1975</u>		<u>1974</u>	
		£	£	£	£
SALES: Car and truck divisions			3,792,242		3,158,265
Agricultural division			1,570,517		1,176,845
			<u>5,362,759</u>		<u>4,335,110</u>
TRADING PROFIT			257,107		226,891
before charging:-					
Directors' emoluments	7	50,000		45,000	
Bank interest		38,748		31,166	
Loan interest : Long-term		8,381		5,772	
Short-term		834		1,023	
Auditors' remuneration		2,500		2,000	
Depreciation		12,050		12,057	
before crediting:-					
Interest received		(1,147)		(4,669)	
			<u>111,366</u>		<u>92,349</u>
PROFIT BEFORE TAXATION			145,741		134,542
Provision for taxation on the profits for the year:					
Corporation tax at 52% (1974-52%)		91,000		76,000	
Deferred taxation	5	(6,660)		(608)	
			<u>84,340</u>		<u>75,392</u>
PROFIT AFTER TAXATION			61,401		59,150
UNAPPROPRIATED PROFITS brought forward			<u>303,604</u>		<u>248,410</u>
APPROPRIATIONS:			365,005		307,560
Interest on loan stock		4,125		3,781	
Preference dividend, proposed		175		175	
			<u>4,300</u>		<u>3,956</u>
UNAPPROPRIATED PROFITS carried forward			<u>360,705</u>		<u>303,604</u>

150

HAYNES BROTHERS LIMITED

BALANCE SHEET AT 31ST DECEMBER 1975

<u>ASSETS EMPLOYED</u>	<u>Note</u>	<u>1975</u>		<u>1974</u>	
		£	£	£	£
FIXED ASSETS	1				
Freehold land and buildings		201,294		197,494	
Plant and equipment		49,928		52,647	
Vehicles on contract hire		428		2,226	
		<u> </u>	251,650	<u> </u>	252,367
INVESTMENT					
Unquoted at directors' valuation			1		1
NET CURRENT ASSETS					
Stocks	2	787,772		797,271	
Deposit with Ford Motor Company Limited		174,434		143,341	
Debtors, less provision		336,224		399,355	
Cash in hand		729		1,552	
		<u>1,299,159</u>		<u>1,341,519</u>	
LESS: CURRENT LIABILITIES					
Creditors and deposits received		317,918		507,872	
Directors' accounts		25,430		21,900	
Current taxation		1,979		786	
Future hire purchase instalments		267		651	
Proposed dividend		182		100	
		<u>345,776</u>		<u>531,309</u>	
NET CURRENT ASSETS		953,383		810,210	
LESS: FUTURE CORPORATION TAX (due 1st January 1977)		<u>65,000</u>		-	
			<u>888,383</u>		<u>810,210</u>
			<u>1,140,034</u>		<u>1,062,578</u>
Represented by:					
SHAREHOLDERS FUNDS					
Share capital	3	65,000		65,000	
Reserves	4	420,560		363,459	
		<u> </u>	485,560	<u> </u>	428,459
DEFERRED TAXATION	5		176,970		158,980
BORROWINGS					
Perpetual unsecured loan stock		55,000		55,000	
Mortgage loans	6	78,500		84,500	
Bank overdraft (secured)		339,004		330,639	
Stocking loan		5,030		5,000	
		<u> </u>	477,504	<u> </u>	475,139
			<u>1,140,034</u>		<u>1,062,578</u>
P. F. HAYNES)		Directors		
D. B. HAYNES)				

LAYMERS BROTHERS LIMITED

NOTES TO THE ACCOUNTS AT 31ST DECEMBER 1975

1. FIXED ASSETS

	<u>1975</u>	<u>1974</u>
	£	£
(a) Freehold land and buildings		
At professional valuation in 1946	9,500	9,500
At cost	191,794	187,994
	201,294	197,494
	201,294	197,494

The directors estimate (a) that the Ashford Road and Lenfield House properties in Maidstone and the Appledore property, have a current market value at least £200,000 in excess of their book value; and (b) that the Parkwood Industrial Estate property has also appreciated in value since its acquisition in 1966. No provision is made for depreciation of freehold buildings. All the properties, except Appledore, are charged.

(b) Plant, equipment and vehicles:

	<u>Plant and machinery</u>	<u>Fixtures and fittings</u>	<u>Vehicles on contract hire</u>
	£	£	£
Cost, 1st January 1975	115,787	22,384	3,720
Additions	7,782	1,564	-
Cost of sales	(555)	(232)	(2,646)
	123,014	23,716	1,074
Depreciation,			
1st January 1975	72,301	13,223	1,494
Provision for year	9,849	1,987	214
Adjustment re sales, etc.	(450)	(108)	(1,062)
	81,700	15,102	646
Net book value	41,314	8,614	428
31st December 1974	43,486	9,161	2,226
31st December 1975	41,314	8,614	428

(c) Depreciation is provided on the cost of plant, machinery, fixtures and fittings at 10% p.a., and on the cost of contract hire vehicles at 20% p.a.

(d) There were no commitments for capital expenditure either at 31st December 1975 or at 31st December 1974.

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

12

HAYNES BROTHERS LIMITED

NOTES TO THE ACCOUNTS AT 31ST DECEMBER 1975

(CONTINUED)

4. RESERVES

	<u>1975</u>	<u>1974</u>
	£	£
Capital	9,855	9,855
General	50,000	50,000
Unappropriated profits	360,705	303,604
	420,560	363,459
	420,560	363,459

5. DEFERRED TAXATION

(a) Provision is made for corporation tax at the current rate of 52% deferred by reason of differences between the provision for depreciation of fixed assets and the corresponding allowances for taxation purposes, and other timing differences.

	<u>1975</u>	<u>1974</u>
	£	£
(b) Deferred taxation	12,320	18,980
Corporation tax postponed by reference to increases in stock levels under proposed legislation	164,650	140,000
	176,970	158,980
	176,970	158,980

6. MORTGAGE LOANS

- (a) £75,000 (1974 : £80,000) bearing interest at 1½% over Bank Base Rate, with a maximum of 10% p.a.
- (b) £ 3,500 (1974 : £ 4,500) 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. DIRECTORS' REMUNERATION

The highest paid director earned £23,975 (1974 : £23,975). The other directors' earnings fell within the following brackets:-

£10,001 - £12,500 2 (1974 : 2)