7

HEADLAM, SIMS & COGGINS
LIMITED

REPORT OF THE DIRECTORS FOR YEAR ENDED
31st JANUARY, 1974

8

HEADLAM, SIMS & COGGINS LIMITED

Directors:

MR. R. B. TIBBS, M.B.E. (*Chairman*)

MR. C. J. SAGE
MR. K. ELKINGTON } (*Co-Managing Directors*)

MR. A. H. COGGINS

MR. J. B. HARDING

Secretary:

F. WARBURTON, F.C.A.

Registered Office:

5 ALBEMARLE STREET, LONDON, W1X 4EL.

Auditors:

MILNE, GREGG & TURNBULL,
5 ALBEMARLE STREET, LONDON, W1X 4EL.
Chartered Accountants.

Registrar and Transfer Office:

ST. MICHAELS SECURITIES LIMITED,
CRESTA HOUSE, ALMA STREET, LUTON, BEDFORDSHIRE.

This is the copy referred to in the annexed Certificate "B"

.... Director ....F. Warburton.... Secretary

9

HEADLAM, SIMS & COGGINS LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Sixth Annual General Meeting of Members of Headlam, Sims & Coggins Limited will be held at the REGISTERED OFFICES OF THE COMPANY, 5 Albemarle Street, London, W1X 4EL, on FRIDAY, 26th JULY, 1974 at 12.00 noon, for the following purposes:—

1. To receive the Report of the Directors, and the Statement of Accounts for the year ended 31st January, 1974.
2. To declare a dividend on the Ordinary Shares.
3. To elect a Director.
4. To transact any other competent business.

By Order of the Board,
F. WARBURTON,
Secretary.

5 Albemarle Street,
London, W1X 4EL.

29th June, 1974.

A Member may appoint one or more persons as proxies to attend and vote on his behalf, and such persons need not themselves be members

10

HEADLAM, SIMS & COGGINS LIMITED
and SUBSIDIARY COMPANIES

REPORT OF THE DIRECTORS IN RESPECT OF THE YEAR ENDED 31st JANUARY, 1974

The Directors present herewith the Balance Sheet of the Holding Company at 31st January, 1974 together with the Consolidated Balance Sheet and Profit and Loss Account of the Group.

Results

The Profit for the year and appropriation thereof are set out in the Profit and Loss Account on page 8.

Dividends

The Directors have declared or now recommend the following Dividends in respect of the year ended 31st January, 1974:—

	£	
Cumulative Preference Shares	2,100	4.2%
Ordinary Shares	12,696	16.928% (net)

Equivalent to 25.265%, together with the accompanying tax credit.

Principal Activities of the Group

The Company manufactures and sells Footwear through its wholly owned Subsidiaries, namely:—

R. Coggins & Sons Ltd.
Simlam Ltd.

Exports

The value of the goods exported from the United Kingdom during the year was £65,684. In addition it is known that goods to the value of £85,000 were sold to agents for export.

Changes in Fixed Assets

Movements in fixed assets are set out in the table in Note 1 on page 9.

Directors

The Directors of the Company at 31st January, 1974, were:—

Mr. R. B. TIBBS, M.B.E. (*Chairman*)
Mr. C. J. Sage } (*Co-Managing*)
Mr. K. Elkington } (*Co-Managing*)
Mr. A. H. Coggins
Mr. J. B. Harding

The Director retiring at this Meeting is Mr. R. B. Tibbs. Mr. R. B. Tibbs is eligible and recommended for re-election.

HEADLAM, SIMS & COGGINS LIMITED
and SUBSIDIARY COMPANIES

REPORT OF THE DIRECTORS—continued

Directors' Interests in Shares in the Company at 31st January, 1974:—

	Personal Ordinary of 5p each	Family Interests Ordinary of 5p each	Family Interests Preference of £1 each
Mr. R. B. Tibbs	8,413		
Mr. C. J. Sage	10,751	10,024	
Mr. K. Elkington	3,600		
Mr. A. H. Coggins	148,992		2,000
Mr. J. B. Harding	2,400		

Average Number of Employees and their Remuneration

The average number of persons employed by the Group in each week during the year ended 31st January, 1974 was 266. The aggregate remuneration paid or payable in respect of that year to these employees amounted to £352,590.

Company's Status

The Company is not a "close company" within the definition of the Income and Corporation Taxes Act, 1970.

Registrar and Transfer Office

Cresta House, Alma Street, Luton, Bedfordshire.

Auditors

The Auditors, Milne, Gregg & Turnbull, will continue in office in accordance with Section 159 (2) of the Companies Act, 1948.

5 Albemarle Street,
Piccadilly,
London, W1X 4EL.

13th June, 1974.

By Order of the Board,
F. WARBURTON,
Secretary.

REPORT OF THE AUDITORS
TO THE MEMBERS OF HEADLAM, SIMS & COGGINS LIMITED

In our opinion, the Accounts and notes set out on pages 6 to 10 together give, so far as concerns members of the holding Company, a true and fair view of the state of affairs at 31st January, 1974 and of the profit for the year ended at that date and comply with the Companies Acts 1948 and 1967.

5 Albemarle Street,
Piccadilly,
London, W1X 4EL

13th June, 1974.

MILNE, GREGG & TURNBULL,
Chartered Accountants.

17

HEADLAM, SIMS & COGGINS LIMITED

BALANCE SHEET AS AT 31st JANUARY, 1974

	1974 £	1974 £	1973 £	1973 £
EMPLOYMENT OF CAPITAL				
Fixed Assets (Note 1)		1,003		*1,337*
Current Assets				
Bank Balance	343		*686*	
Debtors	—		*75*	
	343		*761*	
Current Liabilities				
Creditors	2,580		*708*	
Bank Overdraft	495		—	
Unclaimed Dividends	343		*298*	
Ordinary Dividend proposed	12,696		*12,633*	
	16,114		*13,639*	
Net Current Assets		(15,771)		*(12,878)*
		(14,768)		*(11,541)*
Corporation Tax, payable 1.1.75		—		—
		(14,768)		*(11,541)*
Wholly-owned Subsidiaries				
Shares at cost of acquisition	106,000		*106,000*	
Amounts due	157,942	263,942	*140,947*	*246,947*
		£249,174		*£235,406*
CAPITAL EMPLOYED				
Share Capital (Note 3)		125,000		*125,000*
Reserves (Note 4)		124,174		*110,406*
Shareholders' Funds		£249,174		*£235,406*

C. J. SAGE
K. ELKINGTON } *Directors.*

13

HEADLAM, SIMS & COGGINS LIMITED
and SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AS AT 31st JANUARY, 1974

	1974 £	1974 £	1973 £	1973 £
EMPLOYMENT OF CAPITAL				
Fixed Assets (Note 1)		85,541		*79,034*
Current Assets				
Stocks (Note 2)	318,918		*205,911*	
Debtors	131,078		*134,049*	
Cash and Bank Balances	44,945		*94,098*	
Short Term Loan (since repaid)	35,000		—	
	529,941		*434,058*	
Current Liabilities				
Bank Overdraft and Loan	15,368		*21,277*	
Creditors	114,726		*67,859*	
Current Taxation	45,596		*15,400*	
Unclaimed Dividends	343		*298*	
Ordinary Dividend proposed	12,696		*12,633*	
	188,729		*117,467*	
Net Current Assets		341,212		*316,591*
		426,753		*395,625*
Corporation Tax, payable 1.1.75	45,717		*49,500*	
Tax Equalisation Account	6,520	52,237	*4,000*	*53,500*
		£374,516		*£342,125*
CAPITAL EMPLOYED				
Share Capital (Note 3)		125,000		*125,000*
Reserves (Note 4)		241,441		*208,063*
Shareholders' Funds		366,441		*333,063*
Long Term Loan		8,075		*9,062*
		£374,516		*£342,125*

C. J. SAGE
K. ELKINGTON } *Directors.*

14

HEADLAM, SIMS & COGGINS LIMITED
and SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st JANUARY, 1974

	1974 £	*1973 £*
Sales to External Customers	£1,746,626	*£1,188,312*
Profit before Taxation (Note 7)	107,509	*102,731*
Taxation (Note 8)	56,656	*43,190*
	50,853	*59,541*
Exceptional Items (Note 9)	2,679	*(9,072)*
	£48,174	*£68,613*
Dealt with as follows:—		
Dividends		
paid or proposed		
Cumulative Preference, 4.2% (*1973 6% gross*)	(Net) 2,100	*(Gross) 3,000*
Ordinary	12,696	*12,633*
	14,796	*15,633*
Profit retained	33,378	*52,980*
	£48,174	*£68,613*
Earnings per Ordinary Share of 5p (Note 10)	3.25p	*3.77p*

15

HEADLAM, SIMS & COGGINS LIMITED

NOTES ON ACCOUNTS AS AT 31st JANUARY, 1974

Accounting Policies

(a) The consolidation comprises Headlam Sims & Coggins Limited and its three wholly-owned subsidiary companies:—

R. Coggins & Sons Limited
Simlam Limited
John Spencer & Co. (Irthlingborough) Limited

(b) Depreciation of fixed assets is provided at the following annual rates on a straight-line basis:—

Freehold Land and Buildings	—2 per cent.
Improvements to Leasehold Premises	—by equal annual instalments over the life of the lease.
Machinery and Plant	—at varying rates so that these assets are depreciated over their estimated useful lives.
Motor Vehicles	—20 per cent.
Trade Marks and Patents	—5 per cent.
Lasts Knives and Patterns	—33⅓ per cent.

(c) Taxation Equalisation is provided at the current rates of corporation tax on the excess of the book written down values of the cost of fixed assets ranking for taxation allowances over their corresponding tax written-down values.

1. Fixed Assets

	Freehold Land and Buildings	*Improvements to Leasehold Premises*	*Machinery and Plant*	*Motor Vehicles*	*Trade Marks and Patents*	*Total*
	£	£	£	£	£	£
Cost or Valuation at 1st February, 1973						
Cost	33,815	—	86,464	9,222	6,684	136,185
Valuation	21,500	—	—	—	—	21,500
Additions in the year at cost	—	3,286	15,162	9,035	—	27,483
	55,315	3,286	101,626	18,257	6,684	185,168
Disposals in the year	—	—	240	5,619	—	5,859
	55,315	3,286	101,386	12,638	6,684	179,309
At 31st January, 1974						
Cost	33,815	3,286	101,386	12,638	6,684	157,809
Valuation	21,500	—	—	—	—	21,500
Depreciation						
At 1st February, 1973	13,768	—	59,755	3,421	5,347	82,291
Charged during the year	1,106	658	15,118	2,317	334	19,533
	14,874	658	74,873	5,738	5,681	101,824
Disposals	—	—	140	2,276	—	2,416
	14,874	658	74,733	3,462	5,681	99,408
At 31st January, 1974	£40,441	£2,628	£26,653	£9,176	£1,003	79,901
Lasts, Knives and Patterns (*1973—£3,640*)						5,640
						£85,541

NOTES (*a*) The valuation of the freehold property at Raunds was made on 21st April, 1956 by Legge & Sismey, Chartered Surveyors, Northampton.

(*b*) The market value of interest in land is considered to be £100,000 in excess of Net Book Value. If the properties were to be realised at this market value, there would be a liability to Corporation Tax, on capital gains which it is not practicable to determine at this stage.

2. Stocks have been valued at the lower of cost and net realisable value. Cost of Products manufactured by subsidiary companies comprises direct material and labour together with relevant factory overheads.

3. Share Capital

	Authorised	*Issued and Fully Paid*
	£	£
4.2% Cumulative Preference Shares of £1 each	100,000	50,000
Ordinary Shares of 5p each	100,000	75,000
	£200,000	£125,000

16

HEADLAM, SIMS & COGGINS LIMITED

NOTES ON THE ACCOUNTS—continued

4. Reserves

	The Group	The Company
	£	£
Profit retained at 1st February, 1973:—		
Profit and Loss Account	208,063	110,406
Surplus for the year ended 31st January, 1974	33,378	13,768
	£241,441	£124,174

5. Capital Expenditure

	1974	*1973*
Committed in respect of contracts	—	—
Approval by Directors in addition to commitments	—	*£35,000*

6. Contingent Liability

A Subsidiary Company had a contingent liability at 31st January, 1974 guaranteed in part by the Principal Company, in respect of leased machinery, in accordance with normal industry practice.

7. Trading Profit, after charging or crediting

	The Company 1974	The Company *1973*	The Group 1974	The Group *1973*
	£	£	£	£
(a) Depreciation	334	*334*	19,533	*9,762*
(b) Directors' Emoluments				
As Directors	1,031	*975*	1,673	*1,627*
For Management	527	*425*	17,144	*14,875*
(c) Compensation paid to a Director for Loss of Office	5,000	—	5,000	—
(d) Interest payable				
Bank Overdrafts	—	—	1,750	*641*
Long Term Loan	—	—	772	*853*
(e) Auditors' Remuneration	285	*105*	1,785	*1,555*
(f) Hire of Plant and Machinery	—	—	32,905	*28,888*
(g) Bank Deposit Interest	—	—	(3,142)	*(1,821)*
(h) Rent from Property	—	—	—	*(1,712)*

8. Taxation

	1974	*1973*
	£	£
Corporation Tax (50%) (*1973 —40%*)	53,084	*44,690*
Transfer to Taxation Equalisation Account	2,520	*(1,500)*
Irrecoverable-ACT	1,052	—
	£56,656	*£43,190*

9. Exceptional Items

	1974	*1973*
	£	£
Corporation Tax Adjustments for previous year	—	*(600)*
Profit on Sale of Property less Corporation Tax	—	*(8,472)*
Dilapidations on leaving premises at Newman Street and other removal costs, less Corporation Tax	2,679	—
	£2,679	*£(9,072)*

10. Earnings per Ordinary Share of 5p.

The calculation of earnings per share is based on earnings of *£48,753* (*1973—£56,541*) and on 1,500,000 ordinary shares in issue during the year.

11. Directors' Emoluments

	1974 Company	1974 Group	*1973 Company*	*1973 Group*
	£	£	£	£
Chairman	700	825	*600*	*677*
Highest paid Director	700	5,092	*600*	*4,575*
Number of Directors whose total emoluments fall within the range:				
Up to £2,500	(5)	(2)	(5)	(2)
£2,501 to £5,000	—	(2)	—	(3)
£5,001 to £7,500	—	(1)	—	—

17

HEADLAM, SIMS & COGGINS LIMITED

CHAIRMAN'S STATEMENT

With rising costs in all fields, together with the move of the Wholesale Distributing Unit (Simlam Ltd.), some financial strain has been imposed on your Company.

It is therefore extremely satisfying to present these accounts for the financial year ending 31st January, 1974 showing a small increase in net profit before taxation over last year's good result.

Your Directors are declaring a Gross Dividend on the Ordinary Shares of your Company of 25.265%, which is the maximum permissible by Statute.

An excellent start has been made in the new trading year. Turnover is up and a good order book ahead exists. In present circumstances turnover must be increased, if only to counter increased costs, but I am confident that barring exceptional setbacks, the trading figures for last year will be matched or exceeded.

The satisfactory result has been achieved by the efforts displayed by all concerned. As I mentioned in my half-yearly report last October, the move of the Wholesale Unit from the West End of London to Harrow was accomplished with great success. Good enthusiastic work overcame all snags, which were numerous, and output was increased from the second week after the move.

The Manufacturing Unit (R. Coggins & Sons Ltd.) showed up well in coping with the short working week. Magnificent efforts were made by the staff and 76% of normal production was achieved.