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HAYS GROUP LTD
REPORT & ACCOUNTS
30TH JUNE 1982



HAYS' GROUP LTD

REPORT & ACCOUNTS

30TH JUNE 1982

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HAYS GROUP LTD

REPORT OF THE DIRECTORS

YEAR ENDED 30TH JUNE 1982

The Directors submit their report and the audited accounts for the year ended 30th June 1982.

ACCOUNTS

Trading profit before taxation was £6,448,000 from which various amounts have been deducted as shown in the Profit and Loss Account on page 9. An interim dividend of £1,477,000 was paid during the year. The Directors do not recommend payment of a final dividend.

The deficit for the year of £490,000 has been transferred to reserves.

DIRECTORS

The following were Directors of the Company during the year :-

Mr. F.M. Al-Sabah	
Mr. B.A. Dawson	
Mr. D.F. Buchanan	
Mr. F.K. Jaffar	
Mr. A.A. Al-Abdulaly	
Mr. T.D. Ball)
Mr. D.R. Betts)
Mr. B.L. Cann) appointed 29th April 1982
Mr. J.S. Stringer)

On 1st July 1982 Mr. A.R. Al-Mulla was appointed as a director.

No Director had any interest in the share capital of the company or its parent company at any time during the year.

No Director had an interest in any subsisting contract or arrangement at the end of or during the year to which the Company or any subsidiary was a party.

EXECUTIVES

The following persons served the Company as Executives during the year :-

Mr. D.S. Clarabut	-	Chief Executive
Mr. R.E. Cook	-	Deputy Chief Executive/Finance/ Business Services Division
Mr. H.P. Beaumont	-	Manufacturing & Technology (acquired 26th March 1982)
Mr. D.J.W. Browne	-	Oils and Chemicals Division
Mr. G.S.C. Clarabut	-	Marine Services Division (retired 30th June 1982)
Mr. M.C. Everist	-	Packaging & Distribution Division
Mr. R.E. Frost	-	Farmhouse Division
Mr. P.D.T. Roberts	-	Warehousing Division

HAYS GROUP LTD

REPORT OF THE DIRECTORS - Continued

ACTIVITIES OF THE GROUP

The Company, its subsidiaries and associated companies provide general and security storage, transport and distribution, bottling, export packing and tanker-broking services, mainly for the foods and chemical industries and operate shipping and lighterage fleets. The merchandising of chemical products and the manufacture of fork lift trucks and paper converting machines are undertaken. Medical, optical and electronic equipment is manufactured and distributed. Technical services are provided to the scientific community. Lists of companies engaged in these activities are given on pages 22 and 23.

CLASSIFICATION OF TURNOVER AND PROFITABILITY

	% of Turnover	Trading Profit Contribution (before tax) £'000
Packaging and Distribution		
United Kingdom	9.98	1,260
Belgium	0.59	(93)
Oils and Chemicals		
United Kingdom	18.17	994
Republic of Ireland	0.62	(136)
United States of America	0.07	(83)
Warehousing	55.02	3,186
Marine Services	10.95	1,000
Business Services		
United Kingdom	2.90	368
Belgium	0.03	(130)
Manufacturing & Technology	1.67	82
	<u>100.0</u>	<u>6,448</u>

CHANGES IN FIXED ASSETS

All changes during the year are shown in Note 6 to the Accounts on page 16

CHANGES IN THE GROUP

During the year the following subsidiaries were acquired for a total consideration of £6,461,000

A.B.C. Hygex (Ireland) Limited
 Leadenhall Sterling Limited with its subsidiaries
 Supalink Limited (control acquired)
 Transaction Security Limited

In addition certain material changes in The Group occurred after 30th June, 1982, details of which are contained in Note 19 on page 21.

REPORT OF THE DIRECTORS - Continued

EMPLOYEES

The average number of persons including Directors employed by the Group in each week of the year in the United Kingdom was 4,080 and the aggregate gross remuneration paid or payable to such persons totalled £24,579,000.

POLITICAL AND CHARITABLE CONTRIBUTIONS

Charitable contributions totalled £5,210. No contributions were made for political purposes.

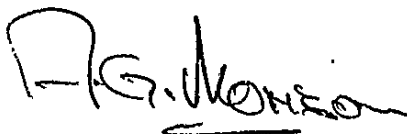
EXPORTS

The value of the goods exported by the Group was £1,250,000. In addition, a substantial proportion of the Group's charges related to export services and to "invisible export" earnings, derived from shipping and associated services.

AUDITORS

Touche Ross & Co. have expressed their willingness to continue in office as Auditors of the Company and a Resolution to this effect will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



A.G. MORISON - Secretary

4th November 1982.

Touche Ross & Co.

Chartered Accountants

Hill House
1 Little New Street
London EC4A 3TR

REPORT OF THE AUDITORS

Page 4

to the Members of Hays Group Ltd

We have audited the accounts and notes on pages 5 to 21 in accordance with approved Auditing Standards.

In our opinion the accounts and notes give a true and fair view of the state of affairs of the company and the group at 30th June 1982 and of the result and source and application of funds of the group for the year then ended and comply with the Companies Acts 1948 to 1981.



4 November 1982

CHARTERED ACCOUNTANTS

Hill House
1 Little New Street
London
EC4A 3TR

HAYS GROUP LTD AND SUBSIDIARY COMPANIES

ACCOUNTING POLICIES

(a) GROUP ACCOUNTS

The group accounts have been prepared under the historical cost convention as modified by the revaluation of properties and in compliance with Section 149A and Section 152A of and Schedule 8A to the Companies Act 1948.

The group accounts consolidate the audited financial statements of the company and all subsidiaries for financial periods ended 30th June 1982 with the exception of Supalink Limited for which unaudited management accounts have been consolidated.

The effective date for accounting for both acquisitions and disposals of subsidiaries and investments in associated companies is the earlier of the date on which consideration passes or the date on which the contract becomes unconditional.

(b) INVESTMENTS

- (i) Associated companies are companies in which the group owns at least 20% of the equity and in which, in the opinion of the directors, it also exercises a significant influence in the management.

The proportion of the profits of such companies and of the post-acquisition reserves, attributable to the group shareholding, are included in the consolidated profit and loss account and consolidated balance sheet. Associated companies made up their accounts to dates other than 30th June. The unaudited management results from the dates of the latest audited accounts up to 30th June 1982 are incorporated into the group accounts.

- (ii) Other unlisted investments are shown at cost.

(c) FOREIGN CURRENCIES

The assets, liabilities and trading results of the foreign subsidiaries and other amounts in foreign currency, with the exception of certain matched foreign currency assets and liabilities which are stated at fixed sterling amounts, have been translated at the rates ruling at 30th June 1982.

Translation differences arising from the translation of the opening balance sheets of foreign subsidiaries at the year end date, have been dealt with in the reserves. Other translation differences have been dealt with in the profit and loss account.

Continued/.....

HAYS GROUP LTD AND SUBSIDIARY COMPANIES

ACCOUNTING POLICIES - Continued

(d) TURNOVER

Turnover consists of sales and excludes VAT, intra-group transactions, turnover by associated companies and disbursements (mainly customs duties) paid on behalf of customers.

(e) PREMIUMS ARISING ON THE ACQUISITION OF SHARES IN SUBSIDIARY COMPANIES

The premiums arising on acquisition represent the excess of the cost of the shares in subsidiary companies over the value of their net assets at the date of acquisition, less amounts written off. They are written off in five equal annual instalments, commencing in the year following acquisition.

(f) DEFERRED TAXATION

The amount set aside for deferred taxation represents the deferred liability calculated at the current rate of corporation tax on all timing differences, except to the extent that it is considered that the tax reduction arising will continue for the foreseeable future.

(g) FIXED ASSETS AND DEPRECIATION

Fixed assets, other than properties which have been the subject of revaluation, are shown at cost, less United Kingdom Government grants where applicable. Where revaluations have taken place, these values are adopted in the accounts in substitution for cost.

Depreciation of fixed assets is on a straight line basis calculated at annual rates estimated to write off each asset (net of relevant government grants) over the term of its useful life.

The rates generally in use are as follows:-

Freehold Properties :-
Land and Investment Properties

No depreciation is provided

Freehold Buildings

2% to 5%

Leasehold Properties

The book value is written off over the unexpired period of the lease.

Plant, Machinery, Fixtures and Cold
Store Insulation

2½% to 50%

20% to 25%

Motor Vehicles

12½% to 25%

Trailers

5% to 20%

Furniture and Office Equipment

5% to 20%

Ships and Craft

Continued/.....

HAYS GROUP LTD AND SUBSIDIARY COMPANIES

ACCOUNTING POLICIES - Continued

(h) STOCK AND WORK IN PROGRESS

Stock and work in progress have been valued at the lower of cost and net realisable value.

Cost comprises, in the case of :-

- (i) Products manufactured or processed by the group, direct material and labour costs plus an appropriate allocation of the relevant overheads.
- (ii) Bought in goods, invoice price.

Net realisable value is the actual or estimated selling price, less any further costs to be incurred before sale.

(i) LEASED ASSETS

Finance Leases

During the year the group adopted the provisions of Exposure Draft 29 .. Accounting for Leases and Hire Purchase Contracts. Consequently certain items of plant and machinery and certain ships and craft financed by leasing agreements giving rights approximating to ownership ("finance leases"), are now included in the balance sheet as fixed assets at cost less depreciation and the capital element of future rentals is treated as a liability. The interest element is charged to the profit and loss account over the period of the finance leases in proportion to the balance of capital repayments outstanding. The comparative figures have been changed to reflect the new accounting policy.

Operating Leases

Leasing rentals in respect of operating leases are charged to the profit and loss account in the period in which the leasing expenditure is incurred.

(j) PRE-OPERATIONAL COSTS RELATING TO NEW CONSTRUCTION

In order to provide a fair view of profits arising from the operation of the group's assets, interest and other costs relating to the pre-commissioning period of new construction have been excluded from Trading Profit and shown as a separate deduction in the consolidated profit and loss account.

(k) PROPERTY VALUATION

Surpluses arising on property valuation are credited to reserves. Valuation deficits are charged to reserves when there are existing surpluses from previous valuations of the particular properties. Otherwise valuation deficits are treated as extraordinary items in the profit and loss account.

Continued/.....

HAYS GROUP LTD AND SUBSIDIARY COMPANIES

ACCOUNTING POLICIES - Continued

(1) PENSION COSTS

Retirement benefits to employees are funded by contributions from the group companies and employees. Payments are made to insurance companies in accordance with periodic calculations by consulting actuaries and are charged against the profits of the year in which they become payable.

Certain former employees who retired before the present insured pensions schemes were fully established receive ex-gratia pensions from group companies. The future liability arising from these payments is recognised by the group and provided in the provision for ex-gratia pensions. The adequacy of this provision is reviewed periodically and any deficits disclosed by these valuations are charged as extraordinary items in the profit and loss account. The payment of ex-gratia pensions is charged against the provision.

HAYS GROUP LTD AND SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 1982

		Year ended 30th June 1982	9 months ended 30th June 1981
	NOTE	£'000	£'000
TURNOVER	5	172,600	59,700
TRADING PROFIT BEFORE TAXATION		6,448	2,610
Pre-operational interest charges		(75)	(317)
		6,373	2,293
Depreciation attributable to surpluses on revaluation of freehold buildings		(532)	(402)
PROFIT BEFORE TAXATION	1&5	5,841	1,891
TAXATION	2	163	314
		6,004	2,205
MINORITY INTEREST		-	(2)
PROFIT AFTER TAXATION AND BEFORE EXTRAORDINARY ITEMS		6,004	2,203
EXTRAORDINARY ITEMS	3	(5,017)	8,089
NET SURPLUS	4	987	10,292
DIVIDEND PAID		(1,477)	-
DEFICIT TRANSFERRED TO RESERVES (1981 - SURPLUS)	11	(490)	10,292

HAYS GROUP LTD AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET
AT 30TH JUNE 1982

		30th June 1982	30th June 1981
	NOTE	£'000	£'000
FIXED ASSETS	6	85,410	78,970
INVESTMENTS	8	3,472	3,129
CURRENT ASSETS			
Stock & Work in Progress	9	8,842	4,526
Debtors		25,125	21,379
Bank Balances & Cash		10,871	10,819
		44,838	36,724
		133,720	118,823
CURRENT LIABILITIES			
Creditors		26,644	22,689
Bank Overdrafts (unsecured)		153	2,921
Loan Capital repayable with 1 year	13	7,403	9,292
Amounts due under finance leases repayable within 1 year	14	498	476
Taxation		733	2,389
		35,431	37,767
		98,289	81,506
CAPITAL & RESERVES			
Share Capital	10	44,987	44,987
Reserves	11	19,075	19,682
		64,062	64,669
PREMIUMS ON ACQUISITION	12	11,115	11,699
		52,347	52,970
MINORITY INTEREST		-	9
LOAN CAPITAL	13	8,100	9,703
AMOUNTS DUE UNDER FINANCE LEASES	14	3,678	4,176
PROVISIONS	15	1,346	1,130
AMOUNT OWING TO PARENT COMPANY	16	32,068	13,068
		98,289	81,056

The accounts were approved by the Board of Directors on 4th November 1982.

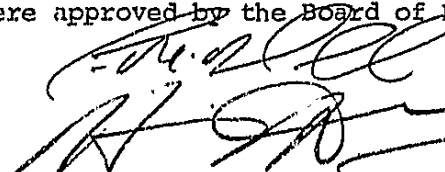
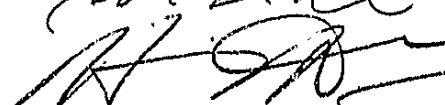
 DIRECTOR

 DIRECTOR

HAYS GROUP LTD
BALANCE SHEET
AT 30TH JUNE 1982

	NOTE	30th June 1982 <u>£'000</u>	30th June 1981 <u>£'000</u>
FIXED ASSETS	6	75	76
SUBSIDIARY COMPANIES	7	96,557	85,542
INVESTMENTS	8	2,616	2,273
CURRENT ASSETS			
Stock & Work in Progress		5	14
Debtors		316	307
Bank Balances & Cash		9,990	7,572
Taxation including Group Relief		94	-
		10,405	7,893
		<u>109,653</u>	<u>95,784</u>
CURRENT LIABILITIES			
Creditors		624	4,479
Bank Overdrafts (unsecured)		3,800	3,249
Loan Capital repayable within 1 year	13	5,755	7,482
Taxation including Group Relief		-	150
		10,243	15,360
		<u>99,410</u>	<u>80,424</u>
CAPITAL & RESERVES			
Share Capital	10	44,987	44,987
Reserves	11	18,473	18,504
		63,460	63,491
LOAN CAPITAL	13	2,812	3,000
PROVISIONS	15	1,070	865
AMOUNT OWING TO PARENT COMPANY	16	32,068	13,068
		<u>99,410</u>	<u>80,424</u>

The accounts were approved by the Board of Directors on 4th November 1982.

 DIRECTOR
 DIRECTOR

SOURCE AND APPLICATION OF FUNDS

YEAR ENDED 30TH JUNE 1982

	Year ended 30th June 1982		9 months ended 30th June 1981	
	£'000	£'000	£'000	£'000
SOURCE OF FUNDS				
PROFIT BEFORE TAXATION		5,841		1,891
Adjustment for items not involving the movement of funds :-				
Depreciation	5,939		3,509	
Excess depreciation of fixed assets sold	(74)		(274)	
Provisions	361		34	
Losses (1981 - Profits) retained in associated companies	38		(78)	
Exchange adjustments	11		53	
		6,275		3,244
TOTAL GENERATED FROM OPERATIONS		12,116		5,135
FUNDS FROM OTHER SOURCES				
Proceeds from sale of fixed assets	1,695		17,790	
Proceeds from sale of investments	348		65	
Tax creditors acquired	-		1,767	
Minority interest acquired	(9)		7	
		2,034		19,629
		14,150		24,764
APPLICATION OF FUNDS				
Purchase of Fixed Assets	14,460		14,230	
Purchase of Investments	736		2,467	
Dividends paid	1,477		-	
Tax paid	1,493		270	
Group relief paid	-		3,068	
Purchase of goodwill, being premiums arising on acquisition of subsidiaries	3,049		10,783	
Ex-gratia pensions paid	145		81	
Extraordinary items	1,645		653	
Working capital - increase (1981 - decrease)				
Stock	4,316		1,191	
Debtors	3,746		3,460	
Créditors	(3,955)		(10,366)	
	4,107		(5,715)	
		27,112		25,837
		(12,962)		(1,073)
EFFECT ON GROUP BORROWINGS				
Loan Capital - decrease		2,742		444
Bank Balances - increase		2,820		11,263
Increase in amount owing to parent company		(19,000)		(13,068)
Amounts due under finance leases		476		288
		(12,962)		(1,073)

HAYS GROUP LTD AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS

YEAR ENDED 30TH JUNE 1982

1. PROFIT BEFORE TAXATION

	Year ended 30th June 1982		9 months ended 30th June 1981	
	£'000	£'000	£'000	£'000
Profit before taxation is stated after crediting :-				
Interest receivable		1,679		313
Net rents from properties		110		307
Unrealised exchange gains		-		535
After charging :-				
Depreciation	6,277		3,509	
Less amounts included in extraordinary items	338		-	
		5,939		3,509
Share of losses (1981 - Profits) of Associated Companies		38		(78)
Interest payable :-				
Overdraft, bank loans & loans repayable within five years	2,253		1,411	
Long-term Loans	20		17	
Finance leases	364		310	
		2,637		1,738
Remuneration of Auditors (Parent £35,000.1981 - £29,000)		245		208
Hire of plant, machinery and ships		1,876		1,579
Directors emoluments (See Note 15) :-				
Fees		16		9
Management remuneration		-		-
Pension premiums		27		25
		£		£
Emoluments (excluding pension premiums) of Directors :-				
Chairman's emoluments		-		-
Highest paid director		7,500		5,625

HAYS GROUP LTD AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS - Continued

YEAR ENDED 30TH JUNE 1982

1. PROFIT BEFORE TAXATION - Continued

Year ended
30th June
19829 months ended
30th June
1981

Other Directors' emoluments fell within the following ranges :-

NUMBER

	<u>1982</u>	<u>1981</u>
£0-£5,000	7	3

Three Directors waived fees totalling £20,000 (1981 - Three Directors £14,497)

Employees' emoluments in excess of £20,000 fell within the following ranges :-

NUMBER

	<u>1982</u>	<u>1981</u>
£20,001-£25,000	1	-
£25,001-£30,000	4	5
£30,001-£35,000	2	-

The Directors' and Employees' emoluments ranges for 1981 are based on annualised equivalents of the remuneration of the nine months period.

2. TAXATION - based on the profits for the year excluding extraordinary items

Year ended
30th June
1982
£'0009 months ended
30th June
1981
£'000United Kingdom corporation tax @ 52%
Less relief for overseas taxation

16	-
(16)	-
-	-

Overseas taxation - Profits
- Deferred tax
Associated company

5	6
-	(12)
-	48

5	42
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Overprovision - Associated company
- Corporation tax
- Deferred tax

(168)	-
-	(47)
-	(309)

(163)	(314)
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The group's taxable profit has been eliminated by group relief surrendered from its parent company.

HAYS GROUP LTD AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS - Continued

YEAR ENDED 30TH JUNE 1982

3. EXTRAORDINARY ITEMS	Year ended 30th June 1982 £'000	9 months ended 30th June 1981 £'000
Losses less net realised profits on the disposal of properties	-	(65)
Valuation surpluses released from Reserves	-	12,062
	-	11,997
Premiums on acquisition of shares in subsidiaries written off (Note 12)	(3,033)	(252)
Closure costs	(1,623)	(271)
Payments to past directors	-	(123)
Provision for ex-gratia pensions	(350)	-
Other	(11)	(194)
	(5,017)	11,157
Related group relief and taxation	-	3,068
	(5,017)	8,089
4. NET SURPLUS	Year ended 30th June 1982 £'000	9 months ended 30th June 1981 £'000
The net surplus (1981 - deficit) after extracrdinary items dealt with in the accounts of Hays Group Ltd	1,446	(2,332)

5. EFFECT OF ACQUISITIONS

Included in the consolidated profit and loss account are the turnover and profit before taxation, relating to the period since acquisition, of the companies purchased during the year, which amount to £6,281,000 and £(73,000) respectively. Also included are the turnover and profit before taxation, amounting to £86,868,000 and £2,785,000 respectively (1981 - £6,072,000 and £184,000) in respect of Farmhouse Securities Limited which was acquired on 5th June 1981.

The financing of these acquisitions has been provided by the Group's parent company on interest free loan account.

HAYS GROUP LTD AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS - Continued

YEAR ENDED 30TH JUNE 1982

6. FIXED ASSETS	Freehold Properties £'000	Leasehold Properties Long £'000	Short £'000	Plant and Machinery £'000	Ships and Craft £'000	TOTAL £'000
A. GROUP						
COST AND VALUATION						
As originally reported at 30th June 1981	43,112	60	1,731	24,430	23,191	92,524
Prior year adjustment arising from change in accounting policy for leased assets	-	-	-	132	5,786	5,918
As re-stated at 30th June 1981	43,112	60	1,731	24,562	28,977	98,442
Additions during the year	2,142	1,168	423	5,840	1,680	11,253
Grants receivable	(120)	(1)	(36)	(336)	-	(493)
Assets of subsidiaries acquired	679	1,026	217	3,223	-	5,145
Exchange adjustments	(123)	-	(1)	(30)	-	(154)
Re-classifications	(512)	2	497	176	(200)	(37)
	45,178	2,255	2,831	33,435	30,457	114,156
Disposals at cost or valuation	(108)	-	(143)	(3,034)	(896)	(4,181)
30th June 1982	45,070	2,255	2,688	30,401	29,561	109,975
These amounts are based on :-						
Cost	8,060	2,195	2,280	30,401	29,561	72,497
Valuation in 1973	-	-	8	-	-	8
1980	37,010	60	400	-	-	37,470
AGGREGATE DEPRECIATION						
As originally reported at 30th June 1981	681	4	297	9,792	7,749	18,523
Prior year adjustment arising from change in accounting policy for leased assets	-	-	-	68	881	949
As re-stated at 30th June 1981	681	4	297	9,860	8,630	19,472
Provided from Profit & Loss Account	946	24	526	3,008	1,773	6,277
Eliminated in respect of disposals	(12)	-	(143)	(1,561)	(843)	(2,559)
Relating to assets of subsidiaries	53	45	60	1,263	-	1,421
acquired	(4)	-	(1)	(28)	-	(33)
Exchange adjustments	(22)	-	9	107	(107)	(13)
Re-classifications						
30th June 1982	1,642	73	748	12,649	9,453	24,565
BOOK VALUES						
30th June 1981	42,431	56	1,434	14,702	20,347	78,970
30th June 1982	43,428	2,182	1,940	17,752	20,108	85,410
Long leases are for terms of not less than 50 years unexpired at 30th June 1982. Freehold properties of £45,070,000 include land and investment properties of £10,289,000 which are not depreciated.						
B. COMPANY						
COST 30th June 1981	-	-	-	100	-	100
Additions during the year	-	-	-	34	-	34
	-	-	-	134	-	134
Disposals at cost	-	-	-	(26)	-	(26)
30th June 1982	-	-	-	108	-	108
AGGREGATE DEPRECIATION						
30th June 1981	-	-	-	24	-	24
Provided from Profit & Loss Account	-	-	-	19	-	19
Eliminated in respect of disposals	-	-	-	(10)	-	(10)
30th June 1982	-	-	-	33	-	33
BOOK VALUES						
30th June 1981	-	-	-	76	-	76
30th June 1982	-	-	-	75	-	75
C. FUTURE CAPITAL EXPENDITURE						
	GROUP			COMPANY		
	1982	1981		1982	1981	
	£'000	£'000		£'000	£'000	
Contracted for but not provided for in these accounts	9,062	4,700		Nil	422	
Authorised by the Directors but not contracted for	1,912	2,091		1,107	404	

HAYS GROUP LTD AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS - Continued

YEAR ENDED 30TH JUNE 1982

7. SUBSIDIARY COMPANIES	1982 £'000	1981 £'000
Shares	62,697	57,498
Amounts due from subsidiaries	45,862	38,565
	<hr/>	<hr/>
	108,559	96,063
Deduct: Amounts due to subsidiaries	12,002	10,521
	<hr/>	<hr/>
	96,557	85,542
	<hr/>	<hr/>

The subsidiary companies are shown on pages 22 and 23

The company's investment in its subsidiaries is revalued each year to recognise the net asset value of each subsidiary at the end of the year and the unamortised premium arising on acquisition.

8. INVESTMENTS	1982 £'000	1981 £'000
A. GROUP		
Unlisted :-		
Associated companies at cost plus share of post acquisition (deficits)/ reserves	(41)	228
Others - Directors' valuation		
1982 £3,513,000 (1981 - £2,901,000)	3,513	2,901
	<hr/>	<hr/>
	3,472	3,129
	<hr/>	<hr/>
B. COMPANY	1982 £'000	1981 £'000
Unlisted :-		
Associated companies at cost	2	77
Others - Directors' valuation		
1982 £2,614,000 (1981 - £2,196,000)	2,614	2,196
	<hr/>	<hr/>
	2,616	2,273
	<hr/>	<hr/>

The associated companies are shown on page 23

9. STOCK & WORK IN PROGRESS	1982 £'000	1981 £'000
Long term work in progress	439	230
Less progress payments	439	230
	<hr/>	<hr/>
	-	-
Finished goods & work in progress	2,545	178
Consumable stores	1,626	1,275
Raw Materials	506	230
Goods for resale	4,165	2,843
	<hr/>	<hr/>
	8,842	4,526
	<hr/>	<hr/>

HAYS GROUP LTD AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS - Continued

YEAR ENDED 30TH JUNE 1982

10. SHARE CAPITAL	1982 £'000	1981 £'000
Authorised		
52,000,000 Ordinary Shares of £1 each	<u>52,000</u>	<u>52,000</u>
Issued and Fully Paid		
44,986,713 Ordinary Shares of £1 each	<u>44,987</u>	<u>44,987</u>

In the opinion of the Directors the Company's ultimate holding company is St. Martins Holdings Limited, which is incorporated in Great Britain.

11. RESERVES

	GROUP £'000	COMPANY £'000
As originally reported at 30th June 1981	20,119	18,504
Prior year adjustment arising from change in accounting policy for leased assets	(437)	-
As restated at 30th June 1981	<u>19,682</u>	<u>18,504</u>
Deficit transferred from profit & loss account	(490)	(31)
Translation differences in respect of foreign subsidiaries	(117)	-
As at 30th June 1982	<u>19,075</u>	<u>18,473</u>

The group reserves include losses of £58,000 retained in associated companies.

HAYS GROUP LTD AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS - Continued

YEAR ENDED 30TH JUNE 1982

12. PREMIUMS ON ACQUISITION OF SHARES IN SUBSIDIARIES

	1982 £'000	1981 £'000
As at 30th June 1981	11,699	1,168
Arising during the year	3,049	10,783
Charged to profit and loss account (Note 3)	(3,033)	(252)
As at 30th June 1982	<u>11,715</u>	<u>11,699</u>

13. LOAN CAPITAL

	GROUP		COMPANY	
	1982 £'000	1981 £'000	1982 £'000	1981 £'000
Banks				
Secured	6,831	7,386	-	-
Unsecured	3,309	3,737	3,000	3,000
Other				
Secured				
7% Loan	290	290	-	-
Unsecured				
12½% Debenture	100	100	-	-
Loan Notes	5,567	7,482	5,567	7,482
Mortgage	156	-	-	-
	<u>16,253</u>	<u>18,995</u>	<u>8,567</u>	<u>10,482</u>
Less: Loan capital repayable within 1 year, included in current liabilities	<u>7,403</u>	<u>9,292</u>	<u>5,755</u>	<u>7,482</u>
	<u>8,850</u>	<u>9,703</u>	<u>2,812</u>	<u>3,000</u>
The aggregate amounts of loan capital repayable :-				
between one & two years	2,121	1,732	406	188
between two & five years	4,495	4,578	1,484	1,347
in five years or more	2,234	3,393	922	1,465
	<u>8,850</u>	<u>9,703</u>	<u>2,812</u>	<u>3,000</u>

Terms

- (i) 7% Loan is repayable in two instalments in 1985 and 1987.
- (ii) 12½% Debenture is redeemable at the option of a Subsidiary Company.
- (iii) The Loan Notes bear interest at a variable rate determined monthly by reference to the London Inter Bank Offered Rate. They are repayable on 4th June 1983 or at any date before then subject to one month's notice from the Note holders.
- (iv) The mortgage bears interest at the rate of 8.88% and is repayable in 2000.

NOTES TO THE ACCOUNTS - Continued

YEAR ENDED 30TH JUNE 1982

14. AMOUNTS DUE UNDER FINANCE LEASES

The future minimum lease payments to which the group is committed as at 30th June 1982 under finance leases are as follows :-

Year ending 30th June	£'000
1983	
1984	817
1985	800
1986	800
1987	800
Later years	801
	<u>1,430</u>
	5,448
Less: Finance charges allocated to future periods	<u>1,272</u>
	4,176
Less: Amounts repayable within 1 year, included in current liabilities	<u>498</u>
	<u><u>3,678</u></u>

15. PROVISIONS

	GROUP £'000	COMPANY £'000
As at 30th June 1981	1,130	865
Provided in the year	361	350
Charged in respect of pensions (including £6,800 (1981 - £5,100) paid to former directors)	<u>(145)</u>	<u>(145)</u>
As at 30th June 1982	<u><u>1,346</u></u>	<u><u>1,070</u></u>
The provisions comprise at 30th June 1982:-		
	GROUP £'000	COMPANY £'000
Pensions	1,070	1,070
Site repairs	<u>276</u>	<u>-</u>
	<u><u>1,346</u></u>	<u><u>1,070</u></u>

16. AMOUNT OWING TO PARENT COMPANY

There are no fixed repayment terms for the amount owing to the parent company which is free of interest.

HAYS GROUP LTD AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS - Continued

YEAR ENDED 30TH JUNE 1982

17. DEFERRED TAXATION

The potential amount of deferred taxation for all timing differences is :-

	GROUP		COMPANY	
	1982 £'000	1981 £'000	1982 £'000	1981 £'000
Estimated taxation in respect of chargeable gains on revalued properties	6,922	6,668	-	-
Excess of tax allowances over depreciation	19,028	20,109	-	-
Tax losses carried forward	(4,790)	(4,046)	-	-
Other timing differences	(508)	(285)	-	-
Available advance corporation tax	(3,365)	(3,365)	(3,320)	(3,320)
	<u>17,287</u>	<u>19,081</u>	<u>(3,320)</u>	<u>(3,320)</u>

18. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	1982 £'000	1981 £'000	1982 £'000	1981 £'000
Bills of Exchange discounted	7	649	-	-
Bank & other guarantees	10	81	21,431	17,951
Claims for which no provision has been made as the Directors consider them unfounded	677	542	-	-
	<u>694</u>	<u>1,272</u>	<u>21,431</u>	<u>17,951</u>

19. POST BALANCE SHEET EVENTS

The following material events have occurred between the balance sheet date and 4th November, 1982, the date on which the accounts were approved by the directors :-

- i. On 2nd July, 1982 the working assets of the farming business of the Hursley Estate were acquired for £1,077,000.
- ii. On 5th August, 1982 the whole of the issued share capital of Autobar Group Limited was acquired. A total of £31,894,000 has been invested in the company.
- iii. On 15th October, 1982 the decision was taken for Humphery & Grey (Lighterage) Ltd to cease trading as from 26th November, 1982. The consequent closure costs, which cannot be ascertained with any degree of reliability at this stage, will be charged as extraordinary items in the profit and loss account for the year to 30th June, 1983.

SUBSIDIARY COMPANIES OF

Hays Group Ltd as at 30th June 1982, which traded at any time during the period, except where otherwise indicated.

(Wholly owned, registered in England and operating in the United Kingdom except where otherwise stated.)

Packaging and Distribution

*Agence Continentale et Anglaise S.A. (Incorporated and operating in Belgium)

*Spinhayer S.A. (Incorporated and operating in Belgium)

Interbond Distribution Limited

St. Olaf Bonding Company Limited

Strathleven Bonded Warehouses Limited

Newtown Bonded Services Limited

Oils & Chemicals

Hays Oils & Chemicals Limited (Registered in Scotland)

Richard Smith Limited (Registered in Scotland)

The Ross Chemical and Storage Company Limited (Registered in Scotland)

Dunn Brothers Manchester Limited

Traffic Services Limited

*James A. Beck & Sons Limited (Incorporating Irode Sales) (Registered in Northern Ireland)

*James A. Beck Chemicals Limited (Incorporated and operating in the Republic of Ireland)

Trafco (U.K.) Ltd

Trafco U.S.A. Inc. (Incorporated and operating in the U.S.A.)

Dexstar Chemicals Limited

Hays Fine Chemicals Limited (Registered in Scotland)

Duncan Independent Chemical Suppliers Limited

Frederick Allen & Sons (Chemicals) Limited

Sadler & Co. Limited

Sadler & Co. (Chemicals) Limited

*A.B.C. Hygex (Ireland) Limited (acquired 25th September 1981) (Registered in Northern Ireland)

Warehousing

Dagenham Storage Company Limited

United Kingdom Cold Storage Limited

Newington Fruit Company Limited

*Supalink Limited (Control acquired 5th November 1981)

Marine Services

Bowker & King Limited

Humphery & Grey (Lighterage) Limited

London & Rochester Trading Co. Limited, trading as Crescent Shipping with its subsidiaries

Babyssa Limited

Channel Coasters Limited

Cubow Limited

Business Services

St. Olaf Insurance Brokers Limited

Hays Business Services Limited

*Hays Business Services S.A. (incorporated and operating in Belgium)

London Microfilm Bureau Limited

London Documents Bureau Limited with its subsidiary

*Dublin Documents Bureau Limited

*Transaction Security Limited (acquired 2nd October 1981)

SUBSIDIARY COMPANIES - Continued

Farmhouse

- Farmhouse Securities Limited with its subsidiaries
- *Crowthorne Transport Company Limited
- Farmhouse Frozen Foods Limited
- *Farmhouse Group Services Limited
- *North London Cold Store (St. Albans) Limited
- *T.C.D. Temperature Controlled Distribution Limited
- *Thames Valley Foods Limited

Manufacturing and Technology

- *Leadenhall Sterling plc (acquired 26th March 1982) with its subsidiaries
- *Montgomerie Reid Limited
- *T.H. Dixon & Company Limited
- *Spembly Limited
- *Newbold & Bulford Limited
- *Autofeeds London Limited
- *Charles Frank Limited
- *Cryomedics Inc. (acquired 18th June 1982) (Incorporated and operating in U.S.A.)

INVESTMENTS IN ASSOCIATED COMPANIES as at 30th June 1982

	Equity held by	
	Parent %	Subsidiary %
*Midland Document Exchange Limited (at 30th June 1981 total issued capital 2,000 shares of £1 each).	50	
*Pekoe Packaging Limited (at 30th September, 1981 total issued capital 1,800 shares of £1 each).		Dagenham Storage 33 1/3 Company Limited
* Companies, the accounts of which have been audited by firms other than the Auditors of the Holding Company.		

Details of all subsidiaries and trade investments not listed above will be annexed to the Company's next annual return as required by Sections 3 and 4 of the Companies Act 1967.