

**The Proprietors of
Hay's Wharf, Limited**

Report & Accounts 1979

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Report and Accounts 1979

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The Proprietors of Hay's Wharf, Limited

Board of Directors

SIR DAVID H. BURNETT Bt MBE TD (*Chairman*)
M. C. STANLEY MBE DL (*Deputy Chairman*)
D. S. CLARABUT DSC (*Managing Director*)
Q. V. HOARE OBE
G. S. C. CLARABUT DSO DSC JP
M. C. EVERIST
R. E. COOK
J. L. I. CRANSTON
B. A. DAWSON
D. F. BUCHANAN

Secretary

N. H. CHASE DFC FCA

Registered Office

St Olaf House London Bridge London SE1 2PJ

Registrars and Transfer Office

Midland Bank Limited
Courtwood House
Silver Street Head
Sheffield S1 3RD

Bankers

National Westminster Bank Limited
Smiths Office
1 Princes Street London EC2P 2AH

Bank of Scotland
P.O. Box 9
110 Queen Street
Glasgow G1 3BY

Solicitors

Clifford-Turner, Blackfriars House 19 New Bridge Street London EC4V 6BY

Auditors

Touche Ross & Co., 55 New Oxford Street, London WC1A 1BX

The Proprietors of Hay's Wharf, Limited

NOTICE IS HEREBY GIVEN that the SEVENTY-SECOND ANNUAL GENERAL MEETING of the Company will be held at the Glaziers' Hall, Hibernia Chambers, Montague Close, London Bridge, London, S.E.1, on Thursday, the 31st day of January, 1980, at 12 noon for the following purposes:

- 1 To receive and adopt the Statement of Accounts for the year ended 30th September, 1979, and the Reports of the Directors and of the Auditors.
- 2 To declare a final dividend of 4.63p per Ordinary Share.
- 3 To re-elect Mr. B. A. Dawson as a Director of the Company.
- 4 To re-elect Mr. D. F. Buchanan as a Director of the Company.
- 5 To re-elect Mr. M. C. Stanley as a Director of the Company.
- 6 To re-elect Mr. G. S. C. Clarabut as a Director of the Company.
- 7 To reappoint the Auditors, Touche Ross & Co., at a fee to be fixed by the Board.
- 8 To consider and if thought fit, pass the following Resolution (concerning Directors' Fees) which will be proposed as a SPECIAL RESOLUTION:—

RESOLUTION

That Article 98 of the Articles of Association of the Company be altered by the substitution of the words and figures "at such rate not exceeding £5,000 per annum as the Board shall determine" for the words and figures "at the rate of £1,500 per annum" and of the figure "£10,000" for the figure "£3,000" such alteration to be with effect from 1st February, 1979.

By Order of the Board,

N. H. CHASE,
Secretary.

Registered Office:

St. Olaf House,
London Bridge, London, SE1 2PJ.

20th December, 1979.

A member entitled to attend and vote at a meeting convened by the above notice may appoint one or more proxies to attend and, on a poll, to vote in his stead. A proxy need not be a member. A proxy form for use by Ordinary Shareholders of the Company is enclosed.

Holders of the Cumulative Preference Shares should note that they are not entitled to attend or to vote at this meeting. In accordance with the requirements of The Stock Exchange, London, copies of all service contracts of Directors with the Company or its subsidiaries will be available for inspection at the Company's registered office during normal business hours, except Saturdays and Public Holidays, until the date of the meeting and at the place of the meeting for at least 15 minutes prior to the meeting and until the conclusion of the meeting.

Close Company Provisions

The close company provisions of the Income and Corporation Taxes Act 1970 do not apply to the Company.

Capital Gains Tax

The market value of the Company's stocks and shares quoted on The Stock Exchange, London, on 6th April, 1965 were as follows:—

Ordinary Shares of £1 each	£0.921*		
Preference Shares	£0.85		
6% Debenture Stock 1978/83	Repaid 1st December, 1975 {	{	£90½
6½% Debenture Stock 1984/87			£97½
6% Convertible Unsecured Loan Stock 1980/85			£99½

*After adjustment for scrip and rights issues up to 20th December, 1979.

Substantial Interests in the Company's Shares

On 20th December, 1979, the register of interests in voting shares showed that the Government of the State of Kuwait Ministry of Finance, Kuwait Investment Office, was interested in 7,019,438 ordinary shares of £1 each in the Company (approximately 32.7%).

Chairman's Review

Summary of Results for the Year Ended 30th September, 1979

(a) Profits from trading

The profit before tax earned for the year amounted to £5,563,000 after charging, for the first time, depreciation on freehold buildings of £332,000. This compares with profits of £4,587,000 for 1978 (freehold depreciation—Nil) and with profits of £2,293,000 for the first half of 1979. The table below summarises the comparative contributions which the various activities of the company made to profits, before taxation, for the year with the 1978 profits shown for comparison.

	1978/79 £'000	1977/78 £'000
Bottling, packing, storage and distribution	2,740	2,570
Merchandising and distribution of oils and chemicals	1,527	1,164
Marine Services	1,473	1,182
Business Services	573	388
Real Estate	781	743
Total	7,094	6,047
Less: Financing costs	1,531	1,460
Profit before taxation	5,563	4,587

It will be seen from the table that, in general, all the main activities of the company contributed to the improved earnings for this year. In particular, the storage, distribution and the oils and chemicals merchandising activities of the company made a good recovery in the second half of the year from the effects of last winter's industrial troubles. Profits after tax increased from £3,986,000 to £4,613,000.

(b) Rights Issue

In August 1979, £4,799,000 was raised (after expenses) by means of a one-for-four Rights Issue of 4,298,890 new ordinary shares of £1 each at 115p per share and the issue was fully taken up by ordinary shareholders. The money raised by the Rights Issue is being used to assist in the financing of the company's capital expenditure programme and, at the same time, to contain future borrowings within prudent limits.

(c) Earnings per share

Earnings per share, based on profit before extraordinary items and the weighted average of shares in issue

in 1979 and after adjusting the earnings per share in 1978 for the bonus element in the Rights Issue, increased from 22.31p to 24.72p.

(d) Capital expenditure

A sum of £2.2m was spent and 120,807 ordinary shares issued in connection with the acquisition of new businesses for the Oils and Chemicals and Business Services Divisions of the Company, details of which will be found in the Trading Reports which follow.

£7.6m of the capital expenditure, which was authorised at the end of the financial year, related mainly to the Marine Services Division and is to be incurred over the next two or three years. £6.3m is for the purchase of three new small coasters and four new coastal and estuarial tankers. £4.7m of this expenditure is to be financed by shipbuilding industry loans at subsidised rates of interest.

In addition, further capital expenditure amounting to about £8.5m has been authorised to be spent over the next three years. It is required to provide new plant and buildings to meet the known demands for the services provided by Strathleven Bonded Warehouses Limited, the Oils and Chemicals companies and by the companies in the Business Services Division.

This expenditure programme together with the cost of normal replacements will be financed from internal cash flow, Government grants in the case of the expenditure at Strathleven, the proceeds of the recent Rights Issue and further loans which are now being arranged.

During the coming year the Company will continue its policy of selling low yielding and surplus assets. The proceeds from such sales will assist in containing borrowings.

(e) Dividend

A final dividend of 4.63p per ordinary share is recommended, which, together with the interim dividend of 1.72p already paid, makes a total of 6.35p per share for the year. This compares with a total dividend of 5.525p per share for last year.

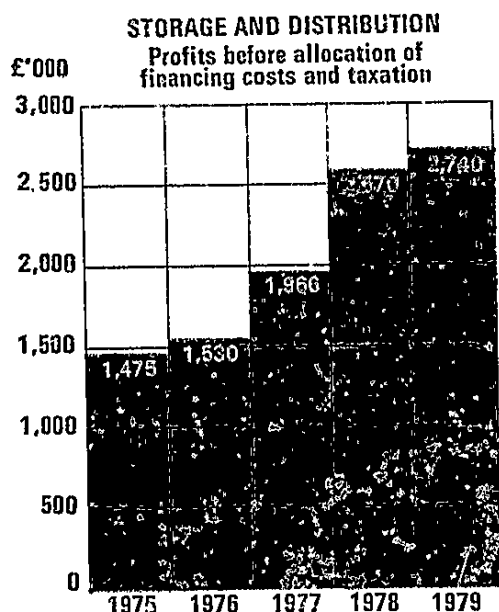
(f) Inflation accounting

The net adjustment as recommended by the Hyde Committee results in the Group's trading profit before taxation and extraordinary items of £4.6m being reduced by approximately £2.2m. The £2.2m arises from additional depreciation of £2.3m, a cost of sales adjustment of £0.3m and a gearing adjustment credit of £0.4m.

The full relevance of these figures to shareholders depends a great deal on the policy of Government for the taxation of corporate profits included in accounts prepared under a system of accounting for inflation.

Chairman's Review—continued

Storage and Distribution



The companies engaged in bottling, storage and distribution of wines and spirits all enjoyed a high demand for their services during 1979 and, despite problems experienced during the haulage strike in January, earned profits well above those for the previous year. Strathleven Bonded Warehouses Ltd., provides large volume bottling and allied storage services for the whisky and rum trades in Scotland and the further investment in this Division authorised during 1978 was completed and contributed to the growth in the profits of that company. Agreement was reached during 1979 between Strathleven Bonded Warehouses Ltd., and its principal whisky customer for a major expansion of facilities to meet anticipated future demand. The Board has authorised an expenditure of £7,000,000 on these facilities which are planned to become operational during the autumn of 1981. James Baird (Milngavie) Ltd., a small distribution company in Dumbarton, ceased to trade on 31st December 1978 as the premises were required by Strathleven Bonded Warehouses Ltd.

Newcastle Warehousing Company Ltd., which operates storage and distribution warehouses for cased wines and spirits in Birmingham, Barnsley, Newcastle and

Companies.

Agence Continentale et Anglaise, S.A.
(Incorporated in Belgium)
22/32 Rue Picard, Brussels.
Managing Director M. Defrène
Storage and distribution, shipping and forwarding.

Beaumaine International B.V.
(Incorporated in Holland)
Van Brerestein 5, Amsterdam.
Managing Director M. Defrène
Importers and distributors of cosmetics.

Beaumaine International S.A.
(Incorporated in Belgium)
32 Rue Picard, Brussels.
Managing Director M. Defrène
Wines and spirits importers and distributors.

Castlegreen Storage and Distribution Limited
(Registered in Scotland)
Dillichiploan, Bonhill, Dunbartonshire.
Gen. Manager D. M. H. Butler
Bonded warehousekeepers. Blending and storage of whisky.

Dagenham Storage Company Limited
(trading as Birmingham Storage Company at Birmingham)
Pooles Lane, Ripple Road, Dagenham, Essex, RM9 6RS.
Managing Director A. Aberdeen
Warehouses at Dagenham and Birmingham. Customs clearance, distribution and haulage. Packing of vehicles and engineering parts for export.

Imporbel S.A.
(Incorporated in Belgium)
32 Rue Picard, Brussels.
Managing Director M. Defrène
Wines and spirits importers and distributors.

Newcastle Warehousing Company Limited
Hanover Street, Newcastle upon Tyne, NE99 1ET.
Managing Director A. T. Bond
Bonded warehouses at Newcastle, Barnsley, Glasgow and Birmingham. Storage and distribution of wines and spirits.

St. Olaf Bonding Company Limited
Hay's Lane, Tooley Street, London, SE1.
Managing Director M. Giffin
Bottling, storage and distribution of wines and spirits. Bonded warehouses in London and Dagenham.

Spinhayer S.A.
(Incorporated in Belgium)
46 Rue Picard, Brussels.
Managing Director F. Fettweis
Storage and Distribution, shipping and forwarding.

Strathleven Bonded Warehouses Limited
Gooseholm Crescent, Dumbarton, G82 2SB.
Managing Director G. D. Kilgour
Bonded warehousekeepers. Storage, blending, bottling, distribution and export of spirits, principally for the rum and whisky industries.

Supalink Limited
(50% owned)
Elmdon Trading Estate, Bickenhill Lane, Marston Green, Warwickshire, B37 7HE.
Managing Director C. B. Bearman
Distribution services to the retail trade.

United Kingdom Cold Storage Limited
St. Olaf House, Tooley Street, London SE1.
Managing Director P. D. T. Roberts
Cold store in Dagenham.

Storage and Distribution *continued*

Glasgow, had a good year in all areas. In order to meet the increased demand for the company's services in Scotland, further accommodation will be made available at Paisley.

St. Olaf Bonding Company Ltd., which operates warehouses in London, had a high demand for its bottling, warehousing and distribution services and produced excellent results.

The Belgian companies, which are engaged in shipping and forwarding and warehousing and distribution, again produced disappointing results. Action has now been taken to reorganise a section of the main warehouse of Agence Continentale et Anglaise S.A., to provide a document storage service in Brussels; initial response to this development is encouraging. Reorganisation of the management and finance of Beaumaine International S.A., wines and spirits importers, took place during the year. Further action will be required to restructure the businesses of the Belgian companies. It is too early to forecast the costs and

benefits which may arise from this action but it is apparent that the trading results will remain unsatisfactory in the current year.

United Kingdom Cold Storage Company Ltd., based at Dagenham, had a good year and maintained a high level of stocks. Its profits were less affected by the road haulage dispute in January 1979 than were those of Dagenham Storage Company Ltd. Although this company maintained a high level of throughput, its profits were lower than those for 1978, though much of the shortfall in profits in the first half of the year were made up in the second half. The current year has started well.

Supalink Ltd., in which a 50% interest is owned, had a busy year and produced increased profits. Arrangements have been made for the company to take over adjacent warehouse premises formerly occupied by Birmingham Storage Company, which has moved to a new site at Minworth near Birmingham.

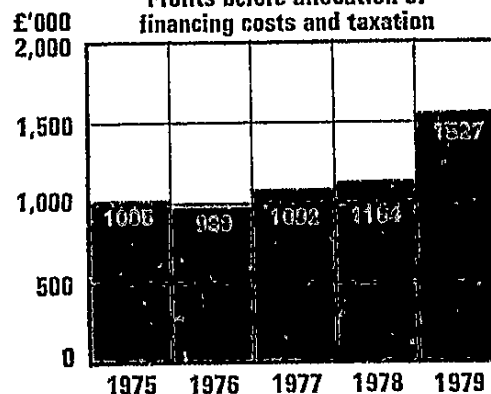
Oils and Chemicals

Despite the fact that many of the activities in which this division is engaged were seriously disrupted by the industrial unrest of last winter, the shortfall in profits arising therefrom has been more than fully recovered as will be seen from the table on the right.

As was mentioned in the interim report the chemical merchandising activities of the division were expanded during the year by the acquisition of Henry Rodger & Company Limited (the holding company of Dexstar Chemicals Limited based at Lockerbie in Scotland) and of Frederick Allen & Sons (Chemicals) Limited based in London. Since the purchases were completed towards the end of the half year, the year's figures only reflect six months' profits from these two companies which traded in accordance with expectations. The other chemical merchandising companies had a satisfactory year with the Belfast company and the Aberdeen depot of Richard Smith Limited showing up particularly well. Towards the end of the financial year an expansion of warehousing facilities at Belfast was completed and a new depot in Cork opened. Plans are in hand to build a new depot in Aberdeen as the existing facilities there are now too small to cope with the present level of activity and future prospects. Carbonoff Limited had a disappointing year and steps have been taken to re-appraise its marketing strategy. Ross Chemical & Storage Company Limited had another

OILS AND CHEMICALS

Profits before allocation of
financing costs and taxation



Chairman's Review—continued

Oils and Chemicals—continued

satisfactory year with all tankage fully occupied. Traffic Services Limited had a record year in both Chartering and Rail departments while Trafco U.S.A. Inc. continues to prove its worth to the Chartering department.

Sadler & Company Limited had a very good year.

Given reasonable trading conditions the division anticipates making further progress during the course of the current year.

Companies

James A. Beck & Son Limited

(Incorporating Trade Sales)
(Registered in Northern Ireland)
46-50 Sydney Street West, Belfast,
BT13 3GX.
Managing Director D. J. W. Browne
Storage and distribution of inorganic and organic chemicals, including solvents and detergents, throughout Northern Ireland.

James A. Beck Chemicals Limited

(Incorporated in the Republic of Ireland)
Cookstown Industrial Estate,
Tallaght, Co. Dublin.
Managing Director D. J. W. Browne
Industrial chemical suppliers throughout the Republic of Ireland.

Carbonoff Manufacturing Ltd.

(Incorporated in the Republic of Ireland)
Cookstown Industrial Estate,
Tallaght, Co. Dublin.
Managing Director D. J. W. Browne
Manufacturers of specialised products.

Carbonoff Limited

(Registered in Scotland)
15 Lynedoch Street, Glasgow G3 6EF.
Managing Director D. J. W. Browne
Marketing of specialised products.

Dunn Brothers Manchester Limited

382 Heywood Old Road, Bowlee, Middleton,
Manchester, M24 4SA.
Managing Director J. Hall
Merchandising and distribution of chemicals throughout England.

Ross Chemical & Service Company Limited

(Registered in Scotland)
Lime Wharf, Falkirk, FK1 4RP.
Managing Director J. L. I. Cranston
Holding company.

The Ross Chemical & Storage Company Limited

(Registered in Scotland)
Grange Dock, Grangemouth, FK3 8UD.
Managing Director R. Greenhill
Bulk storage of oils and chemicals. Berthing facilities for deep water tankers.

Sadler & Company Limited

Wilson Street, Thornaby, Cleveland,
Teesside, TS17 7AR.
Managing Director R. T. Frost
Distributors of oils and petrol and bulk hauliers of liquid chemicals and oils. Storage tanks at Middlesbrough. Owns filling station sites.

Richard Smith Limited

(Registered in Scotland)
61 Paterson Street, Glasgow, G5 8LF.
Managing Director D. J. W. Browne
Chemical merchants trading throughout Scotland.

Trafco U.S.A. Inc.

(Registered in Houston, Texas, U.S.A.).
Managing Director D. L. Partridge.
Ship chartering services.

Traffic Services Limited

Clarendon House, 11/12 Clifford Street,
London, W1X 2HD.
Managing Directors
J. M. B. Gotch (Rail)
D. L. Partridge (Chartering)
Shipping and forwarding of liquids in bulk, including tanker chartering. Tanker brokers for oils, chemicals and gases. International rail and container transporters of liquids, powders and gases in bulk.

Dexstar Chemicals Limited

Caledonian Works, Lockerbie.
Dumfriesshire GD11 2AD.
Joint Managing Directors
R. R. MacDonald and D. M. Savage.
Agricultural and Industrial Hygiene
Chemical Manufacturers and suppliers.

Frederick Allen & Sons (Chemicals) Limited

Hatherley Wharf, Bow Common Lane,
London E3 4AX.
Executive Chairman D. J. W. Browne.
Chemical Manufacturers, Merchants and Distributors.

Marine Services

This Division continued to provide specialist services to customers requiring freightage of dry cargo, powders and oil products to and from North European ports and up the estuaries and rivers of the British Isles. Agency services are provided in the Medway, Thames, Humber, Solent and Bristol Channel areas, as well as at Colchester and Mistley.

All units of the various Fleets have been fully employed, although profit margins have been affected by increased maintenance and crew costs.

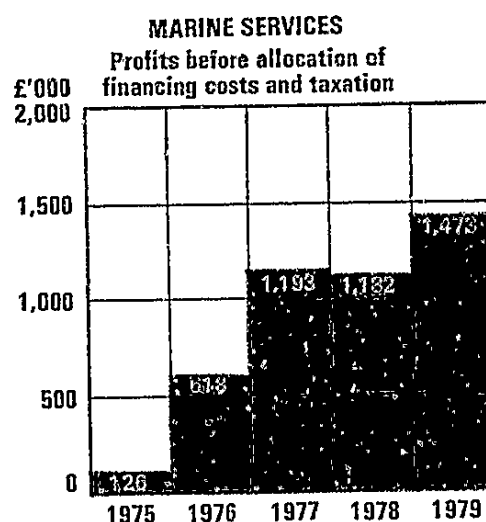
The higher profit reflects the contributions made by new units which have joined the Fleet. Bowker & King's replacement programme is still largely in the

Marine Services—continued

building stage, only the 850 ton tanker reported in last year's accounts having joined the Fleet early in the year. Two new lighters have come into service with Humphery & Grey, whilst Crescent Shipping took delivery of two new units of 780 and 1,340 tonnes respectively. The managed Fleet was also strengthened by two new vessels of 1,340 tonnes and two smaller units.

The wharves operated by Crescent Shipping in the Medway area recovered quickly from the effects of the haulage strike, and these together with the Lighterage activities of both Crescent Shipping and Humphery & Grey were helped by the increasing interest being shown in LASH type traffics. Lighterage in the Thames continues to be difficult.

The new vessels coming into service, following the capital expenditure programme referred to at the beginning of this report, will enable a modern and efficient service to be provided to the varied customers of the shipping companies of the Group and business should benefit accordingly.



Companies.

Bowker & King Limited

Riverside House, Woolwich, S.E.18.
Managing Director C. N. B. Rodewald.
Operates fleet of 32 tankers based on Thames, Bristol Channel, Solent and Mersey areas.

Cubow Limited

51 Woolwich Church Street, London, SE18.
Managing Director R. L. Ralph
Shipbuilding and repairing.

Humphery & Grey (Lighterage) Limited

63-69 Llewellyn Street, London, SE16 4XG.
Managing Director A. H. Howard
Operates a fleet of lighters 150-780 tons and tugs specialising in grain trades and LASH towage.

London & Rochester Trading Company Limited, trading as Crescent Shipping

Canal Road, Rochester, Kent ME2 4DS.
Managing Director A. R. Winter
Operates 46 vessels, mainly in the Continental trades; manages 20 vessels; operates lighterage services and wharves, agencies and brokerage services at Colchester and Rochester; ship-repairing and road vehicle maintenance.

Thos. W. Purvis Limited

123 Hedon Road, Hull HU9 1NA.
Manager M. J. Sharp
Shipbrokers and Chartering Agents.

Ships' Electronic Services Limited

(25% owned)
23/27 High Street, Greenhithe, Kent DA9 9PA.
Managing Director P. M. Hacker
Supplies and maintains ships' electronic equipment.

Business Services

This Division provides high security storage and retrieval services for all types of documents and archives and special storage and retrieval facilities for computer tapes. Containers are provided for document removal. In addition, services in insurance broking and computing are provided.

This year has seen important growth in Business Service activities following acquisitions which were reported in previous years. Safestore Holdings Limited and its subsidiary company, Safestore Limited, were acquired in April of this year. These companies are

Chairman's Review—continued

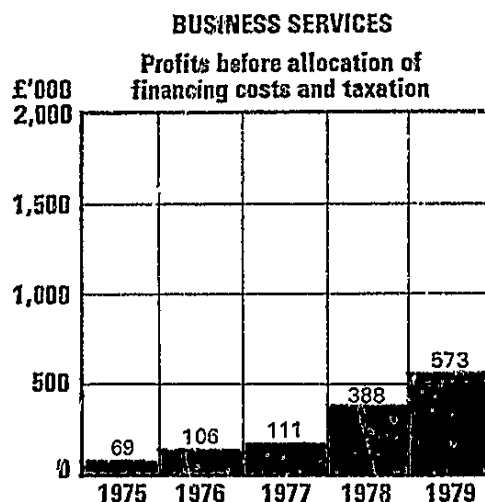
Business Services—continued

situated in Deptford and will provide additional space and facilities for the customers of this division.

Further growth is planned for the future. In order to give a more comprehensive service to our customers, a new company, Hays Business Services Limited, was formed on 1st October 1979. This company incorporates the activities of Hays Business Records Centre Limited, Datakeep Limited, Rentacrate (UK) Limited and Safestore Limited. The staff of the company moved into new office accommodation and this will enable the company to consolidate its range of services to customers through its many locations.

St. Olaf Insurance Brokers Limited acquired the shares of John E. Good Insurance Brokers and Consultants Limited on 1st October 1979.

Hay's Computer Services Limited continued to develop new on-line services for Group customers during the year.



Companies

Hays Business Services Limited
Datasafe House, Vine Lane, London,
SE1 2JW.
Managing Director D. R. L. Carr
Security storage. Storage and retrieval of
business archives.

St. Olaf Insurance Brokers Limited
33 Tooley Street, London, SE1.
Director and Manager R. J. Woods
Insurance Brokers.

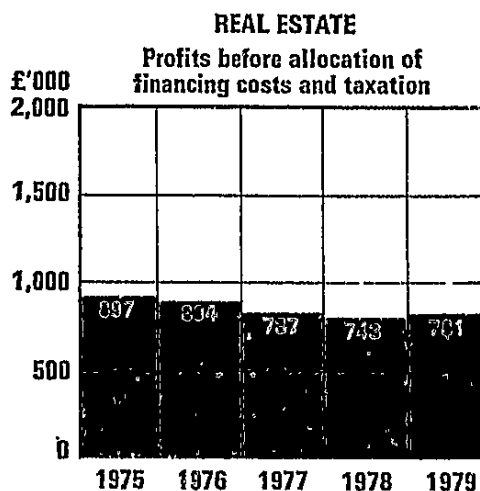
Hay's Computer Services Limited
St. Olaf House, Tooley Street, London,
SE1 2PJ.
Director and Manager D. A. Sapwell
Computer services to Group Companies and
outside customers.

Real Estate

It will be seen from the graph (alongside) that the small fall in profits shown in 1978, following sales of property made in that year, were made good in 1979. This was achieved by means of short-term lettings of property in Tooley Street, London SE1, held for eventual redevelopment. It is satisfactory to be able to report that the properties held for investment in Tooley Street and elsewhere were kept virtually fully let throughout the year.

The programme of realisation of surplus properties is continuing and during the year leasehold premises at Greenwich were disposed of at a satisfactory figure. Negotiations are in hand for the disposal of land let on long lease at Middlesbrough.

Your Board, together with its professional advisers are actively assessing the development potential of those parts of the Tooley Street Estate not required in the long-term for the trading activities of Group companies.



Real Estate *continued*

Companies

London Bridge Properties Limited
St. Olaf House, Tooley Street, London
SE1 2PJ.

General Manager F. D. Squire, FRICS
A property investment company, holding
the Group's investment properties, other
than development land in Tooley Street.

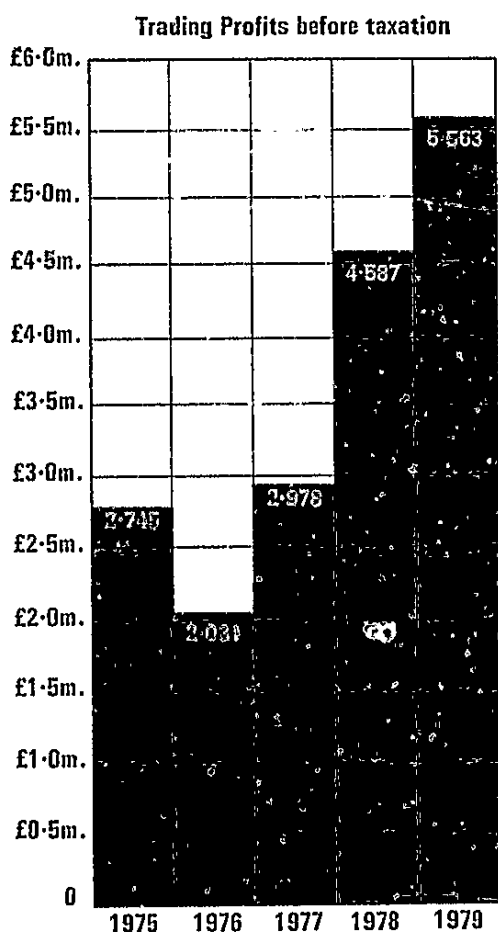
London Bridge Developments Limited
St. Olaf House, Tooley Street London
SE1 2PJ.

General Manager F. D. Squire, FRICS
A property investment company, holding
the Group's development land in Tooley
Street and at Chambers Wharf.

Newington Fruit Company Limited
Otterham Quay, Rainham, Kent.

Managing Director N. C. Newitt.
A farming company engaged mainly in
fruit growing on about 234 acres of
land near Newington, Kent, held on lease
from London Bridge Properties Limited.

Five Year Profit Summary



Directors

Mr. Q. V. Hoare, who has served for twenty-nine years as a Director of the company and for part of that time as Deputy Chairman, has decided to retire at the conclusion of the forthcoming Annual General Meeting, having reached the age of 72 years. My colleagues and I wish to place on record our grateful thanks for his very valuable service to the company over this long period.

I am pleased to report the appointment to the Board of the company on 14th February 1979 of Mr. B. A. Dawson and of Mr. D. F. Buchanan, as non-executive Directors. Mr. Dawson is Assistant General Manager and Mr. Buchanan is Investment Manager of the Kuwait Investment Office, which is interested in 32.7% of the equity of the company. Their contribution to the work of the Board has already proved most valuable.

Staff

I would like, once again, on behalf of the shareholders, to thank all members of the staff for the continued support which they have given to the company during the year. I would particularly like to welcome the staff of the new companies which have joined the Group during the year and to thank the staff, new and old, for the enthusiasm and hard work which has been given and which should augur well for the future of the company.

Further Outlook

The present uncertain economic climate renders it difficult to make forecasts. Overseas, the restructuring of the Belgian companies, to which reference has been made earlier in this report, has still to be completed. The companies trading in the UK and the Republic of Ireland are soundly based. In the absence of industrial unrest, such as was experienced in the UK last winter, the outlook for the Group as a whole for the current year would appear to be favourable with recent acquisitions making a full year's contribution to profits for the first time.

DAVID H. BURNETT, *Chairman.*

Report of the Directors

Year ended 30th September, 1979

The Directors submit their report and the audited accounts for the year ended 30th September, 1979.

Accounts

Trading profit before charging depreciation on freehold buildings, was £5,895,000 (£4,587,000 last year) from which various amounts have been deducted as shown in the Profit and Loss Account on page 14. The balance of £2,552,000 has been transferred to reserves.

As a result of changes in accounting policy the reserves as at 30th September, 1978 have been increased by a net amount of £1,845,000. Details are given on page 13, paragraphs (f) and (g) and in note 16 to the accounts on page 21.

Profit after tax is approximately 14% greater than that forecast in the circular to shareholders issued on 13th July 1979 in connection with the rights issue. This is mainly due to particularly buoyant trading conditions experienced in the last quarter of the year.

The Directors recommend a final dividend of 4.63p per Ordinary share payable on 1st February, 1980, which, with the interim dividend of 1.72p per share already paid, makes the total for the year 6.35p per share.

Directors

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

Sir DAVID H. BURNETT, Bt., M.B.E., T.D., M.A., F.R.I.C.S.	
M. C. STANLEY, M.B.E., D.L., M.A., C.Eng.	D. S. CLARABUT, D.S.C.,
Q. V. HOARE, O.B.E.	G. S. C. CLARABUT, D.S.C., J.P.
M. C. EVERIST, F.C.A.	R. E. COOK, F.C.M.A.
J. L. I. CRANSTON, B.A., LL.B.	
B. A. DAWSON, M.A.	
D. F. BUCHANAN, C.A., A.C.M.A.	

} Appointed 14th February, 1979

In accordance with the Company's Articles of Association, Mr. M. C. Stanley and Mr. G. S. C. Clarabut retire by rotation from the Board and Mr. B. A. Dawson and Mr. D. F. Buchanan retire under Article 102. All being eligible, they offer themselves for re-election.

Messrs. M. C. Stanley and G. S. C. Clarabut have Service Agreements with the Company both of which expire on the giving of six months notice by either party to terminate on or after 31st July, 1983.

Mr. Q. V. Hoare, who has served for 29 years as a Director of the Company, has decided to retire at the conclusion of the forthcoming Annual General Meeting.

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

The interests of the Directors and their families so far as the Directors were aware, in the Company's shares and loan stock at the relevant dates were as follows:—

	30th September, 1979		30th September, 1978	
	Beneficial Interests	Non-Beneficial Interests	Beneficial Interests	Non-Beneficial Interests
<i>Ordinary Shares of £1 each</i>				
Sir David H. Burnett, Bt.	75,069	14,278	60,295	15,791
Q. V. Hoare	2,826	—	2,261	—
M. C. Stanley	300,555	—	320,419	195,942
D. S. Clarabut	66,215	1,430	56,647	1,144
G. S. C. Clarabut	11,387	—	39,714	—
M. C. Everist	8,200	—	10,000	—
R. E. Cook	1,376	—	1,101	—
<i>Preference Shares of £1 each</i>				
Sir David H. Burnett, Bt.	300	5,125	300	5,125
Q. V. Hoare	102	—	102	—
<i>9½% Unsecured Loan Stock 1979/82</i>				
J. L. I. Cranston	£288	—	£288	—

No changes have occurred in these interests between 30th September and 20th December, 1979.

The reduction in the interests of Mr. M. C. Stanley arise mainly from the sale of shares by Trustees and from a cessation of interests, which were previously declared by virtue of his being a Director of The Smith Trustee Co. Ltd. which he has now been advised should not have been so declared.

Directors' Fees

The present fees of £1,500 p.a. each, with additional fees not greater than £3,000 p.a. in all to be paid to the Chairman or Deputy Chairman were fixed over ten years ago in March 1969. Your Board considers that the fees should now be revised and accordingly your attention is drawn to the proposed Resolution set out in the Notice of Meeting on page 2 of this document which, if passed, will increase the fees payable to "not exceeding £5,000 p.a. each" with extra fees "not greater than £10,000 p.a. in all to be shared between the Chairman and Deputy Chairman as determined by the Board, to be with effect from 1st February, 1979".

At present all Directors (except Mr. Q. V. Hoare, Mr. B. A. Dawson and Mr. D. F. Buchanan, the non-executive Directors), have irrevocably waived their fees during the continuancy of their current service agreements with the Company.

Activities of the Group

The Company, its subsidiaries and associated companies provide general and security storage, transport and distribution, bottling, export packing and tanker brokering services, mainly for the wines and spirits, foods and chemical industries and operate shipping and lighterage fleets. Merchanting of chemical products is undertaken and property investments are held. Lists of companies engaged in these activities are given on pages 24 and 25.

Classification of Turnover and Profitability

The proportions of turnover and of contributions to trading profit of the classes of business were:—

	% of Turnover	Trading Profit Contribution (before tax) £'000
Storage and Distribution		
United Kingdom	30.45	2,379
Belgium	9.84	(294)
Oils and Chemicals		
United Kingdom	31.28	1,187
Republic of Ireland	1.44	72
United States of America	0.08	(11)
Marine Services	24.27	1,127
Business Services	2.64	497
	<u>100.00</u>	
Real Estate		606
		<u>5,563</u>

Changes in Fixed Assets

The changes during the year are shown in Note 10 to the Accounts on page 20.

Shares

During the year, 90,503 Ordinary shares of £1 each were allotted credited as fully paid up as part of the consideration for the acquisition of the whole of the issued share capital of Henry Rodger & Company Limited (the holding company of Dexstar Chemicals Limited) and 30,304 Ordinary shares of £1 each were allotted credited as fully paid up as part of the consideration for the acquisition of the whole of the issued share capital of Safestore Holdings Limited. During August 1979, 4,298,890 Ordinary shares of £1 each were allotted credited as fully paid up in connection with the one for four Rights issue at 115p per share.

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 3 553 and the aggregate gross remuneration paid or payable to such persons totalled £16,958,778.

Political and Charitable Contributions

Charitable contributions totalled £3,441. No contributions were made for political purposes.

Exports

The value of the goods exported by the Group was £278,000. 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

Mann Judd, who have amalgamated their practice with and are now practising under the name of Touche Ross & Co., have indicated their willingness to accept reappointment as Auditors of the Company for a further term in accordance with the provisions of the Companies Act 1976.

20th December, 1979.

By Order of the Board,
N. H. CHASE, Secretary.

Report of the Auditors

to the Members of The Proprietors of Hay's Wharf, Limited

In our opinion the accounts and notes on pages 13 to 25, which have been prepared under the historical cost convention including the revaluation of certain assets, comply with the Companies Acts 1948 and 1967 and, so far as concerns members of the Company, give a true and fair view of the state of affairs at 30th September, 1979 of the Company and of the Group and of the profit and source and application of funds of the Group for the year ended on that date.

London
20th December, 1979


TOUCHE ROSS & CO.,
Chartered Accountants.

Accounting Policies

(a) GROUP ACCOUNTS

The group accounts consolidate the accounts of the company and its subsidiaries noted on page 24, made up to 30th September, 1979, with the exception of the subsidiaries operating abroad (see (b) below).

The effective date for accounting for both acquisitions and disposals of subsidiaries and investments in associated companies has been taken as the date on which consideration passes.

(b) FOREIGN SUBSIDIARIES

In order to avoid delay in producing the group accounts the accounts for the year ended 30th June, 1979, of the main subsidiaries operating abroad, are included in the consolidated profit and loss account for the year ended 30th September, 1979.

(c) ASSOCIATED COMPANIES

The 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, are listed on page 25.

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, and are taken from the latest audited accounts made up to a date within six months prior to the balance sheet dated 30th September 1979.

(d) FOREIGN CURRENCIES

The accounts of the foreign subsidiaries have been converted at the rate ruling at 30th June, 1979. Other balances have been converted at rates ruling at 30th September, 1979.

(e) TURNOVER

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

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

The group's accounting policy in respect of premiums arising on the acquisition of shares in subsidiary companies has been changed. It is considered that the new policy will give a fairer presentation of the results and financial position of the group.

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 dates of acquisition, less amounts written off. They are written off in five equal annual instalments, commencing in the year following acquisition.

(g) DEFERRED TAXATION

The group's accounting policy in respect of deferred taxation has been changed in order to comply with Statement of Standard Accounting Practice No. 15.

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.

(h) 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.

The group's accounting policy in respect of depreciation has been changed to comply with Statement of Standard Accounting Practice No. 12.

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

NIL

Freehold buildings

2% to 10%

In the case of freehold buildings, which have been revalued, an amount equivalent to the depreciation attributable to the surplus on valuation is released from reserves.

Leasehold properties:—

Investment properties

NIL

Other properties

written off over unexpired period of lease

Plant, Machinery, Fixtures and Cold Store

2½% to 50%

Insulation

20% to 25%

Motor Vehicles

12½% to 25%

Trailers

5% to 20%

Furniture and Office Equipment

5% to 20%

Ships and Craft

(i) 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.

(j) LEASING OF PLANT AND MACHINERY

Leasing rentals are charged against profits evenly over the anticipated useful life of the assets rather than over the term of each particular lease. In certain cases, therefore a proportion of the leasing rental payments is carried forward as deferred revenue expenditure.

(k) 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.

Consolidated Profit & Loss Account

Year ended 30th September, 1979

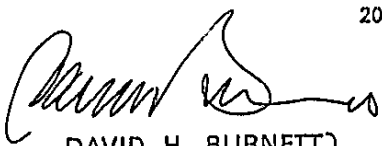
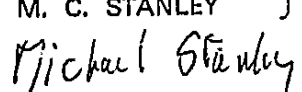
	Notes	1979 £'000	1978 (Restated) £'000
TRADING PROFIT BEFORE CHARGING DEPRECIATION ON FREEHOLD BUILDINGS		5,895	4,587
Depreciation on freehold buildings		332	—
TRADING PROFIT BEFORE TAXATION	1,2,3 and 9	5,563	4,587
Pre-operational and exceptional interest charges		209	36
		5,354	4,551
TAXATION	4	741	565
PROFIT AFTER TAXATION AND BEFORE EXTRAORDINARY ITEMS		4,613	3,986
EXTRAORDINARY ITEMS	5	679	461
NET SURPLUS attributable to THE PROPRIETORS OF HAY'S WHARF, LTD.	6	3,934	3,525
DIVIDENDS	7		
Cumulative Preference shares for year ended 30th June, 1979		91	91
Ordinary Shares:—			
Interim		296	267
Proposed Final		995	676
		1,382	1,034
TRANSFERRED TO RESERVE	16	2,552	2,491
EARNINGS PER SHARE	8	24.72p	22.31p

Prior year adjustments to group reserves arising from the changes in accounting policies, which are set out in paragraphs (f) and (g) on page 13, are shown in note 16.

Consolidated Balance Sheet

at 30th September, 1979

	Note	1979 £'000	1978 (Restated) £'000
FIXED ASSETS	10	52,715	47,330
TRADE INVESTMENTS	12	571	560
CURRENT ASSETS			
Stock and Work in Progress	13	3,422	2,456
Debtors		16,777	14,110
Bank Balances and Cash	14	1,906	573
		22,105	17,139
		75,391	65,029
CURRENT LIABILITIES			
Creditors		14,653	11,109
Bank Overdrafts		265	3,640
Loan Capital repayable within 1 year	18	1,221	730
Taxation		761	580
Ordinary Dividend		995	676
		17,895	16,735
		57,496	48,294
CAPITAL AND RESERVES			
Share Capital	15	23,492	19,073
Reserves	16	22,314	19,155
		45,806	38,228
PREMIUMS ON ACQUISITION OF SHARES IN SUBSIDIARIES	17	1,567	799
		44,239	37,429
LOAN CAPITAL	18	11,848	9,518
DEFERRED TAXATION	19	325	312
PROVISIONS	20	1,084	1,035
		57,496	48,294


 DAVID H. BURNETT } Directors
 M. C. STANLEY }


Balance Sheet

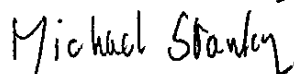
at 30th September, 1979

	Note	1979 £'000	1978 (Restated) £'000
FIXED ASSETS	10	36	39
SUBSIDIARY COMPANIES	11	54,974	45,873
TRADE INVESTMENTS	12	75	75
CURRENT ASSETS			
Debtors		121	91
Bank Balances and Cash	14	358	1
		479	92
		55,564	46,079
CURRENT LIABILITIES			
Creditors		441	395
Bank Overdraft		25	201
Loan Capital repayable within 1 year	18	500	62
Taxation		561	409
Ordinary Dividend		995	676
		2,522	1,743
		53,042	44,336
CAPITAL AND RESERVES			
Share Capital	15	23,492	19,073
Reserves	16	20,401	17,943
		43,893	37,016
LOAN CAPITAL	18	7,756	5,976
DEFERRED TAXATION	19	309	309
PROVISIONS	20	1,084	1,035
		53,042	44,336



DAVID H. BURNETT

M. C. STANLEY



} Directors

Source and Application of Funds

Year ended 30th September, 1979

	1979	1978 (Restated)
	£'000	£'000
SOURCE OF FUNDS		
PROFIT BEFORE TAXATION	5,354	4,551
Adjustments for items not involving the movement of funds:—		
Depreciation	2,291	1,647
Excess depreciation of fixed assets sold	(154)	(326)
Profits retained in associated company	(61)	(41)
Exchange adjustments	216	(49)
TOTAL GENERATED FROM OPERATIONS	7,646	5,782
FUNDS FROM OTHER SOURCES		
Proceeds from sale of fixed assets	509	1,405
Proceeds from sale of trade investments	26	6
	<u>535</u>	<u>1,411</u>
Shares issued in respect of:—		
Subsidiaries acquired	182	250
Rights issue	4,799	—
	<u>4,981</u>	<u>250</u>
	<u>5,516</u>	<u>1,661</u>
	13,162	7,443
APPLICATION OF FUNDS		
Purchase of fixed assets	8,170	3,776
Purchase of investments	11	50
Purchase of goodwill, being premiums arising on the acquisition of subsidiaries	1,045	284
Dividends paid	1,063	955
Tax paid	516	535
<i>Ex gratia</i> pensions paid	122	128
Extraordinary items	259	156
Increased working capital:—		
Stock	966	286
Debtors	2,667	1,562
Creditors	(3,544)	(672)
	<u>89</u>	<u>1,176</u>
	<u>11,275</u>	<u>7,058</u>
	<u>1,887</u>	<u>385</u>
EFFECT ON GROUP BORROWINGS		
Loan Capital—increase (1978 decrease)	(2,821)	1,648
Bank Balances—increase (1978 decrease)	4,708	(1,263)
	<u>1,887</u>	<u>385</u>

Notes to the Accounts

Year ended 30th September, 1979

	1979 £'000	1978 £'000
1 GROUP TURNOVER	61,500	52,500
2 GROUP TRADING PROFIT	1979 £'000	1978 £'000
Trading profit is stated after charging:—		
Depreciation of:—		
Freehold properties	390	—
Leasehold properties	25	37
Plant and machinery	1,195	920
Ships and craft	739	690
	2,349	1,647
Less depreciation attributable to the surplus on valuation of freehold buildings released from reserves (Note 16)	58	—
	2,291	1,647
Interest payable:—		
Bank loans and overdrafts	1,648	1,406
Loans repayable within five years	59	57
Long-term loans:—		
7% Loan	20	20
12½% Unsecured debentures	13	13
	1,740	1,496
Less: Pre-operational and exceptional interest charges:—		
Pre-operational interest charges relating to new construction	157	36
Exceptional interest arising from rescheduling of certain borrowings	52	—
	209	—
	1,531	1,460
Remuneration of Auditors (Parent £21,000 1978—£18,000)	157	137
Hire of plant, machinery and ships (Note a)	1,699	1,287
Directors' emoluments (Note 9):—		
Fees	3	2
Management remuneration	146	127
Pension premiums	50	51
after crediting:—		
Share of profits of Associated Company (see Note 3)	61	41
Interest receivable	148	183
Net rents from properties excluding Intra-Group transactions	827	683
(a) This charge is mainly in respect of leasing and long-term hire agreements. It includes £54,000 (1978—£47,000) of expenditure deferred in previous years in respect of leases, the primary periods of which have expired, and excludes £190,000 (1978—£118,000) carried forward as deferred revenue expenditure in respect of leases still in their primary periods. The aggregate deferred expenditure at 30th September, 1979 was £436,000 (1978—£300,000)		

3 ASSOCIATED COMPANIES

The relevant proportion of profits of one of the trading associated companies (referred to on page 25) as shown by accounts made up to 1st September, 1979 has been included in the Group Consolidated Profit and Loss Account. This amounted to £61,000 (before charging taxation). No trading results have been included for a second company, the profit of which, in the opinion of the Directors is immaterial in relation to the Group Accounts.

4 TAXATION—based on the profits for the year, excluding extraordinary items:—

	1979 £'000	1978 (Restated) £'000
United Kingdom Taxation:—		
Group		
Corporation tax at 52%	95	90
Advance corporation tax	595	448
Associated company	31	21
	721	559
Overseas taxation including £13,000 deferred tax (1978—£3,000)	20	6
	741	565

5 EXTRAORDINARY ITEMS

	1979	1978 (Revised)
	£'000	£'000
Capital costs less net realised profits	(233)	430
Add valuation surpluses released from Reserves (Note 16)	36	22
Premium on acquisition of shares in subsidiaries written off	(196)	452
Non-recurring items	(277)	(528)
Increase in pension provision (Note 20)	(33)	(121)
Related taxation	(171)	—
	(679)	(461)

6 NET SURPLUS

	1979	1978
	£'000	£'000
The net surplus after extraordinary items dealt with in the accounts of The Proprietors of Hay's Wharf, Limited	3,278	2,746

7 DIVIDENDS

	1979	1978
	£'000	£'000
Cumulative Preference Shares for year ended 30th June, 1979	45	45
2.275% paid 31st December, 1978	46	46
2.275% paid 30th June, 1979	91	91
Ordinary Shares—	296	267
Interim of 1.720p per share on 17,195,558 (1978—1.564p per share on 17,074,751 shares)	995	676
Proposed Final of 4.630p per share on 21,494,448 shares (1978—3.961p per share on 17,074,751 shares)	1,382	1,034
	6.350p	5.525p

8 EARNINGS PER SHARE

	1979	1978 (Revised)
	£'000	£'000
Profit after taxation and before extraordinary items	4,613	3,988
Less: Preference dividends	91	91
Earnings	4,522	3,896
Weighted average number of ordinary shares of £1 in issue	18,293,564	18,940,926
Earnings per share:—	24.72p	22.31p
'Not' basis	27.97p	24.89p
'Nil distribution' basis		
The earnings per share for 1978 have been adjusted by a factor of 0.9708 to account for the bonus element in the rights issue.		

9 EMOLUMENTS (excluding pension premiums) OF DIRECTORS AND EMPLOYEES

	1979	1978
	£	£
Directors	25,840	22,553
Chairman's emoluments		
Other Directors' emoluments fell within the ranges indicated—	Number	Number
	1979	1978
£0—£2,500	2	1
£2,501—£5,000	1	—
£5,001—£10,000	—	4
£10,001—£15,000	4	2
£15,001—£20,000	2	—
£20,001—£22,500	—	—
Seven Directors waived fees totalling £10,500 (1978—Seven Directors £10,500)		
Employees' emoluments in excess of £10,000 fell into the following ranges—	Number	Number
	1979	1978
£10,001—£12,500	53	21
£12,501—£15,000	19	3
£15,001—£17,500	2	—
£17,501—£20,000	1	—

Notes to the Accounts—continued

10 FIXED ASSETS

GROUP	Freehold Properties £'000	Leasehold Properties Long £'000	Short £'000	Plant and Machinery £'000	Ships and Craft £'000	Total £'000
COST AND VALUATION						
30th September, 1978	27,682	1,800	4,665	12,138	12,429	58,714
Additions during year, less grants receivable	1,001	12	16	2,664	3,449	7,142
Assets of subsidiaries acquired	798	—	—	508	—	1,304
Exchange adjustments	(75)	—	—	(45)	—	(120)
Reclassifications	(83)	127	(53)	9	—	—
	29,321	1,939	4,628	15,274	15,878	67,040
Disposals at cost	(125)	—	(145)	(505)	(310)	(1,085)
30th September, 1979	29,196	1,939	4,483	14,769	15,568	65,955
These amounts are based on:—						
Cost (or net book value in 1947 or 1948)	7,240	139	464	14,769	15,568	38,170
Valuation 1978	8,302	—	34	—	—	8,336
Valuation 1979	13,654	1,800	3,995	—	—	19,449
	29,196	1,939	4,483	14,769	15,568	65,955
AGGREGATE DEPRECIATION						
30th September, 1979	385	—	172	6,825	5,858	13,240
30th September, 1978	—	—	160	5,820	5,404	11,384
BOOK VALUES						
30th September, 1979	28,811	1,939	4,311	7,944	9,710	52,715
30th September, 1978	27,682	1,800	4,505	6,318	7,026	47,330
COMPANY						
	Freehold Properties £'000	Leasehold Properties Long £'000	Short £'000	Plant and Machinery £'000	Ships and Craft £'000	Total £'000
COST						
30th September, 1978	—	—	—	73	—	73
Additions during year	—	—	—	10	—	10
	—	—	—	83	—	83
Disposals at cost	—	—	—	(12)	—	(12)
30th September, 1979	—	—	—	71	—	71
AGGREGATE DEPRECIATION						
30th September, 1979	—	—	—	35	—	35
30th September, 1978	—	—	—	34	—	34
BOOK VALUES						
30th September, 1979	—	—	—	36	—	36
30th September, 1978	—	—	—	39	—	39

Long leases are for terms of not less than 50 years unexpired at 30th September, 1979.

Freehold properties of £29,196,000 include land and investment properties of £14,485,000, which are not depreciated.

11 SUBSIDIARY COMPANIES

	1979 £'000	1978 (Restated) £'000
Shares	14,926	18,642
Indebtedness of subsidiaries	45,680	32,671
	60,606	51,513
Deduct: Indebtedness to subsidiaries	5,632	5,840
	54,974	45,673

The comparative figures have been increased by £5,912,000 to reflect the prior year release of deferred taxation in the subsidiaries, arising from the change in accounting policy.

The principal subsidiaries are shown on page 24.

12 TRADE INVESTMENTS

	1979 Cost £'000	1978 Cost £'000
GROUP	414	560
Loans and unquoted shares (Directors' valuation 1978 £414,000)		
Associated companies		
—shares (including attributable post-acquisition reserves)	132	100
—advances	28	25
	<u>571</u>	<u>560</u>
COMPANY	1979 Cost £'000	1978 Cost £'000
Associated companies		
—shares	50	50
—advances	25	25
	<u>75</u>	<u>75</u>

Details of investments, in which the Group holds more than 20% of equity, are shown on page 25.

13 STOCK AND WORK IN PROGRESS

	1979 £'000	1978 £'000
Finished goods and work in progress	2,362	1,508
Consumable stores	1,080	945
	<u>3,422</u>	<u>2,453</u>

14 BANK BALANCES AND CASH

At 30th September, 1979 £200,000 of the bank balances were interest bearing (1978 NIL).

15 SHARE CAPITAL

	1979 £'000	1978 £'000
Authorised		
2,000,000 Cumulative Preference Shares of £1 each*	2,000	2,000
24,000,000 Ordinary Shares of £1 each	24,000	18,000
	<u>26,000</u>	<u>21,000</u>

By an Ordinary Resolution of the Company passed on 13th July, 1979 the authorised share capital of the Company was increased to £26,000,000 by the creation of 5,000,000 Ordinary shares of £1 each.

	1979 £'000	1978 £'000
Issued and Fully Paid		
1,997,817 Cumulative Preference Shares of £1 each*	21,494	17,075
21,494,448 Ordinary Shares of £1 each (1978—17,074,751)	23,492	19,073
	<u>23,492</u>	<u>19,073</u>

*Formerly 6½% now 4.55% plus tax credit.

16 RESERVES

	Group £'000	Company £'000
As originally reported at 30th September, 1978	17,310	15,063
Prior year adjustments arising from the changes in accounting policy for:—		
Premiums arising on acquisition of subsidiaries	(1,035)	—
Deferred taxation	2,880	2,880
	<u>19,155</u>	<u>17,943</u>
As restated at 30th September, 1978		
Amount transferred from Profit and Loss Account	2,652	1,896
Exchange adjustment in respect of foreign subsidiaries	138	—
Premium arising on the issue of shares, net of expenses	562	562
Valuation surpluses released	(35)	—
Depreciation attributable to the valuation surpluses of freehold buildings (Note 2)	(58)	—
	<u>22,314</u>	<u>20,401</u>

The Reserves incorporate:—

(i) An unrealised net surplus at 30th September, 1979 of £9,017,000 being the excess of the aggregate valuation over the aggregate cost of the revalued properties after the capitalisation of £6,120,000 for scrip issues between 1971 and 1974; and

(ii) Share premium £621,000 (1978—£59,000).

Group Reserves at 30th September, 1979, of £22,314,000 include £79,000 retained in the accounts of an Associated Company.

Notes to the Accounts—continued

17 PREMIUMS ON ACQUISITION OF SHARES IN SUBSIDIARIES

As originally reported at 30th September, 1978
Prior year adjustment arising from the change in accounting policy

As restated at 30th September, 1978
Arising on the acquisition of new subsidiaries
Charged to Profit and Loss Account (Note 5)

1979	1978
£'000	£'000
—	1,834
—	(691)
799	1,143
1,045	284
(277)	(628)
1,567	799

18 LOAN CAPITAL

Banks
Secured
Unsecured
Other
Secured
7% loan
Mortgage
Unsecured
12½% Debenture
9½% Loan Stock 1979/82

Group		Company	
1979	1978	1979	1978
£'000	£'000	£'000	£'000
3,497	2,546	—	—
8,606	6,724	7,680	5,450
290	290	—	—
—	12	—	12
100	100	—	—
576	576	576	576
13,069	10,248	8,256	5,038
1,221	730	600	62
11,848	9,518	7,756	5,976

Less: Loan capital repayable within 1 year, included in current liabilities

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.

The aggregate amounts of loan capital repayable:—
between one and two years
between two and five years
in five years or more

Group		Company	
1979	1978	1979	1978
£'000	£'000	£'000	£'000
2,246	694	1,377	—
6,802	5,746	4,707	3,816
2,800	3,078	1,672	2,160
11,848	9,518	7,756	5,976

19 DEFERRED TAXATION

As originally reported at 30th September, 1978
Prior year adjustment relating to change in accounting policy

As restated at 30th September, 1978
Transfer from Profit and Loss Account

As at 30th September, 1979

Group	Company
£'000	£'000
3,730	(2,185)
(3,418)	2,494
312	309
13	—
325	309

The composition of the deferred taxation balance and of the potential amount of deferred taxation for all timing differences is:—

GROUP

Estimated taxation in respect of chargeable gains on revalued properties
Taxation postponed on the disposal of properties
Excess of tax allowances over depreciation
Stock appreciation relief
Other timing differences
Available advance corporation tax

Provided		Potential amount	
1979	1978	1979	1978
£'000	£'000	£'000	£'000
—	—	4,067	4,436
309	309	416	317
16	3	11,707	9,309
—	—	400	186
—	—	(287)	(284)
—	—	(3,055)	(2,459)
325	312	13,248	11,535

COMPANY

Taxation postponed on the disposal of properties
Available advance corporation tax

Provided		Potential amount	
1979	1978	1979	1978
£'000	£'000	£'000	£'000
309	309	309	309
—	—	(3,055)	(2,459)
309	309	(2,746)	(2,150)

20 PROVISIONS

	Group	Company
	£'000	£'000
As originally reported at 30th September, 1978	407	407
Prior year adjustment arising from change in accounting policy for deferred taxation	532	532
As restated at 30th September, 1978	1,039	1,039
Additional provision (Note 5)	171	171
Charged in respect of pensions	(122)	(122)
	<u>1,088</u>	<u>1,088</u>

21 FUTURE CAPITAL EXPENDITURE

	Group		Company	
	1979	1978	1979	1978
	£'000	£'000	£'000	£'000
Contracted for but not provided for in these Accounts	3,199	3,845	—	—
Authorised by the Directors but not contracted for	11,608	4,895	—	—

22 CONTINGENT LIABILITIES

	Group		Company	
	1979	1978	1979	1978
	£'000	£'000	£'000	£'000
Bills of Exchange discounted, bank and other guarantees	330	578	16,403	17,336
Uncalled amounts on shares	1	1	1	1
Claims for which no provision has been made as the Directors consider them to be unfounded	555	510	—	—
	<u>886</u>	<u>1,089</u>	<u>16,404</u>	<u>17,337</u>

Subsidiary Companies of

The Proprietors of Hay's Wharf, Limited as at 30th September, 1979, which traded at any time during the year, except where otherwise indicated.

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

Storage and Distribution

- *Agence Continentale et Anglaise S.A. with its subsidiary
 - *Spinhayer S.A.
 - *Imporbel S.A.
 - *Beaumaïne International S.A. with its subsidiary
 - *Beaumaïne International B.V.
- } (Incorporated and operating in Belgium)
- (Incorporated and operating in Holland)
 - Castlegreen Storage and Distribution Limited with its subsidiary
 - James Baird (Milngavie) Limited (both registered in Scotland)
 - Dagenham Storage Company Limited
 - Newcastle Warehousing Company Limited
 - St. Olaf Bonding Company Limited
 - Strathleven Bonded Warehouses Limited
 - United Kingdom Cold Storage Limited

Oils and Chemicals

- Ross Chemical & Service Company Limited (Registered in Scotland)
- with its subsidiaries
- 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 & Son Limited (Incorporating Irade Sales) (Registered in Northern Ireland)
- *James A. Beck Chemicals Limited (Incorporated in the Republic of Ireland)
- Carbonoff Manufacturing Limited (Incorporated in the Republic of Ireland)
- Trafco U.S.A. Inc. (Incorporated in the U.S.A.)
- Carbonoff Limited (Registered in Scotland)
- *Henry Rodger & Company Limited (Registered in Scotland) with its subsidiary
- *Dexstar Chemicals Limited (both acquired 22nd February, 1979)
- *Frederick Allen & Sons (Chemicals) Ltd. (acquired 14th March, 1979)
- Sadler & Co. Limited

Marine Services

- Bowker & King Limited
- Humphery & Grey (Lighterage) Limited
- London & Rochester Trading Co. Limited, trading as Crescent Shipping with its subsidiary
- Thos. W. Purvis Limited
- Cubow Limited

Business Services

- St. Olaf Insurance Brokers Limited
 - Hay's Computer Services Limited
 - Hays Business Records Centre Limited
 - Datakeep Limited
 - Safestore Holdings Limited with its subsidiary Safestore Limited
- } Businesses transferred to Hays Business Services Limited on 1st October, 1979
- (both acquired 6th April, 1979)

Real Estate

- London Bridge Developments Limited
- London Bridge Properties Limited
- Newington Fruit Company Limited

All issued preference shares of subsidiary companies are held by the Company. The Group has other wholly-owned subsidiaries, which are either non-trading or not significant. Details of all subsidiaries will be annexed to the Company's next annual return as required by Section 3 of the Companies Act, 1967.

*Companies, the accounts of which have been audited by firms other than the Auditors of the Holding Company.

INVESTMENTS IN ASSOCIATED COMPANIES as at 30th September, 1979

	Equity held by Parent %	Subsidiary	%
Manxay Holdings Limited (non-trading)	50		
*Supalink Limited (at 1st September, 1979, total issued capital 100,000 shares of £1 each fully paid.)	50		
*Ships Electronic Services Limited (at 30th September, 1979, total issued capital 20,460 shares of £1 each fully paid.)		London & Rochester Trading Co. Limited	25

*Companies, the accounts of which have been audited by firms other than the Auditors of the Holding Company.