

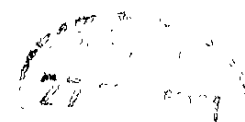
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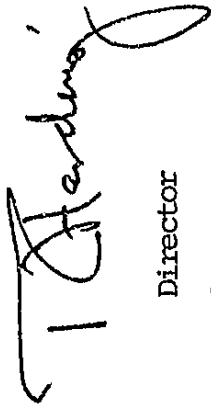
The Baltic Mercantile and Shipping Exchange Limited

DIRECTORS' REPORT and ACCOUNTS
31st March, 1981

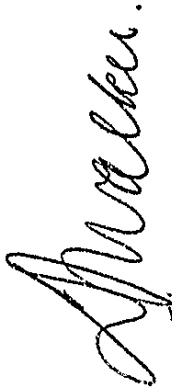
14-20 ST. MARY AXE, LONDON, E.C.3



We certify that this is a true copy of every Balance Sheet laid before the Company in General Meeting during the period to which this Return relates (including every document required by law to be annexed to the Balance Sheet) and a true copy of the report of the Auditors on, and of the report of the Directors accompanying, each such Balance Sheet.



Director



Secretary

29th July 1981

The Baltic Mercantile and Shipping Exchange Limited

DIRECTORS

D. R. DONALDSON (*Chairman*)
P. L. HARDING, F.I.C.S. (*Vice-Chairman*)
J. BRADY
D. M. McL. CLARK
*J. S. COTTRELL, A.I.C.S.
R. D. COWING
H. L. C. GREIG, C.V.O.
E. S. HANKS
THE LORD INVERFORTH
P. L. SIBREE
*F. M. THOMPSON
P. C. TUDBALL
P. J. VOGT, A.I.C.S.
*J. A. W. WHITEHEAD, F.I.C.S.

**Ballot Director*

SECRETARY

D. J. WALKER, M.A., F.C.I.S.



The Baltic Mercantile and Shipping Exchange Limited

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Eightieth Annual General Meeting of The Baltic Mercantile and Shipping Exchange Limited will be held in the Queen's Room of the Baltic Exchange, 14-20, St. Mary Axe, London, E.C.3, on Thursday, 18th June, 1981 at noon precisely for the following purposes:—

To receive the Directors' Report with Statement of Accounts for the year ended 31st March, 1981.

To declare a Dividend.

To report the election of Directors.

To reappoint Coopers & Lybrand as Auditors, under Section 14(1) of the Companies Act 1976.

To authorise the Directors to fix the Auditors' remuneration.

To transact any other business of an Ordinary General Meeting.

The Register of Transfers will be closed from 27th May, 1981 to 18th June, 1981 inclusive.

By Order of the Board
D. J. WALKER,
Secretary

14-20, St. Mary Axe,
London, E.C.3.
27th May, 1981.

An Individual Member entitled to attend and vote at the Meeting may appoint a Proxy (who need not be a member) to attend in his stead and to vote on his behalf only in the event of a poll.

Any corporation which is a Member may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at the Meeting.

The Baltic Mercantile and Shipping Exchange Limited

Directors' Report

The Directors of the Company have pleasure in presenting their Eightieth Annual Report and the audited accounts for the year ended 31st March, 1981.

DIRECTORS

The Directors of the Company at the 31st March, 1981 are shown on page 1. All of them have been Directors for the whole year ending on that date, with the exception of Mr. J. S. Cottrell, Mr. R. D. Cowing and Mr. P. C. Tudball who became Directors on the 19th June, 1980 in place of Mr. J. R. Fischel, Mr. R. B. Hunt and Mr. D. E. D. Prentis who retired on that date.

With sadness and regret, the Directors record that Mr. F. R. Alexander who was a Director died on 9th February, 1981.

Mr. D. C. Barron (European Grain & Shipping Ltd.,) has been appointed a Ballot Director in place of Mr. J. A. W. Whitehead who retires at the Annual Meeting.

The Directors retiring at the Annual Meeting in accordance with the Articles of Association are Mr. D. R. Donaldson and Mr. P. L. Sibree. One further vacancy arises as a result of the death of Mr. F. R. Alexander and another because of the resignation on 31st March, 1981 of Mr. E. S. Hanks through ill-health.

The following nominations have been received to fill the four vacancies on the Board:—

Mr. H. M. Barker (Embiricos Shipping Agency Limited, Shipbrokers).
 Mr. M. D. Beard (M. D. Beard & Co. Limited, Shipbrokers).
 Mr. D. W. Frame (Usborne & Son (London) Limited, Grain Merchants).
 Mr. E. M. Freeman, F.I.C.S. (Galbraith Wrightson Limited, Shipbrokers).
 Mr. R. B. Hunt, F.I.C.S. (R. B. Hunt & Partners Limited, Shipbrokers).
 Mr. C. S. Peerless, F.I.C.S. (Nomikos (London) Limited, Shipbrokers).
 Mr. D. Shepherd (Skyfreight Limited, Airbrokers).

INTERESTS OF THE DIRECTORS IN THE SHARES OF THE COMPANY

The interests of the Directors of the Company in the Shares of the Company, according to the Register kept under Section 29 of the Companies Act, 1967, were respectively at the 1st April, 1980 or the later date of appointment as Director and at the 31st March, 1981 as shown below.

| | At 1st April, 1980 or on appointment as a Director | At 31st March, 1981 |
|------------------------------------|---|---------------------|
| | <i>Shares</i> | <i>Shares</i> |
| <i>Personal holdings</i> | | |
| D. R. Donaldson | 50 | 50 |
| P. L. Harding | 320 | 320 |
| J. Brady | 50 | 50 |
| D. M. McL. Clark | 50 | 50 |
| J. S. Cottrell | 50 | 50 |
| R. D. Cowing | — | 50 |
| H. L. C. Greig | 50 | 50 |
| E. S. Hanks | 50 | 50 |
| The Lord Inverforth | 230 | 230 |
| P. L. Sibree | 50 | 50 |
| F. M. Thompson | 50 | 50 |
| P. C. Tudball | — | 50 |
| P. J. Vogt | 50 | 50 |
| J. A. W. Whitehead | 50 | 50 |
| <i>Interests in other holdings</i> | | |
| The Lord Inverforth | 1,890 | 1,890 |

There has been no change in the interests set out above between 31st March, 1981 and 19th May, 1981.

The Baltic Mercantile and Shipping Exchange Limited

Directors' Report (continued)

RESULTS AND PROPOSED DIVIDEND

The results for the year and the treatment thereof are set out in the Profit and Loss Account on page 6.

The Directors recommend the payment of a Dividend of 75p per share, on the 1st July, 1981.

MEMBERSHIP

Membership of the Exchange counting Individual Members, Principals, Representatives and Probationers was 2,467 at the 31st March, 1981, as compared with 2,388 at the 31st March, 1980.

SUBSTANTIAL SHARE HOLDINGS

The Directors have not been advised of any share holding at the 19th May, 1981 of 5% or more in the share capital of the Company.

ACTIVITIES

The Company provides facilities for the conduct of the international Markets of the Exchange covering shipping, of which it is the central freight market of the world, commodity trading and aircraft chartering.

The Company owns and manages freehold property.

The proportions of the income for the past year attributable to the exchange, property and miscellaneous activities of the Company and the approximate extent to which they contributed to the results for the year before taxation were respectively as follows:—

| | Division of Income | | Profit/(Loss) for year before Taxation | |
|---------------|--------------------|-------------------|---|------------------|
| | 1981 | 1980 | 1981 | 1980 |
| | £ | £ | £ | £ |
| Exchange | 1,070,023 | 943,703 | (537,961) | (355,872) |
| Property | 1,221,261 | 1,182,882 | 496,292 | 301,685 |
| Miscellaneous | 50,374 | 44,668 | 43,017 | 31,951 |
| | <u>£2,341,658</u> | <u>£2,171,253</u> | <u>£1,348</u> | <u>(£22,236)</u> |

Further details of these figures are set out in the detailed Profit and Loss Account on page 12.

The Company did not export any goods during the year.

FIXED ASSETS

The Directors have taken advice on the question of estimating the market value of the freehold property of the Company. Their estimate, based on this advice, is that the market value of the freehold property of the Company is not less than £16,000,000 before taking into consideration any taxation that would arise on disposal.

The Baltic Mercantile and Shipping Exchange Limited

Directors' Report (continued)

PAYMENTS FOR CHARITABLE PURPOSES

The Baltic Exchange Charitable Trust established last year to handle the Company's charitable activities received £28,582 by way of covenant from the Company and additional donations were made direct by the Company amounting to £3,542. The Charitable Trust made charitable donations totalling £19,420.

Freight Market commissions totalling £30,540 representing commission received by the Exchange from chartering undertaken by the Government Freight Market Representative was, as in past years, donated under covenants to the main charities associated with the Exchange.

No payments were made for political purposes.

EMPLOYEES

The average number of persons employed by the Company during the year to 31st March, 1981, was 161 (70 being part-time employees) and their remuneration was £689,371 in aggregate.

MODERNISATION PROGRAMME

Modernisation work has continued and the re-wiring of the Floor has been completed.

New accommodation for the Wine Bar is the next item on the programme and is planned for completion this year.

3½% IRREDEEMABLE FIRST MORTGAGE DEBENTURE STOCK

The Company made an offer to stockholders to purchase the outstanding stock, which was accepted by a majority of the stockholders. The amount of stock which remains outstanding is £77,205.

INCOME AND CORPORATION TAXES ACT 1970

The Company is not a close Company as defined in section 282 of the Income and Corporation Taxes Act 1970.

AUDITORS

A resolution to reappoint the Auditors, Coopers & Lybrand, will be proposed at the Annual General Meeting.

By Order of the Board,
D. J. WALKER,
Secretary.

14-20, St. Mary Axe,
London, E.C.3.
19th May, 1981.

The Baltic Mercantile and Shipping Exchange Limited

Profit and Loss Account

for the Year ended 31st March, 1981

| | | 1981 £ | 1980 £ |
|---|-----------|------------------|------------------|
| TURNOVER | Note 2 | <u>2,341,658</u> | <u>2,171,253</u> |
| OPERATING PROFIT | | 154,895 | 350,249 |
| Less: Exceptional items | 3 | <u>153,547</u> | <u>372,485</u> |
| PROFIT/(LOSS) BEFORE TAXATION | 4 | 1,348 | (22,236) |
| TAXATION | 6 | <u>50,000</u> | <u>14,699</u> |
| LOSS AFTER TAXATION | | (48,652) | (36,935) |
| Less: | | | |
| DIVIDEND —Proposed dividend of 75p per share (1980 75p) | | <u>40,500</u> | <u>40,500</u> |
| TRANSFER FROM GENERAL RESERVE 10 | | <u>(£89,152)</u> | <u>(£77,435)</u> |

For Notes see pages 9 to 11

Report of the Auditors to the Members

We have audited the accounts on pages 6 to 11 in accordance with approved Auditing Standards. The accounts have been prepared under the historical cost convention.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31st March, 1981 and of its results and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1980.

COOPERS & LYBRAND
Chartered Accountants.

LONDON

19th May, 1981.

The Baltic Mercantile and Shipping Exchange Limited

Balance Sheet

as at 31st March, 1981

| | Note | 1981 £ | 1980 £ |
|--|------|------------------|-------------------|
| EMPLOYMENT OF CAPITAL | | | |
| FIXED ASSETS | 8 | 963,639 | 955,233 |
| LISTED INVESTMENTS at cost (Market value 31st March, 1981 £19,050 (1980 £17,175)) | | 13,362 | 13,362 |
| MORTGAGE LOANS TO EMPLOYEES | 9 | 107,082 | 101,854 |
| | | <u>1,084,083</u> | <u>1,070,449</u> |
| CURRENT ASSETS | | | |
| Stock | | 45,577 | 43,606 |
| Debtors and payments in advance | | 222,661 | 230,872 |
| Corporation tax recoverable | | 17,627 | 17,626 |
| Bank balances and cash | | 164,724 | 45,740 |
| | | <u>450,389</u> | <u>337,844</u> |
| <i>Less:</i> | | | |
| CURRENT LIABILITIES | | | |
| Creditors | | 273,683 | 206,575 |
| Rents and subscriptions received in advance | | 264,248 | 105,713 |
| Current taxation | | 17,837 | 17,357 |
| Proposed dividend | | 40,500 | 40,500 |
| | | <u>596,268</u> | <u>370,145</u> |
| Net current liabilities | | (145,879) | (32,301) |
| | | <u>£938,204</u> | <u>£1,038,148</u> |
| CAPITAL EMPLOYED | | | |
| SHARE CAPITAL | | | |
| 54,000 ordinary shares of £5 each (authorised, issued and fully paid) | | 270,000 | 270,000 |
| RESERVES | 10 | 513,463 | 602,615 |
| | | <u>783,463</u> | <u>872,615</u> |
| CAPITAL AND RESERVES | | | |
| DEFERRED TAXATION | 11 | 77,536 | 45,643 |
| DEBENTURES | | | |
| 3½% Irredeemable First Mortgage Debenture Stock (secured under a trust deed dated 12th July, 1900) | | 77,205 | 119,890 |
| | | <u>£938,204</u> | <u>£1,038,148</u> |

D. R. Donaldson
D. R. DONALDSON } Directors
P. L. HARDING }

P. L. Harding

For Notes see pages 9 to 11

The Baltic Mercantile and Shipping Exchange Limited

Source and Application of Funds

for the Year ended 31st March, 1981

| | 1981 | 1980 |
|--|------------|------------|
| | £ | £ |
| SOURCE OF FUNDS | | |
| Operating profit | 154,895 | 350,249 |
| Less: Exceptional items | 153,547 | 372,485 |
| Profit/(Loss) before tax | 1,348 | (22,236) |
| Adjustments of items not involving the movement of funds | | |
| Depreciation | 75,536 | 67,774 |
| Profit on disposal of fixed assets | (2,585) | (4,244) |
| Profit from cancellation of debentures | (27,745) | (1,042) |
| TOTAL GENERATED FROM OPERATIONS | 46,554 | 40,252 |
| FUNDS FROM OTHER SOURCES | | |
| Proceeds of sales of fixed assets | 7,575 | 8,454 |
| | 54,129 | 48,706 |
| APPLICATION OF FUNDS | | |
| Cost of debentures cancelled | 14,940 | 555 |
| Dividend paid | 40,500 | 40,500 |
| Tax paid | 17,627 | 30,510 |
| Purchase of fixed assets | 88,933 | 188,151 |
| | 162,000 | 259,716 |
| | (107,871) | (211,010) |
| INCREASE/DECREASE IN WORKING CAPITAL | | |
| Increase/(Decrease) in stocks | 1,771 | (9,119) |
| (Decrease)/Increase in debtors | (8,211) | 58,440 |
| Increase in mortgage loans | 5,228 | 9,934 |
| Increase in creditors | (67,108) | (122,805) |
| Increase in rents and subscriptions received in advance | (158,535) | (53,713) |
| Movement in net liquid funds: | | |
| Increase/(Decrease) in bank balances and cash | 118,984 | (93,747) |
| | (£107,871) | (£211,010) |

The Baltic Mercantile and Shipping Exchange Limited

Notes on the Accounts

31st March, 1981

1. Accounting Policies

The main accounting policies are as follows:—

- (a) **Depreciation** is calculated to write off the assets on a straight line basis during their expected normal lives by equal annual instalments at varying rates depending on the type of asset.
The principal annual rates of depreciation used for this purpose are Buildings 2%, Furniture, Plant and Motor Vehicles 5%-25%.
No depreciation is provided on Freehold Land or on additions to Buildings in the year of purchase.
- (b) **Stock** is valued at the lower of cost and net realisable value, cost being direct invoice price, and consists of catering supplies including wine.
- (c) **Deferred taxation** is dealt with by the liability method which provides for all potential liabilities at the rate of Corporation tax ruling at the year end, except in respect of any tax reduction which can reasonably be expected to continue in the foreseeable future.
- (d) **Listed investments** are stated at the lower of cost and net realisable value, determined on an aggregate basis.

2. Turnover

Turnover comprises the total income of the Company as detailed on page 12.

3. Exceptional Items

| | 1981 £ | 1980 £ |
|--|-----------------|-----------------|
| Non-recurring expenditure incurred during the year under the contract for renewing the main electrical supply system of the Baltic Exchange. | 181,292 | 372,485 |
| Profit on cancellation of debentures | (27,745) | — |
| | <u>£153,547</u> | <u>£372,485</u> |

4. Profit/(Loss) before Taxation

Profit/(Loss) before taxation is stated after charging:—

| | 1981 £ | 1980 £ |
|--------------------------------|-----------|-----------|
| Depreciation | 75,536 | 67,774 |
| Interest on debenture stock | 3,032 | 4,506 |
| Auditors' remuneration | 6,842 | 4,706 |
| Directors' fees | 4,562 | 4,688 |
| and after crediting:— | | |
| Rents of offices | 904,962 | 903,923 |
| Income from listed investments | 900 | 900 |
| Deposit interest | 12,156 | 26,382 |
| Interest on mortgage loans | 4,193 | 4,071 |

The Baltic Mercantile and Shipping Exchange Limited

Notes on the Accounts (continued)

31st March, 1981

5. Employees Emoluments

Particulars of employees of the Company whose emoluments exceed £20,000, disclosed in accordance with section 8 of the Companies Act 1967 were:—

| | 1981 | 1980 |
|-----------------|------|------|
| | 1 | — |
| £20,000—£25,000 | | |

6. Taxation

Taxation is calculated as follows:—

On the results for the year

Corporation tax at 40%

Transfer to Deferred taxation

| 1981 | 1980 |
|---------------|---------------|
| £ | £ |
| 3,000 | — |
| 17,000 | 14,584 |
| <u>20,000</u> | <u>14,584</u> |

Adjustments relating to previous years

Release of Corporation tax

Additional Deferred taxation

| 1981 | 1980 |
|----------------|----------------|
| £ | £ |
| — | (46,601) |
| 30,000 | 46,716 |
| <u>£50,000</u> | <u>£14,699</u> |

The charge for taxation of £50,000, is increased as a result of depreciation on assets not qualifying for capital allowances and expenditure on improvements for which no tax relief is available.

7. Pensions and Allowances

The Company has a funded non-contributory group retirement pension scheme with the Standard Life Assurance Company. Pensions and allowances paid in the current year are set out in the schedule below:—

| | 1981 | 1980 |
|------------------------------------|-----------------|-----------------|
| | £ | £ |
| Premiums for pension fund | 100,450 | 87,348 |
| Pensions and allowances not funded | 19,992 | 9,264 |
| Premiums for sickness scheme | 4,655 | 3,560 |
| B.U.P.A. scheme | 3,308 | 2,089 |
| | <u>£128,405</u> | <u>£102,261</u> |

8. Fixed Assets

| | Freehold Land and Buildings | Plant and Motor Vehicles | Furniture | Total | 1980 |
|------------------------------------|-----------------------------------|--------------------------------|----------------|------------------|------------------|
| | £ | £ | £ | £ | £ |
| At cost | | | | | |
| At 1st April, 1980 | 1,076,791 | 540,355 | 101,077 | 1,718,223 | 1,544,319 |
| Additions | 17,686 | 70,102 | 1,145 | 88,933 | 188,151 |
| | <u>1,094,477</u> | <u>610,457</u> | <u>102,222</u> | <u>1,807,156</u> | <u>1,732,470</u> |
| Less: Disposals | — | 13,337 | 1,500 | 14,837 | 14,247 |
| | <u>1,094,477</u> | <u>597,120</u> | <u>100,722</u> | <u>1,792,319</u> | <u>1,718,223</u> |
| At 31st March, 1981 | | | | | |
| Depreciation | | | | | |
| At 1st April, 1980 | 373,847 | 301,739 | 87,404 | 762,990 | 705,253 |
| Charged to profit and loss account | 18,190 | 51,288 | 6,058 | 75,536 | 67,774 |
| | <u>392,037</u> | <u>353,027</u> | <u>93,462</u> | <u>838,526</u> | <u>773,027</u> |
| Less: Disposals | — | 8,346 | 1,500 | 9,846 | 10,037 |
| | <u>392,037</u> | <u>344,681</u> | <u>91,962</u> | <u>828,680</u> | <u>762,990</u> |
| At 31st March, 1981 | | | | | |
| Net book value | <u>£702,440</u> | <u>£252,439</u> | <u>£8,760</u> | <u>£963,639</u> | <u>£955,233</u> |
| At 31st March, 1981 | | | | | |
| 1980 | <u>£702,944</u> | <u>£238,616</u> | <u>£13,673</u> | <u>£955,233</u> | |

The Baltic Mercantile and Shipping Exchange Limited

Notes on the Accounts (continued)

31st March, 1981

9. Mortgage Loans

Included in the amount of £107,082 is a loan to an officer of the Company of £4,418 (1980 £4,977), which is the remaining balance of a loan of £4,977.

10. Reserves

| | <i>Compensation Reserve</i> | <i>Share Premium</i> | <i>General Reserve</i> | <i>Total</i> |
|-------------------------------------|---------------------------------|--------------------------|----------------------------|-----------------|
| | £ | £ | £ | £ |
| At 1st April, 1980 | 100,000 | 5,030 | 497,585 | 602,615 |
| Transfer to profit and loss account | — | — | 89,152 | 89,152 |
| At 31st March, 1981 | <u>£100,000</u> | <u>£5,030</u> | <u>£408,433</u> | <u>£513,463</u> |

11. Deferred Taxation

The provision being the full potential liability for deferred taxation is set out below:—

| | 1981 | 1980 |
|---|----------------|----------------|
| | £ | £ |
| Accelerated tax allowances on qualifying fixed assets | 110,000 | 63,000 |
| Less: Advance Corporation tax recoverable | 32,464 | 17,357 |
| | <u>£77,536</u> | <u>£45,643</u> |

12. Capital Commitment

| | 1981 | 1980 |
|---|---------------|---------------|
| | £ | £ |
| Amount contracted for, but not provided | <u>20,000</u> | <u>35,000</u> |

The Baltic Mercantile and Shipping Exchange Limited

Detailed Profit and Loss Account

for the Year ended 31st March, 1981

| 1980 Total £ | INCOME (GROSS) | Note | Exchange £ | Property £ | Miscellaneous £ | 1981 Total £ |
|--------------------|--|------|-------------------|-------------------|--------------------|--------------------|
| 435,824 | Subscriptions | | 440,679 | | | 440,679 |
| 34,500 | Entrance Fees | | 33,000 | | | 33,000 |
| 1,840 | Sundry Fees | | 2,140 | | | 2,140 |
| 25,420 | Communication Services | | 43,545 | | | 43,545 |
| 442,591 | Catering | | 544,349 | | | 544,349 |
| 3,528 | Administrative Services | | 6,310 | | | 6,310 |
| 903,923 | Rent of Offices | | | 904,962 | | 904,962 |
| 268,373 | Additional Rent of Offices (Service Charge) | | | 313,934 | | 313,934 |
| 10,586 | Sundry Lettings | | | 2,365 | | 2,365 |
| 900 | Income from Listed Investments | | | | 900 | 900 |
| 26,382 | Interest on Deposits | | | | 12,156 | 12,156 |
| 4,071 | Interest on Mortgage Loans | | | | 4,193 | 4,193 |
| 8,029 | Freight Market Commissions | | | | 30,540 | 30,540 |
| 4,244 | Profit from sale of Fixed Assets | | | | 2,585 | 2,585 |
| 1,042 | Profit from cancellation of Debentures | | | | (see note 3) | |
| <u>£2,171,253</u> | TOTAL INCOME | | <u>£1,070,023</u> | <u>£1,221,261</u> | <u>£50,374</u> | <u>£2,341,658</u> |
| | EXPENDITURE | | | | | |
| 94,962 | Information and Communication Expenses | | 136,163 | | | 136,163 |
| 182,811 | Property Expenses | | | 205,841 | | 205,841 |
| 134,297 | Exchange Expenses | | 128,372 | | | 128,372 |
| 293,902 | Catering Direct Expenses | | 345,371 | | | 345,371 |
| 13,581 | Donations | | 32,124 | | | 32,124 |
| 26,599 | Public Relations | | 24,380 | | | 24,380 |
| 152,685 | Rates and Insurance | | 205,110 | | | 205,110 |
| 86,610 | Repairs and Renewals | | 12,218 | 62,931 | | 75,149 |
| 67,774 | Depreciation | | 57,347 | 18,189 | | 75,536 |
| 589,244 | Salaries, Wages & National Insurance | | 558,894 | 197,994 | | 756,888 |
| | Recoverable under Service Charge (£181,411) | | | | | |
| 102,261 | Pensions and Allowances | 7 | 94,814 | 33,591 | | 128,405 |
| 4,611 | Interest on Debenture Stock and Trustees Fees | | | 3,137 | | 3,137 |
| 58,950 | Professional Fees | | 13,191 | 21,994 | | 35,185 |
| 4,686 | Directors' Fees | | | | 4,562 | 4,562 |
| 8,029 | Covenanted Freight Market Commission Payments | | | | 30,540 | 30,540 |
| <u>£1,821,004</u> | TOTAL EXPENDITURE | | <u>£1,607,984</u> | <u>£543,677</u> | <u>£35,102</u> | <u>£2,186,763</u> |
| 350,249 | OPERATING PROFIT | | (537,961) | 677,584 | 15,272 | 154,895 |
| (372,485) | Exceptional items | 3 | | (181,292) | 27,745 | (153,547) |
| <u>(£22,236)</u> | PROFIT/(LOSS) BEFORE TAXATION | | <u>(£537,961)</u> | <u>£496,292</u> | <u>£43,017</u> | <u>£1,348</u> |

Note: The net cost of catering amounts to £48,284 (1980 £36,146).

The Baltic Mercantile and Shipping Exchange Limited

Detailed Profit and Loss Account

for the Year ended 31st March, 1981

| 1980 Total £ | INCOME (GROSS) | Note | Exchange £ | Property £ | Miscellaneous £ | 1981 Total £ |
|--------------------|--|------|-------------------|-------------------|--------------------|--------------------|
| 435,824 | Subscriptions | | 440,679 | | | 440,679 |
| 34,500 | Entrance Fees | | 33,000 | | | 33,000 |
| 1,840 | Sundry Fees | | 2,140 | | | 2,140 |
| 25,420 | Communication Services | | 43,545 | | | 43,545 |
| 442,591 | Catering | | 544,349 | | | 544,349 |
| 3,528 | Administrative Services | | 6,310 | | | 6,310 |
| 903,923 | Rent of Offices | | | 904,962 | | 904,962 |
| 268,373 | Additional Rent of Offices (Service Charge) | | | 313,934 | | 313,934 |
| 10,586 | Sundry Lettings | | | 2,365 | | 2,365 |
| 900 | Income from Listed Investments | | | | 900 | 900 |
| 26,382 | Interest on Deposits | | | | 12,156 | 12,156 |
| 4,071 | Interest on Mortgage Loans | | | | 4,193 | 4,193 |
| 8,029 | Freight Market Commissions | | | | 30,540 | 30,540 |
| 4,244 | Profit from sale of Fixed Assets | | | | 2,585 | 2,585 |
| 1,042 | Profit from cancellation of Debentures | | | | (see note 3) | |
| <u>£2,171,253</u> | TOTAL INCOME | | <u>£1,070,023</u> | <u>£1,221,261</u> | <u>£50,374</u> | <u>£2,341,658</u> |
| | EXPENDITURE | | | | | |
| 94,962 | Information and Communication Expenses | | 136,163 | | | 136,163 |
| 182,811 | Property Expenses | | | 205,841 | | 205,841 |
| 134,297 | Exchange Expenses | | 128,372 | | | 128,372 |
| 293,902 | Catering Direct Expenses | | 345,371 | | | 345,371 |
| 13,581 | Donations | | 32,124 | | | 32,124 |
| 26,599 | Public Relations | | 24,380 | | | 24,380 |
| 152,685 | Rates and Insurance | | 205,110 | | | 205,110 |
| 86,610 | Repairs and Renewals | | 12,218 | 62,931 | | 75,149 |
| 67,774 | Depreciation | | 57,347 | 18,189 | | 75,536 |
| 589,244 | Salaries, Wages & National Insurance | | 558,894 | 197,994 | | 756,888 |
| | Recoverable under Service Charge (£181,411) | | | | | |
| 102,261 | Pensions and Allowances | 7 | 94,814 | 33,591 | | 128,405 |
| 4,611 | Interest on Debenture Stock and Trustees Fees | | | 3,137 | | 3,137 |
| 58,950 | Professional Fees | | 13,191 | 21,994 | | 35,185 |
| 4,688 | Directors' Fees | | | | 4,562 | 4,562 |
| 8,029 | Covenanted Freight Market Commission Payments | | | | 30,540 | 30,540 |
| <u>£1,821,004</u> | TOTAL EXPENDITURE | | <u>£1,607,984</u> | <u>£543,677</u> | <u>£35,102</u> | <u>£2,186,763</u> |
| 350,249 | OPERATING PROFIT | | (537,961) | 677,584 | 15,272 | 154,895 |
| (372,485) | Exceptional items | 3 | | (181,292) | 27,745 | (153,547) |
| <u>(£22,236)</u> | PROFIT/(LOSS) BEFORE TAXATION | | <u>(£537,961)</u> | <u>£496,292</u> | <u>£43,017</u> | <u>£1,348</u> |

Note: The net cost of catering amounts to £48,284 (1980 £36,146).