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Report and Accounts for the year ended 31st January, 1981

Contents

Helical Bar Limited

Directors
R. J. C. Hill *Chairman and managing director*
L. C. K. Kelly *Deputy chairman*
J. Boël (Belgian)
R. N. C. Hall
S. J. Murphy
Sir James D. Spooner F.C.A.
R. A. Thomas F.C.A.

Secretary
S. J. Murphy

Registered Office
340 Clapham Road, London SW9 9AJ

Registrars
The Royal Bank of Scotland Limited, 62 Lombard Street, London EC3P 3DE

Solicitors
Ashurst Morris, Crisp & Co

Bankers
The Royal Bank of Scotland Limited

Auditors
Thornton Baker

Notice of meeting

Notice is hereby given that the Sixty-second Annual General Meeting of Helical Bar Limited will be held at St. Ermin's Hotel, London, S.W.1, on 9th July, 1981 at 2.30 p.m. for the following purposes:

1 To receive and consider the directors' report and the accounts for the year ended 31st January, 1981.

2 To approve the payment of a dividend as recommended by the directors.

3 To re-elect Mr. Boël and Mr. Thomas, directors retiring under Article 104.

4 To propose the reappointment of Thornton Baker as auditors of the company and to authorise the directors to fix their remuneration.

5 To transact any other business of an Annual General Meeting.

By Order of the Board

S. J. MURPHY
Secretary

340 Clapham Road,
London SW9 9AJ

28th May, 1981

NOTES

a. Any member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. Any such proxy need not be a member of the Company. If you are unable to attend the Annual General Meeting, please complete and return the enclosed Form of Proxy so as to reach the Registered Office of the Company as soon as possible and in any event so as to reach there not less than 48 hours before the time appointed for holding the Meeting.

b. Copies of the Directors' contracts of service will be available at the Registered Office of the Company during normal business hours and will then be available for inspection at the place of the Meeting 15 minutes prior to and during the Meeting.

c. The Register of Directors' Shareholdings and Transactions will be available for reference at the commencement of and during the continuance of the Annual General Meeting.

Statement by the Chairman

R. J. C. Hill May, 1981

In a difficult year which began with the three month British Steel Corporation strike and in the second half of which demand was at a very low level, the company has, I consider, done well to earn a group profit before taxation of £210,000 compared with £259,000 in the previous accounting period of 40 weeks. Selling prices were under extreme pressure, particularly on stockholding and associated company sales, with the result that these companies were loss-making in the second half of the year.

As a result of the new basis for stock relief being brought into effect this year past provisions for deferred tax on stock relief of £185,000 are no longer required and there is an overall credit for taxation of £106,000 for the year which has been taken to the profit and loss account. Although this credit is non-recurring it has the effect of increasing the profit after taxation to £316,000 and after deducting the extraordinary item mentioned below the attributable profit is £273,000. The current cost accounting statement which is included in this report for the first time shows an attributable profit of £232,000.

Our trade investment in Saudi Steel Reinforcements in Saudi Arabia has been a serious disappointment after a promising and profitable start in 1979. The fall in demand early in 1980 (reported last year) was accompanied by a collapse in imported steel prices which left the company with high-priced stocks and in no position to be able to compete profitably during 1980. The result was a substantial loss equivalent to nearly £190,000. In view of this loss, we have provided, as an extraordinary item, for a write-down on our 25% investment by £43,000. In the early months of 1981 the company has obtained some substantial contracts which give some hope for improved results this year.

An interim dividend of 1p per share was paid in January and the Board are recommending a maintained final dividend of 1.75p per share.

Reinforcement

The supply of fabricated steel reinforcement has produced satisfactory profits in yet another difficult year. Another mild winter has helped in maintaining production and profits during the second half of the year. The British Reinforcements Manufacturers' agreement came under increasing pressure from August 1980 onwards, and as a result was discontinued in February 1981. With a very weak market to look forward to in 1981 and the European Steel Industry struggling to discipline itself, the pressure on margins will be greater in a competitive market next year. However, the introduction of new equipment in January 1981 has produced some cost savings.

In Scotland good results were produced overall and the Company started the new financial year with a healthy order book. The efficiency of our fixing service has been well received by an increasing number of major building contractors.

Stockholding

All the profits made during the British Steel strike were eroded in the last nine months of the year and the stockholding company has traded at a loss; this is small when a useful contribution to overhead costs is taken into account. Steel stockholding in common with the reinforcement industry is suffering from vicious competition caused by very low price inputs originating from West and East European producers; this has caused an increasing number of bankruptcies which have affected results. The start to the new financial year has been poor; in common with other stockholders we await an upturn in demand in the UK and a general improvement in the economic climate.

Agency – Queenborough Steel

Although the first half of the year produced excellent results, a fall in sales in the second half of the year caused an overall drop in profits compared with the previous year. The prospects in 1981 show no sign of an improvement yet.

The Future

The year 1981–2 will not be as good as the trading year under review. However, your Company has shown extraordinary resilience during periods of near slump in the construction industry over the past six years. When there is an improvement in the economic climate and a resurgence in private and industrial investment the Company is hopeful of taking advantage of it; further amalgamations in the reinforcement industry will reduce overall capacity which should also be to our benefit.

Although we have looked at a number of companies in allied industrial fields for further investment to date nothing suitable has been found. It still remains the Board's view that a broader base of activities is necessary for expansion in the future.

On your behalf and of the Board, I convey our thanks to all employees who have yet again done so much under difficult circumstances to contribute to the year's results.

Sir James Spooner, whom we congratulate on his knighthood, stepped down after ten years as Chairman of Helical Bar to devote more of his time to his other business interests. He became Chairman at a critical period in the Company's life and I am sure you would want me to wish him well in the future and to thank him for everything he has done for the Company during a very difficult period. He will be missed on the Board both as a friend and a colleague, when he finally leaves us during the course of this year.

Directors' report

The directors present their report and accounts for the year ended 31st January, 1981.

1 Principal activities

The principal activities of the group continue to be the supply, design and fabrication of steel reinforcement, together with the trade of steel stockholding and steel fixing.

2 Trading results and dividends

	1981	1980 (40 weeks)
	£	£
Turnover Home	9,050,537	8,172,415
Exports	—	60,524
	£ 9,050,537	£ 8,232,939
Operating profit	172,166	207,009
Associated company	38,318	52,342
Profit before taxation	210,484	259,351
Taxation credit	106,008	(37,237)
Extraordinary items	(43,314)	47,890
Profit after taxation	273,178	270,004
Dividend – paid (1p per share)	(29,034)	(29,034)
– proposed (1.75p per share)	(50,810)	(50,810)
Profit retained	£ 193,334	£ 190,160

3 Directors

The directors in office at the end of the year are listed below, all of whom served on the Board throughout the year.

Mr. Boël and Mr. Thomas retire by rotation and, being eligible, offer themselves for re-election.

The interests, all of which were beneficial, of the directors and their families in the ordinary shares of the company at 2nd February, 1980 and at 31st January, 1981, were as follows:

	31.1.81	2.2.80
R. J. C. Hill	17,110	12,110
J. Boël	400	400
R. N. C. Hall	800	800
L. C. K. Kelly	244,656	234,656
S. J. Murphy	1,590	1,590
Sir James D. Spooner	850	22,099
R. A. Thomas	6,480	16,480

There have been no changes in the interests of the directors between the end of the year and 28th May, 1981.

4 Directors' contracts

Apart from service contracts, no director of the company has or has had during the year a significant interest in any contracts with the company or its subsidiaries.

5 Substantial shareholdings

At 28th May, 1981 the following had an interest in 5% or more of the issued share capital of the company having full voting rights.

	No of shares	*Per cent*
Hall Engineering (Holdings) Ltd	334,417	11.5
L. C. K. Kelly	244,656	8.4
Queenborough Steel Co Ltd	285,000	9.8
SA Société de Participations Industrielles	284,600	9.8
N. G. McNair Scott	200,000	6.9

6 Employees

The average number of persons employed by the group in the United Kingdom during the year was 173 and their aggregate remuneration was £983,203 (1980: 168 and £692,720 respectively).

7 Auditors

Thornton Baker offer themselves for reappointment as auditors in accordance with section 14(1) of the Companies Act 1976.

By Order of the Board

Murphy

S. J. MURPHY
Secretary

28th May, 1981

Accounting policies

Helical Bar Limited and Subsidiary Companies
for the year ended 31st January, 1981

The accounts have been prepared under the historical cost convention except that certain freehold and leasehold properties are shown at their revalued amounts (see note 6). The principal accounting policies of the group have remained unchanged from the previous year's and are set out below.

Period of account and basis of consolidation

The group accounts consolidate the accounts of the company and of its subsidiaries (see note 7). The accounts of each company in the group are drawn up annually to the nearest Saturday to 31st January.

Associated company

An associated company is defined as a company not being a subsidiary, in which the group has a substantial and long-term interest of between 20% and 50% and over whose commercial and financial policy decisions the group exercises significant influence.
The group's share of the profit of the associated company is included in the consolidated profit and loss account. The consolidated balance sheet includes the investment in the associated company at cost plus the group's share of the associated company's retained profits. The company's balance sheet shows the investment in the associated company at cost. The year end of the associate is 31st December.

Turnover

Turnover represents invoiced sales, excluding value added tax, by group companies to outside customers.

Depreciation

Depreciation is calculated to write down the cost or valuation of all fixed assets by equal annual instalments over their expected useful lives.
The periods generally applicable are:

Freehold premises	40 years
Leasehold premises	Period of lease
Plant and machinery	5–8 years
Motor vehicles	3–4 years

Fixed assets

Government grants received and receivable are deducted from the cost of the relevant assets. Depreciation is calculated on the net cost.

Trade investment

The trade investment is at directors' valuation.

Stock

Stock is stated at the lower of cost and net realisable value. Cost means purchase price, transport and handling costs less trade discounts, calculated on a first in first out basis. Net realisable value means estimated selling price less trade discounts less all costs to be incurred in marketing, selling and distribution.

Deferred taxation

Deferred taxation is the taxation attributable to timing differences between profits computed for taxation purposes and profits as stated in the accounts. Provision is made for deferred taxation, except to the extent that there is a reasonable probability of the tax not falling due for payment in the foreseeable future. Such tax not provided for is disclosed as a contingent liability.
Transfers to and from deferred taxation are calculated at the rate of corporation tax in force at the end of the period in which the transfers are made.
From the total of deferred taxation is deducted unrelieved advance corporation tax in respect of dividends paid and proposed.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

Consolidated profit and loss account

Helical Bar Limited and Subsidiary Companies
for the year ended 31st January, 1981

	Note	1981		1980 (40 weeks)	
		£	£	£	£
Turnover			9,050,537		8,232,939
Operating profit	1		172,166		207,009
Associated company			38,318		52,342
Profit before taxation			210,484		259,351
Taxation credit	3		106,008		(37,237)
Profit after taxation and before extraordinary items			316,492		222,114
Extraordinary items	4		(43,314)		47,890
Profit attributable to members of Helical Bar Limited			273,178		270,004
Appropriations					
Interim dividend paid		29,034		29,034	
Final dividend proposed		50,810		50,810	
			79,844		79,844
Profits retained			£ 193,334		£ 190,160
By the company		137,327		14,633	
By subsidiaries		59,490		161,866	
By associated company		(3,483)		13,661	
Earnings per share	5		10.9p		7.7p

The accounting policies on page 7 and the notes on pages 12 to 16 form part of these accounts.

Consolidated balance sheet

Helical Bar Limited and Subsidiary Companies
as at 31st January, 1981

	Note	1981 £	1981 £	1980 £	1980 £
Assets employed					
Fixed assets	6		515,444		530,628
Associated company	8		110,410		113,893
Trade investment	9		55,500		98,814
Current assets					
Stocks		829,912		1,357,488	
Debtors		1,793,609		2,371,530	
Due from associated company		25,442		66,881	
Balance at bank		—		6,235	
		2,648,963		3,802,134	
Current liabilities					
Creditors		1,019,849		2,482,765	
Bank overdraft		285,474		58,743	
Current taxation		46,581		28,017	
Dividends		50,810		79,844	
		1,402,714		2,649,359	
Net current assets			1,246,249		1,152,775
			£1,927,603		£1,896,110
Financed by					
Share capital	10		725,853		725,853
Reserves	11		1,145,555		952,221
Total share capital and reserves			1,871,408		1,678,074
Deferred taxation	12		56,195		218,036
			£1,927,603		£1,896,110

R. J. C. HILL
R. A. THOMAS
} Directors

R.A. Thomas

The accounting policies on page 7 and the notes on pages 12 to 16 form part of these accounts.

Balance sheet

Helical Bar Limited
as at 31st January, 1981

	Note	1981 £	1981 £	1980 £	1980 £
Assets employed					
Fixed assets	6		378,796		394,956
Subsidiary companies	7		980,178		1,003,368
Associated company	8		35,000		35,000
Trade investment	9		55,500		98,814
Current assets					
Debtors		24,990		27,874	
Due from associated company		25,442		53,527	
Balance at bank		239,983		74,000	
		290,415		155,401	
Current liabilities					
Creditors		63,181		106,975	
Current taxation		39,616		38,259	
Dividends		50,810		79,844	
		153,607		225,078	
Net current assets/(liabilities)			136,808		(69,677)
			£1,586,282		£1,462,461
Financed by					
Share capital	10		725,853		725,853
Reserves	11		844,752		707,425
Total share capital and reserves			1,570,605		1,433,278
Deferred taxation	12		15,677		29,183
			£1,586,282		£1,462,461

R. J. C. HILL
R. A. THOMAS
} Directors

The accounting policies on page 7 and the notes on pages 12 to 16 form part of these accounts.

Source and application of funds

Helical Bar Limited and Subsidiary Companies
for the year ended 31st January, 1981

	1981		1980 (40 weeks)	
	£	£	£	£
Source of funds				
From operations				
Trading profit before tax and extraordinary items		210,484		259,351
Extraordinary items before attributable taxation		(43,314)		50,824
		167,170		310,175
Adjustments for items not involving the movement of funds				
Depreciation	65,108		47,847	
Profit retained in associated company	(13,818)		(39,971)	
Profits (less losses) on sale of fixed assets	11,656		(43,375)	
Provision for diminution in value of trade investment	43,314	106,260	11,550	(23,949)
		273,430		286,226
From other sources				
Sale of fixed assets		16,529		225,161
		289,959		511,387
Application of funds				
Dividend paid	108,878		29,034	
Taxation paid	19,968		22,924	
Purchase of fixed assets	78,109		78,716	
		206,955		130,674
Net inflow of funds		£ 83,004		£ 380,713
Increases/(decreases) in working capital				
Stock		(527,576)		349,964
Debtors		(577,921)		432,381
Creditors		1,462,906		(544,535)
Group companies		(41,439)		(32,601)
		315,970		205,209
Net liquid funds		(232,966)		175,504
Net increase in working capital		£ 83,004		£ 380,713

Notes to the accounts

1 Operating profit

The operating profit before taxation is after crediting and charging the following:

	1981 £	1980 (4[illegible] weeks) £
Interest receivable	7,362	—
Auditors' remuneration	17,750	17,500
Depreciation of fixed assets	65,108	47,347
Directors' emoluments	87,135	74,271
Interest payable – Bank overdraft	24,080	19,[illegible]60
Other	2,748	5,[illegible]0

2 Directors' emoluments

	1981	1980
Directors' fees	6,500	1,500
Management remuneration	80,635	72,771
	£87,135	£ 74,271

The emoluments of the directors, excluding pension contributions, were as follows:

	1981	1980
The Chairman	£3,500	£1,500
The highest paid director	£21,971	£21,159
Other directors:		
£0 – £5,000	2	2
£5,001 – £10,000	—	1
£10,001 – £15,000	1	1
£15,001 – £20,000	2	1

A director has waived emoluments totalling £2,500 (1980:£1,750).

3 Taxation

	1981 £	1980 £
Profit and loss account		
On group results for the year		
Corporation tax (payable)/recoverable	(38,329)	2,007
Transfer to deferred taxation	(11,571)	(122,117)
Transfer from deferred taxation arising from stock relief considered to be of a permanent nature	185,640	155,736
On associated company's earnings		
Corporation tax payable	(4,144)	(26,750)
Transfer to deferred taxation	(13,623)	(1,250)
Prior year tax adjustments		
Corporation tax recoverable	13,482	110,568
Transfer to deferred taxation	(25,913)	(160,056)
Associated company		
Corporation tax recoverable	1,619	4,625
Transfer to deferred taxation	(1,153)	—
	£106,008	£(37,237)

	Group 1981 £	*Group* 1980 £	*Company* 1981 £	*Company* 1980 £
Balance sheet				
United Kingdom corporation tax payable/(recoverable) on or before 1st November, 1981	22,862	(952)	15,897	9,290
Advance corporation tax	23,719	28,969	23,719	28,969
	£46,581	£28,017	£39,616	£38,259

The taxation provisions included in these accounts have been prepared on the assumption that the stock relief clauses in the Finance Bill 1981 will become law in substantially unaltered form.

4 Extraordinary items

The extraordinary item charged (credited in 1980) in the consolidated profit and loss account is:

	1981	1980
	£	£
Provision for diminution in value of trade investment	(43,314)	—
Surplus on the sale of land and leasehold properties	—	139,529
Less: Previously taken to asset revaluation reserve	—	(91,639)
	£(43,314)	£47,890

5 Earnings per share

Earnings per share are based on the profit after tax but before extraordinary items of £316,492 (1980: £222,114) and 2,903,414 ordinary shares of 25p each in issue at 31st January, 1981 and 2nd February, 1980.

6 Fixed assets

	Total	*Freehold property*	*Leasehold property held on long lease*	*Leasehold property held on short lease*	*Vehicles plant and equipment*
Group	£	£	£	£	£
Cost or valuation at 2nd February, 1980	850,086	20,000	373,551	18,006	438,529
Additions at cost	78,109	—	—	—	78,109
	928,195	20,000	373,551	18,006	516,638
Disposals	(53,206)	—	—	(2,669)	(50,537)
Cost or valuation at 31st January, 1981	874,989	20,000	373,551	15,337	466,101
Depreciation at 2nd February, 1980	319,458	875	19,892	6,686	292,005
Provision for the year	65,108	500	8,335	1,372	54,901
Eliminated on disposals	(25,021)	—	—	—	(25,021)
Depreciation at 31st January, 1981	359,545	1,375	28,227	8,058	321,885
Net book amount at 31st January, 1981	£515,444	£18,625	£345,324	£7,279	£144,216
Net book amount at 2nd February, 1980	£530,628	£19,125	£353,659	£11,320	£146,524
Company					
Cost or valuation at 2nd February, 1980	431,219	20,000	346,868	18,006	46,345
Additions at cost	1,871	—	—	—	1,871
	433,090	20,000	346,868	18,006	48,216
Disposals	(2,900)	—	—	(2,669)	(231)
Cost or valuation at 31st January, 1981	430,190	20,000	346,868	15,337	47,985
Depreciation at 2nd February, 1980	36,263	875	8,750	6,686	19,952
Provision for the year	15,362	500	5,000	1,372	8,490
Eliminated on disposals	(231)	—	—	—	(231)
Depreciation at 31st January, 1981	51,394	1,375	13,750	8,058	28,211
Net book amount at 31st January, 1981	£378,796	£18,625	£333,118	£7,279	£19,774
Net book amount at 2nd February, 1980	£394,956	£19,125	£338,118	£11,320	£26,393

The assets are stated at cost with the exception of property which includes a valuation as follows:

	Group and company freehold property		*Group leasehold property held on long lease*		*Company leasehold property held on long lease*	
	1981	1980	1981	1980	1981	1980
	£	£	£	£	£	£
At cost	—	—	43,551	43,551	16,868	16,868
At 28th April, 1978 valuation	20,000	20,000	330,000	330,000	330,000	330,000
	£ 20,000	£ 20,000	£ 373,551	£ 373,551	£ 346,868	£ 346,868

No provision has been made in the deferred taxation account for any corporation tax which would be payable on disposal at this valuation in view of capital losses available for set-off.

Notes to the accounts continued

7 Subsidiary companies

	1981 £	1981 £	1980 £	1980 £
Shares at cost		113,423		113,423
Amount owing by subsidiary companies Current account	893,077		1,027,184	
Amount owing to subsidiary companies Current account	(26,322)	866,755	(137,239)	889,945
		£980,178		£1,003,368

At 31st January, 1981 the subsidiaries, all of which are wholly owned directly by the holding company, were:

	Nature of Business	Share Capital Class	Share Capital Amount Issued
Helical Reinforcements Limited	Manufacturing steel reinforcements	Ordinary	£100
Helical (Steel Stock) Limited	Steel stockholding	Ordinary	£100
Cooper Re-Bar Limited (registered in Scotland)	Manufacturing and fixing of steel reinforcements	Ordinary	£8,100
		Deferred ordinary	£8,100

8 Associated company

The cost of the investment and the group's share of the undistributed profits of the associated company, as shown in the balance sheets, are made up as follows:

	Group 1981 £	Group 1980 £	Company 1981 £	Company 1980 £
Unlisted company				
Shares at cost	35,000	35,000	£35,000	£35,000
Share of undistributed profits	75,410	78,893		
	£110,410	£ 113,893		

The shares at cost comprise a 50% investment in Queenborough Steel Company Limited (registered in U.K.) of 35,000 shares of £1 each. The share of profits of the associated company, as shown in the profit and loss account, represents the group's share in the profits of the associated company as shown by its audited accounts to 31st December, 1980.

9 Trade investment

	Issued capital	Reserves (deficit)	Company interest	Group and company Directors' valuation 1981	Group and company Directors' valuation 1980
Saudi Steel Reinforcements Limited	SR3,000,000	(SR1,195,590)	25%	£55,500	£98,814

The above unlisted company is incorporated in Saudi Arabia, its country of operation.

Notes to the accounts continued

10 Share capital

	1981	1980
Authorised: 3,000,000 Ordinary shares at 25p each	£750,000	£750,000
Issued and fully paid: 2,903,414 Ordinary shares at 25p each	£725,853	£725,853

11 Reserves

	Total £	*Retained profits* £	*Share premium* £	*Asset revaluation reserve* £
Group				
At 2nd February, 1980	952,221	567,113	165,422	219,686
Retained profit	193,334	193,334	—	—
At 31st January, 1981	£1,145,555	£760,447	£165,422	£219,686
Company				
At 2nd February, 1980	707,425	322,317	165,422	219,686
Retained profit	137,327	137,327	—	—
At 31st January, 1981	£844,752	£459,644	£165,422	£219,686

12 Deferred taxation

The following shows the total potential liability for deferred taxation in respect of each of the timing differences, and the corresponding amounts provided in the accounts. The differences for the group of £323,926 (1980: £175,736) represent contingent liabilities at the balance sheet date.

	Group				*Company*			
	Provided in accounts		*Total potential liability*		*Provided in accounts*		*Total potential liability*	
	1981 £	1980 £	1981 £	1980 £	1981 £	1980 £	1981 £	1980 £
Accelerated capital allowances	144,777	143,747	162,633	143,747	90,759	91,084	90,759	91,084
Stock relief	—	185,640	410,958	361,376	—	—	—	—
Sundry timing differences	(13,500)	(18,700)	(13,500)	(18,700)	—	—	—	—
Losses carried forward	—	(30,750)	(104,888)	(30,750)	—	—	—	—
	131,277	279,937	455,203	455,673	90,759	91,084	90,759	91,084
Recoverable advance corporation tax	(75,082)	(61,901)	(75,082)	(61,901)	(75,082)	(61,901)	(75,082)	(61,901)
	£56,195	£218,036	£380,121	£393,772	£15,677	£29,183	£15,677	£29,183

13 Capital commitments

The capital expenditure approved by the directors and contracted for at 31st January, 1981 was £33,900 (1980: £23,550).

14 Net asset value per share 1981 64.5p 1980 57·8p

The assets per share are based on the total share capital and reserves shown in the consolidated balance sheet £1,871,408 (1980: £1,678,074) divided by the number of issued shares at 31st January 1981 and 2nd February 1980 of 2,903,414.

15 Contingent liabilities

	Company 1981	1980
Bills discounted	**£65,000**	£356,000
Bank guarantees in respect of overdrafts of subsidiary companies	**£196,177**	£192,686
Bank guarantees in respect of overdraft of Saudi Steel Reinforcements Limited of SR1,875,000	**£235,850**	£247,000

16 Reservation of title
All sales and some purchases are made under a reservation of title clause.

Report of the Auditors

To the members of Helical Bar Limited

We have audited the financial statements on pages 7 to 16 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention, as modified by the revaluation of land and buildings explained in note 6, give a true and fair view of the state of affairs of the company and the group at 31st January, 1981 and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Acts 1948 to 1980.

In our opinion the abridged supplementary current cost accounts set out on pages 18 to 20 have been properly prepared in accordance with the policies and methods described in notes 1 to 4 to give the information required by the Statement of Standard Accounting Practice No. 16.

Thornton Baker
London
28th May, 1981

Thornton Baker

Five year review

	1981	1980 (40 weeks)	1979	1978	1977
	£	£	£	£	£
Turnover	**9,050,537**	8,232,939	8,148,004	6,142,256	5,578,902
Operating profit	**172,166**	207,009	118,258	5,350	79,099
Associated companies	**38,318**	52,342	19,580	29,876	35,732
Profit before taxation	**210,484**	259,351	137,838	35,226	114,831
Minority interest		—	2,244	2,884	5,518
Profit after taxation	**316,492**	222,114	85,894	6,642	56,063
Extraordinary items	**43,314**	(cr)47,890	11,606	21,815	—
Dividends	**79,844**	79,844	29,034	—	48,068
Profit (loss) retained	**193,334**	190,160	45,254	(15,173)	7,995
Rate of equity dividend per share	**2.75p**	2·75p	1·0p	—	2·0p
Earnings per share	**10.9p**	7.7p	3·0p	0·3p	2·3p
Capital employed					
Share capital	**725,853**	725 853	725,853	600,853	600,853
Reserves	**1,145,555**	952,221	762,061	477,793	492,966
Shareholders funds	**1,871,408**	1,678,074	1,487,914	1,078,646	1,093,819
Loan capital	**—**	—	—	150,000	150,000
Minority interest	**—**	—	—	19,457	16,573
Deferred taxation	**56,195**	218,036	228,755	256,680	234,475
Capital employed	**£1,927,603**	£1,896,110	£1,716,669	£1,504,783	£1,494,867
Represented by:					
Fixed assets	**515,444**	530,628	681,545	465,590	502,299
Investments	**165,910**	212,707	210,595	207,614	146,699
Net current assets	**1,246,249**	1,152,775	824,529	831,579	845,869
	£1,927,603	£1,896,110	£1,716,669	£1,504,783	£1,494,867

Consolidated current cost profit and loss account

Helical Bar Limited and Subsidiary Companies
for the year ended 31st January, 1981

	£	£
Turnover		9,050,537
Profit on the historical cost basis before interest		237,312
Current cost operating adjustments		
Fixed assets	(51,047)	
Working capital	8,692	
	(42,355)	
Interest on monetary working capital	(24,080)	(66,435)
Current cost operating profit		170,877
Gearing adjustments	1,755	
Interest on net borrowing	(2,748)	
		(993)
Profit before taxation and extraordinary item		169,884
Taxation credit		106,008
Profit before extraordinary items		275,892
Extraordinary item		43,314
Profit attributable to shareholders		232,578
Dividends		79,844
Retained profit		£152,734
Earnings per share		9.5p

The notes on page 20 form part of these accounts.

Consolidated current cost balance sheet

Helical Bar Limited and Subsidiary Companies
31st January, 1981

	Note	1981 £	1981 £	1980 £	1980 £
Assets employed					
Fixed assets	2		795,017		804,497
Associated company			111,554		113,893
Trade investment			55,500		98,814
Net current assets					
Working capital		1,321,929		932,123	
Proposed dividends		(50,810)		(79,844)	
Other current assets/liabilities		(25,025)	1,246,094	300,496	1,152,775
			£2,208,165		£2,169,979
Financed by					
Share capital			725,853		725,853
Current cost reserve	3	321,162		273,869	
Other reserves		1,104,955	1,426,117	952,221	1,226,090
Total share capital and reserves			2,151,970		1,951,943
Deferred taxation			56,195		218,036
			£2,208,165		£2,169,979

The notes on page 20 form part of these accounts.

Notes to the current cost accounts

1 Explanatory notes

Basis of accounting

The current cost accounts on pages 18 and 19 have been prepared in compliance with the Statement of Standard Accounting Practice No 16 Current Cost Accounting. The accounting policies are unchanged from those used in the historical cost accounts. The further accounting policies necessary to accord with the current cost convention are set out below.

Fixed assets

The gross current cost has been determined by the use of appropriate Government indices except for land and buildings which have been included at cost or valuation as shown in the historical cost accounts.

Working capital

Working capital adjustments have been computed by the averaging method using appropriate Government indices.

Gearing adjustment

The gearing adjustment represents the abatement of the current cost operating adjustments and is in proportion to the amount of net operating assets financed by net borrowing (see Note 4). It has been calculated using the average for the year based on the opening and closing balance sheets.

2 Fixed assets

	Total	*Land and buildings*	*Vehicles plant and equipment*
	£	£	£
Gross current cost	1,449,947	408,888	1,041,059
Depreciation	654,930	37,660	617,270
Net current cost at 31st January, 1981	£795,017	£371,228	£423,789
Net current cost at 2nd February, 1980	£804,497	£384,103	£420,394

3 Current cost reserve

	£	£
At 2nd February, 1980		274,850
Revaluation surpluses reflecting price changes:		
Fixed assets	5,867	
Stocks	(155)	5,712
Depreciation adjustment		51,047
Monetary working capital adjustment		(8,692)
Gearing adjustment		(1,755)
At 31st January, 1981		£321,162

Of the total current cost reserve £40,600 represents the difference between historical and current cost profits from 2nd February, 1980.

4 Financing of net operating assets

	1981 £	1981 £	1980 £	1980 £
Fixed assets		795,017		804,497
Associated company		111,554		113,893
Trade investment		55,500		98,814
Working capital		1,321,929		932,123
Other net assets		—		300,496
Net operating assets		£2,284,000		£2,249,823
Share capital and reserves		2,151,970		1,951,943
Proposed dividends		50,810		79,844
Total shareholders' interest		2,202,780		2,031,787
Deferred taxation	56,195		218,036	
Other net liabilities	25,025	81,220	—	218,036
		£2,284,000		£2,249,823

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