NOTICE OF ILLEGIBLE PAGES

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GROUP

Highgate & Job Group PLC

Report and Accounts 1983

Contents

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Forty-Seventh Annual General Meeting of HIGHGATE & JOB GROUP PLC will be held at 51 Moss Street Paisley on 5th October 1983 at 12 30p.m. for the following purposes –

1 To receive and consider the Statement of Accounts for the year ended 31st March 1983 and the Reports of the Directors and Auditors thereon

2 To re-elect Mr I G Barr as a Director

3 To re-appoint Binder Hamlyn as Auditors of the Company

4 To authorise the Directors to fix the remuneration of the Auditors

5. As special business to consider and if thought fit to pass the following Resolution which shall be proposed as a Special Resolution –

'That the Directors pursuant to the general authority conferred upon them by Resolution of the Company passed on 24th August 1982 be and are hereby empowered pursuant to Section 18 of the Companies Act 1980 to allot equity securities (within the meaning of Section 17 of the said Act) as if sub-section (1) of the said Section 17 did not apply to any such allotment provided that this power shall be limited –

(a) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all such shareholders are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by them, and

(b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £25,000

and shall expire on the day preceding the next Annual General Meeting of the Company after the passing of this Resolution save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired

6 To transact any other ordinary business of the Company

By Order of the Board

D. H. McA. Marden Douglas Marden

Secretary

30th August 1983

Any Member entitled to attend and vote at the Meeting may appoint one or more proxies to attend and, on a poll, to vote for him. A proxy need not be a member of the Company. Completion of a Form of Proxy will not preclude a member from attending in person

None of the Directors has a Contract of Service with the Company or any of its subsidiaries which cannot be terminated on less than twelve months notice without payment of compensation

Directors, Officers etc.

Board of Directors	M.E. CONSTABLE, Chairman I.G. BARR, Chief Executive G.M. WEBSTER R.A. LAIRD
Secretary and Registered Office	D.H. McA. MARDEN 60 MURRAY STREET PAISLEY PA3 1QH
Auditors	BINDER HAMLYN Chartered Accountants OLYMPIC HOUSE 142 QUEEN STREET GLASGOW G1 3BT
Bankers	THE ROYAL BANK OF SCOTLAND plc ULSTER BANK LTD. WILLIAMS & GLYN'S BANK plc
Solicitors	MACROBERT SON & HUTCHISON 91 WEST GEORGE STREET GLASGOW G2 1PA

Chairman's Statement

Your previous Chairman, Mr. Carnwath, advised in last year's Report of his pending retirement at the Annual General Meeting. I was then appointed Chairman of your Company.

Since joining your Board in February 1982, to the time of issuing these Accounts, a number of changes have taken place within your Company. Mr. R. V. Stallworthy resigned from the Board in July 1982. Mr. R. McNeill, acting Secretary and Director, resigned and left the Board in April 1983. Mr. D. H. McA. Marden was appointed Group Secretary. On the subsidiary Board of Highgate and Job Ltd. Mr. R. Ferguson left the Company in April 1983 and Mr. A. G. Dickinson retired in August 1983.

I feel we now have Group and Subsidiary Boards of reasonable size and experience to meet the challenge to revitalise your Company's fortunes.

The trading loss to 31st March, 1983 has been reduced by £114,929 to £141,830. After exceptional and extraordinary items and a small tax credit, the resulting loss is £185,589.

Most of the trading loss and extrordinary costs were incurred at Liverpool. During the rundown of production at this site, costs far exceeded gross margins and redundancy costs were naturally incurred. The sale of this site has taken longer than anticipated, but is expected to be completed shortly. Unfortunately this has involved the Company paying rates and expenses on the dormant site until completion date.

The Company was also involved in a joint venture in the Merseyside area which incurred heavy losses this year. Action is now being taken.

Transfer of Liverpool production to Paisley, referred to in my half-year statement, incurred some plant teething troubles causing loss of production with resulting loss of revenue. After some modification, at extra cost, the problems have now been overcome.

The Paisley operation has otherwise shown much improvement and it is disappointing that the improved results have been clouded so much by the events to which I have already referred.

Once again the Protein Division has contributed a profit to your Company, despite volatile market conditions throughout the year.

As stated, since joining your Board many changes have been necessary. Manufacturing is now based on one site and once Liverpool costs have been eliminated completely, results from this Division should much improve. It does also appear that the chemical industry in general is seeing some turnround in its fortunes, which present throughput at Paisley confirms. This, coupled with continuing good results from your Protein Division, leaves me confident that although this year will be one of consolidation, the future can be looked at with more confidence by your restructured Group.

The efforts being made by present employees to make the Company succeed should not go unrecognised and I thank them for their hard work in this difficult period.

Report of the Directors

The Directors submit their Annual Report with the statement of Audited Accounts as at 31st March, 1983.

Results and Dividend

The Group Loss after taxation and extraordinary items amounted to £185,589 (1982 £242,311). The Directors do not recommend payment of a dividend.

Principal Activities of the Group

The principal activities of the Group may be summarised as Industrial Fatty Oil Refiners and Chemical Manufacturers (Oil Division) and Protein Meal Traders (Proteins Division).

The production at the Liverpool factory terminated at the end of October, 1982. Some of the products which had been manufactured there are now produced at the Paisley factory. Negotiations for the sale of the Liverpool site are underway.

Principal Subsidiary Companies are shown on page 24.

Turnover

Turnover comprises invoiced value of sales to external customers and is analysed according to activity as follows:–

	1983 £	1982 £
Oil Division	1,761,116	2,302,615
Proteins Division	4,145,618	4,860,559
	5,906,734	7,163,174

Group Loss before Taxation

The Group Loss before taxation distinguishing between various activities is as *follows:–*

	1983 £	1982 £
Oil Division	(164,917)	(309,500)
Proteins Division	38,499	43,122
Holding Company	(39,098)	5,151
	(165,516)	(261,227)

Exports

The value of goods exported directly by the Group from the United Kingdom was £265,047. (1982—£390,274).

Changes in Fixed Assets

The changes in Fixed Assets during the year are set out in Note 1 to the Accounts.

A professional valuation of the Land and Buildings was carried out in June 1983. On an open market basis their value at that date was stated to be in the region of £145,000

Directors

The composition of the Board of Directors at the date of this report is given on page 3.

The Director retiring by rotation is Mr. I. G. Barr who, being eligible, offers *himself for re-election. Mr. Barr has a service contract subject to termination* on six months written notice.

[illegible]

Directors' Interests in the Share Capital of the Company

[illegible] Share Capital of the Company are [illegible] below

	[illegible]	[illegible] March 1982
*L Carnwath		–
(resigned 24th August 1982)		400
G Barr		
J F Greene		
(resigned 29th April 1982)		
R A Stallworthy		–
(resigned 21st July 1982)		Nil
G M Webster		137,000
*M E Constable		6,500
F A Laird		
*R McNeil		137,000
(resigned 28th April 1983)		

*These holdings represent the shareholding interest of Pickles (Paisley) Ltd and its subsidiary company

There have been no changes in the foregoing interests from 31st March 1983 to 2nd August 1983

Directors' Interests in Contracts

None of the Directors is involved in any significant contracts in connection with the Company

Charitable Contributions

Contributions made during the year for charitable purposes amounted to £Nil (1982 — £[illegible]). No contributions were made to any political party during the year

Substantial Interests

At 2nd August 1983 the Company had recieved notification that the following were interested in 5% or more of the Company's issued share capital: –

E J P Farrant — 255,000 Shares (27.72%)
Pickles (Paisley) Ltd and its subsidiary company— 137,000 Shares (14.89%)
Midland Bank (Overseas) Nominees Ltd (see note 1) — 80,000 Shares (8.70%)
Northcote (Stock) Nominees Ltd (see note 2) — 145,000 Shares (15.57%)

Notes: (1) Midland Bank (Overseas) Nominees Ltd hold the shares on behalf of Banca Privata, Switzerland

(2) Northcote (Stock) Nominees Ltd hold the shares on behalf of Credit & Commercia de France, Switzerland

The Companies Act 1980

At last year's Annual General Meeting the Directors were given general authority to allot shares up to the amount of the Company's authorised but unissued share capital (£40,100). That authority subsisits for a period of five years from the date of that Annual General Meeting and the Directors still have no intention of issuing any such share capital.

Section 17 of the Companies Act 1980 provides that equity shares may not be alloted for cash without first being offered to the existing shareholders in proportion to their holdings. For reasons stated in last year's Directors' Report there may be circumstances where it is desirable for the Directors to have power to allot shares for cash without having to observe such pre-emption rights and so at last year's Annual General Meeting the Directors were given limited authority to so allot shares, such authority expiring, however, on the day preceding this year's Annual General Meeting. Accordingly you will find that under item 5 of the Notice of the Annual General Meeting a Special Resolution is being proposed as special business which will renew this authority, limited as before, for a further year. As stated in last year's Directors' Report, although this authority may be given to the Directors, the Company will remain subject to the regulations of The Stock Exchange which provide that a company must obtain the consent of shareholders to any proposed issue of equity securities for cash other than to shareholders in proportion to their existing holdings.

Close Company Provision

So far as is known, the Company is not a Close Company within the meaning of the Income and Corporation Taxes Act, 1970.

Auditors

A resolution will be submitted to the Annual General Meeting to re-appoint Binder Hamlyn, Chartered Accountants, as Auditors to the Company.

By Order of the Board
D. H. McA. Marden, Douglas Marden
Secretary
30th August 1983

Balance Sheet as at 31st March 1983

Notes		1983 £	1983 £	1982 £	1982 £
	EMPLOYMENT OF CAPITAL				
2	INVESTMENT IN SUBSIDIARIES		222 470		503 136
3	ASSOCIATED COMPANIES		2 404		98
	CURRENT ASSETS				
	Debtors	9		3 269	
	Due from Subsidiaries	29 722		75 809	
	Cash and Bank Balances	70,763		56 763	
		100,494		135 841	
	CURRENT LIABILITIES				
	Creditors	32,314		17 192	
	Due to Subsidiaries	38 576		39 312	
		70,890		56 504	
	NET CURRENT ASSETS		29 604		79 337
			254,478		582 571
	FINANCED BY				
6	Share Capital		459 900		459 900
7	Capital Reserves		28 724		28 724
7	Revenue Reserve/(Deficit)		(234 146)		93 947
	Shareholders' Funds		254,478		582 571

M. E. CONSTABLE, Director

I. G. BARR, Director

The notes on pages [illegible] form part of these accounts

Consolidated Balance Sheet *as at 31st March 1983*

Notes		1983		1982	
		£	£	£	£
	EMPLOYMENT OF CAPITAL				
1	FIXED ASSETS		181,113		210,806
3	ASSOCIATED COMPANIES		2,404		98
	CURRENT ASSETS				
4	Stocks	411 001		503,317	
	Debtors	639,029		674,913	
	Cash and Bank Balances	462		4,960	
		1,050,492		1,183,190	
	CURRENT LIABILITIES				
	Creditors	539,964		491,603	
	Taxation	—		2,600	
5	Bank Overdrafts	310,158		328,885	
		850,122		823,088	
	NET CURRENT ASSETS		200,370		360,102
			383,887		571,006
	FINANCED BY				
6	Share Capital		459,900		459,900
7	Capital Reserves		68,543		68,543
7	Revenue Reserve/(Deficit)		(153,063)		32,526
	Shareholders' Funds		375,380		560,969
	Regional Development Grants		8,507		10,[illegible]37
			383,887		571,006

M. E. CONSTABLE, Director

I. G. BARR, Director

The notes on pages 12 to 15 form part of these accounts.

Consolidated Profit and Loss Account

for the year ended 31st March, 1983

Notes		1983 £	1982 £
	TURNOVER	5,906,734	7 163,174
9	TRADING LOSS	(141,830)	(256 759)
	SHARE OF LOSS OF ASSOCIATED COMPANY	(13,995)	-
	LOSS BEFORE EXCEPTIONAL ITEMS	(155,825)	(256,759)
11	EXCEPTIONAL ITEMS	(9,691)	(4,468)
	LOSS BEFORE TAXATION	(165,516)	(261,227)
12	TAXATION—CREDIT	2,634	1,300
	LOSS AFTER TAXATION	(162,882)	(259,927)
13	EXTRAORDINARY ITEMS LESS ATTRIBUTABLE TAXATION	(22,707)	17,616
	LOSS AFTER TAXATION AND EXTRAORDINARY ITEMS	(185,589)	(242,311)
	TRANSFER FROM RESERVES	(185,589)	(242,311)
	Whereof dealt with by:		
	Parent Company	(39,098)	8,148
	Subsidiary Companies	(132,496)	(250,459)
	Associated Company	(13,995)	—
		(185,589)	(242,311)
14	Loss per 50p Share	(17·7p)	(28·3p)

The notes on pages 12 to 15 form part of these accounts.

Accounting Policies

The following is a summary of the significant accounting policies adopted in the preparation of these accounts:

Basis of Preparation

The principal financial statements are drawn up under the historical cost convention. The Consolidated Profit and Loss Account and Balance Sheet include the accounts of the parent company and all its subsidiaries made up to the end of the financial year. Internal sales and profits are eliminated on consolidation and all sales and profit figures relate to external transactions only.

The supplementary current cost accounts have been prepared under the current cost principles described in Statement of Standard Accounting Practice No. 16.

Turnover

Turnover represents the amounts receivable by the Group in respect of goods supplied and services rendered.

Fixed Assets

Depreciation is provided to write off the book value by equal annual instalments over the expected useful lives of the assets concerned.

The principal depreciation rates in use are:

Freehold Buildings	2½%
Plant and Machinery	
Oil Division	10%
Proteins Division	15%
Office Furniture and Equipment	15%
Motor Vehicles	25%

Associated Companies

These are defined as trading companies, other than subsidiaries, in which the Group holds not less than 20% of the equity capital and in whose commercial and financial policy decisions the Group participates.

Stocks

Stocks are valued at the lower of cost, including appropriate overheads, and net realisable value.

Deferred Taxation

No provision is made for Deferred Taxation where the Directors are of the opinion that no liability is likely to crystallise in the forseeable future. Otherwise full provision is made for Deferred Taxation at the rate of 52% under the liability method in respect of accelerated capital allowances on fixed assets less loss relief.

Regional Development Grants

Regional Development Grants receivable are credited to revenue in equal instalments over the expected lives of the assets concerned.

Notes to the Accounts

1. Fixed Assets of Group

	Freehold Land and Buildings £	Plant and Machinery £	Total £
COST			
At 1st April, 1982	145,587	422,840	568,427
Disposals	(3,000)	(31,687)	(34,687)
Additions	—	17,582	17,582
At 31st March, 1983	142,587	408,735	551,322
DEPRECIATION			
At 1st April, 1982	43,000	314,621	357,621
On disposals	—	(24,064)	(24,064)
Provided for year	3,639	33,013	36,652
At 31st March, 1983	46,639	323,570	370,209
NET BOOK VALUE			
At 31st March, 1983	95,948	85,165	181,113
At 31st March, 1982	102,587	108,219	210,806

2. Subsidiary Companies

	1983 £	1982 £
Cost of shares in Subsidiaries	510,625	516,291
Less: Amounts written off	443,155	313,155
	67,470	203,136
Loan to Subsidiary (Note *(a)*)	300,000	300,000
Less: Provision	145,000	—
	155,000	300,000
	222,470	503,136

Notes

(a) The Company has agreed to provide long term financial support by way of the loan account to its subsidiary company, Highgate & Job Ltd. In the event of a winding-up of that company the loan account will rank after other creditors.

(b) Details of subsidiary company organisation are shown on page 24.

Notes to the Accounts *Continued*

3. Interest in Associated Companies

The investments in associated companies are as follows:–

		1983 £		1982 £
Shares at cost		18,966		9,800
Loans and advances		7,135		
		26,101		9,800
Less: Share of associated company loss	13,995			
Provision against investment	9,702		9,702	
		23,697		9,702
		2,404		98

The associated companies are:–

Name of Company	*Country of registration*	*Proportion of equity held*
Charles Lester and Company Ltd.	England	49%
Masterlube Limited	England	50%

During the year The Liverpool Fertiliser Company Limited, formerly a wholly owned dormant subsidiary, changed its name to Masterlube Limited. The company increased its share capital and commenced trading in products for the drawing and metal forming industries. Full provision has been made against this investment.

4. Stocks

Stocks consist of:–

	1983 £	1982 £
Raw materials	105,254	152,474
Finished goods	281,898	322,640
Sundry stocks	23,849	28,203
	411,001	503,317

5. Bank Overdrafts

(a) The Company is a party to a cross-guarantee arrangement with The Royal Bank of Scotland plc which guarantees the facilities utilised by certain subsidiary companies.

(b) The bank overdrafts of certain subsidiary companies are secured by floating charges.

(c) Bank overdrafts are repayable on demand.

Notes to the Accounts *Continued*

6. Share Capital

	1983 £	1982 £
Authorised:		
1,000,000 ordinary shares of 50p each	500,000	500,000
Issued and fully paid:		
919,800 ordinary shares of 50p each	459,900	459,900

7. Movement in Reserves

(a) The Group

	Capital Reserves £	Revenue Reserve/ (Deficit) £
As at 1st April, 1982	68,543	32,526
Transfer to Profit and Loss Account	—	(185,589)
As at 31st March, 1983	68,543	(153,063)

(b) Parent Company

	Capital Reserves £	Revenue Reserve/ (Deficit) £
As at 1st April, 1982	28,724	93,947
Transfer to Profit and Loss Account	—	(39,098)
Provision against investment in subsidiary company	—	(275,000)
Provision against investment in associated company	—	(13,995)
As at 31st March, 1983	28,724	(234,146)

8. Deferred Taxation

	1983 £	1982 £
Capital allowances	37,586	39,892
Other timing differences	—	(1,006)
	37,586	38,886
Less: Loss relief	37,586	38,886
	—	—

As stock relief is no longer considered a timing difference it has been excluded from the above.

9. Loss before Taxation and exceptional items

This is stated after deducting:

	1983 £	1982 £
Depreciation	36,652	40,908
Bank interest	37,978	50,808
Plant hire charges	26,437	25,803
Directors' emoluments (Note 10)	48,601	60,367
Auditors' renumeration:		
Parent company	1,000	1,000
Subsidiaries	9,600	10,930
and after crediting:		
Gain on exchange	6,221	—
Regional development grants	2,304	6,903
Gain on sales of fixed assets	18,041	1,437

Notes to the Accounts Continued

10. Directors' Emoluments

The aggregate amounts of Directors' Emoluments of Highgate & Job Group PLC (including contributions to pension schemes) were.

	1983 £	1982 £
Fees for services as Directors	992	1,500
Other Emoluments	41,994	58,867
Compensation for loss of office	5,615	
	48,601	60,367

Particulars of Directors' Emoluments (excluding pension contributions):		
Chairman	992	
Former Chairman	584	1,752
Highest paid Director	15,740	15,510
Other Directors:	*No.*	*No.*
Not more than £5,000	3	5
£5,001 — £10,000	1	—
£10,001 — £15,000	—	2
£15,001 — £20,000	1	—

11. Exeptional Items

	1983 £	1982 £
Redundancy and *ex-gratia* payments	(9,691)	(4,468)

12. Taxation

	1983 £	1982 £
Prior year adjustment: Corporation Tax	2,634	1,300

13. Extraordinary Items

	1983 £	1982 £
These represent:		
Costs relating to plant re-organisation	(22,707)	—
Gain on disposal of fixed assets, previously written off	—	2,200
Pension provision no longer required	—	15,416
	(22,707)	17,616

14. Loss per share

The calculation of the loss per share is based on losses before extraordinary items, of £162,882 (1982—£259,927).

15. Approval of Accounts

At a meeting of 2nd August, 1983, the Directors approved publication of these accounts.

16. Companies Act 1981

The accounts relate to a period to which the accounting provisions of the Companies Act 1981 do not relate. Consequently, they have been drawn up in compliance with Section 152A of, and Schedule 8A to the Companies Act, 1948.

Consolidated Source and Application of Funds

for the year ended 31st March, 1983

	1983		1982	
SOURCE OF FUNDS	£	£	£	£
Sale of fixed assets	28,664		11,459	
Taxation recovered	34		14,416	
Regional development grant received	774		–	
		29,472		25,875
APPLICATION OF FUNDS				
Capital expenditure	(17,582)		(18,947)	
Funds absorbed by operations *(see note)*	(171,916)		(226,459)	
Advances to associated company	(2,306)		–	
		(191,804)		(245,406)
		(162,332)		(219,531)
Increase/(decrease) in working capital:				
Stocks	(92,316)		(52,759)	
Debtors	(35,884)		(158,799)	
Creditors	(48,361)		63,100	
		(176,561)		(148,458)
MOVEMENT IN NET LIQUID FUNDS				
Bank Overdraft	18,727		(47,695)	
Cash and Bank Balances	(4,498)		(23,378)	
		14,229		(71,073)
		(162,332)		(219,531)

NOTE:

FUNDS ABSORBED BY OPERATIONS				
Loss before taxation		(165,516)		(261,227)
Extraordinary items		(22,707)		2,200
		(188,223)		(259,027)
Adjustment for items not involving the movement of funds:				
Depreciation	36,652		40,908	
Gain on sale of fixed assets	(18,041)		(1,437)	
Regional development grants	(2,304)		(6,903)	
		16,307		32,568
		(171,916)		(226,459)

Consolidated Current Cost Balance Sheet

as at 31st March, 1983

Notes		1983 £	1983 £	1982 £	1982 £
	EMPLOYMENT OF CAPITAL				
2	FIXED ASSETS		266,880		412,693
	ASSOCIATED COMPANIES		2,404		98
	NET CURRENT ASSETS				
	Stocks	394,768		475,297	
	Monetary working capital (net)	119,980		209,353	
	Total working capital	514,748		684,650	
	Other current liabilities (net)	306,762	207,986	324,365	360,285
			477,270		773,076
	FINANCED BY				
	Share Capital		459,900		459,900
3	Current Cost Reserve	215,512		300,444	
4	Other Reserves and Revenue Deficit	(211,117)	4,395	(4,569)	295,875
			464,295		755,775
	Regional Development Grants		12,975		17,301
			477,270		773,076

Notes are shown on pages 19 and 20.

Consolidated Current Cost Profit and Loss Account

for the year ended 31st March 1983

	1983		1982	
	£	£	£	£
TURNOVER		5,906,734		7,163,174
TRADING LOSS BEFORE INTEREST, TAXATION AND EXCEPTIONAL ITEMS ON HISTORICAL BASIS		(103,852)		(205,951)
SHARE OF LOSS OF ASSOCIATED COMPANY		(13,995)		
		(117,847)		(205,951)
CURRENT COST ADJUSTMENTS				
to Cost of Sales	(4,970)		(37,624)	
for Additional Depreciation	(23,105)		(25,518)	
for Monetary Working Capital	(3,710)		(16,092)	
		(31,785)		(79,234)
CURRENT COST OPERATING LOSS		(149,632)		(285,185)
Interest	(37,978)		(50,808)	
Gearing Adjustment	10,826		19,539	
		(27,152)		(31,269)
		(176,784)		(316,454)
Exceptional Items		(9,691)		(4,468)
CURRENT COST LOSS BEFORE TAXATION		(186,475)		(320,922)
Taxation — credit		2,634		1,300
CURRENT COST LOSS AFTER TAXATION		(183,841)		(319,622)
Extraordinary Items less attributable Taxation		(22,707)		17,616
CURRENT COST LOSS AFTER TAXATION AND EXTRAORDINARY ITEMS		(206,548)		(302,006)
Transfer from Revenue Reserves		(206,548)		(302,006)
Loss per 50p Share		(20·0p)		(34·7p)

Notes are shown on pages 19 and 20.

Notes to the Consolidated Current Cost Accounts

1. Basis of Preparation

(a) Fixed Assets and Depreciation
Plant, equipment and vehicles are restated in the Current Cost Balance Sheet at their net replacement value by reference to the appropriate indices isssued by the Government Statistical Office. Property values are represented by the figures resulting from a revaluation carried out by the Group's appointed surveyors as at June, 1983. The depreciation adjustment is the difference between the charge based on the current cost of fixed assets and the charge in the historical Profit and Loss Account. There are no changes from the depreciation rates adopted for the historical accounts.

(b) Stocks and Cost of Sales
Stocks are restated in the Current Cost Balance Sheet at their value to the business by reference to the appropiate indices issued by the Government Statistical Office. The cost of sales adjustment has been calculated to increase the historical cost of sales to reflect the value to the business at the point of sale of stock consumed or sold during the year.

(c) Monetary Working Capital
An adjustment, analogous to the cost of sales adjustment, is made in respect of trade debtors less trade creditors; this has the effect of debiting to losses the decrease in monetary working capital required because of change in prices.

(d) Gearing
A part of the net operating assets of the business is financed by borrowing fixed in monetary amount. It is unnecessary to provide for the impact of price changes in respect of this part of the net operating assets, and the gearing adjustment abates the operating adjustments accordingly.

(e) Associated Companies
Current Cost Accounts have not been prepared by the Associated Companies. It is considered that their current cost results would not be significantly different from the figures shown in their historical cost accounts.

(f) Taxation
Taxation is based upon the historical cost accounts figure.

(g) Loss per Share
The basis of calculation is the same as that used in the historical cost financial statements, as shown in Note 14.

(h) Comparative figures
Corresponding amounts for 1982 are shown at values which relate to that year without restatement to reflect subsequent changes in purchasing power.

2. Fixed Assets

	Freehold Land and Buildings £	*Plant and Machinery* £	*Total* £
Gross current cost	150,370	672,049	822,419
Less: Aggregate depreciation	5,370	550,169	555,539
Net Replacement Value at 31st March, 1983	145,000	121,880	266,880
Net Replacement Value at 31st March, 1982	255,860	156,833	412,693

Notes to the Consolidated Current Cost Accounts

continued

3. Current Cost Reserve

	1983		1982	
	£	£	£	£
As at 1st April, 1982		300,444		254,362
Surplus/(Deficit) on revaluations:				
Fixed Assets	(116,120)		(9,151)	
Stocks	7,433		(7,928)	
Regional Development Grants	2,796		3,466	
		(105,891)		(13,613)
Realised amounts:				
Cost of Sales	4,970		37,624	
Additional Depreciation	23,105		25,518	
Monetary Working Capital	3,710		16,092	
Gearing	(10,826)		(19,539)	
		20,959		59,695
As at 31st March, 1983		215,512		300,444

4. Other Reserves and Revenue Deficit

	1983	1982
	£	£
As at 1st April, 1982	(4,569)	297,437
Transfer to Current Cost Profit and Loss Account	(206,548)	(302,006)
As at 31st March, 1983	(211,117)	(4,569)

Report of the Auditors

TO THE MEMBERS OF HIGHGATE & JOB GROUP PLC

We have audited the accounts on pages 8 to 16 in accordance with approved auditing standards.

In our opinion, the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the Company and the Group as at 31st March, 1983, and of the Loss and Source and Application of Funds of the Group for the year then ended and comply with the Companies Acts, 1948 to 1981.

In our opinion the abridged supplementary Current Cost Accounts set out on pages 17 and 18 have been properly prepared in accordance with the policies and methods described in notes 1 to 3, to give the information required by Statement of Standard Accounting Practice No. 16.

Binder Hamlyn,
Chartered Accountants

Olympic House
142 Queen Street
Glasgow G1 3BT

30th August, 1983

Group Statistical Record

	1974	1975	1976 restated‡	1977	1978
	£	£	£	£	£
Turnover	9,416,044	7,295,990	6,427,091	10,826,186	10,199,870
Profit/(Loss) before Taxation	559,326	260,781	67,550	264,274	106,267
Taxation Charge/(Credit)	300,659	146,415	34,830	148,642	55,356
Profit/(Loss) after Taxation	258,667	114,366	32,720	115,632	50,911
*Dividends	128,772	128,772	28,302	56,603	34,585
ASSETS EMPLOYED					
Fixed Assets	437,624	514,016	576,732	538,009	476,285
Associated Company	—	9,800	9,800	98	98
Net Current Assets	433,566	581,086	532,312	819,047	931,667
	871,190	1,104,902	1,118,844	1,357,154	1,408,050
FINANCED BY					
Share Capital	459,900	459,900	459,900	459,900	459,900
Capital Reserves	39,681	39,681	39,681	39,681	39,681
Revenue Reserve/(Deficit)	280,644	310,204	337,387	416,227	444,143
Shareholders' Funds	780,225	809,785	836,968	915,808	943,724
Provision for Pensions	65,416	65,416	65,416	65,416	65,416
Deferred Credits	25,549	229,701	216,460	375,930	398,910
	871,190	1,104,902	1,118,844	1,357,154	1,408,050
Earnings/(Loss) per Share	29·1p	12·4p	3·6p	12·6p	5·5p
Dividends (Gross) per Share	14·0p	14·0p	3·08p	6·15p	3.76p

*Dividends include the related tax credit.

‡Basis of valuing Stocks altered to comply with Statement of Standard Accounting Practice No.9

The market value of the Company's Shares on 6th April, 1965, was 80p.
The comparative figure after the Scrip Issue in December, 1973, was 40p.

1979	1980	1981	1982	1983
£	£	£	£	£
9,566,859	8,416,925	6,873,630	7,163,174	5,906,734
(123,355)	(145,141)	(228,402)	(261,227)	(165,516)
(68,751)	(64,365)	(156,657)	(1,300)	(2,634)
(54,604)	(80,776)	(71,745)	(259,927)	(162,882)
—	—	—	—	—
426,652	322,173	242,789	210,806	181,113
98	98	98	98	2,404
682,126	730,825	592,749	360,102	200,370
1,108,876	1,053,096	835,636	571,006	383,887
459,900	459,900	459,900	459,900	459,900
39,681	39,681	32,507	68,543	68,543
390,940	329,987	310,873	32,526	(153,063)
890,521	829,568	803,280	560,969	375,380
65,416	65,416	15,416	—	—
152,939	158,112	16,940	10,037	8,507
1,108,876	1,053,096	835,636	571,006	383,887
(5·9p)	(8·8p)	(7·8p)	(28·3p)	(17·7p)

Principal Subsidiary Companies

Company and Address	Country of Incorporation or Registration	Directorate	Activities
HIGHGATE & JOB LTD. Murray Street, Paisley, PA3 1QH. 6 Paul Street, Liverpool	Scotland	I. G. Barr A. G. Dickinson D. A. Martin M. B. Taylor	Industrial Fatty Oils including Lard, Animal and Neatsfoot Oils Synthetic Esters and Waxes Specialised Organic Chemicals Contract Chemical Manufacture, Blending and Packaging Liquid Chemical Recovery Corrosion Control Products
HANDASYDE LTD. Murray Street, Paisley, PA3 1QH. 6 Paul Street, Liverpool	Scotland	I. G. Barr A. G. Dickinson	Merchants in Edible and Technical Fats, Tallows Oleines and Stearines
HOWARD BAKER (Ulster) Ltd. Little Patrick Street, Belfast, BT15 1BA.	England	J. Malcolm G. M. Webster I. G. Barr	Merchants of Animal and Fish Protein Feeding Products
HOWARD BAKER (London) Ltd. Great St. Thomas Apostle, London, EC4V 2BB.	England	G. M. Webster I. G. Barr N. Partridge	Merchants of Animal and Fish Protein Feeding Products

Each of the above subsidiaries is wholly-owned by Highgate & Job Group PLC.