

REPORT on a MEETING of the FINANCE
COMMITTEE of the SCOTTISH POTATO TRADE
ASSOCIATION in the STATION HOTEL, PERTH,
at 5.00 p.m. on FRIDAY, 26th NOVEMBER,
1982.

PRESENT: Messrs. J.G.H. Fenton, J.H. Barr and D.H. Lindsay, with R.D. Hunter (Secretary) and D. Blackmore (Assistant) in attendance.

APOLOGIES: Apologies for absence were recorded on behalf of Messrs. J.R. McArthur and J.O. Robertson.

INVESTMENTS: Mr. Hunter tabled a review of the Association's Investments prepared and submitted by the Association's Stockbrokers on 5th November, 1982. The review recommended one change.

Interest rates having fallen steadily since the last review a year ago, the Stockbrokers felt that the present yield (of 8½%) on the holding of £2,570 7½% Treasury Stock 1885/88 would be unlikely to be available when the proceeds from the eventual repayment of this holding become available for re-investment.

To provide against this eventuality, the Stockbrokers had recommended (a) the sale of the present holding and (b) re-investment of the proceeds (including the tax-free Capital Gain element) in a longer-dated stock.

In this latter respect the Stockbrokers had selected and recommended a purchase of 9% Treasury Stock 1994, with the advantage that its present yield at its present price (9.3%) would be maintained for a minimum of six extra years to its redemption date, as compared with the present holding.

In gross annual income terms, such a change would provide an additional £33.00 from the Association's Investments. Mr. Hunter pointed out that, although this improvement would be largely cancelled out by Stockbroking costs in the first year, the recommendations still provided an acceptable advantage to the Association over the longer (twelve-year) term.

During the Committee's discussion of these recommendations Mr. Blackmore stated that relative prices changes since 5th November, 1982 had increased the attractiveness of the recommendations to the Association. At to-day's prices, for example, the indicated increase in gross annual income had improved from £33.00 to £41.00 per annum and, in his own view, the Stockbrokers' recommendations should be implemented.

After further careful considerations, the Committee instructed the Secretariat to accept the recommended changes on the best terms and to instruct the Stockbrokers accordingly.

The meeting was thereupon formally concluded.