

Notice of Meeting

NOTICE is hereby given that the Annual General Meeting of the Company will be held at the offices of Delyn Limited at Pontygwindy, Caerphilly, Mid Glamorgan, on 26 March 1976, at 12.00 noon for the following purposes:

- 1 To receive and, if approved, adopt the Directors' Report and the Accounts for the 52 weeks ended 28 September, 1975 and the Auditors' Report thereon.
- 2 To elect a Director. Mr. D. Freedman retires and will be proposed for re-election.
- 3 To authorise the Board to fix the remuneration of the Auditors.
- 4 To transact any other ordinary business.

3 March 1976

By Order of the Board
D. Freedman
Secretary

A Member entitled to attend and vote at the above Meeting may appoint one or more proxies to attend and to vote on his behalf. A proxy need not be a Member of the Company.

Members who are unable to attend the Meeting are invited to sign and return the enclosed form of proxy to reach the Company's Registered Office not less than 48 hours before the time of the Meeting.

There will be available at the Company's Registered Office during normal business hours on any weekday (Saturdays excepted) from 3 March 1976 until 25 March 1976 and at the Meeting from 15 minutes prior thereto:

- (i) A statement for the period from 1 February, 1975 to 31 January, 1976 of all transactions of each Director (and of his family interests as defined in the General Undertaking which the Company has given to The Stock Exchange, London) in the equity Share Capital of the Company and its subsidiaries.
- (ii) Copies of all Contracts of Service whereunder any Directors of the Company are employed.

Chairman's Statement

I have to report a Trading Loss of £436,000 (1974 Profit £138,000), which has only been alleviated by Corporation Tax recoverable of £172,000 resulting in a decrease of the net assets of the Group of £264,000.

In my financial statement of August 1975, I referred to the programme to consolidate certain subsidiaries within the main factories of the Group. The business of Delyn Plastics Limited has been absorbed into the Delyn Cartons Limited factory at Caerphilly, and its former premises disposed of recently. It was also decided to transfer the Platemaking business carried on by Delyn Photo-Litho Limited at Reading to the Delyn Cartons Limited factory at Caerphilly, where it continues to provide an effective in-house service. Again, we have recently been successful in disposing of the Reading premises.

The Delyn Cartons Limited factory is being re-organised in line with the recession in the Packaging Industry. We have substantially reduced the shop floor, administrative and managerial staffing. Our continuing record of satisfactory industrial relations has been demonstrated by the co-operation and support given by the Unions to our re-organisation programme.

Delyn Paper Mills Limited has continued to trade satisfactorily, although it was apparent towards the end of the period under review that customers were delaying delivery instructions.

The above rationalisation programme has continued into the first half of this current Financial Year. The Accounts for the first half will show a substantial loss, which will comprise of, not only the historical seasonal loss, but also the cost of redundancies and exceptional charges arising from the balance of the re-organisation.

I consider that the Group's two remaining operating locations, at Caerphilly and Hengoed, will produce profitable results in the second half of the year.

I would, in particular, thank all our employees for their continuing efforts through this difficult period.

3 March 1976

Geoffrey Fisher
Chairman

Report of the Directors

The Directors present their Report together with the Accounts for the 52 weeks ended 28 September, 1975.

1. Activities

The names of the subsidiaries together with details of their principal activities and the percentage owned by your Company appear on page 2.

2. Results

The Group incurred a loss after taxation of £264,183.
The Directors are not recommending the payment of a dividend.

3. Directors

The names of the Directors at 28 September, 1975 appear on page 1. Mr. W. May resigned on 6 July, 1975 and Mr. J. Weil, Mr. A. Bilgora and Mr. J. Redman resigned on 26 September, 1975. Mr. D. Freedman retires by rotation and being eligible, offers himself for re-election. The Directors and their families had interests in the Shares of the Company, as follows:

	At beginning and end of period	
	Beneficial Interest	Non-Beneficial Interest
G. Fisher	147,754	42,714
D. Fisher	58,862	75,679
D. Freedman	16,250	—
C. Jacobs	2,950	700

No Director had any interest in the Shares of any other Company in the Group during the period. The above shareholdings remained unchanged between 29 September, 1975 and 15 February, 1976. No Director was interested in any significant contract during the period under review.

4. Substantial Shareholdings

The Company has been notified that Shareholders interested in 10 per cent or more of the Company's Shares were:

	At beginning and end of period		Proportion of issued capital
Coleman-Redman Limited	273,929		19.57%
Weiss Family Projects Limited	238,500		17.04%

The Company has not been notified of any change in these interests up to 15 February, 1976.

5. Employees

The average number of Employees, excluding Directors of Delyn Limited, in each week was 387 and their total remuneration was £948,619.

6. Exports

The amount of goods exported during the period was £92,496.

7. Charitable Contributions

The total amount of Charitable Donations made by the Group during the period was £2,063.

8. Auditors

Pursuant to the provisions of the Companies Act 1948, the Auditors, Messrs. Hacker Young, will continue in office.

9. Income and Corporation Taxes Act 1970

The Directors are advised that the Company is not a "Close Company" within the meaning of the Act.

By Order of the Board
D. Freedman
Secretary

3 March, 1976

Consolidated Profit and Loss Account

For the 52 weeks ended 28 September, 1975

	Notes	1975		1974	
		£	£	£	£
Group Turnover	2		3,010,574		3,669,530
Group Loss before Taxation	3		436,104		(Profit) 137,844
<i>Deduct: Taxation based on current results</i>					
Corporation Tax recoverable in respect of prior years		—		(12,734)	
Transfer from Deferred Taxation		171,921	171,921	92,307	79,573
Group Loss after Taxation of which £97,879 loss (1974—£873 loss) is dealt with in the Parent Company's Accounts	10		264,183		(Profit) 58,271
Transfer to Capital Reserve Account—pre-acquisition profit of Subsidiary Company			—		1,530
			264,183		56,741
Parent Company Dividends	4		—		17,364
			264,183		39,377
Retained Profits Brought Forward			150,051		110,674
Adverse Balance (1974—Retained Profits) Carried Forward					
Parent Company	10	97,735		1,565	
Subsidiary Companies		16,397		148,486	
			£114,132		£150,051
Earnings (Loss) per ordinary share of 20p	5		(18.6702p)		4.0529p

The Notes on pages 8 to 11 form part of these Accounts

Balance Sheets

As at 28 September, 1975		The Company		The Group	
		1975	1974	1975	1974
	Notes	£	£	£	£
Fixed Assets	1 and 6	12,954	1,971	358,489	364,130
Interest in Subsidiaries	7	331,476	336,890		
Current Assets	1				
Stocks		6,389	4,041	651,536	1,032,840
Debtors		2,373	16,051	3,171	18,349
Bank Balances and Cash		—	—	728,153	781,805
		<u>£8,762</u>	<u>£20,092</u>	<u>£1,382,860</u>	<u>£1,832,994</u>
Current Liabilities					
Creditors and Provisions	3	128,946	6,547	734,297	809,436
Bank Overdrafts		—	—	606,486	511,116
Taxation		—	8,553	—	8,553
Dividends	4	—	17,364	—	17,364
		<u>£128,946</u>	<u>£32,464</u>	<u>£1,340,783</u>	<u>£1,346,469</u>
Net Current Assets		(120,184)	(12,372)	42,077	486,525
Deferred Taxation	11	25,753	26,155	(48,359)	(220,864)
		<u>£249,999</u>	<u>£352,584</u>	<u>£352,207</u>	<u>£629,791</u>
Financed by					
Issued Capital	9	280,000	280,000	280,000	280,000
Reserves	10	(30,001)	72,584	72,207	349,791
		<u>£249,999</u>	<u>£352,584</u>	<u>£352,207</u>	<u>£629,791</u>

Directors
G. Fisher
D. Freedman

The notes on pages 8 to 11 form part of these Accounts

Notes to Accounts

1 Accounting Policies

- Fixed Assets are being depreciated on a straight line basis over their estimated useful lives.
- Government and Local Authority grants receivable are credited to an equalisation account. A proportion equivalent to the rate of depreciation is credited to Profit and Loss Account annually.
- Stocks have been valued at the lower of cost and net realisable values arrived at by methods of computation considered appropriate and consistently applied.
- An amount for corporation tax calculated on the deferral method has been set aside for taxation deferred by timing differences.

2 Group Turnover

Group Turnover represents net invoiced sales by Group Companies to outside customers, excluding inter-company transactions.

3 Group Profit Before Taxation

	1975		1974	
	£	£	£	£
After charging:				
Interest on bank overdraft and other loans repayable within 5 years		126,196		141,465
Remuneration of Auditors		7,750		6,304
Depreciation	110,485		86,420	
Less: Transfer from Investment and Regional Development Grant Equalisation Accounts	19,804		20,794	
		<u>90,681</u>		<u>65,626</u>
Remuneration of Directors of Parent Company				
As Directors	—		500	
As Executives	57,742		51,093	
Compensation for loss of office	20,000		—	
		<u>77,742</u>		<u>51,593</u>
Details of Directors' Emoluments are as follows:				
Chairman's Emoluments		<u>12,418</u>		<u>10,027</u>

Other Directors:

Pay Range	Number	Number
Nil	2	—
£1 to £2,500	—	2
£2,501 to £5,000	—	—
£5,001 to £7,500	1	—
£7,501 to £10,000	3	5
£10,001 to £12,500	1	—

4 Dividends

Proposed Final	Nil	(1-2403p)	<u>£17,364</u>
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5 Earnings per Share

The calculation of Losses (earnings) per share is based on losses of £264,183 (1974—£56,741 profits). 1,400,000 ordinary shares were in issue throughout the two years ended 28 September, 1975.

Delyn Limited and its Subsidiary Companies

	Leasehold Building (Long term) £	Plant and Equipment £	Total £
6 Fixed Assets			
At 29 September, 1974	42,327	863,926	906,253
Additions at cost	1,203	76,243	77,446
Cost of disposals	—	(19,810)	(19,810)
At 28 September, 1975	<u>£43,530</u>	<u>£920,359</u>	<u>£963,889</u>
Valuation in 1965	—	17,260	17,260
Valuation in 1968	—	125,419	125,419
Cost	43,530	777,680	821,210
	<u>£43,530</u>	<u>£920,359</u>	<u>£963,889</u>
Aggregate depreciation			
At 29 September, 1974	352	340,823	341,175
Amount provided	1,451	109,034	110,485
Elimination on disposals	—	(10,350)	(10,350)
At 28 September, 1975	<u>£1,803</u>	<u>£439,507</u>	<u>£441,310</u>
Net book value	41,727	480,852	522,579
Amount owing secured on plant and equipment	—	164,090	164,090
	<u>£41,727</u>	<u>£316,762</u>	<u>£358,489</u>

Fixed assets of the parent company comprise:

Plant and equipment		£21,594	
Cost			
less: depreciation	£3,973		
liability secured thereon	<u>4,667</u>		£12,954
		<u>8,640</u>	

7 Interest in Subsidiaries

	The Company	
	1975	1974
	£	£
Shares at cost, less amounts written off	301,527	306,232
Amounts due by Subsidiaries	39,202	53,186
	<u>340,729</u>	<u>359,418</u>
Amounts due to Subsidiaries	9,253	22,528
	<u>£331,476</u>	<u>£336,890</u>

8 Bank Overdrafts (secured)

The Company has guaranteed the bank overdrafts of Subsidiary Companies. At 28 September, 1975 the overdrafts amounted to £606,486.

	The Company		The Group	
	1975	1974	1975	1974
	£	£	£	£
9 Share Capital				
Ordinary Shares of 20p each Authorised	£400,000	£400,000	£400,000	£400,000
Issued and Fully Paid	£280,000	£280,000	£280,000	£280,000
10 Reserves				
Share Premium Account	£67,734	£67,734	£67,734	£67,734
Government and Local Authority Grants At 29 September, 1974			106,692	105,092
Claims submitted			6,403	22,294
Transfer to Profit and Loss Account			112,995	127,386
			19,804	20,794
			£93,191	£106,692
Capital				
At 29 September, 1974	3,284	3,285	25,414	24,210
Transfer to Profit and Loss Account	(3,284)	—	—	1,530
Surplus of net assets of Subsidiary acquired during year over cost	—	—	—	526
Additional tax on chargeable gain of prior year	—	—	—	(852)
	£—	£3,285	£25,414	£25,414
Retained Profits (Adverse Balance)	£(97,735)	£1,565	£(114,132)	£150,051
Total Reserves	£(30,001)	£72,584	£72,207	£349,791

Results of the Parent Company are stated after providing for losses amounting to £99,745 incurred by Subsidiary Companies.

11 Deferred Taxation

Relating to timing differences	1,300	101	57,842	150,802
Relief accruing under the terms of clause 16 of the Finance Bill published on 10 December, 1974	—	—	—	79,181
Rollover relief on chargeable gains	—	—	17,570	17,570
Advance Corporation Tax on dividends paid and proposed	(27,053)	(26,256)	(27,053)	(26,689)
	£(25,753)	£(26,155)	£48,359	£220,864

	The Group	
	1975	1974
12 Contingent Liabilities		
(a) In respect of Government and Local Authority Grants amounting to	<u>£83,866</u>	<u>£96,490</u>
(b) In respect of rent payable under the terms of a lease of factory premises	<u>£28,700</u>	<u>£36,875</u>
 13 Capital Expenditure		
Estimated amounts approved by the Directors not provided for in these Accounts amount to:	<u>£Nil</u>	<u>£44,000</u>

Delyn Limited

Auditors' Report

To the Members of Delyn Limited

In our opinion the Accounts on pages 6 and 7, together with the notes on pages 8, 9, 10 and 11 comply with the Companies Acts 1948 and 1967 and give a true and fair view of the state of affairs of the Company and of the Group as at 28 September, 1975 and of the loss for the 52 weeks ended on that date.

St. Alphage House,
Fore Street,
London, EC2Y 5DH
3 March, 1976.

Hacker Young
Chartered Accountants