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# Delyn



REPORT & ACCOUNTS  
1976

13

Delyn Limited

**Directors**

Geoffrey Fisher *Chairman*  
Dennis Freedman  
Coleman Jacobs  
F. Ifor Jones

**Secretary**

Dennis Freedman

**Registered Office**

St. Alphage House, Fore Street,  
London, EC2Y 5DH

**Auditors**

Hacker Young  
St. Alphage House, Fore Street,  
London, EC2Y 5DH

**Solicitors**

Jacklyn Dawson & Meyrick, Williams with Dolmans  
Equity Chambers,  
Friars Street,  
Newport,  
Gwent, NPT 1PW

**Bankers**

National Westminster Bank Limited,  
117 St. Mary Street,  
Cardiff, CF1 1LG

**Registrars and Transfer Office**

Connaught St. Michaels Limited,  
P.O. Box 30  
Cresta House,  
Alma Street,  
Luton,  
Bedfordshire



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## Operating Subsidiaries in 1976

**Delyn Cartons Limited**  
Caerphilly, Mid Glamorgan  
*Directors* G. Fisher  
D. Freedman  
F. I. Jones  
A. Bilgora  
S. J. Thomas

**Manufacturers of Multi-Coloured Cartons  
and Plastic Thermo-Formed Packaging**

Per cent.  
owned

100

**Delyn Paper Mills Limited**  
Hengoed, Mid Glamorgan  
*Directors* G. Fisher  
D. Freedman  
F. I. Jones

**Converters of Paper into Crepe and Gift Wrapping**

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The above companies are registered in England and operate at the addresses stated.

# 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 25 March, 1977 at 12.00 noon for the following purposes:

- 1 To receive and, if approved, adopt the Directors' Report and the Accounts for the 53 weeks ended 3 October, 1976 and the Auditors' Report thereon.
- 2 To elect a Director. Mr. C. Jacobs retires and will be proposed for re-election.
- 3 To elect a Director. Mr. F. I. Jones, having been appointed since the last Annual General Meeting retires, and will be proposed for election.
- 4 To authorise the Board to fix the remuneration of the Auditors.
- 5 To transact any other ordinary business.

1 March, 1977

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 1 March, 1977 until 24 March, 1977 and at the Meeting from 15 minutes prior thereto:

- (i) A statement for the period from 1 February, 1976 to 31 January, 1977 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

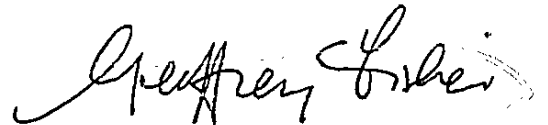
As forecast in my interim financial statement of 24 August, 1976 the Group has traded at a profit to the close of the financial year, recouping the loss of the first half year's trading and resulting in net trading profit of £2,143 before taxation compared with a trading loss of £436,104 for the previous financial year.

The programme of consolidation to which I referred in my statement covering the previous year's accounts has been completed, and the effects of this re-organisation are reflected in the improved accounts now laid before you. I need hardly state that the recession in the packaging industry is still with us, but I believe, that with our current structure, we are in a position to continue our progress in the cartons factory through 1977.

The trend of customers of the paper mill to delay acceptance of deliveries has continued in the period under review and we must accept this as an ongoing pattern. Thus, apart from this seasonal variation, the paper mill has continued to trade satisfactorily.

Due to the seasonal nature of our business there will be a loss for the first half of the current year. Thereafter, your board considers it reasonable to anticipate that the trading cycle of the previous year will be repeated. In the present economic climate I am unable to make any more specific forecast and I would assure you that your board will continue to keep trading conditions under constant review.

Finally, I take this opportunity to thank all our employees and trade union representatives for their efforts and loyalty through a most difficult period.



Chairman

1 March, 1977

# Report of the Directors

The Directors present their Report together with the Accounts for the 53 weeks ended 3 October, 1976.

## 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 had a profit before taxation of £2,143. The taxation charge for the year amounting to £36,455 included prior year adjustments of £42,721. The Directors are not recommending the payment of a dividend.

## 3. Directors

The names of the Directors at 3 October, 1976 appear on page 1. Mr. D. Fisher resigned on 6 July, 1976. Mr. F. I. Jones, having been appointed on 6 July, 1976, retires and being eligible, offers himself for election. Mr. C. Jacobs 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 of period or on appointment		At end of period	
	Beneficial Interest	Non-Beneficial Interest	Beneficial Interest	Non-Beneficial Interest
G. Fisher	147,754	42,714	147,754	—
D. Freedman	16,250	—	16,250	—
C. Jacobs	2,950	700	2,950	700
F. I. Jones	2,010	—	2,010	—

No Director had any interest in the Shares of any other Company in the Group during the period. Between 4 October, 1976 and 31 January, 1977 Mr. D. Freedman acquired 20,000 shares and Mr. G. Fisher sold 10,000 shares.

The shares comprising the non beneficial interest of Mr. G. Fisher were distributed in specie to the beneficiaries during the period.

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%
M.Y. Dart Limited	140,300	10.02%

Since 3 October, 1976 the company has been notified that Coleman-Redman Limited has sold 10,000 shares.

## 5. Employees

The average number of Employees, excluding Directors of Delyn Limited, in each week was 253 and their total remuneration was £767,681.

## 6. Exports

The amount of goods exported during the period was £103,926.

## 7. Charitable Contributions

The total amount of Charitable Donations made by the Group during the period was £1,979.

## 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

1 March, 1977

# Consolidated Profit and Loss Account

		1976		1975	
		£	£	£	£
<b>For the 53 weeks ended 3 October, 1976</b>					
	Notes				
<b>Group Turnover</b>	2		<u>3,278,675</u>		<u>3,010,574</u>
<b>Group Profit (1975—Loss)</b>	3		2,143		436,104
<i>Deduct: Taxation based on current results</i>					
Corporation Tax		1,188		—	
Corporation Tax adjustment of prior year		(1,472)		—	
Transfer—Deferred Taxation		<u>36,739</u>	<u>36,455</u>	<u>171,921</u>	<u>171,921</u>
<b>Group Loss after Taxation of which £1,054 loss (1975—£97,879 loss) is dealt with in the Parent Company's Accounts</b>			34,312		264,183
<b>Adverse Balance Brought Forward</b>			<u>114,132</u>		<u>150,051</u>
<b>Adverse Balance Carried Forward</b>	9				
Parent Company		98,789		97,735	
Subsidiary Companies		<u>49,655</u>	<u>£148,444</u>	<u>16,397</u>	<u>£114,132</u>
<b>Loss per ordinary share of 20p</b>	4		<u>(2.4509p)</u>		<u>(18.8702p)</u>

The Notes on pages 8 to 10 form part of these Accounts

# Balance Sheets

As at 3 October, 1976	Notes	The Company		The Group	
		1976 £	1975 £	1976 £	1975 £
Fixed Assets	1 and 5	9,347	12,954	289,536	358,489
Interest in Subsidiaries	6	383,280	331,476		
<b>Current Assets</b>					
Stocks	1	—	—	595,319	728,153
Debtors		5,800	6,389	509,733	651,536
Bank Balances and Cash		200	2,373	577	3,171
		<u>£6,000</u>	<u>£8,762</u>	<u>£1,105,629</u>	<u>£1,382,860</u>
<b>Current Liabilities</b>					
Creditors and Provisions	7	110,082	128,946	547,691	734,297
Bank Overdrafts		65,353	—	451,631	606,486
Taxation		—	—	1,188	—
		<u>£175,435</u>	<u>£128,946</u>	<u>£1,000,510</u>	<u>£1,340,783</u>
<b>Net Current Assets</b>		(169,435)	(120,184)	105,119	42,077
Deferred Taxation	10	25,753	25,753	(85,098)	(48,359)
		<u>£248,945</u>	<u>£249,999</u>	<u>£309,557</u>	<u>£352,207</u>
<b>Financed by</b>					
Issued Capital	8	280,000	280,000	280,000	280,000
Reserves	9	(31,055)	(30,001)	29,557	72,207
		<u>£248,945</u>	<u>£249,999</u>	<u>£309,557</u>	<u>£352,207</u>

Directors  
G. Fisher  
D. Freedman

The notes on pages 8 to 10 form part of these Accounts

## Notes to Accounts

### 1 Accounting Policies

- (a) Fixed Assets are being depreciated on a straight line basis over their estimated useful lives.
- (b) 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.
- (c) Stock and work in progress has been consistently valued at the total of the lower of cost and net realisable value of the separate items of stock and work in progress. In this context, cost comprises purchase price, including import duties, handling, transport, and other directly attributable costs and in the case of work in progress and stock of finished goods includes direct costs of production, production and other overheads attributable to present location and condition. Net realisable value is the estimated selling price, less all further costs to completion and costs to be incurred in selling and distributing.
- (d) An amount, calculated at the current rate of corporation tax, has been set aside for the effect of timing differences arising from the treatment of certain items of income and expenditure for taxation and accounts purposes. This comprises taxation deferred by the excess of capital allowances over depreciation, stock relief and rollover relief on chargeable gains.

### 2 Group Turnover

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

### 3 Group Profit Before Taxation

	1976		1975	
	£	£	£	£
After charging:				
Interest on bank overdraft and other loans repayable within 5 years		96,793		126,196
Remuneration of Auditors		7,995		7,750
Depreciation	93,941		110,485	
Less: Transfer from Investment and Regional Development Grant Equalisation Accounts	16,516		19,804	
		<u>77,425</u>		<u>90,681</u>
Remuneration of Directors of Parent Company As Executives	38,189		57,742	
Compensation for loss of office	9,500		20,000	
		<u>47,689</u>		<u>77,742</u>
Details of Directors' Emoluments are as follows:				
Chairman's Emoluments		<u>12,223</u>		<u>12,418</u>
Other Directors:				
Pay Range		Number		Number
Nil		1		2
£5,001 to £7,500		1		1
£7,501 to £10,000		1		3
£10,001 to £12,500		1		1

### 4 Earnings per Share

The calculation of Losses per share is based on losses of £34,312 (1975—£264,183). 1,400,000 ordinary shares were in issue throughout the two years ended 3 October 1976.

Delyn Limited and its Subsidiary Companies

	Leasehold Building (Long term) £	Plant and Equipment £	Total £
<b>5 Fixed Assets</b>			
At 28 September, 1975	43,530	920,359	963,889
Additions at cost	8,402	17,322	25,724
Cost of disposals	—	(60,695)	(60,695)
At 3 October, 1976	<u>£51,932</u>	<u>£876,986</u>	<u>£928,918</u>
Valuation in 1965	—	17,260	17,260
Valuation in 1968	—	125,419	125,419
Cost	51,932	734,307	786,239
	<u>£51,932</u>	<u>£876,986</u>	<u>£928,918</u>
Aggregate depreciation			
At 28 September, 1975	1,803	439,507	441,310
Amount provided	1,020	92,921	93,941
Elimination on disposals	—	(25,342)	(25,342)
At 3 October, 1976	<u>£2,823</u>	<u>£507,086</u>	<u>£509,909</u>
Net book value	49,109	369,900	419,009
Amount owing secured on plant and equipment	—	129,473	129,473
	<u>£49,109</u>	<u>£240,427</u>	<u>£289,536</u>

Fixed assets of the parent company comprise:

Plant and equipment		£16,621
Cost		
less: depreciation	£6,607	
liability secured thereon	667	
	<u>7,274</u>	
		<u>£9,347</u>

**6 Interest in Subsidiaries**

Shares at cost, less amounts written off  
Amounts due by Subsidiaries

Amounts due to Subsidiaries

	The Company	
	1976	1975
	£	£
Shares at cost, less amounts written off	301,527	301,527
Amounts due by Subsidiaries	91,908	39,202
	<u>393,435</u>	<u>340,729</u>
Amounts due to Subsidiaries	10,155	9,253
	<u>£383,280</u>	<u>£331,476</u>

**7 Bank Overdrafts (secured)**

The Company has guaranteed the bank overdrafts of Subsidiary Companies. At 3 October, 1976 the overdrafts amounted to £386,278.

Delyn Limited and its Subsidiary Companies

	The Company		The Group	
	1976 £	1975 £	1976 £	1975 £
<b>8 Share Capital</b>				
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
<b>9 Reserves</b>				
Share Premium Account	£67,734	£67,734	£67,734	£67,734
Government and Local Authority Grants At 28 September, 1975			93,191	106,592
Claims Submitted			8,178	6,403
			101,369	112,995
Transfer to Profit and Loss Account			16,516	19,804
			£84,853	£93,191
Capital At 28 September, 1975	—	3,284	25,414	25,414
Transfer to Profit and Loss Account	—	(3,284)	—	—
	£ —	£ —	£25,414	£25,414
Adverse Balance on Profit and Loss Account	£(98,789)	£(97,735)	£(148,444)	£(114,132)
Total Reserves	£(31,055)	£(30,001)	£29,557	£72,207
<b>10 Deferred Taxation</b>				
Relating to timing differences	1,300	1,300	51,407	57,842
Stock relief	—	—	43,174	—
Rollover relief on chargeable gains	—	—	17,570	17,570
Advance Corporation Tax on dividends paid and proposed	(27,053)	(27,053)	(27,053)	(27,053)
	£(25,753)	£(25,753)	£85,098	£48,359
<b>11 Contingent Liabilities</b>				
(a) In respect of Government and Local Authority Grants amounting to			£61,660	£83,866
(b) In respect of rent payable under the terms of a lease of factory premises			£25,625	£28,700

## Statement of Source and Application of Funds

	1976 £000
Source of Funds	
Profit before Taxation	2
Taxation recovered	2
Adjustment for items not involving the movement of funds:	
Depreciation of Fixed Assets	77
Losses on Sale of Fixed Assets	4
Total generated from operations	<u>85</u>
Proceeds of Sale of Fixed Assets	31
	<u>116</u>
Application of Funds	
Purchase of Fixed Assets	25
Government and Local Authority grants	(8)
Movements in Working Capital	
Decrease in Stocks	(133)
Decrease in Debtors	(142)
Decrease in Creditors	222
	<u>(36)</u>
Movement in Not Liquid Funds	
Increase in Cash Balances	<u>152</u>

# Auditors' Report

## To the Members of Delyn Limited

We have examined the accounts set out on pages 6 and 7 together with the notes on pages 8 to 10. With the exception of certain fixed assets, stated at professional valuations, these have been prepared under the historical cost convention. In our opinion these Accounts and notes, under the accounting convention stated above, 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 3 October, 1976 and of the loss and source and application of funds for the 53 weeks ended on that date.

St. Alphage House,  
Fore Street,  
London, EC2Y 5DH  
1 March, 1977

Hacker Young  
Chartered Accountants