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# Delyn

REPORT & ACCOUNTS  
1977



Delyn Limited

837205/77

**Directors**

Geoffrey Fisher *Chairman*  
Coleman Jacobs  
F. Ifor Jones  
Dr. John Norris

**Secretary**

Malcolm Braun

**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



## Operating Subsidiaries in 1977

**Delyn Cartons Limited**  
Caerphilly, Mid Glamorgan

*Directors* G. Fisher

F. I. Jones

A. Bilgora

S. J. Thomas

M. Braun

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

Per cent.  
owned

100

**Delyn Paper Mills Limited**  
Hengoed, Mid Glamorgan

*Directors* G. Fisher

F. I. Jones

M. Braun

P. W. R. leConte

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

100

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 3 April, 1978 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 2 October, 1977 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. Dr. J. Norris, having been appointed since the last Annual General Meeting retires, and will be proposed for election.
- 4 To re-appoint Hacker Young as Auditors from the conclusion of this meeting until the conclusion of the next Annual General Meeting.
- 5 To authorise the Board to fix the remuneration of the Auditors.
- 6 To transact any other ordinary business.

9 March, 1978

By Order of the Board  
M. Braun  
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 9 March, 1978 until 3 April, 1978 and at the Meeting from 15 minutes prior thereto:

- (i) A statement for the period from 1 February, 1977 to 10 February, 1978 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

Since my half year's statement, arrangements with the Welsh Development Agency came to a satisfactory conclusion, whereby the W.D.A. purchased 29.65% of the revised equity and we negotiated a loan of £180,000 at favourable terms.

The year followed its usual seasonal pattern, and we concluded in making a profit after taxation of £52,000.

The year showed further consolidation of our method of operation, in preparation for an expansion programme.

At Delyn Cartons on the 7 July, we commenced to integrate the order book of Lonsdale Packaging Ltd. Our agreement is based on a commission on sales for the first year only. Therefore, after July 1978, we should feel the full effect of this integration.

Our customers demands for our products from Delyn Paper Mills has continued to increase and this subsidiary holds a substantial order book which will mature in the latter half of our financial year.

Due to the seasonal nature of the business, your Board again anticipates that a loss will accrue for the first half year's trading of the current year, followed by a more than compensating profit in the second half. Your Board will continue to keep trading conditions under constant review, and should the up-turn in the economy forecast by the Government happen, we will be in a position to respond to the market conditions.

Finally, I take this opportunity to thank all our employees and Trade Union representatives, for their efforts and loyal support through a difficult period.



Chairman

# Report of the Directors

The Directors present their Report together with the Accounts for the 52 weeks ended 2 October, 1977.

## 1. Activities

The names of the operating 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 £26,200, including an exceptional item of £22,395. The Directors are not recommending the payment of a dividend.

## 3. Directors

The names of the Directors appear on page 1. Mr. D. Freedman resigned on 29 July, 1977.

Dr. J. Norris, having been appointed on 6 December, 1977 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 |                         | At end of period    |                         |
|-------------|------------------------|-------------------------|---------------------|-------------------------|
|             | Beneficial Interest    | Non-Beneficial Interest | Beneficial Interest | Non-Beneficial Interest |
| G. Fisher   | 147,754                | —                       | 137,754             | —                       |
| C. Jacobs   | 2,950                  | 700                     | 2,950               | 700                     |
| F. I. Jones | 2,010                  | —                       | 4,910               | —                       |

No Director had any interest in the Shares of any other Company in the Group during the period.

Between 3 October, 1977 and 10 February, 1978 Mr. G. Fisher acquired 3,000 shares and Mr. C. Jacobs transferred 700 shares, held non-beneficially.

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 5 per cent or more of the Company's Shares were:

|                               | At beginning of period | At end of period | Proportion of issued capital |
|-------------------------------|------------------------|------------------|------------------------------|
| Coleman-Redman Limited        | 273,929                | 163,929          | 11.71%                       |
| Weiss Family Projects Limited | 238,500                | 238,500          | 17.04%                       |
| M.Y. Dart Limited             | 140,300                | 140,300          | 10.02%                       |
| Lonsdale Universal Limited    | —                      | 200,000          | 14.28%                       |

On 6 December, 1977 the company issued for cash 590,000 shares to the Welsh Development Agency.

## 5. Share Capital

The authorised share capital of the company was increased on 6 December, 1977 to £550,000 by the creation of 750,000 ordinary shares of 20p each, ranking *pari passu* with the existing ordinary shares. On the same date, 590,000 ordinary shares of 20p each were issued for cash at par, for the provision of working capital.

## 6. Employees

The average number of Employees, excluding Directors of Delyn Limited, in each week was 281 and their total remuneration was £799,797.

## 7. Exports

The amount of goods exported during the period was £181,711.

## 8. Charitable Contributions

The total amount of Charitable Donations made by the Group during the period was £1,286.

## 9. Auditors

The auditors, Messrs. Hacker Young have agreed to continue in office. A resolution will be proposed at the Annual General Meeting re-appointing them as auditors until the conclusion of the next Annual General Meeting.

## 10. 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

M. Braun

Secretary

9 March, 1978

# Consolidated Profit and Loss Account

For the 52 weeks ended 2 October, 1977

|  | Notes | 1977    |                | 1976     |                  |
|--|-------|---------|----------------|----------|------------------|
|  |       | £       | £              | £        | £                |
| Group Turnover   | 2     |         | 3,664,487      |          | 3,278,675        |
| Group Operating Profit   | 3     |         | 3,805          |          | 2,143            |
| Add: Excess provision for depreciation in prior years                                |       |         | 22,395         |          | —                |
| <b>Group Profit before Taxation</b>  |       |         | <u>26,200</u>  |          | <u>2,143</u>     |
| <i>Deduct: Taxation based on current results</i>                                     |       |         |                |          |                  |
| Corporation Tax  |       | —       |                | 1,188    |                  |
| Corporation Tax adjustment of prior year   |       | —       |                | (1,472)  |                  |
| Transfer to Deferred Taxation  |       | —       |                | 36,739   |                  |
| Transfer from Deferred Taxation  |       | 25,571  |                | —        |                  |
|  |       |         | <u>25,571</u>  | <u>—</u> | <u>36,455</u>    |
| <b>Group Profit (1976—Loss) after Taxation</b>                                       |       |         |                |          |                  |
| of which £243 loss (1976—£1,054 loss) is dealt with in the Parent Company's Accounts |       |         | 51,771         |          | 34,312           |
| <b>Adverse Balance Brought Forward</b>   |       |         | <u>148,444</u> |          | <u>114,132</u>   |
| <b>Adverse Balance Carried Forward</b>   |       |         |                |          |                  |
| Parent Company   |       | 99,032  |                | 98,789   |                  |
| Subsidiary Companies   |       | (2,359) |                | 49,655   |                  |
|  |       |         | <u>96,673</u>  | <u>—</u> | <u>148,444</u>   |
| <b>Earnings/(Loss) per ordinary share of 20p</b>                                     | 4     |         | <u>3.6979p</u> |          | <u>(2.4509p)</u> |

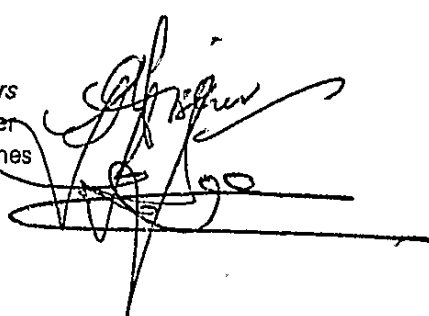
The Notes on pages 8 to 10 form part of these Accounts

# Balance Sheets

As at 2 October, 1977

|                            | Notes   | The Company      |                  | The Group         |                   |
|----------------------------|---------|------------------|------------------|-------------------|-------------------|
|                            |         | 1977<br>£        | 1976<br>£        | 1977<br>£         | 1976<br>£         |
| Fixed Assets               | 1 and 5 | 6,522            | 9,347            | 276,159           | 289,536           |
| Interest in Subsidiaries   | 6       | 400,335          | 383,280          |                   |                   |
| <b>Current Assets</b>      |         |                  |                  |                   |                   |
| Stocks                     | 1       | —                | —                | 685,724           | 595,319           |
| Debtors                    |         | 5,819            | 5,800            | 811,673           | 509,733           |
| Bank Balances and Cash     |         | —                | 200              | 583               | 577               |
|                            |         | <u>£5,819</u>    | <u>£6,000</u>    | <u>£1,497,980</u> | <u>£1,105,629</u> |
| <b>Current Liabilities</b> |         |                  |                  |                   |                   |
| Creditors and Provisions   | 7       | 118,815          | 110,082          | 915,822           | 547,691           |
| Bank Overdrafts            |         | 67,110           | 65,353           | 446,413           | 451,631           |
| Taxation                   |         | —                | —                | 1,188             | 1,188             |
|                            |         | <u>£185,925</u>  | <u>£175,435</u>  | <u>£1,363,423</u> | <u>£1,000,510</u> |
| <b>Net Current Assets</b>  |         | <b>(180,106)</b> | <b>(169,435)</b> | <b>134,557</b>    | <b>105,119</b>    |
| Deferred Taxation          | 10      | 21,951           | 25,753           | (63,329)          | (85,098)          |
|                            |         | <u>£248,702</u>  | <u>£248,945</u>  | <u>£347,387</u>   | <u>£309,557</u>   |
| <b>Financed by</b>         |         |                  |                  |                   |                   |
| Issued Capital             | 8       | 280,000          | 280,000          | 280,000           | 280,000           |
| Reserves                   | 9       | (31,298)         | (31,055)         | 67,387            | 29,557            |
|                            |         | <u>£248,702</u>  | <u>£248,945</u>  | <u>£347,387</u>   | <u>£309,557</u>   |

Directors  
G. Fisher  
F. I. Jones



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

# Balance Sheets

As at 2 October, 1977

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| Issued Capital             | 8       | 280,000         | 280,000         | 280,000           | 280,000           |
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Directors  
G. Fisher  
F. I. Jones

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.

## 3 Group Profit Before Taxation

|   | 1977              |               | 1976              |               |
|---|-------------------|---------------|-------------------|---------------|
|   | £                 | £             | £                 | £             |
| After charging:   |                   |               |                   |               |
| Interest on bank overdraft and other loans repayable within 5 years                 |                   | 83,162        |                   | 96,793        |
| Remuneration of Auditors  |                   | 10,400        |                   | 7,995         |
| Depreciation  | 88,215            |               | 93,941            |               |
| Less: Transfer from Investment and Regional Development Grant Equalisation Accounts | 20,030            |               | 16,516            |               |
|   | <u>          </u> | 68,185        | <u>          </u> | 77,425        |
| Remuneration of Directors of Parent Company As Executives                           | 31,124            |               | 38,189            |               |
| Compensation for loss of office   | —                 |               | 9,500             |               |
|   | <u>          </u> | <u>31,124</u> | <u>          </u> | <u>47,689</u> |
| Details of Directors' Emoluments are as follows:                                    |                   |               |                   |               |
| Chairman's Emoluments   |                   | 11,762        |                   | 12,223        |
| Other Directors:  |                   |               |                   |               |
| Pay Range   |                   | Number        |                   | Number        |
| Nil   |                   | 1             |                   | 1             |
| £5,001 to £7,500  |                   | —             |                   | 1             |
| £7,501 to £10,000   |                   | 2             |                   | 1             |
| £10,001 to £12,500  |                   | —             |                   | 1             |

## 4 Earnings per Share

The calculation of Earnings per share is based on profits of £51,771 (1976—Losses £34,312) 1,400,000 ordinary shares were in issue throughout the two years ended 2 October 1977. If the earnings per share was based solely on the operating profit, it would be 0.27p.

Delyn Limited and its Subsidiary Companies

|  | Leasehold<br>Building<br>(Long term)<br>£ | Plant<br>and<br>Equipment<br>£ | Total<br>£      |
|--|---|--------------------------------|-----------------|
| <b>5 Fixed Assets</b>                        |   |                                |                 |
| At 3 October 1976                            |   |                                |                 |
| Additions at cost                            | 51,932                                    | 876,986                        | 928,918         |
| Cost of disposals                            | —   | 25,665                         | 25,665          |
|  | —   | (5,754)                        | (5,754)         |
| At 2 October, 1977                           | <u>£51,932</u>                            | <u>£896,897</u>                | <u>£948,829</u> |
| Valuation in 1965                            | —   | 17,260                         | 17,260          |
| Valuation in 1968                            | —   | 125,419                        | 125,419         |
| Cost   | 51,932                                    | 754,218                        | 806,150         |
|  | <u>£51,932</u>                            | <u>£896,897</u>                | <u>£948,829</u> |
| Aggregate depreciation                       |   |                                |                 |
| At 3 October, 1976                           | 2,823                                     | 507,086                        | 509,909         |
| Amount provided                              | 1,038                                     | 87,177                         | 88,215          |
| Prior year Adjustment                        | —   | (22,395)                       | (22,395)        |
| Elimination on disposals                     | —   | (5,719)                        | (5,719)         |
| At 2 October, 1977                           | <u>£3,861</u>                             | <u>£566,149</u>                | <u>£570,010</u> |
| Net book value                               | 48,071                                    | 330,748                        | 378,819         |
| Amount owing, secured on plant and equipment | —   | 102,660                        | 102,660         |
|  | <u>£48,071</u>                            | <u>£228,088</u>                | <u>£276,159</u> |
| Fixed assets of the parent company comprise: |   |                                |                 |
| Plant and equipment                          |   |                                |                 |
| Cost   | £16,621                                   |                                |                 |
| less: depreciation                           | 10,099                                    |                                |                 |
|  | <u>£6,522</u>                             |                                | <u>£6,522</u>   |

**6 Interest in Subsidiaries**

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

Amounts due to Subsidiaries

| The Company     |                 |
|-----------------|-----------------|
| 1977            | 1976            |
| £               | £               |
| 301,527         | 301,527         |
| 108,061         | 91,908          |
| <u>409,588</u>  | <u>393,435</u>  |
| 9,253           | 10,155          |
| <u>£400,335</u> | <u>£383,280</u> |

**7 Bank Overdrafts (secured)**

The Company has guaranteed the bank overdrafts of Subsidiary Companies. At 2 October, 1977 the overdrafts amounted to £379,303.

|  | The Company |           | The Group |            |
|--|-------------|-----------|-----------|------------|
|  | 1977<br>£   | 1976<br>£ | 1977<br>£ | 1976<br>£  |
| <b>8 Share Capital</b>   |             |           |           |            |
| Ordinary Shares of 20p each<br>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<br>At 3 October, 1976                      |             |           | 84,853    | 93,191     |
| Claims Submitted   |             |           | 6,089     | 8,178      |
| Transfer to Profit and Loss Account  |             |           | 90,942    | 101,369    |
|  |             |           | 20,030    | 16,516     |
|  |             |           | £70,912   | £84,853    |
| Capital<br>At 3 October, 1976 and 2 October, 1977                                |             |           | £25,414   | £25,414    |
| Adverse Balance on Profit and Loss Account                                       | £(99,032)   | £(98,789) | £(96,673) | £(148,444) |
| Total Reserves   | £(31,298)   | £(31,055) | £67,387   | £29,557    |
| <b>10 Deferred Taxation</b>  |             |           |           |            |
| Relating to timing differences   | —           | 1,300     | 17,606    | 51,407     |
| Stock relief   | —           | —         | 50,104    | 43,174     |
| Rollover relief on chargeable gains  | —           | —         | 17,570    | 17,570     |
| Advance Corporation Tax on dividends paid  | (21,951)    | (27,053)  | (21,951)  | (27,053)   |
|  | £(21,951)   | £(25,753) | £63,329   | £85,098    |
| <b>11 Contingent Liabilities</b>   |             |           |           |            |
| (a) In respect of Government and Local Authority<br>Grants amounting to          |             |           | £45,100   | £61,660    |
| (b) In respect of rent payable under the terms of a lease<br>of factory premises |             |           | £20,500   | £25,625    |

## Statement of Source and Application of Funds

|   | 1977      | 1976        |
|---|-----------|-------------|
|   | £000      | £000        |
| Source of funds   |           |             |
| Operating Profit before Taxation                          | 4         | 2           |
| Taxation recovered  | 4         | 2           |
| Adjustment for items not involving the movement of funds: |           |             |
| Depreciation of Fixed Assets                              | 68        | 77          |
| (Profit)/Loss on Sale of Fixed Assets                     | (1)       | 4           |
| Total generated from operations                           | <u>75</u> | <u>85</u>   |
| Proceeds of Sale of Fixed Assets                          | 1         | 31          |
|   | <u>76</u> | <u>116</u>  |
| Application of Funds                                      |           |             |
| Purchase of Fixed Assets                                  | 26        | 25          |
| Government and Local Authority grants                     | (6)       | (8)         |
| Movements in Working Capital                              |           |             |
| Increase/(Decrease) in Stocks                             | 90        | (133)       |
| Increase/(Decrease) in Debtors                            | 302       | (142)       |
| (Increase)/Decrease in Creditors                          | (341)     | 222         |
|   | <u>71</u> | <u>(36)</u> |
| Movement in Net Liquid Funds                              |           |             |
| Decrease in Bank Overdrafts                               | 5         | 152         |

Delyn Limited

# 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 give, under the accounting convention stated, a true and fair view of the state of affairs of the company and, so far as concerns members of the holding company, the group at 2 October, 1977 and of the profit and source and application of funds for the 52 weeks ended on that date, and comply with the Companies Acts 1948 and 1967.

St. Alphage House,  
Fore Street,  
London, EC2Y 5DH  
9 March, 1978

Hacker Young  
Chartered Accountants