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Delyn Packaging plc

Directors

Geoffrey Fisher *Chairman*
F. Ifor Jones
Malcolm Braun
Dr. John Norris

Secretary

Malcolm Braun

Operating Address

Caerphilly, Mid Glamorgan, CF8 2WL

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,
John Frost Square,
Newport,
Gwent, NPT 1PW

Bankers

National Westminster Bank PLC,
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, LU1 2PZ



Notice of Meeting

NOTICE is hereby given that the Annual General Meeting of the Company will be held at the offices of Delyn Packaging plc at Caerphilly, Mid Glamorgan on Thursday, 14 July, 1983 at 12.00 noon for the following purposes:

- 1 To receive and, if approved, adopt the Directors' Report and the Financial Statements for the 52 weeks ended 30 January, 1983 and the Auditors' Report thereon.
- 2 To declare a dividend.
- 3 To elect a Director. Mr. G. Fisher retires and will be proposed for re-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.

By Order of the Board
M. Braun
Secretary

17 June, 1983

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 17 June, 1983 until 14 July, 1983 and at the Meeting from 15 minutes prior thereto:

- (i) A statement for the period from 22 June, 1982 to 17 May, 1983 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.

Five Year Record

	1979 (69 weeks) £000	1980 £000	1981 £000	1982 £000	1983 £000
Turnover	5,969	6,105	6,560	5,105	3,632
Profit before Taxation	47	120	19	157	250
Profit after Taxation	23	57	19	155	254
Issued Share Capital	398	398	398	398	398
	p	p	p	p	p
Earnings per share	1.1975	2.8438	0.9481	7.8048	12.7872
Dividend per share	—	—	—	1.00p	1.50p
Net Assets per share	23.3124	26.0048	26.4995	52.4698	114.4799

Chairman's Statement


In my interim statement of the 5th November 1982, I indicated that the profit for the full year would at least be as good as in the previous one. I am pleased to advise you that in spite of the snow disaster and the difficulties which followed we were successful in achieving a profit of £250,000 compared with £157,000 in the previous year. Your Board takes pleasure in proposing an increased dividend of 1.5p per share. It should be noted that the seasonal nature of the business continues.

On the 15th April 1983 the Rt. Hon. George Thomas, M.P., Speaker of the House of Commons, officially opened our redeveloped factory complex. From the disaster which occurred on the 9th January 1982, we witnessed the demolition and removal of 60,000 square feet of building together with its contents of plant, machinery and stock. A replacement factory of 42,000 square feet has been erected on the site to institutional standards which, together with the remaining buildings that have been completely refurbished, now provides us with a complex of 100,000 square feet of excellent manufacturing space.

We have introduced and will continue to develop new skills and technology mainly in the conversion of plastics and paper, where we are already nationally known. The replacement factory has been constructed specifically to proven standards of hygiene and we can proudly boast that we are manufacturing plastic containers for the food industry in food processing conditions. The plant and machinery currently being used is either new or totally reconditioned by manufacturers, and considered of the highest order.

Currently we are employing 108 personnel and we recently purchased injection moulding machinery which will enable us to introduce new products to give a wider and stronger base in the packaging industry.

I would like to thank all our employees for their loyalty and understanding over the last year. Grit and determination have prevailed at all levels within the Company to bring about the revival of our industrial enterprise which is ready to take its place in the future prosperity of the community at large. I look forward to their continued support during the year ahead.



GEOFFREY FISHER,
Chairman.

Report of the Directors

The Directors present their Report together with the Financial Statements for the 52 weeks ended 30 January 1983.

1. Activities

The principal activities of the operating Subsidiaries, which are wholly-owned and registered in England, are as follows:

Delyn Cartons Limited	Manufacturers of Plastic Thermo-Formed Packaging
Delyn Paper Mills Limited	Converters of Crepe Paper and Gift Wrapping

2. Results

The Group had a profit after taxation of £254,465. The Directors recommend the payment of a dividend of 1.5p per share.

3. Directors

The names of the Directors appear on page 1. Mr. C. Jacobs retired on 24 September 1982. Mr. G. Fisher 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
G. Fisher	140,754	140,754
F. I. Jones	17,640	21,640
M. Braun	2,000	20,000

No Director had any interest in the Shares of any other Company in the Group during the period. Between 30 January 1983 and 17 May 1983 there were no changes in the shareholdings detailed above. 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 17 May 1983	Proportion of issued capital
Welsh Development Agency	590,000	29.65%
A. K. W. Edwards	200,000	10.05%

5. Employees

The average number of Employees, excluding Directors of Delyn Packaging plc, in each week was 119 and their total remuneration was £862,507.

6. Current Cost Accounts

The Directors are of the opinion that Current Cost Accounts provide no useful information and have therefore decided not to include those statements.

7. Exports

The amount of goods exported during the period was £136,433.

8. Charitable Contributions

The total amount of Charitable Contributions made by the Group during the period was £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

17 June 1983

Consolidated Profit and Loss Account

For the 52 weeks ended 30 January 1983

	Notes	1983		1982	
		£	£	£	£
Group Turnover	2		3,632,095		5,105,043
Group Operating Profit			304,989		274,263
<i>Deduct: Interest payable</i>			55,218		117,224
Group Profit before Taxation	3		249,771		157,039
Taxation based on current results					
Corporation Tax: prior year adjustment		21,578		(1,724)	
Advance Corporation Tax irrecoverable		(21,322)		—	
Deferred Taxation		4,438		—	
			4,694		(1,724)
Group Profit after Taxation			254,465		155,315
of which £24,774 loss (1982—£1,720 loss) is dealt with in the Parent Company's Financial Statements					
Extraordinary Items	4	833,184		406,721	
Transfer to Capital Reserve Account		(833,184)		—	
					406,721
Retained Profits Brought Forward			254,465		562,036
			529,375		(12,751)
Proposed Dividend			783,840		549,275
			29,850		19,900
Retained Profits Carried Forward					
Parent Company		4,000		3,624	
Subsidiary Companies		749,990		525,751	
			753,990		529,375
Earnings per ordinary share of 20p			12.7872p		7.8048p

The calculation of Earnings per share is based on profits of £254,465 (1982—£155,315) and 1,990,000 ordinary shares in issue during the period (1982—1,990,000).

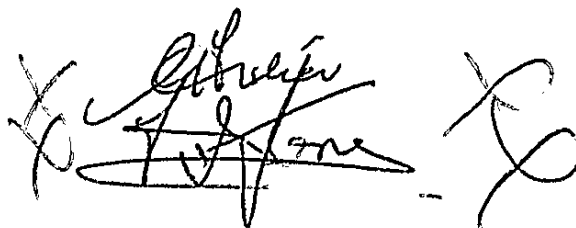
The Notes on pages 9 to 13 form part of these Financial Statements

Consolidated Balance Sheet

As at 30 January, 1983

	Notes	1983		1982	
		£	£	£	£
Fixed Assets	1 and 5		1,609,629		247,720
Current Assets					
Stocks	1 and 6	492,960		323,302	
Debtors		1,670,361		1,980,672	
Cash and Bank balances		332,093		161,666	
		<u>£2,495,414</u>		<u>£2,465,640</u>	
Current Liabilities					
Creditors and Provisions		1,456,439		1,133,613	
Proposed Dividend		29,850		19,900	
Loans repayable within twelve months	10	81,227		132,328	
Taxation		21,322		30,107	
		<u>£1,588,838</u>		<u>£1,315,948</u>	
Net Current Assets			<u>906,576</u>		<u>1,149,692</u>
Deferred Taxation	9	71,154	2,516,205		1,397,412
Loans	10	<u>166,900</u>		67,063	
			238,054	<u>286,200</u>	
			<u>£2,278,151</u>		<u>353,263</u>
					<u>£1,044,149</u>
Financed by					
Share Capital	11	398,000		398,000	
Reserves	12	1,680,325		622,526	
			2,078,325		1,020,526
Grants Equalisation Account	13		199,826		23,623
			<u>£2,278,151</u>		<u>£1,044,149</u>

Directors
G. Fisher
F. I. Jones



The Notes on pages 9 to 13 form part of these Financial Statements

Balance Sheet

As at 30 January, 1983		1983		1982	
	Notes	£	£	£	£
Fixed Assets	1 and 5		1,188,272		21,917
Interest in Subsidiaries	7		(317,461)		432,000
Current Assets					
Debtors		1,108,912		57,699	
Cash and Bank balances		339,794		200,522	
		<u>£1,448,706</u>		<u>£258,221</u>	
Current Liabilities					
Creditors and Provisions		754,174		47,248	
Bank Overdrafts	8	—		61,464	
Proposed Dividend		29,850		19,900	
Loans repayable within twelve months	10	36,000		40,444	
Taxation		21,322		10,253	
		<u>£841,346</u>		<u>£179,309</u>	
Net Current Assets					
			607,360		78,912
Deferred Taxation	9	—	1,478,171		532,829
Loans	10	(36,000)	(36,000)	8,529	(63,471)
			<u>£1,442,171</u>	<u>(72,000)</u>	<u>£469,358</u>
Financed by					
Share Capital	11		398,000		398,000
Reserves	12		904,918		71,358
			<u>1,302,918</u>		<u>469,358</u>
Grants Equalisation Account	13		139,253		—
			<u>£1,442,171</u>		<u>£469,358</u>

Directors
G. Fisher
F. I. Jones

The Notes on pages 9 to 13 form part of these Financial Statements

Notes to Financial Statements

1. Accounting Policies

- (a) Accounting periods end on the nearest Sunday to 31 January, resulting in financial years of either 52 or 53 weeks.
- (b) The group financial statements include the financial statements of the company and all subsidiaries.
- (c) Fixed Assets are being depreciated on a straight line basis over their estimated useful lives as follows:
- | | | |
|---------------------|---|-------------------------|
| Leasehold Buildings | — | between 20 and 50 years |
| Plant and equipment | — | between 5 and 10 years |
| Motor vehicles | — | 4 years |
- (d) 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.
- (e) 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.
- (f) Provision is made for deferred tax at the rate of corporation tax ruling at the end of the period (the liability method) except in respect of any tax reductions which can reasonably be expected to continue for the future. The amounts provided are set out in note 9.
- (g) The company and the group are not yet required to comply with the new accounting and disclosure provisions of the Companies Act 1981 and accordingly the financial statements continue to be presented as in the past and comply with Sections 149A, 152A and Schedule 8A of the Companies Act 1948.

2. Group Turnover

Group Turnover represents net invoiced sales by Group Companies to outside customers.

3. Group Profit Before Taxation

	1983		1982	
	£	£	£	£
After charging:				
Interest: on bank overdrafts and other loans repayable				
within 5 years				
on other loans	54,718		36,219	
	500		21,005	
Remuneration of Auditors		55,218		117,224
Depreciation		16,000		12,500
Less: Transfer from Investment and Regional Development	55,953		76,865	
Grant Equalisation Accounts	10,064		9,938	
Remuneration of Directors of Parent Company		45,889		66,927
As executives		78,443		72,725
Details of Directors' Emoluments				
are as follows:—				
Chairman's Emoluments		29,176		26,434
Other Directors:				
Pay Range				
Nil	Number		Number	
£15,001 to £20,000	2		2	
£20,001 to £25,000	2		1	

4. Extraordinary Items

	1983		1982	
	£	£	£	£
Surplus on revaluation of buildings following the reconstruction subsequent to the snow damage of January, 1982		833,184		—
Insurance claims		—		538,699
Less: Taxation and deferred taxation relating thereto	—		95,446	
Regional Development Grant adjustment	—		4,102	
Provision for loss on cancellation of leasing contract	—		50,000	
			149,548	
Transfer from Deferred Taxation	—		17,570	
				131,978
		<u>£833,184</u>		<u>£406,721</u>

5. Fixed Assets

	Leasehold Buildings (Long term)	Plant and Equipment	Total
	£	£	£
At 1 February, 1982 at cost	51,932	416,425	468,357
Additions: at cost	—	289,084	289,084
at valuation	1,128,068	—	1,128,068
Cost of disposals	—	(17,707)	(17,707)
At 30 January, 1983	<u>£1,180,000</u>	<u>£687,802</u>	<u>£1,867,802</u>
At cost	—	687,802	687,802
At valuation	1,180,000	—	1,180,000
	<u>£1,180,000</u>	<u>£687,802</u>	<u>£1,867,802</u>
Aggregate depreciation			
At 1 February, 1982	8,362	212,275	220,637
Amount provided	1,039	54,914	55,953
Elimination: on disposals	—	(9,016)	(9,016)
on valuation	(9,401)	—	(9,401)
At 30 January, 1983	<u>£ —</u>	<u>£258,173</u>	<u>£258,173</u>
Net book value	<u>£1,180,000</u>	<u>£429,629</u>	<u>£1,609,629</u>
Fixed assets of the parent company comprise:			
At 1 February, 1982 at cost	—	57,389	57,389
Additions at valuation	1,180,000	—	1,180,000
At 30 January, 1983	<u>£1,180,000</u>	<u>£57,389</u>	<u>£1,237,389</u>
Aggregate depreciation			
At 1 February, 1982	—	35,472	35,472
Amount provided	—	13,645	13,645
At 30 January, 1983	<u>£ —</u>	<u>£49,117</u>	<u>£49,117</u>
Net book value	<u>£1,180,000</u>	<u>£8,272</u>	<u>£1,188,272</u>

Leasehold buildings were valued as at 31 January, 1983 by Messrs. Owen-Owen, surveyors and valuers, on the basis that all alteration and repair work was completed. The total estimated cost to completion of this work is included in the financial statements.

Delyn Packaging plc and its Subsidiary Companies

6. Stocks

The main categories of stock comprise:
 Raw materials and sundry stocks
 Work in progress
 Finished goods

	1983 £	1982 £
Raw materials and sundry stocks	231,345	134,717
Work in progress	20,881	39,697
Finished goods	240,734	148,888
	<u>£492,960</u>	<u>£323,302</u>

7. Interest in Subsidiaries

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

Amounts due to Subsidiaries

	The Company	
	1983 £	1982 £
Shares at cost, less amounts written off	301,524	301,524
Amounts due by Subsidiaries	—	589,877
Amounts due to Subsidiaries	301,524	891,401
	618,985	459,401
	<u>£(317,461)</u>	<u>£432,000</u>

8. Bank Overdrafts (secured)

The Company has guaranteed the bank overdrafts of subsidiary companies. At 30 January, 1983 the overdrafts amounted to £165,389.

9. Deferred Taxation

The group provision for deferred taxation is as follows:—

Chargeable gains
 Less: Advance Corporation Tax

	1983 £	1982 £
Chargeable gains	71,154	75,592
Less: Advance Corporation Tax	—	8,529
	<u>£71,154</u>	<u>£67,063</u>

There is an additional potential liability for deferred corporation tax amounting to £240,000.

10. Loans and other borrowings

- (a) A loan of £72,000 is repayable by 4 equal half-yearly instalments bearing interest at 10.75 per cent per annum.
 A loan of £174,662 is repayable by 8 half-yearly instalments bearing interest at 9.5 per cent per annum.
 Other loans for the acquisition of fixed assets totalled £1,465 repayable by monthly instalments at varying rates of interest.
- (b) The group's aggregate borrowings are repayable as follows:—

	<i>Loans (secured)</i>	
	The Company	The Group
	£	£
In 1 year or less	36,000	81,227
Between 1 and 2 years	36,000	75,640
Between 2 and 5 years	—	91,260
	<u>£72,000</u>	<u>£248,127</u>

11. Share Capital

Ordinary Shares of 20p each
 Authorised
 Issued and Fully Paid

	1983	1982
	£	£
	550,000	550,000
	<u>£398,000</u>	<u>£398,000</u>

12. Reserves

	The Company		The Group	
	1983	1982	1983	1982
	£	£	£	£
Share Premium Account	67,734	67,734	67,734	67,734
Capital (see below)	833,184	—	858,601	25,417
Profit and Loss Account	4,000	3,624	753,990	529,375
Total Reserves	<u>£904,918</u>	<u>£71,358</u>	<u>£1,680,325</u>	<u>£622,526</u>
Movement on Capital Reserve				
Balance Brought forward	—	—	25,417	25,417
Transfer from Profit and Loss Account	833,184	—	833,184	—
Balance carried forward	<u>£833,184</u>	<u>£ —</u>	<u>£858,601</u>	<u>£25,417</u>

13. Grants Equalisation Account

	The Company		The Group	
	1983	1982	1983	1982
	£	£	£	£
Government Grants				
At 1 February, 1982	—	—	23,623	48,953
Claims Submitted	139,253	—	186,267	7,737
	<u>139,253</u>	<u>—</u>	<u>209,890</u>	<u>56,690</u>
Provision for claims repayable	—	—	—	(27,231)
Transfer to Profit and Loss Account	—	—	(10,064)	(9,938)
Adjustment to Extraordinary item	—	—	—	4,102
	<u>£139,253</u>	<u>£ —</u>	<u>£199,826</u>	<u>£23,623</u>

Dalyn Packaging plc and its Subsidiary Companies

14. Contingent Liabilities

	The Company		The Group	
	1983	1982	1983	1982
In respect of Government Grants amounting to	£ 139,253	£ —	£ 189,911	£ 10,587

15. Capital Expenditure

Amounts approved by the directors in respect of capital expenditure not provided for in these accounts amounted to £89,000 (1982—£412,000) for which contracts had been placed.

16. Subsequent Event

The Company has incurred capital expenditure amounting to approximately £200,000 for the provision of plastic injection moulding machinery.

Statement of Source and Application of Funds

For the 52 weeks ended 30 January, 1983	1983 £000	1982 £000
Source of funds		
Operating Profit before Taxation	250	157
Adjustment for items not involving the movement of funds:		
Depreciation of Fixed Assets	46	67
Loss/(Profit) on Sale of Fixed Assets	2	(25)
Total generated from operations	<u>298</u>	<u>199</u>
Proceeds on Sale of Fixed Assets	7	39
Government grants receivable/(repayable)	186	(19)
Insurance claims re Fixed Assets	813	664
	<u>1,304</u>	<u>883</u>
Application of Funds		
Purchase of Fixed Assets	1,407	157
Dividends paid	20	—
Loans repaid	170	105
Movement in Working Capital		
Increase/(Decrease) in Stocks	170	(599)
Increase/(Decrease) in Debtors	(310)	831
(Increase)/Decrease in Creditors	(323)	89
	<u>1,134</u>	<u>583</u>
Movement in Net Liquid Funds		
Increase in Cash and Bank Balances	<u>170</u>	<u>300</u>

Auditors' Report

To the Members of Delyn Packaging plc

We have audited the financial statements on pages 6 to 14 in accordance with approved Auditing Standards. In our opinion the financial statements, 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 at 30 January, 1983 and of the profit and source and application of funds of the group for the period then ended and comply with the Companies Acts 1948 to 1981.

The financial statements do not contain the current cost accounts required by Statement of Standard Accounting Practice No. 16.

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

Hacker Young
Chartered Accountants

17 June, 1983