

**DELYN
GROUP PLC**

**ALPHA
PRODUCTS
(BRISTOL) LIMITED**

Manufactures
patterns and moulds

**CALENDERED
PLASTICS
LIMITED**

Manufactures
plastic film

**DELYN
PACKAGING
LIMITED**

Designs and
manufactures
food packaging

PLASTELLA SA

Designs and
manufactures
packaging in France

**SPENCER NOBLE
INTERNATIONAL
LIMITED**

Packaging and
distribution
consultants

DELYN GROUP PLC

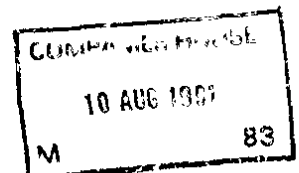
Delyn designs and manufactures plastics packaging for consumer products. Whilst primarily serving major food manufacturers and leading supermarket chains, Delyn also provides a wide range of non-food packaging.

The company's organic growth will be achieved by a commitment to the production of high quality products and maintaining an excellent service to its customers. Emphasis on research and development, innovative design and training of personnel form the foundation of Delyn's expansion.

The financial objective is to achieve continual growth through organic development complemented by a well-structured acquisition policy. It is Delyn's intention to become a significant packaging and materials group.

FINANCIAL HIGHLIGHTS

	1991 £000	1990 £000
Turnover	13,468	11,764
Profit before taxation	614	610
	1991 pence	1990 pence
Earnings per share	4.47	5.01
Dividends per share	1.45	1.45



DIRECTORS AND ADVISERS

DELYN GROUP PLC

EXECUTIVE DIRECTORS

Paul A. Norman *Chairman*
Malcolm Braun
Derek W. Lowthe

NON-EXECUTIVE DIRECTOR

John Norris B.Sc. (Eng), Ph.D.
Chemical engineer, appointed a director on 6 December 1977.
Management consultant and a director of
Guidehouse Expansion Management Limited.
Previously investment director with the
Welsh Development Agency for a period of seven years
and has experience in the fields of
paper, packaging, plastics and building products.

SECRETARY

Malcolm Braun
Caerphilly, Mid Glamorgan CF82WJ
Telephone 0222-885881

REGISTERED OFFICE

St Alphege House, Fore Street, London EC2V 5UH

AUDITORS

Stoy Hayward
8 Baker Street, London W1M 0PA

BROKERS

Smith New Court Corporate Finance Limited
Smith New Court House
20 Farringdon Road, London EC4M 3NH

BANKERS

National Westminster Bank PLC
117 St Mary Street, Cardiff CF1 1EG
Societe Generale
17 Corn Street, Bristol BS1 0ZL

REGISTRARS

Connaught St Michaels Limited
CSM House, Victoria Street, Luton, Bedfordshire LU1 2JZ

CHAIRMAN'S STATEMENT

DELYN GROUP PLC

Dear Shareholder

I am pleased to report that even though we have witnessed the most difficult economic climate of the last ten years, group pre-tax profits for 1990/91 amounted to £614,000 which is an improvement on that achieved in the previous year. This figure would have been higher had it not been for the losses incurred at Plastella, our French subsidiary.

Your board recommends the payment of a final dividend of 1.00p per share making a total of 1.45p per share for the year. The cost of these dividends will be £123,000.

CORPORATE ACTIVITY

Turnover in the United Kingdom increased by 15% during the year to £12 million with profit before tax showing a healthy increase of 36% to £810,000.

The results from Plastella were disappointing with the loss being attributable to a fall in sales largely brought about by the illness and subsequent retirement of the sales director. A replacement has now been found and the sales team has been re-organised. Steps are also being taken to streamline the manufacturing activities.

Group borrowings during the year have fallen from £3.4 million to £2.7 million and this has reduced our overall gearing from 71% to 54%.

We recently announced the creation of a new subsidiary - Spencer Noble International Limited, which has been formed as a specialist packaging consultancy offering strategic advice and assistance in the implementation of solutions to problems relating to packaging and packaging materials. We have formed a close working relationship between Spencer Noble and Touche Ross & Co., that will enable a unique range of consultancy services to be offered through their international network which extends to more than 100 countries worldwide.

GROUP STRATEGY

During the last four years your board has concentrated Delyn's activities on the design and manufacture of plastics packaging primarily for the food industry. We have, since 1987, introduced a programme of vertical integration which has enabled us to gain self sufficiency in the manufacture of plastic materials and similarly in the production of patterns and moulds. This policy has achieved improvements in profit margins and has also led to the creation of separate businesses that are capable of growth within their own markets.

We feel the change of company name from Delyn Packaging plc to Delyn Group PLC, which was approved at the Extraordinary General Meeting on the 28 March 1991, is a reflection that the company now concentrates its activities in three areas. These are the production of packaging for convenience and fresh foods; the manufacture and sale of packaging materials and the provision of advice on packaging issues.

THE FUTURE

The opportunities that are available in the food packaging industry are considerable, not least because in recent years the impact of self designed packaging at the point of sale has resulted in better profit margins for UK food retailers. We anticipate this trend continuing.

We continue to offer a wide variety of packaging solutions to our customers, while being conscious that the actual product should not become over packaged, thus unnecessarily depleting available resources.

Delyn's constant product innovation and provision of excellent customer service are key to our future growth as retailers become more demanding in the sophistication of their packaging.

Paul Norman

REPORT OF THE DIRECTORS

DELYN GROUP PLC

The directors present their report and accounts for the 52 weeks ended 3 February 1991.

ACTIVITIES AND BUSINESS REVIEW

The principal activity of the group is the manufacture of consumer packaging and materials. A review of the group's business activities is contained in the chairman's statement on page 3.

RESULTS

Group profit was £614,000 which, after allowing for a tax charge of £235,000 left profits on the ordinary activities of the group of £379,000. The directors recommend the payment of a final dividend of 1.00p per share, making a total for the year of 1.45p. The final dividend, if approved, will be paid on 16 July 1991 to shareholders on the register as at 6 June 1991. The sum of £123,000 will be absorbed by these dividend payments, leaving a retained profit of £256,000 to be added to group reserves.

EVENTS SINCE THE YEAR-END

The holding company Delvn Packaging plc has changed its name to Delvn Group PLC. The manufacture of plastics packaging has been transferred to Delvn Plastics Limited which has changed its name to Delvn Packaging Limited.

Spencer Noble International Limited has been formed as a specialist packaging consultancy, and Plastella Limited has been formed to protect the name of Plastella in the United Kingdom. Both companies are wholly owned subsidiaries of Delvn Group PLC.

DIRECTORS

Dr. John Norris retires by rotation and, being eligible, offers himself for re-election.

The directors' interests in the shares of the company including shares over which options have been granted under the terms of the company's Executive Share Option Scheme, on 3 February 1991, together with their interests on 4 February 1990 were as shown in note 9 to the accounts.

SUBSTANTIAL SHAREHOLDINGS

At 3 February and 10 April 1991, interests in 3% or more of the company's shares were as follows:

	Ordinary shares	%
Honor Establishment Ltd*	2,435,000	28.73
M&G Conversion Trust Fund Growth Portfolio	775,000	9.14
Seawton Limited	500,000	5.90
Barclays Nominees (KWS) Ltd		
Monarto Common Investment Fund (M&G Investment Management) Ltd	400,000	4.72
Britel Fund Nominees Limited		
British Telecom Staff Superannuation Scheme	357,000	4.27
G.I.L. Nominees Limited		
Devonport Royal Dockyard Trustees	338,641	4.00
The Prudential Assurance Company Ltd	275,000	3.24
Postfund Nominees Limited		
Post Office Staff Superannuation Scheme	258,000	3.04

*Honor Establishment Ltd., as trustee of a settlement formed by Mr Paul A. Norman, has a non-beneficial interest in shares of the company. The shares forming part of the trust property of this settlement are shown above as shares in which Mr Norman is beneficially interested.

REPORT OF THE DIRECTORS

DELYN GROUP PLC

FIXED ASSETS

Changes in the group's fixed assets are detailed in note 10 to the accounts.

CHARITABLE AND POLITICAL CONTRIBUTIONS

The total amount of charitable contributions made by the group during the period was £231. No political donations were made.

EMPLOYEES

Employees of the group and its subsidiaries are regularly consulted by management and kept informed of matters affecting them and the overall development of the group.


The group's policy is to provide, wherever possible, employment opportunities and training for disabled people, to care for employees who become disabled and to make the best possible use of their skills and potential. It also operates an equal opportunities policy.

INCOME AND CORPORATION TAXES ACT 1988

The directors are advised that the company is not a 'close company' within the meaning of the Act.

By order of the board
Malcolm Braun Secretary

3 May 1991

DELYN GROUP PLC

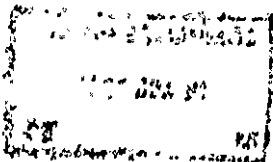
M. BRAUN
Director/Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT

DELYN GROUP PLC and its subsidiary companies

For the 52 weeks ended 3 February 1991		1991 £000	1990 £000
Notes			
2	TURNOVER	13,468	11,764
	Cost of sales	9,376	7,958
	GROSS PROFIT	4,092	3,806
3	Other operating expenses (net)	2,840	2,642
	OPERATING PROFIT	1,252	1,164
4	Interest payable and similar charges	638	554
5	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	614	610
7	Tax on profit on ordinary activities	235	196
	PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	379	414
8	DIVIDENDS PAID AND PROPOSED	123	121
20	RETAINED PROFIT FOR YEAR	256	293
	EARNINGS PER ORDINARY SHARE OF 5p	4.47p	5.01p

The calculation of the earnings per share is based on profits of £379,000 (1990—£414,000) and 8,476,124 ordinary shares of 5p each in issue during the period (1990—8,261,073). No material dilution of earnings per share would arise if outstanding share options were exercised.



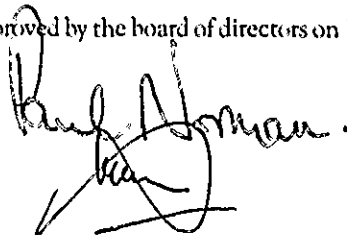
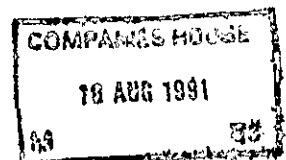
The notes on pages 11 to 19 form part of these accounts

CONSOLIDATED BALANCE SHEET

DELYN GROUP PLC and its subsidiary companies

Notes	As at 3 February 1991	1991 £000	1991 £000	1990 £000
	FIXED ASSETS			
10	Tangible assets		7,233	7,581
	CURRENT ASSETS			
12	Stocks	1,602		1,709
13	Debtors	2,427		1,796
	Cash at bank and in hand	1		18
		4,030		3,523
14	CREDITORS: amounts falling due within one year	3,876		3,387
	NET CURRENT ASSETS		154	136
	TOTAL ASSETS LESS CURRENT LIABILITIES		7,387	7,717
15	CREDITORS: amounts falling due after more than one year		1,693	2,394
18	Provisions for liabilities and charges		669	549
	NET ASSETS		5,025	4,774
	CAPITAL AND RESERVES			
19	Called-up share capital		424	424
20	Share premium account		68	68
20	Revaluation reserve		883	883
20	Merger reserve		15	15
20	Other reserves		25	25
20	Profit and loss account	3,610		3,359
	TOTAL CAPITAL EMPLOYED		5,025	4,774

The accounts were approved by the board of directors on 3 May 1991
 PAUL A. NORMAN
 MALCOLM BRAUN
 Directors

The notes on pages 11 to 19 form part of these accounts

BALANCE SHEET

TRIN GROUP PLC

Notes	As at 3 February 1991	1991 £000	1991 £000	1990 £000
	FIXED ASSETS			
10	Tangible assets	4,723		4,841
11	Investments	602		855
			5,325	5,696
	CURRENT ASSETS			
12	Stocks	1,181		1,229
13	Debtors	1,951		1,399
	Cash at bank and in hand	—		1
		3,132		2,629
14	CREDITORS: amounts falling due within one year	2,297		2,086
	NET CURRENT ASSETS		835	543
	TOTAL ASSETS LESS CURRENT LIABILITIES		6,160	6,239
15	CREDITORS: amounts falling due after more than one year		992	1,044
18	Provisions for liabilities and charges		326	255
	NET ASSETS		4,842	4,940
	CAPITAL AND RESERVES			
19	Called-up share capital		424	424
20	Share premium account		68	68
20	Revaluation reserve		883	883
20	Merger reserve		—	412
20	Profit and loss account		3,308	3,153
	TOTAL CAPITAL EMPLOYED		4,842	4,940

The accounts were approved by the board of directors on 3 May 1991
 PAUL A. NORMAN
 MALCOLM BRAUN
 Directors

Paul Norman

The notes on pages 11 to 19 form part of these accounts

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

DELYN GROUP PLC and its subsidiary companies

For the 52 weeks ended 3 February 1991	1991 £000	1991 £000	1990 £000
SOURCE OF FUNDS			
Operating profit before taxation		614	610
ADJUSTMENT FOR ITEMS NOT INVOLVING THE MOVEMENT OF FUNDS			
Depreciation of fixed assets		862	705
Exchange difference		(1)	12
Profit on sale of fixed assets		(7)	(4)
TOTAL GENERATED FROM OPERATIONS		1,468	1,323
Shares issued for an acquisition of subsidiary		—	438
Proceeds on sale of fixed assets		16	17
Loans received		19	96
		1,503	1,874
APPLICATION OF FUNDS			
Purchase of goodwill on acquisition of subsidiary		—	397
Purchase of fixed assets		527	2,005
Dividends paid		123	116
Loans repaid		650	625
Taxation paid		43	34
		1,343	3,177
MOVEMENT IN WORKING CAPITAL			
(Decrease)/increase in stocks	(107)		528
Increase/(decrease) in debtors	631		(444)
Increase in creditors	(204)		(1,406)
MOVEMENT IN NET LIQUID FUNDS			
(Decrease)/increase in cash and bank balances	(160)		19
		160	(1,303)
		1,503	1,874

ACCOUNTING POLICIES

DELYN GROUP PLC and its subsidiary companies

FINANCIAL YEAR

Accounting periods are of 52 or 53 weeks and end on the nearest Sunday to 31 January.

ACCOUNTING CONVENTION

These accounts have been prepared under the historical cost basis as adjusted for the revaluation of land and buildings and are in accordance with applicable accounting standards.

CONSOLIDATION

The group accounts include the accounts of the company and all subsidiaries.

TURNOVER

Group turnover comprises the net invoiced value of sales to third parties (excluding VAT and trade discounts) of goods and services in the normal course of business.

FOREIGN CURRENCY TRANSACTIONS

The accounts of the French subsidiary have been translated into sterling at the exchange rate ruling at the year end. The investment has been converted at the rate of exchange ruling on the date of acquisition. Changes in exchange rates on the net investment are included as a movement on reserves.

DEPRECIATION

Fixed assets are being depreciated on a straight line basis over their estimated useful lives as follows:

Freehold buildings — 25 years

Plant and equipment between 3 and 10 years

Leasehold buildings — 50 years

Motor vehicles — 4 years

GOVERNMENT GRANTS

Government and local authority grants receivable are credited to a deferred income account. A proportion equivalent to the rate of depreciation is credited to profit and loss account annually.

STOCKS

Stocks and work in progress have been valued at the lower of cost and net realisable value. Cost comprises purchase price and other directly attributable costs. Net realisable value is the estimated selling price less appropriate selling and distribution costs.

GOODWILL

Goodwill is written off directly to reserves in the year in which it arises.

INVESTMENTS

Investments in subsidiary undertakings are stated at a valuation which reflects the net assets value of those companies at the balance sheet date.

HIRE PURCHASE AND OPERATING LEASES

Assets held under hire purchase contracts are recorded in the balance sheet at the fair value of the assets at the inception of the contract. The excess of hire payments over recorded obligations are treated as finance charges. Rental costs under operating leases are charged to the profit and loss account by equal amounts over the periods of the leases.

DEFERRED TAXATION

Provision is made for timing differences between the treatment of items for taxation and accounting purposes to the extent that it is probable that a liability will crystallise in the foreseeable future.

PENSIONS

Pension costs for the group's defined benefit pension scheme are charged against profits so as to spread the cost of pensions over the expected working lives of employees with the group.

NOTES TO THE ACCOUNTS

DELYN GROUP PLC and its subsidiary companies

1 HOLDING COMPANY PROFIT AND LOSS ACCOUNT

The company has taken advantage of the exemption in the Companies Act 1985 not to present its own profit and loss account. Profit for the year amounting to £278,000 (1990 - £203,000) is dealt with in the accounts of the holding company.

2 TURNOVER AND PROFIT	Turnover 1991 £000	Profit 1991 £000	Turnover 1990 £000	Profit 1990 £000
The group turnover comprises a single activity				
Analysis by country of origin:				
United Kingdom	12,181	810	10,617	594
France (1990 - seven months only)	1,287	(196)	1,147	16
	<u>13,468</u>	<u>614</u>	<u>11,764</u>	<u>610</u>

3 OTHER OPERATING EXPENSES	1991 £000	1990 £000
Selling and distribution costs	1,373	1,219
Administrative expenses	1,467	1,452
	<u>2,840</u>	<u>2,671</u>
Other operating income	—	(29)
	<u>2,840</u>	<u>2,642</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

Loans repayable within five years:		
Bank loans, overdrafts and other loans	472	447
Hire purchase contracts	166	107
	<u>638</u>	<u>554</u>

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:		
Depreciation and amounts written-off tangible fixed assets	862	705
-- Less: deferred income release	14	14
	<u>848</u>	<u>691</u>
Included in the above is depreciation on assets held under hire purchase contracts		
	175	113
Hire of plant and equipment -- operating leases	25	16
Hire of other assets -- operating leases	42	32
Auditors' remuneration and expenses	24	21
and after crediting:		
Profit on sale of tangible fixed assets	7	4
Other interest receivable and similar income	—	3

NOTES TO THE ACCOUNTS

DELYN GROUP PLC and its subsidiary companies

6	EMPLOYEES	1991 £000	1990 £000
	Particulars of employees (including executive directors) are as shown below:		
	Employee costs during the year amounted to:		
	Wages and salaries	3,684	3,567
	Social security costs	423	400
	Other pension costs	174	153
		4,281	4,126
	The average number employed during the year was:		
	Production	212	214
	Sales and distribution	19	16
	Administration	35	31
		266	261
7	TAX ON PROFIT ON ORDINARY ACTIVITIES	1991 £000	1990 £000
	Tax on profit on ordinary activities for the year was:		
	UK corporation tax at 33.6% — current year	265	70
	Overseas tax	(33)	6
	Deferred tax — current year	—	120
	Adjustments in respect of prior years	3	—
		235	196
8	DIVIDENDS		
	Interim paid — 0.45p per share (1990=0.45p)	38	30
	Final proposed — 1.00p per share (1990=1.00p)	85	85
		123	121

NOTES TO THE ACCOUNTS

DELYN GROUP PLC and its subsidiary companies

0	DIRECTORS' REMUNERATION AND INTERESTS	1991 £000	1990 £000
	Details of directors' remuneration are shown below:		
	Emoluments	127	120
	Pension costs	8	7
		135	127
	Directors' remuneration (excluding pension contributions) of:		
	Chairman	—	—
	Highest paid director	55	51
	Other directors:	1991 Number	1990 Number
	£ 5,001 - £10,000	1	1
	£10,001 - £15,000	1	1
	£50,001 - £55,000	1	1

Mr. Henry Prevezer retired as a director on 31 October 1990

The directors' interests in the shares of the company including shares over which options have been granted under the terms of the company's Executive Share Option Scheme, on 3 February 1991, together with their interests on 4 February 1990, were as follows:

	Beneficial and family interests	
	% ordinary shares 1991	% ordinary shares 1990
Paul A. Norman	2,435,000	2,360,000
Malcolm Braun	56,800	56,800
Derek W. Lowthe	8,000	8,000
John Norris	—	—
	Ordinary shares over which options are outstanding	
	% ordinary shares 1991	% ordinary shares 1990
Malcolm Braun	132,000	132,000
Derek W. Lowthe	132,000	132,000

No director had a non-beneficial interest in the shares of the company nor any interest in the shares of any other company in the group during the period under review. Between 3 February 1991 and 3 May 1991 there were no changes in the shareholdings detailed above. No director was interested in any significant contract during the year ended 3 February 1991.

NOTES TO THE ACCOUNTS

DELYN GROUP PLC and its subsidiary companies

(c) TANGIBLE FIXED ASSETS	Freehold land and building £000	Leasehold buildings (long term) £000	Plant and equipment £000	Total £000
Group				
At beginning of year	256	2,437	6,912	9,605
Exchange differences	(6)	—	(10)	(16)
Additions at cost	—	15	512	527
Cost of disposals	—	—	(101)	(101)
At end of year	250	2,452	7,313	10,015
Aggregate depreciation:				
At beginning of year	174	66	1,784	2,024
Exchange differences	(4)	—	(8)	(12)
Amount provided	8	57	797	862
Eliminated on disposals	—	—	(92)	(92)
At end of year	178	123	2,481	2,782
NET BOOK VALUE				
At 3 February 1991	72	2,329	4,832	7,233
At 4 February 1990	82	2,371	5,128	7,581
Company				
At beginning of year	—	2,427	3,597	6,024
Additions at cost	—	15	390	405
At end of year	—	2,442	3,987	6,429
Aggregate depreciation:				
At beginning of year	—	56	1,127	1,183
Amount provided	—	57	466	523
At end of year	—	113	1,593	1,706
NET BOOK VALUE				
At 3 February 1991	—	2,329	2,394	4,723
At 4 February 1990	—	2,371	2,470	4,841
Plant and equipment includes fixed assets held under hire purchase contracts at a net book value of £1,244,000 (1990—£955,000).				

NOTES TO THE ACCOUNTS

Delyn Group PLC and its subsidiary companies

10 TANGIBLE FIXED ASSETS *continued*

The group's leasehold buildings were revalued on 27 January 1989 by Pyle Owen, an independent firm of surveyors, at open market value. The surplus arising of £883,000 has been credited to revaluation reserve.

The directors are of the opinion that there has been no significant change in the open market valuation of the group's leasehold buildings since 27 January 1989.

Leasehold buildings are stated at:	Group 1991 £000	Group 1990 £000	Company 1991 £000	Company 1990 £000
Open market value 1989	2,300	2,300	2,300	2,300
Cost	152	137	142	127
	2,452	2,437	2,442	2,427

The historical cost of leasehold buildings is:				
Cost	2,418	2,403	2,408	2,393
Accumulated depreciation based on historic cost	948	908	933	893
Historic cost net book value	1,470	1,495	1,475	1,500

All other tangible assets are stated at historic cost.

11 FIXED ASSET INVESTMENTS

The cost of investments at 5 February 1990 and 3 February 1991 was £855,000. A provision for diminution in value of £253,000 has been made against the investment in Plastella S.A. as at 3 February 1991. This has reduced the net book value of investments to £602,000.

Fixed asset investments comprise shares in the undermentioned subsidiary companies, all of which are 100% owned and operate in their country of registration or incorporation.

	Nature of business	Country of Registration or Incorporation
Delyn Packaging Limited	Manufacture of plastics packaging	England
Calendered Plastics Limited	Plastics film producer	England
Alpha Products (Bristol) Limited	Manufacture of moulds	England
Plastella Limited	Dormant	England
Plastella S.A.	Manufacture of plastics packaging	France

As a result of the group restructuring Spencer Noble International Limited was formed in February 1991 as a wholly owned subsidiary of Delyn Group PLC to carry out activities as a specialist packaging consultancy.

NOTES TO THE ACCOUNTS

DELYN GROUP PLC and its subsidiary companies

	Group 1991 £000	Group 1990 £000	Company 1991 £000	Company 1990 £000
12 STOCKS				
The following are included in the net book value of stocks:				
Raw materials and consumables	678	688	403	317
Work in progress	49	10	5	2
Finished goods and goods for resale	875	1,011	773	910
	<u>1,602</u>	<u>1,709</u>	<u>1,181</u>	<u>1,229</u>
13 DEBTORS: amounts falling due within one year				
Trade debtors	2,153	1,596	1,676	1,244
Other debtors	59	141	3	122
Prepayments and accrued income	215	59	140	33
Amounts due from subsidiaries	—	—	132	—
	<u>2,427</u>	<u>1,796</u>	<u>1,951</u>	<u>1,399</u>
14 CREDITORS: amounts falling due within one year				
Bank loans and overdrafts	1,075	926	147	135
Trade creditors	1,265	1,171	582	604
Amounts due to subsidiaries	—	—	384	314
Other creditors:				
— advance corporation tax payable	41	40	41	40
— VAT	233	226	220	209
— social security and PAYE	269	189	109	82
Proposed dividend	85	85	85	95
Corporation tax	103	32	44	21
Accruals and deferred income	497	412	394	309
Obligations under hire purchase contracts	308	306	291	287
	<u>3,876</u>	<u>3,387</u>	<u>2,297</u>	<u>2,086</u>

The bank facilities are secured by fixed and floating charges over the property and undertakings of the holding company and subsidiaries in favour of National Westminster Bank PLC, Société Générale and Banque Scalbert Dupont.

The company is also subject to unlimited guarantees in respect of the borrowings of the other group companies, which at the year end amounted to £1,500,000.

NOTES TO THE ACCOUNTS

DELYN GROUP PLC and its subsidiary companies

	Group 1991 £000	Group 1990 £000	Company 1991 £000	Company 1990 £000
15 CREDITORS: amounts falling due after more than one year				
Bank loans (note 16)	688	1,325	—	—
Accruals and deferred income	379	260	379	260
Obligations under hire purchase contracts (note 17)	626	809	613	784
	1,693	2,394	992	1,044

16 BANK LOANS included in creditors falling due after more than one year are repayable as follows:

Within 1-2 years	650	646	—	—
Within 2-5 years	38	679	—	—
	688	1,325	—	—

17 OBLIGATIONS under hire purchase contracts are due as follows:

Within 1-2 years	254	286	248	272
Within 2-5 years	372	523	365	512
	626	809	613	784

18 PROVISIONS FOR LIABILITIES AND CHARGES

Provisions for liabilities and charges which represents deferred taxation only is made up as follows:

Provided in the accounts:

Accelerated capital allowances	756	752	433	450
Advance corporation tax recoverable	(36)	(157)	(36)	(157)
Sundry timing differences	(53)	(46)	(71)	(38)
	669	549	326	255

Potential liability to deferred taxation, not provided in the accounts is as follows:

Accelerated capital allowances	95	95	95	95
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Movement in deferred taxation is as follows:

	Group £000	Company £000
At 5 February 1990	549	255
Transfer from profit and loss account	(1)	(50)
Movement in advance corporation tax recoverable	121	121
	669	326

NOTES TO THE ACCOUNTS

DELYN Group PLC and its subsidiary companies

19 CALLED-UP SHARE CAPITAL	1991 £000	1990 £000
Ordinary shares of 5p each:		
Authorised	1,000	1,000

Allotted and fully paid 8,476,124 ordinary shares of 5p	424	424
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Options have been granted to executive directors of the company for the purchase of 264,000 shares in aggregate at a price of 47.75p exercisable between December 1989 and December 1996.

20 RESERVES

Group	Share premium account £000	Provision reserve £000	Merger reserve £000	Other reserves £000	Profit and loss account £000
At beginning of year	68	883	15	25	3,359
Retained profit for the year	—	—	—	—	256
Exchange adjustments	—	—	—	—	(5)
At end of year	68	883	15	25	3,610
Company					
At beginning of year	68	883	412	—	3,153
Retained profit for the year	—	—	—	—	155
Diminution in value of investment	—	—	(253)	—	—
At end of year	68	883	159	—	3,308

The merger reserve was created on the acquisition of Plastella S.A. and has been utilised to write down that investment.

21 RETAINED PROFITS	Group 1991 £000	Group 1990 £000	Group 1990 £000
Retained profit for the group companies:			
-- Parent company		3,308	3,153
-- Subsidiaries	323		247
-- Less: Goodwill written off	21		41
		302	206
Retained		3,610	3,359

22 CAPITAL EXPENDITURE	1991 £000	1990 £000
Amounts approved by the directors in respect of capital expenditure not provided for in these accounts is as follows:		
Contracted	—	210
Authorised but not contracted for	—	12
	—	222

NOTES TO THE ACCOUNTS

DELYN GROUP PLC and its subsidiary companies

23 OPERATING LEASE COMMITMENTS

At 3 February 1991 the group was committed to making the following payments during the next year in respect of operating leases which expire:

	Land and buildings 1991 £000	Other 1991 £000	Land and buildings 1990 £000	Other 1990 £000
— Within 1 year	—	17	—	1
— Within 2–5 years	—	25	—	57
— After 5 years	18	—	18	—
	18	42	18	58

24 PENSION COSTS

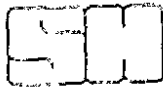
The group operates a pension scheme providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the company, being units in Scottish Provident Managed Pension Fund, Confederation Life Mixed Pension Fund and Provident Mutual Diversified Fund. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees working lives with the group. The contributions are determined by a qualified actuary on the basis of a triennial valuation using the projected unit method. The most recent valuation was at 1 July 1990. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase of salaries and pensions. It was assumed at this review that the returns would be 9% per annum, that salary increases would average 7% per annum and that the present and future pensions would increase at the rate of 3% per annum.

The pension charge for the year was £174,000 (1990 — £153,000). This included £130,000 in respect of the amortisation of experience surpluses that are being recognised over 15 years, which is the average remaining service lives of employees.

The most recent actuarial valuation showed that the market value of the schemes' assets was £1,736,000 and that the actuarial value of those assets represented 104% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contributions of the company and employees will be 8.8% and 2.5% of earnings respectively.

AUDITORS' REPORT

DELYN GROUP PLC and its subsidiary companies



TO THE MEMBERS OF DELYN GROUP PLC

We have audited the accounts on pages 6 to 19 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group at 3 February 1991 and of the profit and source and application of funds of the group for the 52 weeks then ended, and have been properly prepared in accordance with the Companies Act 1985.

Stoy Hayward, London

3 May 1991

Stoy Hayward

NOTICE OF MEETING

DELYN GROUP PLC

Notice is hereby given that the annual general meeting of the company will be held at the Park Hotel, Park Place, Cardiff on Wednesday 5 June 1991 at 9.30 a.m. for the following purposes:

1. To receive and, if approved, adopt the report of the directors and accounts for the 52 weeks ended 3 February 1991 and the report of the auditors.
2. To declare a dividend.
3. To elect a director; Dr. John Norris retires and will be proposed for re-election.
4. To re-appoint Stoy Hayward as auditors from the conclusion of this meeting until the conclusion of the next annual general meeting.
5. To authorise the board of directors to fix the remuneration of the auditors.
6. To consider and, if thought fit, pass the following as a special resolution:

That the directors of the company be and are hereby generally authorised and empowered during the period expiring on the date of the next annual general meeting of the company to exercise all powers of the company to allot relevant securities as defined in Section 80 of the Companies Act 1985 (the Act) and to make an offer or agreement which would or might require relevant securities to be allotted after that date, all as if Section 89(i) of the Act did not apply, but limited:

- (a) so that the nominal value of the relevant securities allotted under this authority shall not exceed the nominal value of the present unissued share capital of the company;
- (b) to allotments in connection with a rights issue to ordinary shareholders of equity securities as defined in Section 94 of the Act in proportion (as nearly as may be) to their shareholdings and subject to the directors having a right:
 - (i) to sell for the benefit of those shareholders who are citizens of or residents in any overseas territory, where in the opinion of the directors it would at the time of the offer be illegal (by relevant law) or unduly costly or burdensome for the company to make or for those shareholders to accept an offer of equity securities of the company, the equity securities to which they would otherwise be entitled; and
 - (ii) to aggregate and sell for the benefit of the company all fractions of a share which may arise in apportioning the equity securities among the ordinary shareholders, and
- (c) as regards other allotments of equity securities for cash in aggregate to the allotment of, or involving, equity share capital not exceeding in nominal value 5% of the present issued ordinary share capital of the company.

DELYN GROUP PLC

By order of the board
Malcolm Braun Secretary

3 May 1991



M. BRAUN
Director/Secretary

REGISTERED OFFICE
St. Alphage House
Fore Street
London EC 2Y 9JH

NOTES

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 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 May 1991 until 4 June 1991 and at the meeting from 15 minutes prior thereto, the register of the directors' interests in the shares of the company and its subsidiaries and their service contracts.

FIVE YEAR RECORD

	1987 £000	1988 £000	1989 £000	1990 £000	1991 £000
TURNOVER	7,171	8,226	8,952	11,764	13,468
OPERATING PROFIT	562	696	809	1,164	1,252
PROFIT BEFORE TAXATION	406	632	761	610	614
PROFIT AFTER TAXATION	364	414	504	414	379
ISSUED SHARE CAPITAL	398	398	398	424	424

	1987 pence	1988 pence	1989 pence	1990 pence	1991 pence
EARNINGS PER SHARE	4.573	5.200	6.332	5.011	4.471
DIVIDENDS PER SHARE	0.875	1.125	1.450	1.450	1.450
NET ASSETS PER SHARE	35.58	39.65	55.63	57.79	59.29