

**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 director 6 December 1977.  
Has wide experience in the fields of paper, packaging, plastics  
and building products and in addition spent seven years  
as Investment Director with the Welsh Development Agency.

**SECRETARY**

Malcolm Braun  
Pontygwindy Road,  
Caerphilly, Mid Glamorgan CF8 2WL  
Telephone 0222-885881

**REGISTERED OFFICE**

Registered No 837205  
St Alphage House, Fore Street, London EC2Y 5DH

**AUDITORS**

Coopers & Lybrand  
Churchill House  
Churchill Way, Cardiff CF1 4XQ

**STOCKBROKERS**

Albert E. Sharpe & Co  
Edmund House  
12, Newhall Street, Birmingham B3 3ER

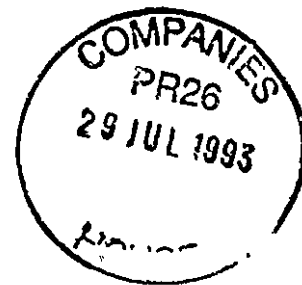
**BANKERS**

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

**REGISTRARS**

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

837205



## CHAIRMAN'S STATEMENT

DELYN GROUP PLC

837205

Dear Shareholders

In generally difficult economic conditions, Delyn has performed well, increasing pre-tax profits by 90% to £998,000 (£524,000), after exceptional items of £59,000, for the year ended 31 January 1993. Earnings per share rose 120% to 7.31p (3.32p). We are proposing an increase in the final dividend to 1.17p (1.0p), making a total for the year of 1.67p — a rise of 15%.

The results from Calendered Plastics, our plastic films subsidiary, have been especially encouraging, with the company widening its customer base and product range. We have recently invested approximately £600,000 in new extrusion equipment, which now allows us to produce additional materials such as polypropylene and polystyrene — where good growth is anticipated. Calendered Plastics has established itself as a leading supplier of film with its excellent product quality and rapid service.

Delyn Packaging — our thermoforming business — experienced a slowdown in sales and increased competition from major producers of this form of packaging. To combat these factors we continued to expand our stock ranges and placed increasing emphasis on our innovative approach to design. In France, we have taken the decision to concentrate our resources on distribution rather than manufacture and have therefore agreed to sell, at the equivalent of book value, our 50% interest in Plastella S.A. to our partner Mercurex. The cash consideration of £53,000 will be paid in September.

The cash flow of the group has allowed us to reduce our net debt to £500,000 reducing our gearing level at the year end to 8%, compared with 28% at 2 February 1992 and 54% in 1991. This has given us a secure financial base from which to expand.

In packaging generally in the UK — but not in the supply of materials — there has

been some polarisation in recent years, with our large competitors growing via acquisition. We are, therefore, cautious of head-on competition with such groups. Our Calendered business is performing well — after considerable investment and board attention — and this organic growth is expected to continue as demand for new types of plastic material grows.

Your board has considered various options to expand and develop the Company. In line with this we have also considered the potential of our current marketplaces and the experience of the group board.

We believe, given improving economic conditions and comment from leading building societies, that investment in specific sectors of the housing market offers opportunities for growth — particularly housing for first time buyers and government supported housing associations. Prior to my involvement in the packaging industry, I had worked for 20 years in property development and investment. The board believes this experience — coupled with a new in-house team now in place — will assist the group in expanding into the housing market.

In April 1993, the board purchased for £750,000, 2.5 acres of land in the London Borough of Greenwich and will carry out the phased building of one and two bedroom flats and houses — attractive specifically for the two audiences mentioned above. On completion of building, the units will be sold, as they are not intended to be held by the group for investment purposes.

Your board believes this expansion will benefit shareholders and is confident of further progress this year.

Paul Norman

**REPORT OF THE DIRECTORS**

DELYN GROUP PLC

The directors present their report and accounts for the 52 weeks ended 31 January 1993.

**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 1.

**RESULTS**

Group profit was £998,000 which, after allowing for a tax charge of £378,000 left profits on the ordinary activities of the group of £620,000. The directors recommend the payment of a final dividend of 1.17p per share, making a total for the year of 1.67p. The final dividend, if approved, will be paid on 30 July 1993 to shareholders on the register as at 1 July 1993. The sum of £141,000 will be absorbed by these dividend payments, leaving a retained profit of £479,000 to be added to group reserves.

**DIRECTORS**

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

There is no service contract between the company and Dr. Norris.

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 31 January 1993, together with their interests on 2 February 1992 were as shown in note 10 to the accounts.

**SUBSTANTIAL SHAREHOLDINGS**

At 19 May 1993 interests in 3% or more of the company's shares were as follows:

	Ordinary shares	%
Honor Establishment Ltd*	2,435,000	28.73
Scawton Limited	875,000	10.32
M&G Conversion Trust Fund Growth Portfolio	775,000	9.14
Temple Bar Smaller Company Fund	520,987	6.15
Framlington Group plc		
— Throgmorton 100 Smallest Company Trust	475,000	5.60
Monsanto Common Investment Fund		
— (M&G Investment Management Ltd)	400,000	4.72

\*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**

IDFLYN GROUP PLC

**FIXED ASSETS**

Changes in the group's fixed assets are detailed in note 11 to the accounts.

**CHARITABLE AND POLITICAL CONTRIBUTIONS**

The total amount of charitable contributions made by the group during the period was £937. No political donations were made.

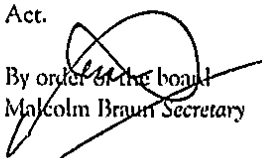
**EMPLOYEES**

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

18 June 1993

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

DELYN GROUP PLC

For the 52 weeks ended 31 January 1993		1993 £000	1992 £000
Notes			
2	TURNOVER	12,265	13,136
	Cost of sales	8,359	8,980
	<b>GROSS PROFIT</b>	<b>3,906</b>	<b>4,156</b>
3	Other operating expenses (net)	2,683	3,169
	Operating profit before exceptional items	1,223	987
4	Exceptional items (net)	59	42
	<b>OPERATING PROFIT</b>	<b>1,164</b>	<b>945</b>
	Share of profits/(losses) arising from associated undertaking	5	(15)
	Interest receivable	11	—
5	Interest payable and similar charges	(182)	(406)
6	<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>998</b>	<b>524</b>
8	Tax on profit on ordinary activities	378	243
	<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	<b>620</b>	<b>281</b>
9	<b>DIVIDENDS PAID AND PROPOSED</b>	<b>141</b>	<b>123</b>
21	<b>RETAINED PROFIT FOR YEAR</b>	<b>479</b>	<b>158</b>
	<b>EARNINGS PER ORDINARY SHARE OF 5p</b>	<b>7.31p</b>	<b>3.32p</b>

The calculation of the earnings per share is based on profits of £620,000 (1992 – £281,000) and 8,476,124 ordinary shares of 5p each in issue during the period (1992 – 8,476,124). No material dilution of earnings per share would arise if outstanding share options were exercised.

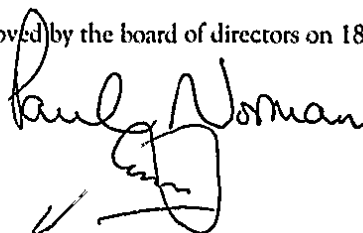
The notes on pages 9 to 19 form part of these accounts

**CONSOLIDATED BALANCE SHEET**

DELYN GROUP PLC

	As at 31 January 1993	1993 £000	1993 £000	1992 £000
<i>Notes</i>				
	<b>FIXED ASSETS</b>			
11	Tangible assets	6,172		6,356
12	Investments	45		40
			6,217	6,396
	<b>CURRENT ASSETS</b>			
13	Stocks	1,450		1,416
14	Debtors	2,099		1,982
14	Debtor falling due after one year	243		243
	Cash at bank and in hand	1		1
		3,793		3,642
15	<b>CREDITORS: amounts falling due within one year</b>	3,005		3,150
	<b>NET CURRENT ASSETS</b>		788	492
	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		7,005	6,888
16	<b>CREDITORS: amounts falling due after more than one year</b>		164	391
18	Provisions for liabilities and charges		846	969
19	Accruals and deferred income		134	146
	<b>NET ASSETS</b>		5,861	5,382
	<b>CAPITAL AND RESERVES</b>			
20	Called-up share capital		424	424
21	Share premium account		68	68
21	Revaluation reserve		883	883
21	Merger reserve		8	8
21	Other reserves		25	25
21	Profit and loss account		4,453	3,974
	<b>TOTAL CAPITAL EMPLOYED</b>		5,861	5,382

The accounts were approved by the board of directors on 18 June 1993  
 PAUL A. NORMAN  
 MALCOLM BRAUN  
 Directors



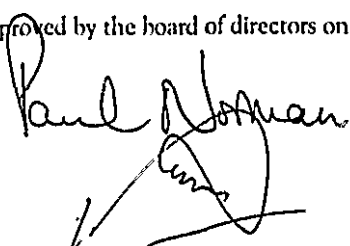
The notes on pages 9 to 19 form part of these accounts

**BALANCE SHEET**

DELYN GROUP PLC

As at 31 January 1993		1993 £000	1993 £000	1992 £000
<i>Notes</i>				
	<b>FIXED ASSETS</b>			
11	Tangible assets	2,305		2,409
12	Investments	342		342
			2,647	2,751
	<b>CURRENT ASSETS</b>			
14	Debtors	2,067		3,251
14	Debtor falling due after one year	243		243
	Cash at bank and in hand	205		—
		2,515		3,494
15	<b>CREDITORS: amounts falling due within one year</b>	333		1,341
	<b>NET CURRENT ASSETS</b>		2,182	2,153
	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,829	4,904
16	<b>CREDITORS: amounts falling due after more than one year</b>		13	11
18	Provisions for liabilities and charges		288	378
19	Accruals and deferred income		126	129
	<b>NET ASSETS</b>		4,402	4,386
	<b>CAPITAL AND RESERVES</b>			
20	Called-up share capital		424	424
21	Share premium account		68	68
21	Revaluation reserve		883	883
21	Profit and loss account		3,027	3,011
	<b>TOTAL CAPITAL EMPLOYED</b>		4,402	4,386

The accounts were approved by the board of directors on 18 June 1993  
 PAUL A. NORMAN  
 MALCOLM BRAUN  
 Directors



The notes on pages 9 to 19 form part of these accounts

**CONSOLIDATED CASH FLOW STATEMENT**

DELYN GROUP PLC

For the 52 weeks ended 31 January 1993	1993 £000	1993 £000	1992 £000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		2,002	2,035
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			
Interest received	11		—
Interest paid	(123)		(305)
Interest paid on finance leases	(59)		(101)
Dividends paid	(127)		(123)
Net cash outflow from returns on investments and servicing of finance		(298)	(529)
<b>TAXATION</b>			
U.K. corporation tax paid		(155)	(144)
<b>INVESTING ACTIVITIES</b>			
Purchase of tangible fixed assets	(669)		(157)
Sale of tangible fixed assets	163		19
Net cash outflow from investing activities		(506)	(138)
<b>FINANCING</b>			
Repayment of loans	—		(688)
Payment of principal under finance leases	(281)		(301)
Net cash outflow from financing		(281)	(989)
Increase in cash and cash equivalents		762	235

**NOTES TO THE CASH FLOW STATEMENT**

DELYN GROUP PLC

Reconciliation of operating profit to net cash inflow from operating activities	1993 £000	1992 £000
Operating profit	1,164	945
Depreciation of tangible fixed assets	833	869
Loss/(gain) on sale of tangible fixed assets	3	(9)
(Profit) on sale of land surplus to requirements	(107)	—
Amounts written off investments	—	42
(Increase) in stocks	(34)	(82)
(Increase)/decrease in debtors and prepayments	(117)	316
(Increase) in amounts owed by associated company	(10)	(330)
Increase in trade creditors	135	457
(Decrease) in other taxation and social security	(44)	(6)
Increase/(decrease) in accruals and deferred income	202	(145)
Amortisation of government grants	(12)	(13)
(Decrease) in pensions provision	(11)	(9)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>2,002</b>	<b>2,035</b>

Analysis of cash and cash equivalents	1993 £000	1992 £000
Balance at beginning of year	(839)	(1,074)
Net cash inflow	762	235
<b>BALANCE AT END OF YEAR</b>	<b>(77)</b>	<b>(839)</b>

Analysis of balances	1993 £000	1992 £000	Change in year £000
Cash at bank and in hand	1	1	—
Bank overdrafts	(78)	(840)	762
	<b>(77)</b>	<b>(839)</b>	<b>762</b>

**ACCOUNTING POLICIES**

DELYN GROUP PLC

**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.

Intragroup sales and profits are eliminated fully on consolidation.

**ASSOCIATED UNDERTAKING**

Plastella S.A. became an associated company on 31 October 1991 and the group share of its profits and losses subsequent to that date are included in the consolidated profit and loss account and the group's share of its net assets is included in the consolidated balance sheet as an investment.

**GOODWILL**

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill arising on the acquisition of subsidiaries is written off immediately against reserves. Amounts previously written off to reserves are accounted for in the profit and loss account on disposal of subsidiaries.

**FIXED ASSETS**

The cost of fixed assets is their purchase cost together with any incidental costs of acquisition as modified by the revaluation of certain land and buildings.

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

Leasehold buildings — 50 years

Plant and equipment between 3 and 10 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.

**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 contracts. 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.

**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.

**FOREIGN CURRENCIES**

Assets and liabilities of the associate company in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year.

All other foreign exchange differences are taken to the profit and loss account in the year in which they arise.

**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.

**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**

The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. The next actuarial valuation will be undertaken during 1993.

NOTES TO THE ACCOUNTS

DELYN GROUP PLC

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.

The company's retained profit for the financial year was £16,000 (1992 -- Loss £456,000).

2 ANALYSIS OF TURNOVER BY GEOGRAPHICAL AREA		
	1993 £000	1992 £000
United Kingdom	11,844	11,915
France	192	167
France — by former subsidiary	—	869
Eire	118	57
Other	111	128
	<u>12,265</u>	<u>13,136</u>

Net assets by geographical area		
	1993 £000	1992 £000
United Kingdom	5,816	5,342
France	45	40
	<u>5,861</u>	<u>5,382</u>

3 OTHER OPERATING EXPENSES		
	1993 £000	1992 £000
Selling and distribution costs	1,319	1,545
Administrative expenses	1,364	1,624
	<u>2,683</u>	<u>3,169</u>

4 EXCEPTIONAL ITEMS

	1993 £000	1992 £000
Redundancy costs	166	—
Profit on sale of land surplus to requirements	(107)	—
Profit arising on dilution of shareholding in associated undertaking	—	(157)
Goodwill previously written off to reserves — associated undertaking	—	199
Exceptional charge	59	42

5 INTEREST PAYABLE AND SIMILAR CHARGES		
	1993 £000	1992 £000
Loans repayable within five years:		
Bank loans repayable within 5 years by instalments	68	150
Bank overdrafts repayable within 5 years not by instalments	55	155
Hire purchase contracts	59	101
	<u>182</u>	<u>406</u>

**NOTES TO THE ACCOUNTS** (continued)

## DELYN GROUP PLC

6	<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	1993 £000	1992 £000
	Profit on ordinary activities before taxation is stated after charging:		
	Depreciation and amounts written-off tangible fixed assets	833	869
	— Less: deferred income release	12	13
		<b>821</b>	<b>856</b>
	Included in the above is depreciation on assets held under hire purchase contracts	161	166
	Hire of plant and equipment — operating leases	7	2
	Hire of other assets — operating leases	42	49
	Auditor's remuneration — Audit (Company £4,000)	24	21
	— Other (Company £7,000)	7	—
	Loss/(profit) on sale of tangible fixed assets	3	(9)
7	<b>EMPLOYEES</b>	1993 £000	1992 £000
	Particulars of employees (including executive directors) are as shown below:		
	Employees costs during the year amounted to:		
	Wages and salaries	3,572	3,855
	Social security costs	347	457
	Other pension costs (note 24)	211	202
		<b>4,130</b>	<b>4,514</b>
	The average number employed during the year was:	1993 Number	1992 Number
	Production	173	201
	Sales and distribution	24	25
	Administration	34	38
		<b>231</b>	<b>264</b>
8	<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	1993 £000	1992 £000
	Tax on profit on ordinary activities for the year was:		
	UK corporation tax at 33% — current year	488	184
	Deferred tax	(118)	59
	Adjustments in respect of prior years	8	—
		<b>378</b>	<b>243</b>
9	<b>DIVIDENDS</b>	1993 £000	1992 £000
	Interim paid — 0.5p per share (1992 — 0.45p)	42	38
	Final proposed — 1.17p per share (1992 — 1.00p)	99	85
		<b>141</b>	<b>123</b>

NOTES TO THE ACCOUNTS *continued*

DELYN GROUP PLC

10 DIRECTORS' REMUNERATION AND INTERESTS	1993 £000	1992 £000
Details of directors' remuneration are shown below:		
Emoluments	128	122
Pension costs	10	10
	<u>138</u>	<u>132</u>

Directors' remuneration (excluding pension contributions) of:

Chairman	—	—
Highest paid director	58	55

Other directors:	1993 Number	1992 Number
£10,001 – £15,000	1	1
£50,001 – £55,000	—	1
£55,001 – £60,000	1	—

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 31 January 1993 together with their interests on 2 February 1992, were as follows:

	Beneficial and family interests 5p ordinary shares 1993	5p ordinary shares 1992
Paul A. Norman	2,435,000	2,435,000
Malcolm Braun	56,800	56,800
Derek W. Lowthe	8,000	8,000
John Norris	—	—

	Ordinary shares over which options are outstanding 5p ordinary shares 1993	5p ordinary shares 1992
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 31 January 1993 and 18 June 1993 there were no changes in the shareholdings detailed above. No director was interested in any significant contract during the year ended 31 January 1993.

NOTES TO THE ACCOUNTS continued

DELYN GROUP PLC

11 TANGIBLE FIXED ASSETS	Leasehold buildings (long term) £000	Plant and equipment £000	Total £000
<b>Group</b>			
Cost or valuation			
At beginning of year	2,461	7,055	9,516
Additions at cost	—	708	708
Cost of disposals	(37)	(42)	(79)
At end of year	2,424	7,721	10,145
Aggregate depreciation:			
At beginning of year	180	2,980	3,160
Amount provided	56	777	833
Eliminated on disposals	(2)	(18)	(20)
At end of year	234	3,739	3,973
NET BOOK VALUE			
At 31 January 1993	2,190	3,982	6,172
At 2 February 1992	2,281	4,075	6,356
<b>Company</b>			
Cost or valuation			
At beginning of year	2,451	290	2,741
Additions at cost	—	37	37
Eliminated on disposals	(37)	(8)	(45)
At end of year	2,414	319	2,733
Aggregate depreciation:			
At beginning of year	170	162	332
Amount provided	56	45	101
Eliminated on disposals	(2)	(3)	(5)
At end of year	224	204	428
NET BOOK VALUE			
At 31 January 1993	2,190	115	2,305
At 2 February 1992	2,281	128	2,409

Plant and equipment of the group includes fixed assets held under hire purchase contracts at a net book value of £82,000 (1992 - £982,000).

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

**NOTES TO THE ACCOUNTS** *continued*

DELYN GROUP PLC

**11 TANGIBLE FIXED ASSETS** *continued*

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.

	Group 1993 £000	Group 1992 £000	Company 1993 £000	Company 1992 £000
Leasehold buildings are stated at:				
Open Market value 1989	2,300	2,300	2,300	2,300
Cost	124	161	114	151
	<b>2,424</b>	<b>2,461</b>	<b>2,414</b>	<b>2,451</b>
The historical cost of leasehold buildings is:				
Cost	2,386	2,424	2,376	2,414
Accumulated depreciation based on historic cost	998	966	988	956
Historic cost net book value	<b>1,388</b>	<b>1,458</b>	<b>1,388</b>	<b>1,458</b>

All other tangible assets are stated at historic cost.

**12 FIXED ASSET INVESTMENTS**

**Group**

**Associated undertaking**

The group's 100% holding in Plastella S.A. became a 50% interest in an associated undertaking on 31 October 1991. Set out below is the investment value as at the balance sheet date:

	1993 £000	1992 £000
Share of associated undertaking's net assets at beginning of year	40	55
Share of profits/(losses) for year [1992 — 3 months]	5	(15)
Share of associated undertaking's net assets at 31 January 1993	<b>45</b>	<b>40</b>

Company	Interests in Group Undertakings £000	Associated Undertaking £000	Total £000
Cost at 31 January 1993	302	553	855
Amounts written off	—	(513)	(513)
Net book value at 31 January 1993	<b>302</b>	<b>40</b>	<b>342</b>
Net book value at 31 January 1992	<b>302</b>	<b>40</b>	<b>342</b>

**Interest in group undertakings**

Fixed asset investments comprise ordinary 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 and tools	England
Panorama Homes Limited	Housebuilding	England
Spencer Noble International Limited	Packaging Consultancy	England
Plastella Limited	Dormant	England

**Associated undertaking**

The associated undertaking represents a 50% holding in the ordinary shares of the undermentioned company:

	Nature of business	Country of Registration or Incorporation
Plastella S.A.	Manufacture of plastics packaging	France

On 28 May 1993 the 50% interest in Plastella S.A. was sold to our partner in France, Mercureux S.A., for a cash consideration of FFfr 450,000 which, at the current rate of exchange, equates to approximately £53,000 and will become payable in September 1993.

NOTES TO THE ACCOUNTS continued

DELYN GROUP PLC

	Group 1993 £000	Group 1992 £000	Company 1993 £000	Company 1992 £000
13 STOCKS				
The following are included in the net book value of stocks:				
Raw materials and consumables	736	599	—	—
Work in progress	56	46	—	—
Finished goods and goods for resale	658	771	—	—
	1,450	1,416	—	—

14 DEBTORS

Amounts falling due within one year:

Trade debtors	1,863	1,828	—	—
Other debtors	85	1	85	—
Prepayments and accrued income	87	56	25	13
Amounts due from subsidiaries	—	—	1,957	3,238
Amounts due from associated undertaking	64	97	—	—
	2,099	1,982	2,067	3,251

Amounts falling due after one year:

Amounts due from associated undertaking	243	243	243	243
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The above debtor of £243,000 relates to Plastella S.A., France, in respect of cash advances made prior to the joint venture association with Mercurex. As a result of the agreement made on 28 May 1993 with Mercurex, referred to in note 12, the debtor balance has been converted to an interest free loan of FFr 2.0 million secured on the freehold land and buildings of Plastella. This property was the subject of a valuation carried out in September 1991 by Bourdais Expertises, Paris, at a value of FFr 2.4 million after allowing for transfer tax.

Repayment of the loan is by 5 instalments of FFr 400,000 on 30 November 1993, 30 September 1994, 30 April 1995, 30 September 1995 and 28 May 1996.

15 CREDITORS

Amounts falling due within one year:

Bank loans and overdrafts	78	840	—	1,049
Trade creditors	1,082	947	—	—
Amounts due to subsidiaries	—	—	—	85
Amounts due to associated undertaking	—	10	—	—
Other creditors:				
— advance corporation tax payable	43	41	43	41
— VAT	265	305	—	—
— social security and PAYE	187	191	1	—
Proposed dividend	99	85	99	85
Corporation tax	475	142	101	—
Accruals and deferred income	525	323	70	53
Obligations under hire purchase contracts	251	266	19	28
	3,005	3,150	333	1,341

The bank facilities are secured by fixed and floating charges over the property and undertakings of the company and its subsidiaries in favour of National Westminster Bank Plc.

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 £283,000.

NOTES TO THE ACCOUNTS continued

DELYN GROUP PLC

	Group 1993 £000	Group 1992 £000	Company 1993 £000	Company 1992 £000
16 CREDITORS amounts falling due after more than one year				
Obligations under hire purchase contracts (note 17)	164	391	13	11
17 OBLIGATIONS under hire purchase contracts are due as follows:				
Within 1-2 years	158	43	7	3
Within 2-5 years	6	348	6	8
	164	391	13	11

18 PROVISIONS FOR LIABILITIES AND CHARGES

Group	Pensions & similar obligations (see note 24) £000	Deferred taxation (see below) £000	Total £000
At beginning of year	240	729	969
Profit and loss account	211	(118)	93
Contributions paid to pension scheme	(222)	—	(222)
Movement in advance corporation tax recoverable	—	6	6
At end of year	229	617	846
Company			
At beginning of year	240	138	378
Profit and loss account	211	(85)	126
Contributions paid to pension scheme	(222)	—	(222)
Movement in advance corporation tax recoverable	—	6	6
At end of year	229	59	288

DEFERRED TAXATION

Deferred taxation provided in the financial statements, and the potential liability including the amount for which provision has been made, are as follows:

Group	Amount provided		Total potential liability	
	1993 £000	1992 £000	1993 £000	1992 £000
Tax effect of timing differences because of:				
Excess tax allowances over depreciation	722	744	817	839
Advance corporation tax	(29)	(35)	(29)	(35)
Sundry timing differences	(76)	20	(76)	20
	617	729	712	824

NOTES TO THE ACCOUNTS *continued*

DELYN GROUP PLC

18 PROVISIONS FOR LIABILITIES AND CHARGES *continued*

Company	Amount provided		Total potential liability	
	1993 £000	1992 £000	1993 £000	1992 £000
Tax effect of timing differences because of:				
Excess tax allowances over depreciation	151	170	246	265
Advance corporation tax	(29)	(35)	(29)	(35)
Sundry timing differences	(63)	3	(63)	3
	59	138	154	233

19 ACCRUALS AND DEFERRED INCOME

	Group 1993 £000	Group 1992 £000	Company 1993 £000	Company 1992 £000
Government grants				
At beginning of year	146	159	129	159
Inter group transfer	—	—	—	(26)
Amortisation in year	(12)	(13)	(3)	(4)
At end of year	134	146	126	129

20 CALLED-UP SHARE CAPITAL

	1993 £000	1992 £000
Ordinary shares of 5p each:		
Authorised	1,000	1,000

Allotted and fully paid 8,476,124 ordinary shares of 5p 424      424

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.

21 RESERVES

Group	Share premium account £000	Revaluation reserve £000	Merger reserve £000	Other reserves £000	Profit and loss account £000
At beginning of year	68	883	8	25	3,974
Retained profit for the year	—	—	—	—	479
At end of year	68	883	8	25	4,453

NOTES TO THE ACCOUNTS *continued*

DELYN GROUP PLC

21 RESERVES *continued*

Company	Share premium account £000	Revaluation reserve £000	Profit and loss account £000
At beginning of year	68	883	3,011
Profit for the year	—	—	16
At end of year	68	883	3,027

22 CAPITAL EXPENDITURE

1993  
£000

1992  
£000

Amounts approved by the directors in respect of capital expenditure not provided for in these accounts is as follows:

Contracted	40	—
Authorised but not contracted for	9	8
	49	8

23 OPERATING LEASE COMMITMENTS

At 31 January 1993 the group was committed to making the following payments during the next year in respect of operating leases which expire:

	Land and buildings 1993 £000	Other 1993 £000	Land and buildings 1992 £000	Other 1992 £000
— Within 1 year	—	6	—	4
— Within 2 – 5 years	—	20	25	40
— After 5 years	26	—	18	—
	26	26	43	44

24 PENSION COSTS

The company operates a pension scheme for group employees, providing benefits based on final pensionable salary. The scheme, known formally as the Delyn Group Retirement Benefits Scheme, is set up under trust and the assets of the scheme are held separately from the company.

The total assets of the scheme as at 1 July 1990, based on market values, amounted to £2,581,000 and the level of funding (i.e. the total value of the assets expressed as a percentage of the past service liabilities) was 104%.

The accounting policy is to provide for pension liabilities on a systematic basis over the period of employment of scheme members with surpluses being accounted for over the average future membership of the scheme's members. The funding policy is similar, although the incidence of contributions and pension costs may not necessarily be the same.

**NOTES TO THE ACCOUNTS** continued

DELYN GROUP PLC

**24 PENSION COSTS** continued

A pension cost of £211,000 arises in relation to the scheme for the period to 31 January 1993. The company's contributions over the same period amounted to £222,000 which reduces the provision in the balance sheet by £11,000 to £229,000 as at 31 January 1993. The amount of £229,000 included in provisions represents the excess of the accumulated pension cost over the payment of contributions to the pension fund.

The pension cost and provision have been assessed in accordance with advice received from the actuary to the scheme on the basis of an actuarial valuation carried out as at 1 July 1990. Pension costs were assessed using the projected unit actuarial method based on assumptions including a long-term rate of investment return on assets of 9% per annum, increases in members' pensionable salaries 2% less than this figure, pension increases at 4% per annum (3% on members' Guaranteed Minimum Pensions) and allowances for mortality, withdrawals from service and early retirements.

**25 POST BALANCE SHEET EVENTS**

Details of post balance sheet events are given in the Chairman's Statement and in the notes to the accounts.

In relation to the purchase of land in the London Borough of Greenwich referred to in the Chairman's Statement, an application for planning consent has been made to increase the number of units which can be built on this land over and above the existing planning consent. In accordance with the purchase agreement for the land, this could give rise to the payment of a further sum of up to £300,000 if the revised consent is obtained.

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**REPORT OF THE AUDITORS**

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DELYN GROUP PLC

Coopers  
& Lybrand**TO THE MEMBERS OF DELYN GROUP PLC**

We have audited the accounts on pages 4 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 31 January 1993 and of the profit and cash flow of the group for the 52 weeks then ended, and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand  
Chartered Accountants and Registered Auditors  
Cardiff

*Coopers & Lybrand*

18 June 1993

**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 Tuesday, 20 July 1993 at 10.30 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 31 January 1993 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 Coopers & Lybrand 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 aggregate nominal value of the relevant securities allotted under this authority shall not exceed the lesser of:

(i) the aggregate nominal value of the unissued share capital of the company at the date hereof, and

(ii) one third of the sum of the aggregate nominal value of the issued ordinary share capital of the company at the date hereof and the aggregate nominal value of such of the unissued share capital of the company as the company is obliged to allot by virtue of options, conversion rights, warrants or other similar contractual or other arrangements and for which share capital has been specifically reserved at the date hereof;

(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, involving, equity share capital not exceeding in nominal value 5% of the present issued ordinary share capital of the company.

By order of the board  
Malcolm Braun Secretary

**REGISTERED OFFICE**  
St. Alphage House  
Fore Street  
London EC2Y 5DH

18 June 1993

**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 18 June 1993 until 20 July 1993 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**

	1989 £000	1990 £000	1991 £000	1992 £000	1993 £000
TURNOVER	8,952	11,764	13,468	13,136	12,265
OPERATING PROFIT	809	1,164	1,252	945	1,164
PROFIT BEFORE TAXATION	761	610	614	524	998
PROFIT AFTER TAXATION	504	414	379	281	620
ISSUED SHARE CAPITAL	398	424	424	424	424

	1989 pence	1990 pence	1991 pence	1992 pence	1993 pence
EARNINGS PER SHARE	6.332	5.011	4.471	3.315	7.315
DIVIDENDS PER SHARE	1.450	1.450	1.450	1.450	1.670
NET ASSETS PER SHARE	55.63	57.79	59.29	63.50	69.15