

# Glynwed International 1984



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## Directors and Officers

Glynwed International public limited  
company

**Chairman**

Sir Leslie Fletcher DSC FCA

**Group Chief Executive**

G Davies FCA *Deputy Chairman*

**Group Finance Director**

DL Milne CA

**Non-Executive Directors**

JD Eccles *Vice-chairman*

Sir Denis Barnes KCB

EJ Pountain

**Secretary**

JC Blakeley MA

**Auditors**

Coopers & Lybrand  
Chartered Accountants, Birmingham

**Bankers**

Barclays Bank plc  
Lloyds Bank plc  
Midland Bank plc  
National Westminster Bank plc  
J. Henry Schroder Wagg & Co Limited  
Standard Chartered Bank plc

**Registrars**

Ravensbourne Registration  
Services Limited  
Bourne House  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

**Head Office and Registered Office**

Headland House  
New Coventry Road  
Sheldon, Birmingham B26 3AZ  
Telephone: 021-742 2366

Registered in England No. 354715

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Subsidiary operations — principal executive officers

**United Kingdom Operations**

T O'Neill *Chief Executive*

*Consumer & Building Products*

TM Forsyth *Chief Executive*

*Engineering*

D Gripton *Chief Executive*

*Steels*

DW Richardson *Chief Executive*

*Tubes & Fittings*

**Overseas Operations**

D Livingstone *Managing Director*

*Falkirk Industries (Pty) Ltd (South Africa)*

RV Lawry *President and Chief Executive Officer*

*Glynwed Inc (USA)*

**Corporate Services**

WP Evans *Director of*  
*Personnel and Corporate Relations*



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Annual general meeting	15th May
Final ordinary dividend payable	4th July
Half year end	29th June
Interim ordinary dividend payable	18th December
Preference dividend payable	30th June, 31st December
1985 year end	28th December

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Interest payments:

7.5% debenture stock	6th June, 6th December
10.75% unsecured loan stock	31st March, 30th September
6% unsecured loan stock	30th June, 31st December*

\*on which date also the stock will be repaid at par

## Financial Highlights

	1984 £million	1983 £million
<b>Turnover</b>	<b>514.1</b>	<b>487.2</b>
<b>Operating profit</b>	<b>35.3</b>	<b>29.6</b>
<b>Interest payable (net)</b>	<b>8.8</b>	<b>8.4</b>
<b>Profit before taxation</b>	<b>26.5</b>	<b>21.2</b>
<b>Earnings for the period</b>	<b>18.8</b>	<b>14.2</b>
<b>Ordinary dividends</b>	<b>7.7</b>	<b>6.6</b>
<b>Profit retained</b>	<b>7.2</b>	<b>3.0</b>
<b>Operating assets</b>	<b>178.3</b>	<b>201.9</b>
<b>Capital expenditure on fixed assets</b>	<b>10.4</b>	<b>12.1</b>
<b>Depreciation</b>	<b>9.6</b>	<b>9.8</b>
<b>Earnings per ordinary share — net basis</b>	<b>22.45p</b>	<b>17.00p</b>
<b>Dividends per ordinary share</b>	<b>9.25p</b>	<b>7.85p</b>



Before referring to the results for the year, I should draw your attention to the new style of reporting in subsequent pages.

Until this year we have had separate reports on the year's activities of the various divisions, but these have now been incorporated in the Group Chief Executive's review which, in addition, refers to some of the strategic matters in which the group has been involved during 1984. I am sure that you will find this new style interesting and informative.

### Results and Dividends

Group profits for 1984, before taxation, amounted to £26.5 million compared with £21.2 million for 1983, thus establishing another record year of profits, the third in the last four years. After deducting taxation and minority interests there was a profit of £18.9 million which, after paying preference dividends, leaves earnings for the year of 22.45p per share (1983 — 17.00 pps).

At the time of the interim statement we took the opportunity of removing some of the imbalance between the level of interim and final dividends and therefore declared an interim dividend for 1984 of 3.25p per share (1983 — 2.45 pps).

We also indicated that the final dividend would not be less than 5.40p per share but in view of the overall improvement in earnings compared with the previous year your directors have decided to recommend a final dividend of 6.00p per share (1983 — 5.40 pps) which, together with the interim dividend, will make a total of 9.25p per share for 1984, compared with 7.85 pps for 1983.

The extraordinary items amounting to £3.9 million arose principally from the disposals during the year of our steel stockholding business, Breman Steel, in the United States and our domestic appliance business, Defy, in South Africa.

The reasons for, and consequences of, the disposals are set out in the opening paragraphs of the Group Chief Executive's review on page 7. It remains only to acknowledge the support to group profitability contributed by Defy during the early 1980's when all UK industry was struggling to remain profitable. Our residual business in South Africa is the former Foundry and Pressings division of Defy and we are hopeful of relatively stable profitability from this much reduced investment.

During the year shareholders approved two share option schemes which are designed to encourage investment in the group by its employees, and these have now been finalised with the savings-related scheme being ready to launch this month. Options have already been granted to executives under the senior executive scheme to a total of 930,000 shares.

### General

It is sad to record that the Chancellor has still not seen fit to set in train some major capital expenditure projects and indeed has continued his VAT imposition on home improvements. It is difficult to understand why the Government would rather spend very large amounts of money on training when the basic creator of jobs, at least in the private sector, is turnover, and whilst the recent

low exchange rates between sterling and the US dollar will have helped exports, the old truth that exports can only be effective given a strong home base seems to have been forgotten.

We are occasionally criticised by some for our policy of overseas investment although it is difficult to take their concern seriously. We have been at pains to explain our strategy but it is clearly worthwhile putting the record straight again. Far from "exporting jobs", our overseas investments have contributed to UK profitability by opening up new market places for our UK products, and again we can say that no jobs have been lost and no capital expenditure curtailed in the UK because of our overseas developments. Quite the reverse; our profits and income from overseas have kept us going through some dreadful times here at home.

### Board

I come now to the various changes at board level which are taking place.

First and foremost, I would pay my warmest tribute to the achievements of Mr W Garner who has been with the group for 25 years, and whose contribution at all levels has been outstanding. His efforts and contributions both to Glynwed and to the British steel industry were deservedly recognised by the award of the OBE in the 1985 New Year's Honours List. We wish him a happy retirement.

Another of our divisional chief executives and main board directors, Mr FCW Whitehouse, has also left us to develop business interests of his own. Mr Whitehouse joined the group some fifteen years ago and has loyally served the group in his various appointments. We wish him every success.

Finally, Sir Denis Barnes has reached retirement age and we shall also be sorry to see him leave the board after splendid service as a non-executive director of the group for the last nine years.

It is appropriate to mention here the achievements of the Operations Board of the group which includes the principal executives and which is starting to play an increasingly important part in the overall management of our activities.

The Group Chief Executive pays tribute in his report to the efforts of all our employees in helping to achieve record profits in 1984, and I am delighted to associate myself with that tribute.

### Prospects

The benefits of the disposals and reorganisation completed in 1984 are already apparent in the early part of 1985, and given the present levels of activity in the UK your directors look forward to the remainder of 1985 with confidence.

Leslie Fletcher  
Chairman

## Operating Results and Ratios

	1984 £million	1983 £million	1982 £million	1981 £million	1980 £million
<b>Turnover</b>					
UK and Europe	392.7	354.7	304.8	256.9	272.2
USA, South Africa and others	121.4	132.5	139.5	111.2	84.0
<b>Total</b>	<b>514.1</b>	<b>487.2</b>	<b>444.3</b>	<b>368.1</b>	<b>356.2</b>

<b>Operating profit</b>					
UK and Europe	32.4	24.6	17.8	12.8	12.3
USA, South Africa and others	2.9	5.0	5.9	12.1	9.9
<b>Total</b>	<b>35.3</b>	<b>29.6</b>	<b>23.7</b>	<b>24.9</b>	<b>22.2</b>

<b>Operating assets</b>					
UK and Europe	147.0	136.1	140.0	119.1	100.5
USA, South Africa and others	31.3	65.8	68.3	57.9	33.4
<b>Total</b>	<b>178.3</b>	<b>201.9</b>	<b>208.3</b>	<b>177.0</b>	<b>133.9</b>

	%	%	%	%	%
<b>Operating profit to turnover</b>					
UK and Europe	8.3	6.9	5.8	5.0	4.5
USA, South Africa and others	2.4	3.8	4.2	10.9	11.8
<b>Total</b>	<b>6.9</b>	<b>6.1</b>	<b>5.3</b>	<b>6.7</b>	<b>6.2</b>

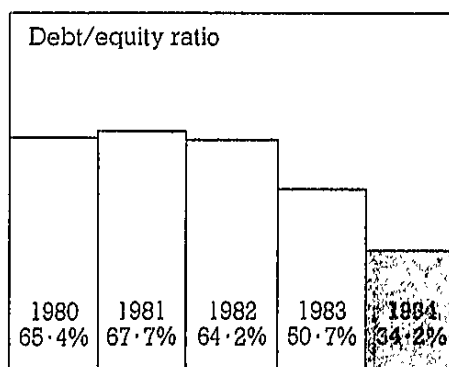
<b>Operating profit to operating assets</b>					
UK and Europe	22.0	18.1	12.7	10.7	12.2
USA, South Africa and others	9.3	7.6	8.6	20.9	29.6
<b>Total</b>	<b>19.8</b>	<b>14.7</b>	<b>11.4</b>	<b>14.1</b>	<b>16.6</b>



This is my first review as Group Chief Executive and it gives me considerable satisfaction to be able to report on yet another record performance by the group. The past year has been one of great significance in that a number of major strategic actions were taken which have changed and improved the group structure.

The main features of the year were the continuing improvement in the profits of the UK companies, supported by three strategic acquisitions, and the disposals of our structural steel stockholding business in the United States and the greater part of our interests in South Africa.

In the United States our stockholding business dealt with products not of our own manufacture and ceased to fit into our overall strategy. The South African domestic appliances industry, in which Defy was engaged, suffered from over-capacity, depressed consumer demand and competition from imports: for these reasons it was felt that rationalisation of the appliances industry was necessary and as a result we were able to sell our interest in Defy to the Tek Corporation of South Africa which is engaged in that same industry. The businesses sold had been performing badly, were operating in cyclical markets where it was difficult to see any improvement, and were both absorbing cash. Between them they accounted for over £3 million of the extraordinary items shown in the accounts.



A major improvement was achieved in the debt/equity ratio. The improvement arose from a combination of receipts from the divestment of overseas businesses, from the elimination of the heavy overdrafts in South Africa and from the continuing tight cash controls exercised throughout the group. The level of borrowings has often been commented on and it is pleasing to be able to report on this improvement. The effect of these changes will be a reduction in the group's interest charge and it is estimated that the annual savings will be in excess of £4 million.

Our actions over the years are now bearing fruit and it is encouraging to note that profits, earnings per share, return on operating assets, and the debt/equity ratio are all improving. We identified the changes taking place in the UK economy earlier than many other companies and concentrated on reducing costs whilst maintaining high quality, good design and service to the customer. Within our chosen business sectors we are frequently the lowest cost operator and we will continue to strive to sustain that position.

## REVIEW OF ACTIVITIES

### Consumer and building products division

	1984 £million	1983 £million
Turnover	78.1	74.8
Operating profit	7.0	6.0

Most of the units in this division strengthened their positions within their markets. Despite record levels of expenditure on consumer durables, the markets for many of the products of our own units were not particularly strong as the main emphasis for such expenditure continued to be on electrical goods. The number of new houses started during the year fell by 23,000 to 191,000, although house completions rose by 10,000. Housing repair, maintenance and improvement, on the other hand, were quite evidently buoyant: official figures point to a 5% rise, but this was probably distorted by changes in VAT regulations. Demand for consumer products was also affected by the dispute in the mining industry. In those units more associated with capital spending programmes, demand was steady.

**Aga-Rayburn** continued to expand the cooking sector of their business, with steady demand for Aga cookers and continued progress by the Rayburn Supreme. This is now available in both solid fuel and gas fired versions, with an oil burning model still to come. Solid fuel heating products were in less demand during the year; however, a new series of open fires and room heaters featuring the traditional appeal of cast iron was introduced and was well received in trade circles.

**Glynwed Foundries** continued to dominate their small, high-specification sector of the market for cast iron rainwater, soil and drain goods. Exports played an important role and were slightly higher than in the previous year. Timesaver soil and drain



## Group Chief Executive's Review

systems increased their market share and the range of couplings was expanded to emphasise, in the face of increased competition, our leadership in this field.

**Vogue Bathrooms** is the only remaining British manufacturer of cast iron baths, in a market which has been declining for many years. Great efforts have been made in recent years to improve efficiency and the profits in 1984, although modest, reflect this improvement.

**Falcon Catering** had another splendid year in which the well established 3-6-9 Series dominated sales in its sector of medium duty prime cooking equipment. The 360 Series consolidated its newly won position in the expanding fast food market, helped by the introduction of a second phase of products, primarily stands and base units. A progressive programme of development continues at the Larbert, Stirlingshire, factory to ensure the future growth of this business.

**Flavel-Leisure** suffered very considerably during 1984 from the introduction of 'slip-in' cookers by several competitors. In a market where 'fashion' plays at least as an important part as 'function', life cycles of cooker models are becoming ever shorter. Flavel-Leisure have frequently been beneficiaries from this trend; the Sable captured a substantial share of its market sector when introduced in 1982 and continues to sell well. The introduction of new models means that Flavel-Leisure will compete very effectively for market share. The new 'living flame' fires now being added to the range, under the brand name Broseley, fill an important gap in our range and we look forward to 1985 with confidence.

**Leisure**, the group's manufacturer of sinks and shower cabinets, experienced a good year with yet another improvement in sales and profits. The products of the business are subject to intense competition, particularly from imports, and Leisure has done well to maintain its market position and profitability.

Looking to the future, we believe that our product range, coupled with our record of commercial success, will enable us to expand our activities in the division. We are determined to extend our activities at home and abroad.

### Distribution division

	1984 £million	1983 £million
Turnover	28.1	26.0
Operating profit	0.7	0.3

Further progress was made during the year and with one exception, every unit improved its profit.

**Thames Bank Iron Co.**, the group's distributor of drainage products, had an excellent year with a marked improvement on the profits of 1983 helped by a strong export performance.

**MBS Distribution** increased its sales of fastenings and bearings and the trading results were slightly better than those of 1983. This unit has been through a difficult period of reorganisation and whilst profits are still not satisfactory the basis of current trading is sound. The specialist arms of MBS set up to deal in non-standard fastenings and bearings have firmly established themselves in their particular market niches and produced good profits.

**Glynwed Wholesale Chemists** outperformed their sector, which is a difficult one at present, due mainly to a creditable result by Rudge Roberts, Shrewsbury. Fylde Laboratories operated in a very competitive area, and unfortunately it became necessary to close this unit early in 1985.

### Engineering division

	1984 £million	1983 £million
Turnover	35.2	44.1
Operating profit	1.2	0.9

The Engineering division's performance during 1984 was considerably influenced by disputes in the UK in the automotive sector and in the coal mining industry, and by the loss-making French subsidiary. Export business and penetration of new markets has, however, balanced the UK market shortfall and has improved the division's performance over 1983.

Most of the division's business is mechanical engineering, the largest outlet being to the automotive industry. Mechanical engineering output in the UK decreased by 1% when compared with the previous year. Car production fell by 13% to 909,000 units, and commercial vehicle



production was 8% lower at 225,000 vehicles. The division's improvement in performance when compared with the previous year is a good illustration of the ability of management to operate profitably in markets which at first sight seem very difficult.

**Glynwed Fastenings** makes high tensile and special bolts and studs. Automotive sector disputes, excess capacity within the fastenings industry and low priced imports adversely affected profitability. Despite this, profit performance was well above the sector average. The unit structure is slim and well balanced and given a dispute-free period in the industry, considerable improvement will be seen.

Although directly affected by the miners' strike, **Cooper & Turner** performed particularly well showing the benefits of the rationalisation which took place early in the year. In July the assets of Prestwich Parker Fasteners were acquired, which enabled Cooper & Turner to supply products to new sectors of the market and expand its capacity in cold forged products. A further useful contribution came from sales of load indicating washers to the USA. Overall, the unit's profit performance was considerably better than in 1983.

**Steelway/Fensecure**, fabricators of steel flooring, stairways and security fencing, performed well, despite the lack of construction work in the UK. Continuing efforts to obtain export contracts were successful and the unit's performance improved substantially.

**Paul Fabrications** was also more profitable in 1984 than in the previous year. Aerospace and nuclear fuel industry business improved marginally over 1983, but this was partly off-set by flat markets for other products, especially vending units. Investment in high technology production processes has continued during 1984.

**Ductile Engineering** operates in the UK machine tool market, which remained depressed throughout 1984 and where imports continued to increase. However, useful orders were received for pipe bending machines and for sub-contract machining, enabling the unit to remain in profit.

**Tower Manufacturing** had another good year. Demand in the UK was very erratic, but excellent progress was made in developing export markets. Overall, the unit's cable clip business continued to provide a sound base for future growth and success.

**Ansell Jones and Company Limited**, lifting tackle manufacturers, made considerable progress in winning export orders, particularly in Europe and the Falklands. Although the traditional UK markets were slow, business did hold up and the year's performance was satisfactory.

Disputes in the automotive sector held back progress at **J Burns'** vehicle trim business. Investment has been made in a new process to produce high volume, high quality trim parts and considerable improvements will accrue from the new facilities if supported by a dispute-free automotive sector.

Continuing problems caused by the French economy again affected performance at **La Dauphinoise SA** during 1984. Demand for the company's fastenings, eyelets and rivets was insufficient, and steps were taken to reduce costs and to reorganise the manufacturing base, although our ability to implement the programme fully was hampered by the restrictive French labour laws. This will be a continuing theme in 1985. Profits will not be satisfactory until this drive for efficiency has been completed and there is an improvement in the French economy.

#### Steels division

	1984 £million	1983 £million
Turnover	139.0	111.0
Operating profit	10.7	7.1

Steels division had an excellent year. This was achieved when overall steel consumption in the UK was virtually unchanged and total steel deliveries were about 3% higher than in 1983. Our steel units, however, are not generally in the bulk product markets, and there were moderate improvements in the demand for the special engineering products which we produce and distribute. Black bar in straight lengths, black flats, bright bar, precision cold-rolled strip and stainless steel all found readier markets in 1984.

The hot rolling activities led by **George Gadd & Co** recorded good results. **Dudley Port Rolling Mills** has started to become a more cost effective operation, after substantial investment in the plant. **Ductile Hot Mill** and **Joseph Gillott & Sons** both had good years. At **W Wesson** profits continued to improve and a sizeable investment was made in a heat treatment plant. There are now three furnaces commissioned and these are already

## Group Chief Executive's Review

proving immensely valuable to a number of divisional units which are now able to provide a better service on heat treated bar.

The bright drawing plants at **Steel Parts**, **Longmore Brothers** and **W Wesson** all performed very well. Longmores in particular, in its first year in the group, has proved to be a valuable acquisition. It is useful as a customer of Gadd, Wesson and Dudley Port Rolling Mills and as a supplier to the distribution outlets of Macreadys.

**Macreadys** themselves had a most encouraging year, acting as an integral part of the division by providing an outlet for bright drawn steel products manufactured by units within the division. The divisional products, complemented by an extensive range of other steel products, enable a high standard of service to be maintained from warehouses in London, Rugby, Manchester and Newport (Gwent), and through a recently opened sales office at Wednesbury, West Midlands.

The cold rolling operations at **Stourbridge Rolling Mills** and **Ductile Cold Mill** continued to progress, with improvements in output and efficiency at both plants. Glynwed now has a significant share of the market for cold rolled products.

**Cashmores Stainless** achieved good results, largely influenced by cost reductions and a high market demand for stainless steel products.

Scrap reclamation at **Cashmores Scrap** also did extremely well, as a result of market shortages with consequent high margins. The state of the industry augurs well for the months ahead.

The two smaller processing operations, **Ductile Sections** and **Metalon Steels**, both returned acceptable results. At the same time they were both substantial consumers of the products made by other units in the division.

Margins at **Ductile Steel Stockists** and **JTP Steel Services** were under increasing pressure during the year. Corrective action has been taken at these coil stockholding operations, and 1985 results are expected to improve.

Turning to general matters, the quota system imposed by the European Commission continued to inhibit output in certain hot rolling operations. It is not yet clear when this system will finally end, but we are confident that our position is strong, and that we shall be able to benefit from a relaxation of the quota system. Meanwhile, the number of other private sector companies continued to diminish.

### Tubes & fittings division

	1984 £million	1983 £million
Turnover	99.0	95.3
Operating profit	9.9	9.1

Profits for the year were higher than for 1983. Most units in the division met fair, though variable, demand for their products.

Demand for the copper tube and fittings supplied by **Wednesbury Tube** started the year sluggishly. Consumers endeavouring to beat the introduction of VAT on home improvements gave a boost to the market in the second quarter and surprisingly demand continued through to the end of the year at a high level. Despite losing 17 days' production through an industrial dispute, market shares in traditional areas remained steady. New markets developed well, particularly copper tube for refrigeration, air conditioning and general engineering.

The sales of **Monmore Tubes'** zinc-coated and nylon-coated steel tubes, used mainly in the leisure industry, were aided by the excellent summer, giving an extended manufacturing season. Sales for both Flo-Coat and Spectra-Coat increased over last year, with Spectra-Coat recording its best year ever. Continued pressure on margins was experienced, particularly during the latter half of the year, but effective cost control measures enabled satisfactory trading results to be achieved.

Demand for **Newmans Tubes'** steel products generally improved during the year, and together with a cost reduction programme an improvement in trading results was achieved. This was against a background of over-capacity in the tube industry and constant pressure on margins.

Sales by **Tipper Brothers (Tubes)** decreased during the second half of the year, due mainly to the decline in requirements from the automotive trade. Cost savings were achieved by combining some functions of the Newmans and Tipper operations.

Demand from the petro-chemical industries for **Wask Engineering** fittings was disappointing, but a steadily increasing demand for the specialised products, used mainly in the gas industry, was responsible for improved results.

Stainless tube sales at **Corentry Tube Permatube** were better than in 1983 and trading results were satisfactory.



**A & D Tube Manipulations** improved its performance and achieved a profit after an intensive cost reduction programme.

**Durapipe** increased profitability during 1984, due mainly to export sales and the securing of large extrusion contracts. Significant development to expand the product range began during the year.

The growth in sales of electrofusion fittings for the gas industry at **Vulcathene** was well ahead of anticipated demand in the UK, with additional business coming from the Middle East. Sales of chemical waste systems were steady, but sales of custom moulded products declined, mainly influenced by a reduced requirement from the automotive markets.

**Nederlandse Autofitting Fabriek BV**, the Dutch horticultural sprinkler systems manufacturer, achieved improved results during the year.

**Townsend Rubber Products**, despite the disruption of relocating its manufacturing facility, maintained its profits. Good progress was made on injection moulding of synthetic rubber products and on the extension of its product range.

**Certex Limited** again improved its performance and profitability during the year and by improvements in tooling development produced a first class upgraded uPVC window frame which is attracting significant interest, particularly from specifiers.

We acquired assets of the business of Capper-Neill Plastics Ltd on the 9th April 1984 and the profits from the eight established branches of that business, which now trades as **Capper Plastics**, have been encouraging. A further branch in Glasgow was opened in the autumn and progress to date in the business as a whole exceeded expectations.

Although demand for some products was reduced by the miners' dispute, acceptable results were produced by our steel tube stockholding units.

#### Properties

**Glynwed Properties Limited** owns and manages the group's land and buildings in the UK which are occupied by group companies and various other tenants. For some time consideration had been given to ways of improving the return on property not occupied by group operating units and it was decided that this could be best accomplished through an association with an established property company. Accordingly, as announced on 28th February 1985, six properties, valued at

£4.3 million, were sold, for shares and for cash, to Raglan Property Trust PLC. The group will hold 28.9% of the share capital of Raglan and thus will be able to participate in the future development of these properties.

#### Defy Corporation (Pty) Limited

	1984 £million	1983 £million
Turnover	71.4	90.9
Operating profit	1.0	5.4

Economic conditions in South Africa deteriorated steadily throughout the year. Increasingly harsh measures to control consumer spending were imposed, with increases in personal taxation, an increase in general sales tax, and very high interest rates. Inevitably, demand for Defy's electric domestic appliances was very seriously affected. The markets for many consumer durable items in South Africa fell by more than a quarter during the course of the year.

Profits at Defy were badly affected by these circumstances. We are of the opinion that some of the changes which have led to this poor performance are irreversible, in particular the very heavy import penetration of the more open markets in Southern Africa by the world's appliance manufacturers. Accordingly, at the end of 1984, we agreed with our minority partner, South African General Electric Company (Pty) Limited, to sell the company to Tek Corporation, a subsidiary of the Federale Group, whilst at the same time retaining the foundry and pressings division and buying from our partner their minority interest in that division. The latter is now operated by a wholly owned subsidiary of the group, **Falkirk Industries (Pty) Ltd**.

The immediate effects on Glynwed will be to reduce the turnover of our South African operations to about a quarter of its previous level and to remove from the balance sheet a large local debt, which was attracting heavy interest charges.

**USA and Australia**

	1984 £million	1983 £million
Turnover	50.0	41.6
Operating profit	1.9	(0.4)

Our USA companies had a much improved trading year in 1984, although some were still affected by the weak capital goods market in the early part of the year and others by a slightly lower output of the construction industries towards the end of the year. The steel stockholding and fabrication businesses of **The Breman Steel Co Inc** were sold in July, apart from certain property and fixed assets which are subject to options exercisable by the purchasers of the businesses.

The engineering companies **Pandjiris Inc** and **Automation Service Equipment Inc** recovered from the previous year's deep recession in demand for capital equipment. Orders for Pandjiris's welding positioning equipment grew steadily towards the end of the year, but were not received in time to be reflected in the results of the year. Results at ASE improved towards the end of the year, after some low margin contracts for their automatic handling equipment had been completed.

**Plastimatic Inc** had another satisfactory year, although orders from the computer peripheral market slowed markedly towards the end of 1984.

**Cooper & Turner Inc** had a better year in both its load indicating washers and its Coalbrookdale stove businesses, and during the year transferred its operating base from Pittsburgh to the Philadelphia area in order to facilitate development from distribution into manufacture of load indicating washers. **Enfield Industrial Corp** continues to import all its products, plastic waste drainage and industrial piping systems, from group units in the UK and enjoyed another excellent year.

**Slecomh Plastic Pipe and Products Inc** was adversely affected by the slowdown in the housing market in the latter part of the year but still returned a relatively good profit and had some success in diversifying into new markets.

**Glynwed Australia Pty Limited** is a distributor of heating and cooking appliances which are mainly of group manufacture. There was a significant improvement in the Australian economy during the year and the results of the company were greatly improved over 1983.

**Outlook**

Much has been done in 1984 to re-structure the group and improve its profitable base. The majority of our many and diverse operations achieved very adequate returns on investment and during 1985 the process of re-structuring will continue in order to improve further the underlying profitability of the group. We believe that the policies we are pursuing will provide the group with enhanced prospects for 1985 and beyond.

**Our People**

The excellent results and achievements of the group over the past year have only been possible through the skill, involvement and commitment of our employees at all levels of the business and I should like to record my personal thanks to them on behalf of myself and my board colleagues for their contribution.

It is pleasing to report that the numbers employed in the UK during 1984 were relatively stable, although throughout the group the numbers employed were 20% fewer than at the end of 1983 as a result of the disposals in South Africa and the United States.



**Gareth Davies**  
Group Chief Executive



The directors of Glynwed International plc present their annual report, together with the accounts of the company, for the 52 weeks ended 29th December 1984. These will be submitted to members at the annual general meeting to be held at Headland House, New Coventry Road, Sheldon, Birmingham, at 12 noon on Wednesday 15th May 1985.

### Activities and business review

Glynwed International plc is the group holding company and the principal activities of its subsidiaries are shown on pages 32 to 34.

A review of the activities and prospects of the group and of the principal subsidiaries is given in the review of the Group Chief Executive on pages 7 to 12.

### Dividends and reserves

The earnings for the period after taxation, minority interests and preference dividends were £18.8 million (1983 £14.2 million). Extraordinary items amounted to £3.9 million (1983 £4.6 million extraordinary tax charge), leaving £14.9 million (1983 £9.6 million) available to the ordinary shareholders. An interim dividend of 3.25p per share was paid on 19th December 1984. The directors recommend a final dividend of 6.00p per share payable on 4th July 1985 making a total for the period of 9.25p per share (1983 7.85p per share).

After dividends of £7.7 million (1983 £6.6 million), £7.2 million (1983 £3.0 million) remains to be added to the retained profit.

No Current Cost Accounts are presented as the board is of the opinion that they do not justify the cost and time involved in their preparation.

### Capital of the company

#### Increase of share capital

At an extraordinary general meeting of the company held on 5th December 1984 the authorised capital of the company was increased from £29,624,541 to £31,300,408 by the creation of a further 6,703,468 ordinary shares of 25p each. The increase was in connection with the introduction of two Share Option Schemes, a Senior Executive Scheme and a Savings-Related Scheme.

#### Share allotment authorisation

Resolutions will be proposed at the annual general meeting to grant to the board, until the next following annual general meeting, authority and power to allot new securities under sections 14 and 18 of the Companies Act 1980.

### Shareholders

At 29th December 1984, ordinary shareholders totalled 13,005 (1983—14,223). Their holdings are analysed below:

Number of shares	% of shareholders	% of shares in issue
1—2,000	85.28	8.64
2,001—5,000	9.60	4.60
5,001—50,000	3.71	8.89
50,001—250,000	0.86	16.58
Over 250,000	0.55	61.29
	100.00	100.00

Notification has been received from Britannic Assurance Public Limited Company that it is interested in 5,270,000 ordinary shares (being 6.29% of the issued ordinary capital) of the company.

## Report of the Directors

### Directors

The members of your board at the date of this report are listed on page 2.

In accordance with the Articles of Association Mr G Davies and Mr JD Eccles retire by rotation and, being eligible, offer themselves for re-election. Mr G Davies has a service contract with the company expiring on 31st December 1989. Mr JD Eccles does not have a service contract with the company.

Mr W Garner, Chief Executive of Glynwed Steels Limited, retired on 9th January 1985 and Sir Denis Barnes has indicated his intention to retire from the board at the forthcoming annual general meeting. Mr FCW Whitehouse, Chief Executive of Glynwed Distribution Limited, left the group on 1st April 1985.

Mr JM Hill, as indicated in the company's 1983 Annual Report, retired on 31st March 1984.

### Directors' interests

The interests of the directors of the company at 29th December 1984 according to the register kept under section 29 of the Companies Act 1967 were:

		29th December 1984		31st December 1983	
		Sole beneficial owner	Family and other interests*	Sole beneficial owner	Family and other interests*
Ordinary shares of 25p each fully paid	Sir Leslie Fletcher	6,000	500	6,000	312
	G Davies	1,250	—	1,250	—
	W Garner	4,687	312	4,687	312
	DL Milne	1,000	—	1,000	—
	FCW Whitehouse	40,521	—	40,521	—
	JD Eccles	1,000	—	1,000	—
	Sir Denis Barnes	1,000	—	1,000	—
	EJ Pountain	2,000	—	2,000	—

\*Including non-beneficial trustee holdings

Additionally Mr G Davies and Mr DL Milne have been granted options to acquire 150,000 and 100,000 ordinary shares respectively under the Glynwed International Senior Executive Share Option Scheme.

The company has not been notified of any change in the above interests since 29th December 1984.

The directors had no interests in any contract with group companies with the exception of service contracts.

### Fixed assets

Details of the movement in the tangible fixed assets of the group are given in note 13 on page 26.

### Acquisitions and disposals

In January Longmore Brothers Limited was acquired for £2.5 million. In April assets of Capper-Neill Plastics Limited were purchased from its receiver for £1.4 million and in July the assets of Prestwich Parker (Fasteners) Limited were purchased for £0.3 million.

In July the group sold the United States steel service centre and fabrication businesses of The Berman Steel Co. Inc., for \$10.4 million (£9.0 million). In December it sold its 74.19% interest in its South African subsidiary, Defy Corporation (Pty) Limited, but through a newly-formed subsidiary, Falkirk Industries (Pty) Limited, retained, and increased to 100%, its interest in the foundries and pressings division: the net proceeds included in these accounts from this transaction amount to R14 million (£6.1 million). The final proceeds have not yet been fully determined but are not expected to be significantly different from the above figures.

During March 1985 the group sold six properties to Raglan Property Trust PLC for £4.3 million. This was satisfied by the allotment to the group of 33,184,388 new ordinary shares of Raglan at 8½p per share and a cash payment of £1.4 million.

During the year a number of trading operations were closed, including Glynwed Overseas Limited and International Marketing Services, a related company in the United States. Early in 1985 Fylde Laboratories, a part of Glynwed Wholesale Chemists, was closed.



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**Research and development**

Product improvement is a continuous process. Research and development appropriate to the needs of the group's individual businesses is proceeding and such expenditure is written off in the period in which it is incurred.

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**Employees**

Recruitment policies are designed to ensure equal opportunity of employment, regardless of race or sex. Appropriate consideration has been given to disabled applicants in offering employment. The practice has continued of providing training, career development and promotion for disabled persons as the case warranted, and special attention has been given to the particular needs of individuals who became disabled whilst in employment.

Good communications and relations with employees have been maintained, mainly by practices developed in each operating unit compatible with its own particular circumstances. Senior Management were kept informed of group developments at meetings held to discuss the half year and annual results and at a short residential conference to review the group's business strategies. They were thus able to communicate, as appropriate, relevant information to management in the operating units.

All employees receive a copy of the Employees' Report, which gives a detailed explanation of the annual results and highlights specific events during the year.

In December it was agreed at an extraordinary general meeting to introduce, subject to Inland Revenue approval, a Savings-Related Share Option Scheme. All employees with five years' continuous service, and working a minimum of sixteen hours per week, will be eligible to participate, and the first invitations to subscribe for options under the Scheme will be issued this month.

Improvements were made during the year to the Glynwed Pension Schemes through the provision of death in service benefits for widowers and dependent children.

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**Political and charitable donations**

During the period the group gave £70,626 for charitable purposes, and £20,000 for political purposes to the Conservative Party.

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**Finance Act 1965 and capital gains tax**

The official price of Glynwed International plc ordinary shares on 6 April 1965, adjusted for the rights issue made in 1976, was 135.75p.

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**South Africa—EEC Code of Conduct**

A report has been made to the Department of Trade and Industry on Defy Corporation (Pty) Limited, in accordance with the requirements of the Government White Paper (Cmnd 7233), May 1978.

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**'Close' company status**

The company is not a 'close' company within the meaning of the Income and Corporation Taxes Act 1970.

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**Auditors**

A resolution to re-appoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

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By order of the board  
JC Blakeley  
Secretary

Birmingham  
4th April 1985



## Source and Distribution of Value Added

For the 52 weeks ended 29th December 1984      1984      1983  
£million      £million

Source of Value Added	1984	1983
Total turnover	514.1	487.2
Cost of materials and services used	(358.8)	(339.4)
<b>Total Value Added</b>	<b>155.3</b>	<b>147.8</b>

	£million	%	£million	%
<b>Distribution of Value Added</b>				
<b>Employees</b> — wages, salaries, pension and national insurance contributions and other employee costs	110.4	71.1	108.4	73.4
<b>Taxation</b> — UK and overseas	8.2	5.3	6.1	4.1
<b>Providers of capital</b>				
Interest payable on borrowings	8.8	5.7	8.4	5.7
Dividends to shareholders	7.8	5.0	6.7	4.5
Minority shareholders in subsidiaries	(0.6)	(0.4)	0.8	0.5
<b>Total cost of capital provided</b>	<b>16.0</b>	<b>10.3</b>	<b>15.9</b>	<b>10.7</b>
<b>Re-investment in the business</b>				
Depreciation	9.6	6.2	9.8	6.6
Profit retained	7.2	4.6	3.0	2.1
<b>Total re-invested</b>	<b>16.8</b>	<b>10.8</b>	<b>12.8</b>	<b>8.7</b>
<b>Extraordinary items (net)</b>	<b>3.9</b>	<b>2.5</b>	<b>4.6</b>	<b>3.1</b>
<b>Total Value Added</b>	<b>155.3</b>	<b>100.0</b>	<b>147.8</b>	<b>100.0</b>

## Source and Application of Funds



For the 52 weeks ended 29th December 1984

	1984 £million	1983 £million
<b>Funds generated</b>		
Group profit before tax	26.5	21.2
Adjustment for items not involving the movement of funds:		
Depreciation	9.6	9.8
Profit on sale of fixed assets	(0.3)	(1.8)
<b>Funds generated from operations</b>	<b>35.8</b>	<b>29.2</b>
<b>Funds from other sources</b>		
Disposal of fixed assets	1.8	11.1
Proceeds of sale of subsidiary companies	15.1	—
Borrowings eliminated on sale of subsidiary companies	18.8	—
Issue of shares	—	0.1
<b>Total funds from other sources</b>	<b>35.7</b>	<b>11.2</b>
<b>Total funds generated</b>	<b>71.5</b>	<b>40.4</b>
<b>(Increase)/decrease in working capital</b>		
Stocks	(16.9)	1.9
Debtors	(13.4)	(2.0)
Creditors	11.6	1.8
<b>Total (increase)/decrease in working capital</b>	<b>(18.7)</b>	<b>1.7</b>
<b>Net funds generated</b>	<b>52.8</b>	<b>42.1</b>
<b>Application of funds</b>		
Acquisition of fixed assets	(10.4)	(12.1)
Acquisition of subsidiary companies and other businesses	(4.2)	(1.5)
Purchase of investments	(0.2)	(1.1)
Dividends paid	(7.3)	(6.2)
Taxation paid	(3.6)	(4.9)
Currency translation movement	(4.3)	(1.0)
<b>Total application of funds</b>	<b>(30.0)</b>	<b>(26.8)</b>
<b>Increase in funds</b>	<b>22.8</b>	<b>15.3</b>
<b>Statement of borrowings (Note 19)</b>		
At 31st December 1983	62.9	78.2
At 29th December 1984	40.1	62.9
<b>Decrease in net borrowings</b>	<b>22.8</b>	<b>15.3</b>

The effects on the Source and Application of Funds of the disposal and acquisition of subsidiary companies and businesses are summarised below:

	1984 £million	1983 £million
<b>Movements on net assets</b>		
Fixed assets — tangible	5.6	(0.4)
— investments	3.4	—
Stocks	26.5	(0.6)
Debtors	14.2	(0.3)
Operating creditors	(13.5)	0.9
Loss on disposal/premium on acquisition of subsidiaries	(1.1)	(1.4)
Minority interest	(5.4)	0.3
<b>Net movements</b>	<b>29.7</b>	<b>(1.5)</b>
<b>Discharged by:</b>		
Cash received and receivable	15.1	—
Cash paid and payable	(4.2)	(1.1)
Borrowings eliminated	13.8	—
Borrowings forming part of acquisitions	—	(0.4)
<b>Net movements</b>	<b>29.7</b>	<b>(1.5)</b>

# Consolidated Profit and Loss Account

For the 52 weeks ended 29th December 1984

	Notes	1984 £million	1983 £million
<b>Turnover</b>			
Continuing businesses		434.7	392.8
Discontinued businesses*		79.4	94.4
<b>Total turnover</b>	2	514.1	487.2
<b>Net ordinary operating costs</b>			
Continuing businesses		(400.9)	(365.7)
Discontinued businesses*		(77.9)	(91.9)
<b>Total net ordinary operating costs</b>	3	(478.8)	(457.6)
<b>Operating profit</b>			
Continuing businesses		33.8	27.1
Discontinued businesses*		1.5	2.5
<b>Total operating profit</b>	2	35.3	29.6
Interest payable (net)	6	(8.8)	(8.4)
<b>Profit on ordinary activities before taxation</b>		26.5	21.2
Tax on profit on ordinary activities	7	(8.2)	(6.1)
<b>Profit on ordinary activities after taxation</b>		18.3	15.1
Minority interests		0.6	(0.8)
<b>Profit after taxation and minority interests</b>		18.9	14.3
Preference dividends	10	(0.1)	(0.1)
<b>Earnings for the period</b>		18.8	14.2
Ordinary dividends	10	(7.7)	(6.6)
Extraordinary items	8(a)	(3.9)	—
Extraordinary tax charge	8(b)	—	(4.6)
<b>Profit retained</b>	11 & 23	7.2	3.0
<b>Earnings per share</b> — net basis	12	22.45p	17.00p
— nil distribution basis		17.91p	15.52p

Notes on the accounts, pages 21 to 34.

\*Discontinued businesses are those businesses which ceased trading or which were sold.

# Consolidated Balance Sheet



1983  
million

29th December 1984

Notes

1984  
£million

1983  
£million

## Assets employed

### Fixed assets

Tangible assets

13

83.7

90.8

Investments

15

1.3

4.5

### Total fixed assets

85.0

95.3

### Current assets

Stocks

16

85.8

95.4

Debtors

17

99.6

100.4

Cash at bank and in hand

19

21.9

14.9

### Total current assets

207.3

210.7

### Creditors — amounts falling due within one year

Operating creditors

18

(104.3)

(96.5)

Short term borrowings

19

(9.9)

(23.4)

### Total amounts falling due within one year

(114.2)

(119.9)

### Net current assets

93.1

90.8

### Total assets less current liabilities

178.1

186.1

### Creditors — amounts falling due after more than one year

Operating creditors

18

(4.2)

(2.5)

Medium and long term borrowings

19

(52.1)

(54.4)

### Provisions for liabilities and charges

Taxation including deferred taxation

20

(4.6)

(5.3)

### Total net assets employed

117.2

123.9

## Capital and reserves and minority interests

### Capital and reserves

Ordinary shares

22

20.9

20.9

Preference shares

22

1.3

1.3

Called up share capital

22.2

22.2

22.2

Share premium account

23

21.4

21.4

Revaluation reserve

23

13.2

15.4

Other reserves

23

—

2.6

Profit and loss account

23

60.3

54.4

### Total capital and reserves

117.1

116.0

### Minority interests

0.1

7.9

### Total capital and reserves and minority interests

117.2

123.9

*L Fletcher*  
*G Davies*

**L Fletcher** Chairman

**G Davies** Group Chief Executive

Notes on the accounts, pages 21 to 34.

## Balance Sheet

29th December 1984

Notes

1984  
£million1983  
£million**Assets employed****Fixed assets**

Investments

15

175.4

186.6

**Current assets**

Debtors

17

11.0

5.0

Cash at bank and in hand

19

3.7

0.5

**Total current assets**

14.7

5.5

**Creditors — amounts falling due within one year**

Operating creditors

18

(9.9)

(8.4)

Short term borrowings

19

(38.1)

(49.7)

**Total amounts falling due within one year**

(48.0)

(58.1)

**Net current liabilities**

(33.3)

(52.6)

**Total assets less current liabilities**

142.1

134.0

**Creditors — amounts falling due after more than one year**

Taxation

18

—

(0.5)

Medium and long term borrowings

19

(51.4)

(50.8)

**Provisions for liabilities and charges**

Taxation including deferred taxation

20

(0.9)

(0.8)

**Total net assets employed**

89.8

81.9

**Capital and reserves****Capital and reserves**

Ordinary shares

22

20.9

20.9

Preference shares

22

1.3

1.3

Called up share capital

22.2

22.2

Share premium account

23

21.4

21.4

Other reserves

23

0.8

0.8

Profit and loss account

23

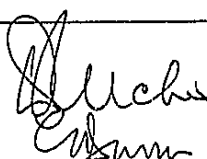
45.4

37.5

**Total capital and reserves**

89.8

81.9


**L Fletcher** Chairman**G Davies** Group Chief Executive

Notes on the accounts, pages 21 to 34.



## 1 Accounting policies

The following statements outline the main accounting policies of the group:

### Basis of accounting

The historical cost convention is used for the preparation of the accounts except where adjusted for revaluations of certain fixed assets

### Consolidation

The consolidated profit and loss account and balance sheet include the accounts of the parent company and all its subsidiaries made up to the end of the financial period. The profit and loss account also includes the results of subsidiaries acquired and sold during the period from or up to their effective date of acquisition or sale. The consolidated accounts also include the group's share of post-acquisition earnings and reserves of related companies.

### Acquisitions

Shares issued as consideration for the acquisition of companies are issued at the value placed on them in the relevant contract or offer document. Where no value is specified they are issued at par. Net tangible assets acquired are consolidated at a fair value to the group. Differences arising between the purchase consideration and the net tangible assets acquired are dealt with through reserves.

### Research and development

Research and development expenditure is written off in the year in which it is incurred.

### Foreign currencies

The results of overseas subsidiaries and assets and liabilities in foreign currencies are translated into sterling at the mid-market rates of exchange ruling at the close of the financial period. Exchange differences on switching currencies on multi-currency loans form part of interest costs.

### Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all appropriate production overheads and full provision has been made for obsolete and slow moving items.

### Depreciation

Tangible fixed assets are depreciated from the date of acquisition to the date of disposal.

Depreciation is calculated using the straight line method on the gross values of fixed assets after deduction of Government grants as follows:

- (i) Freehold buildings at 2% per annum.
- (ii) Leasehold land and buildings over 50 years or the period of the lease whichever is the less.
- (iii) Plant and machinery and fixtures, fittings, tools and equipment over a period of 4 to 10 years.

No depreciation is charged on freehold land or assets in course of construction.

### Deferred taxation

Provision is made for deferred taxation in respect of timing differences except where the liability is not expected to arise in the foreseeable future. The provision is calculated at the rates of taxation expected to apply when the provision is utilised.

## Notes on the Accounts

### 2 Principal activities

Turnover and operating profit by sub-group	Turnover		Operating profit	
	1984 £million	1983 £million	1984 £million	1983 £million
<b>United Kingdom and European operations</b>				
Consumer and building products	78.1	74.8	7.0	6.0
Distribution	28.1	26.0	0.7	0.3
Engineering	45.2	44.1	1.7	0.9
Steels	139.0	111.0	10.7	7.1
Tubes & fittings	99.0	95.3	9.9	9.1
Properties — group occupied	—	—	3.8	4.0
— external	1.3	0.8	0.4	0.3
Other operations	2.0	2.7	(0.6)	(0.6)
Central costs	—	—	(1.2)	(2.5)
<b>Total UK and European operations</b>	<b>392.7</b>	<b>354.7</b>	<b>32.4</b>	<b>24.6</b>
<b>Other overseas operations</b>				
South Africa	71.4	90.9	1.0	5.4
United States of America and Australia	50.0	41.6	1.9	(0.4)
<b>Total other overseas operations</b>	<b>121.4</b>	<b>132.5</b>	<b>2.9</b>	<b>5.0</b>
<b>Total turnover and operating profit</b>	<b>514.1</b>	<b>487.2</b>	<b>35.3</b>	<b>29.6</b>

Turnover by geographical area	1984		1983	
	£million	%	£million	%
Southern Africa	72.9	14.2	93.8	19.2
Europe	16.0	3.1	14.6	3.0
Middle East	9.2	1.8	7.9	1.6
Asia and Australasia	5.4	1.0	2.8	0.6
North and South America	54.0	10.5	43.3	8.9
<b>Total overseas</b>	<b>157.5</b>	<b>30.6</b>	<b>162.4</b>	<b>33.3</b>
<b>United Kingdom</b>	<b>356.6</b>	<b>69.4</b>	<b>324.8</b>	<b>66.7</b>
<b>Total turnover</b>	<b>514.1</b>	<b>100.0</b>	<b>487.2</b>	<b>100.0</b>

Sales value of direct exports from the United Kingdom during the year was **£31 million** (1983 £26 million).

The group is a supplier to many major United Kingdom companies, and its products form a part of their exports.

# Notes on the Accounts



## 3 Operating costs

	1984 £million	1983 £million
<b>Net ordinary operating costs</b>		
Raw materials and consumables	241.7	239.6
Staff costs (see note 5(b))	110.4	108.4
Other operating charges	79.1	72.9
Change in stocks of finished goods and work in progress	15.8	7.1
Own work capitalised	(0.5)	(1.0)
Other operating income	(8.1)	(7.2)
Other external charges	30.9	28.1
Depreciation and other amounts written off tangible fixed assets	9.6	9.8
Share of profits of related companies	(0.1)	(0.1)
<b>Total net ordinary operating costs</b>	<b>478.8</b>	<b>457.6</b>
Net ordinary operating costs include the following:		
<b>Hire of plant, equipment and vehicles</b>	<b>5.8</b>	<b>3.9</b>
<b>Auditors' remuneration</b>	<b>0.7</b>	<b>0.7</b>
<b>Profit on disposal of fixed assets</b>	<b>0.3</b>	<b>1.8</b>
Emoluments of directors of Glynwed International plc	£000	£000
As directors	70	31
As executives	330	411
Payment in connection with retirement from office	40	13
<b>Total directors' emoluments</b>	<b>430</b>	<b>455</b>

## 4 Directors' emoluments

Directors' emoluments disclosed in accordance with sections 6 and 7 of the Companies Act 1967, and excluding pension contributions, are as follows:

	1984 £	1983 £
Chairman	38,673	72,999
Highest paid director	63,455	—
Other directors:		
£		Number of directors
65,001 to 70,000	1	1
60,001 to 65,000	1	—
50,001 to 55,000	—	1
45,001 to 50,000	—	1
40,001 to 45,000	1	2
10,001 to 15,000	2	1
5,001 to 10,000	2	2
Up to 5,000	—	1



## Notes on the Accounts

### 5 Employee information

- (a) The average number of persons, including executive directors, employed by the group during the period is analysed below:

United Kingdom and Europe  
South Africa  
United States of America  
Other

**Total**

1984	1983
Number of employees	
9,923	9,985
3,601	4,065
384	495
11	10
<b>13,919</b>	<b>14,555</b>

- (b) Staff costs of above employees

Wages and salaries  
Social security costs  
Other pension costs

**Total**

£million	£million
95.2	94.1
7.5	7.3
7.7	7.0
<b>110.4</b>	<b>108.4</b>

- (c) The number of UK employees other than directors who received emoluments, excluding pension contributions, in excess of £30,000 is as follows:

£  
55,001 to £60,000  
45,001 to 50,000  
35,001 to 40,000  
30,001 to 35,000

Number of employees	
1	—
2	1
1	2
7	1

### 6 Interest payable (net)

#### Interest payable and similar charges

On loans wholly repayable within five years  
On all other loans

#### Total interest payable and similar charges

Less other interest receivable and similar income

**Interest payable (net)**

1984 £million	1983 £million
6.3	6.3
3.4	2.7
<b>9.7</b>	<b>9.0</b>
<b>0.9</b>	<b>0.6</b>
<b>8.8</b>	<b>8.4</b>

### 7 Taxation

On the profit of the period:

United Kingdom corporation tax at 46.25%  
Transfer from deferred taxation  
Advance corporation tax recoverable

United Kingdom taxation

Overseas taxation

Related companies

Taxation on the profit of the period

Previous year adjustments

**Total tax on profit on ordinary activities**

1984 £million	1983 £million
12.3	7.6
(0.7)	(0.8)
(3.8)	(1.2)
<b>7.8</b>	<b>5.6</b>
0.5	0.1
—	0.1
<b>8.3</b>	<b>5.8</b>
(0.1)	0.3
<b>8.2</b>	<b>6.1</b>



## 8 Extraordinary items

		1984 £million	1983 £million
(a)	Losses on disposals and termination costs of discontinued businesses	2.4	—
	Add: taxation applicable	1.5	—
	<b>Total extraordinary items</b>	<b>3.9</b>	<b>—</b>
(b)	Extraordinary tax charge resulting from the 1984 Finance Act	—	4.6

## 9 Profit for the period

Group profit after taxation, minority interests and extraordinary items for the period was £15.0 million (1983 £9.7 million). Glynwed International plc has taken advantage of section 149(5) of the Companies Act 1948 and has not included its own profit and loss statement in these accounts; its corresponding profit was £15.6 million (1983 £5.3 million).

## 10 Dividends

		1984 £million	1983 £million
	Preference dividends 5.425% (formerly 7.75%)	0.1	0.1
	Ordinary dividends:		
	Interim dividend paid of 3.25p per share (1983 2.45p)	2.7	2.1
	Proposed final dividend of 6.00p per share (1983 5.40p)	5.0	4.5
	<b>Total ordinary dividends of 9.25p per share (1983 7.85p)</b>	<b>7.7</b>	<b>6.6</b>

## 11 Profit retained

		1984 £million	1983 £million
	Glynwed International plc	7.8	(1.4)
	Subsidiary companies	(0.7)	4.5
	Related companies	0.1	(0.1)
	<b>Total profit retained</b>	<b>7.2</b>	<b>3.0</b>

## 12 Calculations of earnings per share

The calculations of earnings per ordinary share are based on the figures set out below and an average of 83.7 million ordinary shares of 25p each (1983: 83.7 million) in issue.

		1984 £million	1983 £million
	Profit after taxation	18.3	15.1
	Minority interests	0.6	(0.8)
	Preference dividends	(0.1)	(0.1)
	<b>Net basis</b>	<b>18.8</b>	<b>14.2</b>
	Advance corporation tax recoverable	(3.8)	(1.2)
	<b>Nil distribution basis</b>	<b>15.0</b>	<b>13.0</b>

## Notes on the Accounts

## 13 Tangible fixed assets

	Land and buildings			Plant and machinery	Fixtures, fittings, tools and equipment	1984 Total tangible fixed assets	1983 Total tangible fixed assets
	Freehold £million	Leasehold Long £million	Short £million	£million	£million	£million	£million
<b>Cost and valuation:</b>							
At 31st December 1983	50.2	6.5	1.2	80.1	19.8	157.8	159.6
Exchange adjustments	0.4	(1.0)	—	0.1	(0.5)	(1.0)	0.7
Businesses acquired	0.8	—	—	0.6	0.2	1.6	0.6
Additions at cost	1.1	—	—	5.3	4.0	10.4	12.1
Disposals	(1.1)	(3.2)	(0.6)	(0.6)	(5.3)	(15.8)	(12.4)
Transfer to property partnership	—	—	—	—	—	—	(2.8)
At 29th December 1984	51.4	2.3	0.6	80.5	18.2	153.0	157.8
Cost	10.0	—	0.2	78.4	17.9	106.5	110.3
Professional valuations:							
1982	5.2	—	—	0.2	—	5.4	5.4
1981	35.0	2.3	0.4	—	—	37.7	38.1
1978 and earlier	0.4	—	—	—	—	0.4	1.0
Directors valuations:							
1981	—	—	—	—	—	—	0.1
1970 and earlier	0.8	—	—	1.9	0.3	3.0	2.9
At 29th December 1984	51.4	2.3	0.6	80.5	18.2	153.0	157.8
<b>Accumulated depreciation:</b>							
At 31st December 1983	2.5	0.2	0.2	52.9	11.2	67.0	62.7
Exchange adjustments	—	—	—	0.1	(0.3)	(0.2)	0.1
Businesses acquired	—	—	—	—	—	—	0.2
Provision for the year	0.7	0.1	0.1	5.7	3.0	9.6	9.8
Disposals	(0.1)	(0.2)	(0.1)	(2.9)	(3.8)	(7.1)	(5.7)
Transfer to property partnership	—	—	—	—	—	—	(0.1)
At 29th December 1984	3.1	0.1	0.2	55.8	10.1	69.3	67.0
<b>Net book value:</b>							
At 29th December 1984	48.3	2.2	0.4	24.7	8.1	83.7	
At 31st December 1983	47.7	6.3	1.0	27.2	8.6		90.8

Included in the cost of tangible fixed assets is £1.8 million (1983: £1.6 million) in respect of assets in course of construction.

The historical cost of assets amounts to £143.8 million (1983: £147.4 million) and the accumulated depreciation thereon is £75.4 million (1983: £72.9 million), giving a net book value of £68.4 million (1983: £74.5 million).

## 14 Capital commitments

	Group	
	1984 £million	1983 £million
Authorised by the board but not contracted for	2.5	2.0
Contracted for but not provided in the accounts	1.9	2.7
<b>Total capital commitments</b>	<b>4.4</b>	<b>4.7</b>

Glynwed International plc had no capital commitments (1983: nil).



## 15 Investments

Group	Share of net assets £million	Goodwill/ (Discount) £million	Amounts due from related com- panies £million	Total £million
<b>Related companies</b>				
At 31st December 1983	4.0	(0.6)	1.0	4.4
Exchange adjustments	(0.9)	—	—	(0.9)
Share of profit	0.1	—	—	0.1
Disposals	(2.7)	1.0	(1.0)	(2.7)
At 29th December 1984	0.5	0.4	—	0.9
<b>Listed investments</b>				
Cost (market value at 29th December 1984 £0.5 million)				0.7
Provisions				(0.3)
<b>Total listed investments</b>				0.4
<b>Total investments</b>				
At 29th December 1984				1.3
At 31st December 1983				4.5

Glynwed International plc	Cost of shares £million	Pro- visions £million	subsi- di- aries £million	subsi- di- aries (to) £million	Total £million
<b>Subsidiaries</b>					
At 31st December 1983	75.9	(11.2)	173.2	(51.4)	186.5
Group transfers	1.7	5.7	—	(7.4)	—
Charge for period	—	(12.5)	—	—	(12.5)
Movements during period	—	—	21.6	(20.6)	1.0
At 29th December 1984	77.6	(18.0)	194.8	(79.4)	175.0
<b>Other investments</b>	0.8	(0.4)	—	—	0.4
<b>Total investments</b>					
At 29th December 1984	78.4	(18.4)	194.8	(79.4)	175.4
At 31st December 1983	76.4	(11.6)	173.2	(51.4)	186.6

## 16 Stocks

	1984 £million	1983 £million
Raw materials and consumables	26.7	29.8
Work in progress	15.6	15.9
Finished goods and goods for re-sale	43.5	49.7
<b>Total stocks</b>	85.8	95.4

## Notes on the Accounts

### 17 Debtors

	Group		Glynwed International plc	
	1984 £million	1983 £million	1984 £million	1983 £million
<b>Amounts falling due within one year</b>				
Trade debtors	89.7	94.3	—	—
Other debtors	6.8	2.6	—	—
Prepayments and accrued income	3.1	2.9	—	—
Taxation	—	0.6	3.9	—
<b>Total debtors falling due within one year</b>	<b>99.6</b>	<b>100.4</b>	<b>3.9</b>	<b>—</b>
<b>Amounts falling due after more than one year</b>				
Advance corporation tax	—	—	7.1	5.0
<b>Total debtors</b>	<b>99.6</b>	<b>100.4</b>	<b>11.0</b>	<b>5.0</b>

### 18 Creditors

	Group		Glynwed International plc	
	1984 £million	1983 £million	1984 £million	1983 £million
<b>Amounts falling due within one year</b>				
Trade creditors	67.4	66.7	—	—
Bills of exchange payable	0.5	0.5	—	—
Social security	1.3	1.4	—	—
Dividends payable	5.0	4.5	5.0	4.5
Accruals and deferred income	11.0	11.6	0.5	0.6
Taxation	7.2	2.8	3.4	2.8
Other	11.9	9.0	1.0	0.5
<b>Total operating creditors falling due within one year</b>	<b>104.3</b>	<b>96.5</b>	<b>9.9</b>	<b>8.4</b>
<b>Amounts falling due after more than one year - taxation</b>	<b>4.2</b>	<b>2.5</b>	<b>—</b>	<b>0.5</b>



## 19 Borrowings

### Group

#### Amounts falling due within one year

6% Debenture Stock 1979/84

6% Loan Stock 1983/85

Other

#### Total falling due within one year

#### Amounts falling due after more than one year

Wholly repayable within five years

6% Loan Stock 1983/85

Other

#### Total wholly repayable within five years

Repayable over more than five years

By instalments (average 11.2%)

(Instalments due after more than five years £6.4 million (1983: £7.3 million))

Other than by instalments

7.5% Debenture Stock 1989/94

10.75% Loan Stock 1994/99

Other (average 11.1%)

#### Total falling due over more than five years

#### Total falling due after one year

#### Total borrowings

#### Cash at bank and in hand

#### Total net borrowings

### Glynwed International plc

#### Amounts falling due within one year

6% Loan Stock 1983/85

Other

#### Total falling due within one year

#### Amounts falling due after more than one year

Wholly repayable within five years

6% Loan Stock 1983/85

Other

#### Total wholly repayable within five years

Repayable over more than five years

By instalments (average 11.2%)

(Instalments due after more than five years £6.4 million (1983: £7.3 million))

Other than by instalments

7.5% Debenture Stock 1989/94

10.75% Loan Stock 1994/99

Other (average 11.1%)

#### Total falling due over more than five years

#### Total falling due after one year

#### Total borrowings

#### Cash at bank and in hand

#### Total net borrowings

	Bank Unsecured £million	Other than bank Secured £million	Unsecured £million	1984 Total borrowings £million	Bank Unsecured £million	Other than bank Secured £million	Unsecured £million	1983 Total borrowings £million
<b>Group</b>								
<b>Amounts falling due within one year</b>								
6% Debenture Stock 1979/84	—	—	—	—	—	0.3	—	0.3
6% Loan Stock 1983/85	—	—	5.7	5.7	—	—	—	—
Other	2.6	0.7	0.9	4.2	22.2	0.5	0.4	23.1
<b>Total falling due within one year</b>	2.6	0.7	6.6	9.9	22.2	0.8	0.4	23.4
<b>Amounts falling due after more than one year</b>								
Wholly repayable within five years								
6% Loan Stock 1983/85	—	—	—	—	—	—	5.7	5.7
Other	19.6	—	0.3	19.9	19.2	0.5	1.6	21.2
<b>Total wholly repayable within five years</b>	19.6	—	0.3	19.9	19.2	0.5	7.2	26.9
Repayable over more than five years								
By instalments (average 11.2%)	16.0	—	—	16.0	12.3	0.1	—	12.4
(Instalments due after more than five years £6.4 million (1983: £7.3 million))								
Other than by instalments	—	2.5	—	2.5	—	2.6	—	2.6
7.5% Debenture Stock 1989/94	—	—	5.9	5.9	—	—	5.9	5.9
10.75% Loan Stock 1994/99	7.8	—	—	7.8	6.6	—	—	6.6
Other (average 11.1%)								
<b>Total falling due over more than five years</b>	23.8	2.5	5.9	32.2	18.9	2.7	5.9	27.5
<b>Total falling due after one year</b>	43.4	2.5	6.2	52.1	38.1	3.2	13.1	54.4
<b>Total borrowings</b>	46.0	3.2	12.8	62.0	60.3	4.0	13.5	77.8
<b>Cash at bank and in hand</b>				(21.9)				(14.9)
<b>Total net borrowings</b>				40.1				62.9
<b>Glynwed International plc</b>								
<b>Amounts falling due within one year</b>								
6% Loan Stock 1983/85	—	—	5.7	5.7	—	—	—	—
Other	32.4	—	—	32.4	49.7	—	—	49.7
<b>Total falling due within one year</b>	32.4	—	5.7	38.1	49.7	—	—	49.7
<b>Amounts falling due after more than one year</b>								
Wholly repayable within five years								
6% Loan Stock 1983/85	—	—	—	—	—	—	5.7	5.7
Other	19.2	—	—	19.2	18.2	—	—	18.2
<b>Total wholly repayable within five years</b>	19.2	—	—	19.2	18.2	—	5.7	23.9
Repayable over more than five years								
By instalments (average 11.2%)	16.0	—	—	16.0	12.2	—	—	12.2
(Instalments due after more than five years £6.4 million (1983: £7.3 million))								
Other than by instalments	—	2.5	—	2.5	—	2.6	—	2.6
7.5% Debenture Stock 1989/94	—	—	5.9	5.9	—	—	5.9	5.9
10.75% Loan Stock 1994/99	7.8	—	—	7.8	6.2	—	—	6.2
Other (average 11.1%)								
<b>Total falling due over more than five years</b>	23.8	2.5	5.9	32.2	18.4	2.6	5.9	26.9
<b>Total falling due after one year</b>	43.0	2.5	5.9	51.4	36.6	2.6	11.6	50.8
<b>Total borrowings</b>	75.4	2.5	11.6	89.5	86.3	2.6	11.6	100.5
<b>Cash at bank and in hand</b>				(3.7)				(0.5)
<b>Total net borrowings</b>				85.8				100.0

**19 Borrowings**  
(continued)

	Group		Glynwed International plc	
	1984	1983	1984	1983
	£million	£million	£million	£million
<b>Listed debt, bank and other borrowings</b>				
<b>Listed debt</b>				
6% Debenture Stock 1979/84	—	0.3	—	—
6% Loan Stock 1983/85	5.7	5.7	5.7	5.7
7.5% Debenture Stock 1989/94	2.5	2.6	2.5	2.6
10.75% Loan Stock 1994/99	5.9	5.9	5.9	5.9
<b>Total listed debt</b>	<b>14.1</b>	<b>14.5</b>	<b>14.1</b>	<b>14.2</b>
<b>Total other borrowings</b>	<b>1.9</b>	<b>3.0</b>	<b>—</b>	<b>—</b>
<b>Total listed debt and other borrowings</b>	<b>16.0</b>	<b>17.5</b>	<b>14.1</b>	<b>14.2</b>
<b>Total bank borrowings</b>	<b>46.0</b>	<b>60.3</b>	<b>75.4</b>	<b>86.3</b>
<b>Total borrowings</b>	<b>62.0</b>	<b>77.8</b>	<b>89.5</b>	<b>100.5</b>
<b>Cash at bank and in hand</b>	<b>(21.9)</b>	<b>(14.9)</b>	<b>(3.7)</b>	<b>(0.5)</b>
<b>Total net borrowings</b>	<b>40.1</b>	<b>62.9</b>	<b>85.8</b>	<b>100.0</b>

All loan capital is repayable at par at maturity.

**Analysis of maturity of borrowings**

	1984			1983		
	Bank	Other than bank	Total	Bank	Other than bank	Total
	£million	£million	£million	£million	£million	£million
<b>Group</b>						
Repayable after five years	14.2	8.3	22.5	13.6	8.5	22.1
Repayable between two and five years	24.0	0.3	24.3	22.7	0.7	23.4
Repayable between one and two years	5.2	0.1	5.3	1.8	7.1	8.9
<b>Total repayable after one year</b>	<b>43.4</b>	<b>8.7</b>	<b>52.1</b>	<b>38.1</b>	<b>16.3</b>	<b>54.4</b>
Repayable in one year or less	2.6	7.3	9.9	22.2	1.2	23.4
<b>Total borrowings</b>	<b>46.0</b>	<b>16.0</b>	<b>62.0</b>	<b>60.3</b>	<b>17.5</b>	<b>77.8</b>
<b>Glynwed International plc</b>						
Repayable after five years	14.2	8.4	22.6	13.6	8.5	22.0
Repayable between two and five years	23.6	—	23.6	22.0	—	22.0
Repayable between one and two years	5.2	—	5.2	1.1	5.7	6.8
<b>Total repayable after one year</b>	<b>43.0</b>	<b>8.4</b>	<b>51.4</b>	<b>36.6</b>	<b>14.2</b>	<b>50.8</b>
Repayable in one year or less	32.4	5.7	38.1	49.7	—	49.7
<b>Total borrowings</b>	<b>75.4</b>	<b>14.1</b>	<b>89.5</b>	<b>86.3</b>	<b>14.2</b>	<b>100.5</b>

The 7.5% Debenture Stock 1989/94 (including accrued interest) is secured by floating charges on the assets and undertakings of Glynwed International plc and certain of its wholly-owned subsidiaries. The sinking fund requirement has been satisfied to date by the purchase and cancellation of stock.

Subsidiaries' secured borrowings are secured on the property and assets of those subsidiaries.



## 20 Deferred taxation

The provision made in the accounts for deferred taxation, and the full potential liability, are set out below:

	1984		1983	
	Provision made £million	Full potential liability £million	Provision made £million	Full potential liability £million
Timing differences mainly between tax allowances and depreciation	4.3	12.9	11.8	12.6
Taxation losses carried forward	(0.2)	(0.2)	(0.2)	(0.6)
Advance corporation tax recoverable	—	(2.6)	(6.3)	(6.4)
Corporation tax payable if properties were disposed of at revalued amounts	—	4.8	—	4.9
<b>Total deferred taxation provisions</b>	<b>4.6</b>	<b>14.9</b>	<b>5.3</b>	<b>10.5</b>

The deferred taxation in the accounts of Glynwed International plc arises from short-term timing differences.

## 21 Contingent liabilities

The parent company has given a number of guarantees on behalf of subsidiaries: the relevant liabilities are included in the consolidated balance sheet.

## 22 Share capital

	Ordinary shares of 25p each		5.425% Cumulative preference shares of £1 each	
	1984	1983	1984	1983
Value	£million	£million	£million	£million
Authorised	30.0	28.3	1.3	1.3
Issued	20.9	20.9	1.3	1.3
Number	million	million	million	million
Authorised	120.0	113.3	1.3	1.3
Issued	83.7	83.7	1.3	1.3

Under the Glynwed International Senior Executive Share Option Scheme, at 29th December 1984 options had been granted and were outstanding, exercisable in the seven years to December 1994, in respect of 880,000 ordinary shares at 150p per share and 50,000 ordinary shares at 166p per share.



**23 Reserves**

	Share premium £million	Revalu- ation reserve £million	Other reserves £million	Goodwill on consoli- dation £million	Profit & loss account £million	Total £million
<b>Group</b>						
Balances at 31st December 1983	21.4	15.4	6.8	(4.2)	54.4	93.8
Exchange differences	—	(0.2)	(1.7)	—	(3.7)	(5.6)
Movement on goodwill	—	—	—	(0.5)	—	(0.5)
Goodwill written off	—	—	—	4.7	(4.7)	—
Movement on reserves	—	(2.0)	(5.1)	—	7.1	—
Profit retained	—	—	—	—	7.2	7.2
<b>Balances at 29th December 1984</b>	<b>21.4</b>	<b>13.2</b>	<b>—</b>	<b>—</b>	<b>60.3</b>	<b>94.9</b>
<b>Glynwed International plc</b>						
Balances at 31st December 1983	21.4	—	0.8	—	37.5	59.7
Exchange differences	—	—	—	—	0.1	0.1
Profit retained	—	—	—	—	7.8	7.8
<b>Balances at 29th December 1984</b>	<b>21.4</b>	<b>—</b>	<b>0.8</b>	<b>—</b>	<b>45.4</b>	<b>67.6</b>

In accordance with SSAP 20, exchange losses of £6.4 million (1983: £2.3 million) arising from the translation of foreign currency borrowings used to finance foreign currency investments, have been offset as reserve movements against exchange differences arising on the re-translation of the net investments.

**24 Trading subsidiaries  
and related companies**

The following is a list of the company's principal subsidiaries and related companies at 29th December 1984 which traded during the period, and a brief description of their activities.

The capital in each case consists wholly of ordinary shares or common stock (except where otherwise stated). The percentage of capital owned is stated in brackets, unless wholly owned.

**Subsidiaries**

**Registered in England and operating in the United Kingdom (except where stated)**

**Consumer and Building Products Division:****\*Glynwed Consumer & Building Products Limited†**

Aga-Rayburn — multi-fuel cooking and heating appliances.  
Falcon Catering — commercial and institutional catering equipment.  
Flavel-Leisure — gas cookers and fires.  
Leisure — sinks, basins and showers.  
Vogue Bathrooms — porcelain enamelled cast iron baths and shower trays.  
Glynwed Foundries — cast iron building products.  
Rawnsley Foundry Ltd† — ironmongery castings.

**Distribution Division:****\*Glynwed Distribution Limited**

MBS Distribution — fastenings, bearings and small tools.  
Oddball — special bearings.  
Oddbolt — non-standard fastenings.  
MBS Airmasters — air compressors and air tools.  
Thames Bank Iron Co — builders' castings.  
Rudge Roberts — wholesale chemists.

**Engineering Division:****\*Glynwed Engineering Limited**

Glynwed Fastenings — high tensile bolts, studs and special fastenings.  
Cooper & Turner — railway, structural and general engineering fastenings.  
Steelway/Fensecure — steel flooring, stairways, security fencing and fabrications.  
Ductile Engineering — machine tools.  
Paul Fabrications — high technology metal fabrications.  
J. Burns — automotive trim manufacturers.  
Tower Manufacturing — cable clips, masonry nails, rivets and consumer electronics.  
Ansell Jones and Company Limited — special lifting equipment.  
\*La Dauphinoise SA (France) — fastenings, eyelets and rivets.



## 24 Trading subsidiaries and related companies (continued)

### Steels Division:

#### \*Glynwed Steels Limited

Ductile Hot Mill — hot, re-rolled flat products.  
Dudley Port Rolling Mills — hot re-rollers.  
George Gadd & Co — steel re-rollers.  
W. Wesson — hot and cold finished steels.  
Steel Parts — cold finished steel.  
Joseph Gillott & Sons — steel re-rollers.  
Stourbridge Rolling Mills — cold rolled strip.  
Ductile Sections — cold formed light sections.  
Ductile Cold Mill — cold rolled strip.  
JTP Steel Services — steel processing.  
Ductile Steel Stockists — steel stockholder.  
Metalon Steels — electro-galvanisers.  
Macreadys — stockholders of carbon and alloy steels.  
Cashmores Stainless — stockholders and processors of stainless steel.  
Cashmores Scrap — scrap metals.  
Longmore Brothers Limited — bright drawn steels, steel conduit and precision tubes.

### Tubes & Fittings Division:

#### \*Glynwed Tubes & Fittings Limited

Wednesbury Tube — copper tubes and fittings.  
Coventry Tubes Permatube — welded stainless and nickel alloy tubes.  
Glynwed Castings and Stampings — non-ferrous foundries and machinists.  
Glynwed Plant — plant and toolmakers.  
Monmore Tubes — ERW, flo-coat and spectra-coat steel tube.  
Newmans Tubes — steel tube.  
Tipper Brothers (Tubes) — ERW steel tube.  
Abbey Tubes } stockists of ERW, cold drawn, seamless and structural  
Atlantic Tubes } steel tube.  
Olympic Tubestock }  
Tipper Bros (Fittings) — pipe fittings and flanges for gas, steam and water services.  
A & D Tube Manipulations — tube manipulations.  
Wask Engineering — pipe fittings and equipment for gas, oil and water industry.  
Vulcathene — chemical waste drainage and electrofusion pipework systems.  
Townsend Rubber Products — precision rubber mouldings  
Capper Plastics — distribution of thermoplastic pipework products.

#### \*Glynwed Thermoplastics Limited

Durapipe — thermoplastic pipework systems.  
Certex Limited — uPVC windows.  
Nederlandse Autofitting Fabriek BV (Holland)† — plastic mouldings and pipework systems.

### Corporate Services:

Glynwed Group Services Limited — management services.  
Glynwed Properties Limited — owner and manager of UK group land and buildings.  
Headland Insurance Limited (Bermuda) — insurance services.  
Quailon Information Services Limited (75%)† (formerly Mensa Computers Limited) — computer hardware and software systems.  
Thor Cryogenics Limited (91.6%) — cryogenic and electronic equipment.

### Incorporated and operating outside Europe

#### United States of America

\*Automation Service Equipment Inc — automated material handling systems.  
\*Cooper & Turner Inc — load indicating washers and multi-fuel cast iron stoves.  
\*Enfield Industrial Corp — thermoplastic pipework systems.  
\*Pandjiris Inc — automatic welding positioning systems.  
\*Plastimatic Inc — injection moulding of thermoplastic and thermosetting materials.  
\*Slocomb Plastic Pipe and Products Inc — plastic piping.

#### Australia

\*Glynwed Australia Pty Limited (Australia)† — stockists of group consumer products.

#### South Africa

\*Defy Corporation (Pty) Limited (74.19%)† — manufacturers and distributors of consumer durables (disposed of on 28th December 1984, apart from the foundries and pressings division which is now trading as Falkirk Industries (Pty) Limited†).

**24 Trading subsidiaries  
and related companies  
(continued)**

**Related Companies**

	Country of incorporation and operation	Total voting capital	% interest held
*Dauphinoise Thomson SA Manufacturers of thermostats	France	Frs 1m	50
Vulcathene South Africa (Pty) Ltd Distributors of plastic pipework systems	South Africa	R32,000	50
*Atcor Inc Manufacturers of decontamination systems for the electronics industry	U.S.A.	\$1,055,389	31.5

†Subsidiary companies not audited by Coopers & Lybrand. The aggregate assets of companies not audited by Coopers & Lybrand at 29th December 1984 amounted to 8.5% of the group's assets.

\*Investments held by subsidiaries of Glynwed International plc.

Glynwed International plc

**Auditors' Report**

**Auditors' Report to the members of Glynwed International public limited company**

We have audited the accounts on pages 17 to 34 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared under the historical cost convention modified as explained in the statement of accounting policies set out on page 21, give a true and fair view of the state of affairs of the company and the group at 29th December 1984 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 accounts do not contain the current cost accounts required by Statement of Standard Accounting Practice No. 16.

*Coopers & Lybrand*  
**Coopers & Lybrand**  
Chartered Accountants  
Birmingham  
4th April 1985

# Summary of Comparative Figures



## Trading results

	1984 £million	1983 £million	1982 £million	1981 £million	1980 £million
<b>Turnover</b>	<b>514.1</b>	487.2	444.3	368.1	356.2
<b>Operating profit</b>	<b>35.3</b>	29.6	23.7	24.3	22.2
Interest payable (net)	(8.8)	(8.4)	(10.0)	(5.7)	(6.1)
<b>Profit before taxation</b>	<b>26.5</b>	21.2	13.7	19.2	16.1
Taxation	(8.2)	(6.1)	(2.2)	(5.7)	(4.2)
<b>Profit after taxation</b>	<b>18.3</b>	15.1	11.5	13.5	11.9
Minority interests	0.6	(0.8)	(0.6)	(1.3)	(1.2)
Extraordinary items	(3.9)	(4.6)	(3.5)	—	(2.3)
Preference dividends	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Ordinary dividends	(7.7)	(6.6)	(6.2)	(4.8)	(4.8)
<b>Profit retained</b>	<b>7.2</b>	3.0	1.1	7.3	3.5

## Operating assets

Fixed assets	85.0	95.3	100.5	76.7	45.0
Stocks	85.8	95.4	96.8	87.9	77.9
Debtors less creditors	7.5	11.2	11.0	12.1	11.0
<b>Operating assets</b>	<b>178.3</b>	201.9	208.3	177.0	133.9
Taxation and dividends	(16.4)	(9.8)	(6.9)	(8.9)	(9.2)
Cash at bank and in hand less short term borrowings	12.0	(8.5)	(26.4)	(26.2)	(14.7)
<b>Net operating assets</b>	<b>173.9</b>	183.6	175.0	141.9	110.0

## Financed by

Ordinary shares	20.9	20.9	20.9	16.3	16.3
Reserves	94.9	93.8	92.5	74.7	52.4
<b>Ordinary share capital and reserves</b>	<b>115.8</b>	114.7	113.4	91.0	68.7
Preference shares	1.3	1.3	1.3	1.3	1.3
<b>Shareholders' funds</b>	<b>117.1</b>	116.0	114.7	92.3	70.0
Medium and long term indebtedness	52.1	54.4	51.8	41.0	34.0
Deferred taxation	4.6	5.3	1.4	1.7	1.4
Minority interests	0.1	7.9	7.1	6.9	4.6
<b>Total funds</b>	<b>173.9</b>	183.6	175.0	141.9	110.0

## Statistics

Operating profit to turnover	%	6.9	6.1	5.3	6.7	6.2
Operating profit to operating assets	%	19.8	14.7	11.4	14.1	16.6
Turnover to operating assets	x	2.9	2.4	2.1	2.1	2.7
Earnings per share — net basis	p	22.4	17.0	14.6	18.5	16.2
Ordinary dividend per share	p	9.25	7.85	7.35	7.35	7.35
Dividend cover	x	2.4	2.2	1.8	2.5	2.2
Interest cover	x	4.0	3.5	2.4	4.4	3.7
Debt/equity ratio	%	34.2	50.7	64.2	67.7	65.4
Net assets per ordinary share	p	138.3	137.3	135.5	139.4	105.2

## Notice of Meeting

**Notice is hereby given** that the forty fourth annual general meeting of Glynwed International public limited company will be held at Headland House, New Coventry Road, Sheldon, Birmingham, on Wednesday, 15th May 1985 at 12 noon to transact the following business:

- 1 To receive and adopt the annual report and accounts for the 52 weeks ended 29th December 1984.
- 2 To declare a final dividend.
- 3 To elect directors.
- 4 To reappoint Coopers & Lybrand as auditors under section 14(1) of the Companies Act 1976, and to authorise the directors to fix their remuneration.

5 To consider and, if thought fit, to pass:

(i) the following resolution as an ordinary resolution—

That the board be and it is hereby generally and unconditionally authorised to exercise all powers of the company to allot relevant securities (within the meaning of section 14 of the Companies Act 1980) up to an aggregate nominal amount of £6,978,889.25 provided that this authority shall expire on the date of the next annual general meeting of the company save that the company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the board may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired;

and, subject to the passing of the foregoing resolution,

(ii) the following resolution as a special resolution—

That

(a) the board be and it is hereby empowered pursuant to section 18 of the Companies Act 1980 to allot equity securities (within the meaning of section 17 of the Companies Act 1980) pursuant to the authority conferred by the previous resolution as if sub-section (1) of the said section 17 did not apply to any such allotment and

(b) the power hereby granted to the board shall be limited

(i) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them and

(ii) to the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal value of £1,395,778

and shall expire on the date of the next annual general meeting of the company save that the company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the board may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member.

By order of the board

JC Blakeley

Secretary

Birmingham

18th April 1985



#### Notes

1. A form of proxy accompanies the report and accounts and is for the use of shareholders who are unable to attend the meeting in person. This form should be completed, signed and returned so that it arrives at the office of the company's registrars not less than 48 hours before the time of the meeting. By signing and returning the form of proxy a shareholder will not be precluded from attending and voting in person should he subsequently find it possible to be present.
2. In accordance with the company's Continuing Obligations towards The Stock Exchange, London, the contracts of service of directors will be available for inspection at the company's registered office between 9.00 a.m. and 4.30 p.m. on any weekday (Saturday and public holidays excluded) from 19th April 1985 to 14th May 1985 inclusive, and at the place of the meeting for 15 minutes prior to the meeting and during the meeting.