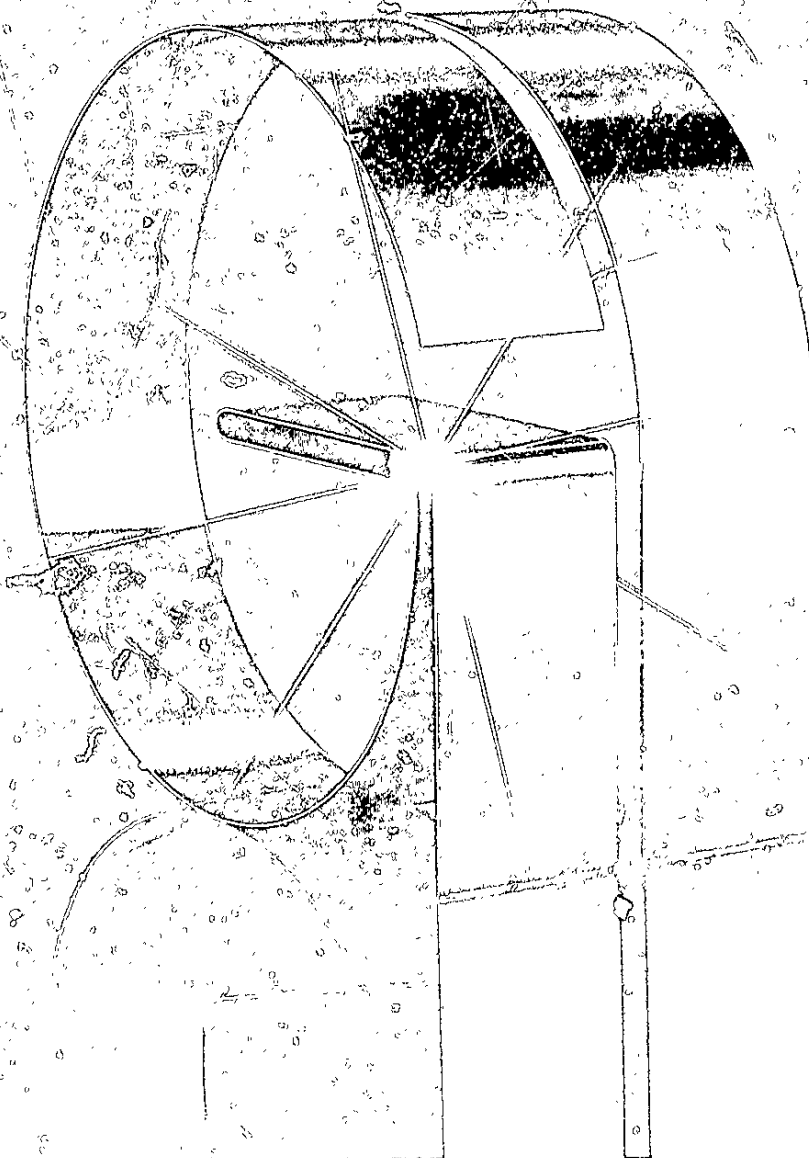


Glynwed International 1983



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Notice of Meeting

Notice is hereby given that the forty third annual general meeting of Glynwed International public limited company will be held at Headland House, New Coventry Road, Sheldon, Birmingham, on Wednesday, 6th June 1984 at 12 noon to transact the following business:

- 1 To receive and adopt the annual report and accounts for the 53 weeks ended 31st December 1983.
- 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 general and unconditional authority to allot relevant securities (within the meaning of section 14 of the Companies Act, 1980) up to an aggregate nominal amount of £7,406,134.75 as given to the Board at the Annual General Meeting of the Company held on 26th May 1983 and expiring on the date of this Annual General Meeting be and it is hereby renewed to expire on the date of the next Annual General Meeting of the Company provided 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 the limited power to allot equity securities (within the meaning of section 17 of the Companies Act, 1980) up to an aggregate nominal value of £1,416,667 as granted to the Board pursuant to section 18 of the Companies Act, 1980 at the Annual General Meeting of the Company held on 26th May 1983 and expiring on the date of this Annual General Meeting be and it is hereby renewed to expire on the date of the next Annual General Meeting of the Company provided 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
10th May 1984

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 listing agreement, companies which the company entered into with The Stock Exchange, London, the appropriate contracts of service of the 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 10th May 1984 to 6th June 1984 inclusive, and at the place of the meeting for 15 minutes prior to the meeting and during the meeting.



Annual general meeting	6th June
Final ordinary dividend payable	5th July
Half year end	30th June
Interim ordinary dividend payable	19th December
Preference dividend payable	30th June, 31st December
1984 year end	29th December

Interest payments (United Kingdom):	
7.5% debenture stock	6th June, 6th December
6% debenture stock (Ductile Steels Ltd)	30th June, 31st 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

	1983 £000	1982 £000
Turnover	487,198	444,301
Operating profit	29,622	23,735
Interest payable (net)	8,434	10,002
Profit before taxation	21,188	13,733
Earnings for the period	14,235	10,811
Ordinary dividends	6,573	6,153
Profit retained	3,000	1,128
Operating assets employed	192,164	201,436
Capital expenditure on tangible fixed assets	12,054	18,906
Depreciation	9,779	8,182
Earnings per ordinary share — net basis	17.00p	14.58p
— nil distribution basis	15.52p	19.49p
Dividends per ordinary share	7.85p	7.35p

Sir Leslie

Results and
Group profits
amounted to
with £13.733
deducting tax
interests then
million which
dividends, le
attributable to
£14.235 million

In the light of
Group, your
recommend a
per share (19
together with
make a total
compared with

The Year's
As I have already
for 1983 as a
Group, reflected
Ductile Steel
month

These results
contribution to
only a modest
African subsidiary
marked improvement
activity in the
companies concerned
The United Kingdom
benefits of the
been earned
financial and
three to four

Whilst there
the United Kingdom
nevertheless
several outside

The Consumer
division showed
advance, almost
particularly in
Aga and Ray
Vogue, where
were eradicated
division produced
1982 due in part
Integrated Steel
produced substantial
profits.

All in all, United
profits before
million to almost
Ductile contributed
across the various
the activities
1st January, 1983

Whilst most of
operations performed
in some cases
in the United Kingdom
nevertheless
stockholding
substantial increase
a planned restructure
which took place
market where
should however
profits from 5
achieved almost
company can
the acquisition
and at that time
down



Sir Leslie Fletcher reports

Results and Dividends

Group profits before taxation for 1983 amounted to £21.188 million compared with £13.733 million for 1982. After deducting taxation and minority interests there was a profit of £14.305 million which, after paying preference dividends, leaves earnings for the year attributable to ordinary shareholders of £14.235 million.

In the light of record profits for the Group, your directors have decided to recommend a final dividend of 5.40p per share (1982 4.90p per share) which together with the interim dividend will make a total of 7.85p per share for 1983 compared with 7.35p for 1982.

The Year's Activities

As I have already indicated the profits for 1983 are an all-time record for the Group, reflecting partly the inclusion of Ductile Steels' results for a full 12 months.

These results were achieved with no contribution from the United States and only a modest profit from our South African subsidiary, thus indicating the marked improvement in the level of activity in the United Kingdom companies compared with recent years. The United Kingdom figures reflect the benefits of the reorganisation which has been carried out at no little cost both in financial and human terms over the past three to four years.

Whilst there was an improvement in all the United Kingdom companies it would nevertheless be wrong not to refer to several outstanding achievements.

The Consumer and Building Products division showed a considerable advance, almost 50 per cent, particularly from the improvement in Aga and Rayburn appliances and at Vogue, where losses in cast iron baths were eradicated. The Engineering division produced a dramatic uplift in 1982 due in part to the elimination of Integrated Services, and Steels again produced substantially increased profits.

All in all, United Kingdom trading profits before interest rose some £7 million to almost £25 million. Of this, Ductile contributed some £4.7 million across the various divisions into which the activities of Ductile were placed on 1st January, 1983.

Whilst most of the United States operations performed adequately and in some cases benefited from the upturn in the United States economy, nevertheless the construction steel stockholding businesses made a substantial loss due, to a great extent, to a planned reduction of inventory levels which took place during the year in a market where prices were falling. I should however refer particularly to profits from Slocomb Plastic Pipe which achieved almost £500,000. This company came into the Group through the acquisition of Trapipe International and at that time was due to be closed down.

Defy Corporation continued to be under pressure as a result of the recession in South Africa, which was much affected by the drought which continued through the whole of 1983 and materially depressed the local economy.

However, the company maintained its profit at about the same level as 1982.

In concluding my review of the year's activities, I would draw your attention to the continuing reduction in the debt/equity ratio, which at the end of the year was approximately 50 per cent compared with 64 per cent at the end of 1982.

General

In common with most other United Kingdom companies we are very concerned at proposals emanating from the EEC on the subject of corporate management. Particularly there are two proposals which in their draft form run counter to United Kingdom established corporate structure.

The draft 5th Directive on Company Law and the draft Vredeling Directive seek to introduce into United Kingdom company legislation and commercial ethos, major and far-reaching changes which are alien to our well-established practices and which totally disregard the particular fabric of our institutions. We believe that the adoption of either in anything like their present form would have a profound and adverse effect on Board responsibilities, efficiency, competitiveness and industrial relations.

It is difficult to understand the need to impose such uniformity across all countries of the EEC and we shall continue to express our concern to the Government.

The full effects of the 1984 Budget will take some time to absorb but it would be right to record, not for the first time, our wish that the Government could see its way to set in train some major capital expenditure projects which would ensure a continuing level of turnover for British industry and would contribute towards a reduction in the unemployment figures.

There is, however, one aspect of the Budget which is directly unhelpful as far as the Group is concerned and that is the proposal to impose Value Added Tax on home improvements, which until now have been zero-rated. This proposal could have a far-reaching adverse effect on revitalising the major housing stock of the country and we must hope that the Department of the Environment will make strong representations to ameliorate this inevitable disincentive.

Furthermore, as far as the Budget is concerned, an extraordinary tax charge of £4.662 million has been made in the profit and loss account to provide for a full deferred tax liability because of the decrease in future capital allowances.

We shall continue to investigate investment opportunities both in the United Kingdom and overseas, thus ensuring an international spread of activities as a safeguard against setbacks in local economies. This programme, which we have been following for the last four years, has

enabled us to look to overseas profits to support our earnings, but I would say again that none of our overseas investments has inhibited any capital expenditure we have wished to make in the United Kingdom and no activities in which we are engaged in the United Kingdom have been removed to any of our overseas operations.

It seems to us vital to build up and retain this spread of investments in order to sustain the Group through difficult times in the United Kingdom and this has certainly been proved over the last few years.

Prospects

We are confident, certainly over the next few months, about the sustained level of activity in the United Kingdom and we are beginning to be hopeful that the United States will show a steady improvement through the year. In South Africa, however, it is too early to anticipate any improvement in 1984.

Board

First of all I would refer to the changes which took place at the end of 1983.

After 13 years as Executive Chairman of the Group I decided that in view of increasing commitments in other activities it was a proper time to hand over the executive management of the Group to Mr G Davies, the Deputy Chairman, who has been Group Managing Director since 1980. I am delighted that he is now Group Chief Executive and look forward to several more years of working in partnership with him.

Secondly on 31st March, 1984 we have seen the retirement of Mr JM Hill who has been with the Group for 45 years. His services over those years have been quite outstanding and of course for many years he has been Chief Executive of the Tubes and Fittings division. We shall miss his experience and contributions both at operational and at main board level. As a result of this retirement Mr DW Richardson has moved from being Chief Executive of our Engineering division to replace Mr Hill and we have appointed Mr T Forsythe as replacement for Mr Richardson.

Acknowledgements

It is with much appreciation that I congratulate all our employees for what they have done for the Group in 1983. In particular, they have contributed much to the success of the United Kingdom record whilst our overseas colleagues have worked long and hard coping with the difficulties in their own economic scenes.

Leslie Fletcher Chairman

1983 £000	1982 £000
187,198	444,301
29,622	23,735
8,434	10,002
21,188	13,733
14,235	10,811
6,573	6,153
3,000	1,128
192,164	201,436
12,054	18,906
9,779	8,182
17.00p	14.58p
15.52p	19.49p
7.85p	7.35p

Summary of Comparative Figures

Trading results

	1983 £000	1982 £000	1981 £000	1980 £000	1979 £000
Turnover	487,198	444,301	368,057	356,169	345,521
Operating profit	29,622	23,735	24,936	22,196	23,376
Interest payable (net)	8,434	10,002	5,704	6,068	4,701
Profit before taxation	21,188	13,733	19,232	16,128	18,675
Taxation	6,117	2,257	5,722	4,255	5,836
Profit after taxation	15,071	11,476	13,510	11,873	13,139
Minority interests	766	595	1,344	1,217	457
Extraordinary items	4,662	3,530	—	2,249	1,534
Preference dividends	70	70	70	70	70
Ordinary dividends	6,573	6,153	4,799	4,798	5,974
Profit retained	3,000	1,128	7,297	3,539	5,109

Assets employed

Fixed assets	95,295	100,527	76,710	45,015	43,386
Stocks	95,432	96,750	87,931	77,868	80,419
Debtors less operating creditors and mainstream taxation	1,437	4,159	3,498	1,808	(2,923)
Operating assets	192,164	201,436	168,139	124,691	120,882
Total short term borrowings less cash at bank and in hand	8,523	26,440	26,268	14,724	15,572
Net operating assets	183,641	174,996	141,871	109,967	105,310

Financed by

Ordinary shares	20,937	20,928	16,325	16,323	16,322
Reserves	93,839	92,463	74,689	52,346	51,765
Ordinary share capital and reserves	114,776	113,391	91,014	68,669	68,087
Preference shares	1,291	1,291	1,291	1,291	1,291
Shareholders funds	116,067	114,682	92,305	69,960	69,378
Medium and long term borrowings	54,367	51,776	40,924	34,018	29,254
Deferred taxation	5,350	1,376	1,719	1,407	3,308
Minority interests	7,857	7,162	6,923	4,582	3,370
Total funds	183,641	174,996	141,871	109,967	105,310

Statistics

Operating profit to turnover	% 6.1	5.3	6.7	6.2	6.7
Operating profit to operating assets	% 15.4	11.8	14.7	17.7	19.3
Turnover to operating assets	x 2.5	2.2	2.2	2.9	2.9
Earnings per share — net basis	p 17.0	14.6	18.5	16.2	19.3
Ordinary dividend per share	p 7.85	7.35	7.35	7.35	9.15
Dividend cover	x 2.2	1.8	2.5	2.2	2.1
Interest cover	x 3.5	2.4	4.4	3.7	5.0
Debt/equity ratio	% 50.7	64.2	67.7	65.4	61.6
Net assets per ordinary share	p 137.3	135.5	135.4	105.2	104.3

Directors and Officers



80 1979
00 £.00
59 345,521
96 23,376
98 4,701
99 18,675
95 5,536
73 13,139
17 452
19 1,534
70 70
98 5,974
99 5,109

5 43,386
98 80,419
98 (2,923)
01 120,882
94 15,572
97 105,310

3 16,322
6 51,765

9 68,087
1 1,291

0 69,378
8 29,254
7 3,308
2 3,370

7 105,310

6.7
19.3
2.9
19.3
9.15
2.1
5.0
61.6
104.3

Glynwed International public limited
company

Chairman
Sir Leslie Fletcher DSC FCA

Group Chief Executive
G Davies FCA *Deputy Chairman*

Executive Directors
W Garner
DL Milne CA *Finance Director*
FCW Whitehouse

Non-Executive Directors
JD Eccles *Vice-chairman*
Sir Denis Barnes KCB
EJ Pountain

Secretary
JC Blakeley MA

Auditors
Coopers & Lybrand
Chartered Accountants, Birmingham

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

Subsidiary operations — principal executive officers

United Kingdom Operations
W Garner *Chief Executive*
Steels
FCW Whitehouse *Chief Executive*
Distribution
T O'Neill *Chief Executive*
Consumer & Building Products
DW Richardson *Chief Executive*
Tubes & Fittings

Overseas Operations
RG Newby *Managing Director*
Defy Corporation (Pty) Ltd (South Africa)
RV Lawry *President*
Glynwed Inc (USA)

Corporate Services
WP Evans *Director of*
Personnel and Corporate Relations
MPK Beatty *Managing Director*
Glynwed Overseas Limited

Report of the Directors

The Directors of Glynwed International plc present their annual report, together with the accounts of the company for the 53 weeks ended 31st December 1983. These will be submitted to the members at the annual general meeting to be held at Headland House, New Coventry Road, Sheldon, Birmingham, at 12 noon on Wednesday 5th June 1984.

This is the first report based on the new UK operational structure referred to last year. The presentation of the accounts has been amended to comply with the requirements of the Companies Act 1981.

Economic Background and Outlook

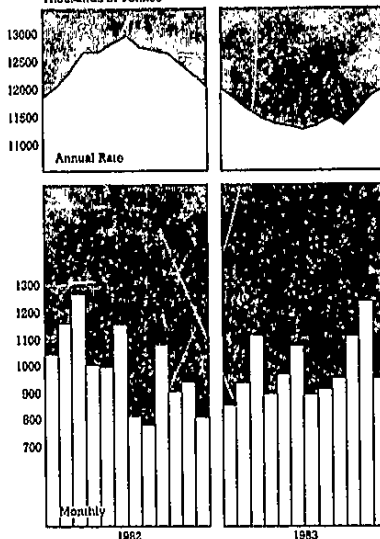
After three difficult years, moderate recovery was widespread in 1983. Real incomes grew and the proportions of incomes saved were reduced in much of the Western World. Interest rates were lower than for several years, though still high when compared to inflation, and the year was marked by a significant growth in consumers' expenditure.

In the UK many of the industrial sectors which serve consumer spending and housing moved ahead in 1983. This was particularly true of the durable goods, building products and automotive industries. There was no contribution to growth from rebuilding of inventories, and companies' cash positions improved markedly as a consequence. On the other hand, most of the industrial sectors which depend upon manufacturing investment or upon exports, other than oil, did not fare so well.

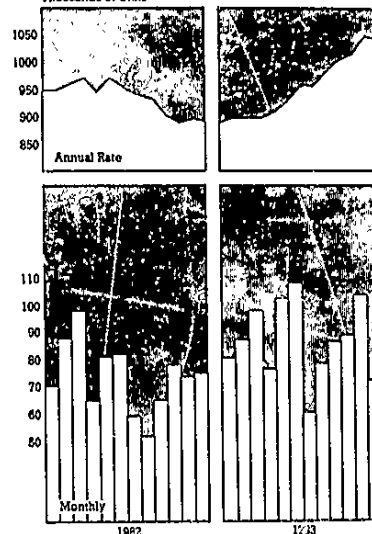
The consumer boom had started in the US in the previous year. In response to this, there was strong and consistent growth in output throughout 1983. The housing and motor industries were especially buoyant. The demand for investment did not pick up until the latter part of the year, when there was encouraging growth in firm orders.

Conditions were more difficult in South Africa. The very severe drought, the low gold price which affected the balance of payments, and the recession which occurred later in South Africa, and elsewhere, combined to cause the South African economy to contract. Once again, the consumer durables sector was less affected than other sectors directly damaged by the adverse conditions.

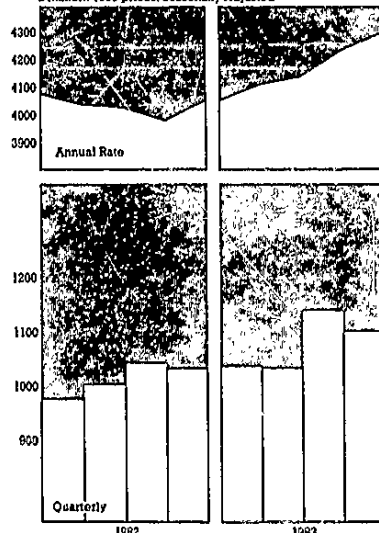
U.K. Net Finished Steel Deliveries
Thousands of Tonnes



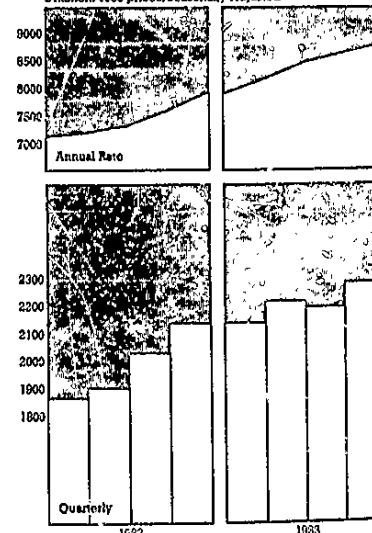
U.K. Passenger Car Production
Thousands of Units



Housing—Expenditure: Repair,
Maintenance and Improvement
£ million: 1980 prices: Seasonally Adjusted



U.K. Consumers' Expenditure—Durable
Household Goods
£ million: 1980 prices: Seasonally Adjusted



Group Results

The group results reported for 1983 are for the 53 weeks ended 31st December, 1983 (1982 52 weeks). The detailed accounts and notes are set out on pages 20 to 40.

In 1983 group sales amounted to £487.2 million compared with £444.3 million in 1982, an increase of 9.7%. Sales from the UK and European operations amounted to £354.7 million in 1983, compared to £304.8 million in 1982, an increase of 16.4%. Sales from the other overseas operations reduced to £132.5 million in 1983 from £139.5 million in 1982, a reduction of 5.0%. Direct exports from the UK increased from £22 million to £25 million.

The operating profit before interest for the year amounted to £29.622 million (1982 £23.735 million) and represented a return on operating assets employed of 15.4% (1982 11.8%). The related companies produced an overall profit of which the group's share amounted to £96,000 (1982 a loss of £16,000).

Interest charges of £8.434 million decreased by £1.568 million against the 1982 charge of £10.002 million.

The group profit before tax was £21.188 million (1982 £13.733 million). Turnover and profits by sub-group are shown under "Principal Activities" on page 26. The charge for taxation was £6.117 million, being 28.9% of the profit after interest. As a result of the changes to capital allowances indicated in the current Finance Bill, an extraordinary charge for deferred tax of £4.662 million has been made in the accounts.

Group profit after tax and minority interests amounted to £14.305 million (1982 £10.881 million). Apart from the deferred tax charge there were no extraordinary items in the year (1982 £3.530 million after taxation relief of £2.555 million).

After charging preference and proposed ordinary dividends, profit retained for the year was £3.0 million (1982 £1.128 million).

Finance and Working Capital

On page 21 a statement, which forms part of the accounts, sets out the source of the group's funds and how they were applied. The ratio of current assets to current liabilities stood at 1.7.

Net current assets were £90.834 million (1982 £74.469 million) representing 48.8% (1982 42.6%) of total assets less current liabilities.

The total group net borrowings, reduced by £15.326 million. Bank overdrafts and short term borrowings less cash, bank balances and short term deposits reduced by £17.917 million; medium and long term borrowings increased by £2.591 million. Full details of loan capital and borrowed money are

shown in note 18 on pages 33 to 35. The debt/equity ratio was 50.7% (1982 64.2%). During the year capital expenditure on fixed assets amounted to £12.054 million (1982 £18.906 million). The purchase of businesses for cash amounted to £0.757 million.

Operating and financial statistics for the past five years are set out in the "Summary of Comparative Figures" on page 6.

The statement of "Source and Distribution of Value Added" is set out on page 19.

Ordinary Dividend

A final dividend of 5.40p on the ordinary shares, which the annual general meeting will be asked to approve, will be payable on 5th July, 1984. This together with the interim dividend of 2.45p per share gives a total dividend of 7.85p per share.

Inflation Accounting

The group consolidated current cost accounts are shown on pages 38 to 40 and conform to the requirements set out in SSAP No. 16 issued by the Accounting Standards Committee.

Report of the Directors

CONSUMER AND BUILDING PRODUCTS DIVISION

Glynwed Consumer and Building Products Ltd

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, basins and
shower trays

Foundries
cast iron building products

All units traded profitably in market conditions which certainly indicated increased consumer demand generally but in which competition for market share was intense.

Aga-Rayburn found continuing growth of demand for its cooking products, with the Rayburn 'Supreme' making steady gains in its share of a market which it already leads. Demand for Aga products was good, and although sales of room heaters were disappointing those of the Coalbrookdale operation, now a part of the Aga-Rayburn division, helped achieve the overall objectives.

Falcon Catering had a very good year; with excellent products and a coherent and well tried distribution policy it built on the foundations of its consolidated manufacturing base to produce a splendid result. During the year Falcon developed and manufactured a complete new range of prime cooking equipment — Series 350 — which was very well received at Hotelympia 84.

Flavel-Leisure, as in recent years, introduced new models of cookers into a very competitive market place in which consumer electronics and home entertainment equipment diverted spending power to a very significant degree. The success with the new models and with some well established favourites was cause for satisfaction and the year's trading results were good. Throughout the year a major re-building programme continued in order to provide modern storage and handling facilities and to modernise the manufacturing areas. This programme is drawing to a close and its benefits will become evident.

At Leisure the investment of previous years in equipment and in the development of new sinks came through in trading results for the year. Increased direct consumer advertising and better exposure of its products at the point-of-sale played their part in improving sales of branded sinks. In the contract sector

the unit was also able to improve its market share and all these factors combined to produce a much improved overall performance.

The Vogue Bathrooms market for cast iron baths remains small by comparison with the levels of previous years but in 1983 Vogue gained a better share of this market. With clearer identification of market opportunities and a factory determined to support the sales effort the unit had a difficult but improving year.

Glynwed Foundries' export business has fallen from 40% of total sales to just under 10% over the last four years as capital spending in the Middle East particularly has slowed down in line with oil sales. Home sales, however, have improved and manufacturing costs have been reduced to produce a very acceptable trading result. Timesaver soil and drainage systems continue to gain acceptance by specifiers and a move back to cast iron products is detected, possibly as a result of extended experience of alternative materials. During the year the old rainwater plant was closed down and arrangements are being made to increase significantly pipe spinning capacity. Nevertheless export sales remain an important element of our business and we continue actively to progress our contacts overseas.

The Divisional Research and Development Centre, located at Solihull, was strengthened during the year both in qualified personnel and equipment. The Centre provides support to the on-site development teams in each unit and is leading the way in Computer Aided Design (CAD). The association of CAD with the material and production information control systems, now becoming increasingly established in all sites, is seen as the means of reducing product development times very significantly and optimising the use of materials, plant and equipment.

DISTRIBUTION

Glynwed

MBS Distributors
distributors of chains, sprockets

Oddbolt
Oddball
stocks of sp

MBS Airma
stocks of ai

Thames B
Thames Flow
carriage and

Rudge Ro
Fylde Lab
wholesale su

ENGINEERING

Glynwed

Glynwed
high tensile
pre-assemb
self-lecking
bought and h

Cooper &
high strength
washers riv
and constru
bolts and nu

Steelway
steel floorin
steel fabrica

Ductile E
power press
steel forgin
manipulatin

Paul Fab
precision w
for high tec

J Burns
automotive

Tower M
semi tubula
masonry na

Ansell, J
lifting tackl

La Daup
fastenings,

DISTRIBUTION DIVISION

Glynwed Distribution Ltd

MBS Distribution
distributors of fastenings, bearings,
chains, sprockets and adhesives

Oddbolt

Oddball
stockists of specialist fastenings and bearings

MBS Airmasters

stockists of air compressors and air tools

Thames Bank Iron Co

Thames Flow products and stockists of builders' castings and plumbers' requirements

Rudge Roberts

Fyde Laboratories
wholesale suppliers to retail chemists

During 1983 the Company finished the restructuring of its base and the Company is now soundly based and has good professional service techniques.

The Thames Bank Iron Co. operation had another excellent trading year and the installation of computer controls has given it a highly professional grasp of all its activities.

In MBS Distribution, results improved throughout the year, finishing with a sound position for the future. The control on cash was well maintained with a very satisfactory in-flow resulting from a significant reduction in working capital.

The newly created operations — Oddbolt and Oddball — performed well in their first full year and are both poised for early growth.

MBS Airmasters has been relocated and with its new computer based controls now has a sound foundation.

The wholesale chemists had a difficult year, partly as a result of government restrictions on their industry's margins.

ENGINEERING DIVISION

Glynwed Engineering Ltd

Glynwed Fastenings

high tensile bolts, paint clearing screws
pre-assembled screw and washer units
self-locking and prevailing torque bolts
bright and high tensile studs and 'U' bolts

Cooper & Turner

high strength friction grip bolts, load indicator washers, rivets, split cotter pins, railway, mining and construction bolts, standard and high tensile bolts and nuts

Steelway/Fensecure

steel flooring, steel stairways, steel hand rails, steel fabrications and security fencing

Ductile Engineering

power presses and specialised machinery, steel forgings, grey iron castings, tube and section manipulating machinery, machine tool hire

Paul Fabrications

precision welding and fabrication of sheet metal for high technology industries

J Burns

automotive trim manufacturers

Tower Manufacturing

semi tubular rivets
masonry nails and cable clips

Ansell, Jones & Co Ltd

lifting cable manufacturers

La Dauphinoise SA

lock washers, eyelets, rivets, push button fastenings

1983 saw the first year of the renamed Glynwed Engineering Ltd, which had been expanded to include those operations within the Group which by the nature of their markets and processes fitted naturally into the existing framework of the division. The division is sub-divided into three main groups, broadly described as Fastenings, Fabrication, and General Engineering.

The Fastenings group was subjected to two very different market conditions during 1983, with the automotive sector remaining buoyant throughout the year but the traditional black bolt, nationalised industry and distribution markets continuing to suffer from excess capacity, low prices and cheap imports. The activities of Yarwood Ingram were integrated with those of Glynwed Fastenings at Darlaston during the year and this has provided a much firmer base from which to develop a strong automotive sector supply position for the future. The transition took place with the least amount of disturbance to customers and to the business, a tribute to all concerned. Cooper & Turner had their worst trading year for some time as the direct result of market conditions, with the major problems occurring at the Sheffield unit. The Stourbridge unit was also affected by difficult market conditions, but nevertheless maintained a relatively good performance.

The Fabrication group had differing degrees of success, with Steelway benefiting from its amalgamation with the former Ductile business, Fensecure. This provided broader manufacturing and marketing bases which the year's results reflected. Paul Fabrications continued to suffer from the slow aerospace markets, but acquired a substantial contract for the nuclear fuels industry towards the end of 1983. Ductile Engineering, whose products are determined by the machine tool industry, went through some substantial rationalisation during 1983, which by the end of the year enabled them to improve their position substantially from the previous year.

The General Engineering group produced highly variable results. Tower Manufacturing remained strong in their traditional cable clip business; this, combined with improving technology in their rivet business and the increasing interest in their ioniser product, enabled them to enjoy a good trading year.

Equally, Ansell Jones, with improved market penetration and a sounder manufacturing base, enjoyed a better year than for some time.

J Burns benefited from a stronger automotive sector and, coupled with some significant reorganisation, produced a more positive result than during 1982, albeit substantially short of its capability.

La Dauphinoise SA suffered from the effects of deep recession in France, high inflation and interest charges at the highest level yet. Sales at 25% below their anticipated level brought about continuous short-time working, which was clearly reflected in their results.

STEELS DIVISION

Glynwed Steels Ltd

Ductile Hot Mill
hot rolled steel strip and design and supply of
furnace linings

Dudley Port Rolling Mills
rollers of steel and sections

George Gadd & Company
re-rollers of hot rolled steel, carbon and alloys

W Wesson
hot rolled steel strip, cold rolled flats, bright drawn
steel bars, rods and flats

Steel Parts
bright drawn steel bars and rods, hot forgings,
general press work

Joseph Gillott & Sons
re-rollers of hot rolled steel, carbon and alloys

Stourbridge Rolling Mills
cold rolled strip

Ductile Sections
cold formed light sections

Ductile Cold Mill
cold rolled steel strip

JTP Steel Services
stockholding and processing of non-prime steel

Ductile Steel Stockists
stockholding and processing of steel sheet

Metalon Steels
electro-galvanising of steel strip

Macreadys
stockholders of carbon and alloy bars in bright and
hot rolled steel

Cashmores Stainless
stockholders of stainless steel

Cashmores Scrap
scrap merchants

From a low level, business activity increased during the year confirming that the long drawn-out recession was easing. The largest influence on our steel production is the automotive sector, where car sales in the U.K. were the highest since 1979 with British producers taking 43% of the market. The extra demand for steel had a beneficial effect on most businesses in the division which, coupled with tight cost control, enabled the enlarged division to record good profits.

Hot Rolled Division. All units recorded good results with those of George Gadd & Company, W Wesson and Ductile Hot Mill being commendable. At Dudley Port Rolling Mills the range of special hot rolled sections was successfully increased and this significantly broadened the product range. ECSC quota restrictions continue to be a source of concern, but so far the division has surmounted the problems which have arisen.

Cold Rolled Division. The first half of 1983 was similar to the year before; thereafter demand surged, especially at Ductile Cold Mill where a number of major new accounts were secured. At Ductile Sections the introduction of the new cable tray product influenced the good profit record. Ductile Steel Stockists were hard pressed with subsidised competition making life difficult.

Stockholding & Scrap Division. Macreadys and Cashmores Scrap returned good results. Cashmores Scrap in particular returned its best result for several years as a result of improved prices and tight cost control.

TUBES AND

Glynwed Tubes Ltd

The Wednesbury Works
large perforated components

Coventry Tube Works
welded stainless steel

Glynwed Cold Rolled Tubes
non-ferrous metal
clampers and

Glynwed Hot Rolled Tubes
plant and tool

Monmore Tube Works
cold, hot-rolled

Newmans Tube Works
cold, hot-rolled

Tipperary Tube Works
cold, hot-rolled

Abbey Tube Works
cold, hot-rolled

Atlantic Tube Works
cold, hot-rolled

Olympic Tube Works
cold, hot-rolled

Tipperary Tube Works
cold, hot-rolled

A & D Tube Works
cold, hot-rolled

Waskett Tube Works
cold, hot-rolled

Glynwed Tube Works
cold, hot-rolled

Vulcan Tube Works
cold, hot-rolled

Certex Ltd
PVC window

Townsend
manufacture of
bonded acetate
polymers

Nederland
chemical waste
mouldings and

Austral
Glynwed
stockists of

CH

TUBES AND FITTINGS DIVISION

Glynwed Tubes & Fittings Ltd

The Wednesbury Tube Company
copper and brass and malleable iron heating components

Coventry Tubes Permatube
welded stainless steel and nickel alloy tubes

Glynwed Castings and Stampings
non-ferrous and light alloy castings, mechanical stampings and foundry plant manufacturers

Glynwed Plant
plant and toolmakers

Monmore Tubes
cold, fire-coat and spectra-coat steel tube

Newmans Tubes
cold, cold drawn welded and seamless steel tube

Tipper Bros (Tubes)
cold, perforated and clove steel tube

Abbey Tubes

Atlantic Tubes

Olympic Tube Stock
cold, cold drawn, seamless and structural steel tubes

Tipper Bros (Fittings)
manufacturers and factors of pipe fittings and flanges

A & D Tube Manipulations
tube manipulations

Wask Engineering
steel and malleable iron pipe fittings, malleable iron castings

Glynwed Thermoplastics Ltd (Durapipe)
manufacturers and distributors of thermoplastic industrial pipework systems

Vulcathene
chemical waste drainage systems, laboratory fittings, gas electrofusion fittings, injection mouldings and vacuum forming

Certex Ltd
uPVC window frame, door and profile extruders, fabricators and installers

Townsend Rubber Products
manufacturers of precision rubber mouldings bonded assemblies and rollers in a wide range of polymers

Nederlandse Autofitting Fabriek BV
chemical waste drainage systems, injection mouldings and commercial irrigation fittings

The division performed well during 1983 and an improvement in volume was apparent, although competitive pressures continued to weaken margins. Rationalisation of our malleable and tubular fittings interests was completed during the year, in addition to further reorganisation of the non-ferrous foundry activities. The rubber moulding and tube manipulation businesses were relocated with the consequent reduction in the number of sites occupied. Numbers employed in the division fell by 10% during the year, in line with our continuing policy of reducing product costs.

There was an improved demand for copper tube and fittings during the year. Although import volumes of plumbing tube rose, to some extent this was offset by an increase in the level of direct exports. Margins in this product sector remained under pressure throughout the year, with a noticeable deterioration in capillary fittings. During the year work continued on the installation of a horizontal casting facility at Walsley which is scheduled for commissioning early in 1984. This investment will help to improve quality as well as increase capacity and will substantially reduce costs. Copper prices, which opened the year at £926 per tonne, rose sharply during the early months, peaking in late May at around £1150 per tonne, as a result of Chinese buying. Prices began to fall in August, dropping to around £900 per tonne by early November and edged up for the balance of the year to close at £981 per tonne.

Overall results for welded stainless steel and nickel alloy tubes were more than satisfactory, although there was no noticeable improvement in demand.

Increased demand for our welded and coated steel tube products, coupled with a reduction in operating costs, led to an improvement in trading results, in spite of continued pressure on margins, which was particularly noticeable towards the end of the year. Further industry rationalisation and closures were announced during the year, which will no doubt be a continuing theme

when viewed against the background of over-capacity in the industry. Satisfactory progress was made in all our steel tube companies, with Monmore Tubes being worthy of specific mention.

A positive contribution was made by our stockholding units, with steady progress being made throughout the year.

The trading performance of Wask Engineering deteriorated as the previous year's results were favourably influenced by a major export contract, which was not repeated in 1983. Sales to the Gas Industry were in line with our expectations.

Improved home and overseas demand for industrial thermoplastic pressure pipework systems, together with a significant reduction in costs, produced commendable results. During the year we successfully launched the first phase of our new range of plastic valves

Development of gas electrofusion fittings continues and significant strides forward were made during the year under review, which clearly influenced the improved trading performance at Vulcathene. We are actively exploring other market opportunities for electrofusion fittings, not only in the United Kingdom, but also in the USA and in the EEC. Exports continue to be significant for this unit.

A notable turnaround in our trading performance in uPVC windows will give us a sound platform from which to take advantage of the future projected growth in this market sector.

A satisfactory performance from our rubber moulding interests was achieved and the results reflected not only the increased activity in the automotive industry, but also sales into new markets.

During the year the division produced a satisfactory cash flow and continued the policy of investing in both product and process technology in order to stay in the forefront of all the markets in which it is involved

AUSTRALIA

Glynwed Australia Pty Ltd
subsidiary of group consumer products

The recession that hit Australia in 1982 continued throughout most of 1983, resulting in reduced profitability for the company - all areas of the business were affected. The disastrous drought and floods early in the year also adversely affected sales to the key rural market. Significant events however were the introduction of Vogue Baths to the Australian market, and the move from its previous cramped premises to quarters that enable the company to unload its own containers, minimising costs and damage

Report of the Directors

UNITED STATES OF AMERICA

Automation Service Equipment Inc
design, manufacture and installation of
automated material handling systems

Cooper & Turner Inc
stockholders of load indicator washers, wood and coal
burning stoves

Enfield Industrial Corp
stockholders of chemical waste drainage systems and
industrial pressure piping systems

The Breman Steel Co Inc
Glynwed Metal Industries
stockholders of general steels
designers and fabricators of steel frameworks

The Pandjiris Weldment Company
designers and manufacturers of automatic welding
positioning systems

Plastimatic Inc
injection moulding of thermoplastic and
thermosetting materials

Slocomb Plastic Pipe and Products Inc
manufacture of ABS piping products for the
building industry

In 1983 there were mixed results from the USA. Companies based on the steel and industrial capital goods markets suffered from the recession whilst other sectors enjoyed a profitable year.

Automation Service Equipment Inc produced satisfactory results in spite of customer deferments of contracts and orders are now increasing. New proprietary products were introduced and significant progress has been made in moving into non-automotive markets.

Cooper & Turner Inc had a difficult year with a fall off in sales of load indicator washers. The new Severn multi-fuel burning stoves from the Coalbrookdale Works in Britain were well received by the trade and form a useful addition to the range of stoves.

Enfield Industrial Corp had an excellent year in its main chemical waste drainage systems business. On its industrial pressure piping systems side, market representation has been increased and a broader level of business was being achieved at the year end.

The Breman Steel Co Inc and Glynwed Metal Industries had a depressed year in an industry marked by low demand

and low prices. However, prices appear to have stabilised and improved results are expected for 1984.

The Pandjiris Weldment Company continued to suffer from the collapse in 1982 of the capital goods market, although the last quarter's trading showed an improving trend. A major export drive is underway, particularly in the Far East, and development work is being carried out on automated products appropriate for robotic systems.

Plastimatic Inc had a record year for both sales and profits, and business with the computer peripheral market was particularly buoyant. Although slower than expected, sales to Europe expanded and major improvements were made to the distribution systems. Investment in new plant and equipment led to a further improvement in productivity and quality.

Slocomb Plastic Pipe and Products Inc enjoyed an outstanding year, which followed from the increases in house building. Additional plant was commissioned and development work took place to break into markets other than the building market.

SOUTH AFRICA

Defy Corporation (Pty) Ltd
manufacturer and/or distributor of
electric and solid fuel stoves, microwave ovens,
refrigerators, washing machines, dishwashers,
tumble dryers, cast iron and steel baths, room and
central air conditioning (Major brand names: Defy,
General Electric, Hotpoint, Amana, Hitachi)

The South African economy continued to decline throughout 1983. By the end of the year the recession had lasted for nearly 30 months and forecasts for any noticeable impact of the next upturn were generally being extended to the end of 1984 as a result of the severe drought, the reduction in the price of gold and the slow recovery of the economies of South Africa's major trading partners. Gross domestic product declined by 3% in 1983 which followed 1982's decline of 1%. Interest rates remained high (overdraft 20% per annum at the year end) and consumer spending was weak throughout the year.

Defy's turnover, after adjusting for the disposal of the small appliance business at the end of 1982, decreased by 3% in 1983. Market share in the major product sectors was maintained notwithstanding the extremely competitive conditions as a result of the depressed market.

Volume production at the new refrigerator factory commenced in the first quarter and the new products built under a licence agreement with Zanussi Spa of Italy have been well accepted. A 25% interest in the factory was purchased in December 1983 by the South African subsidiary of Philips. The Defy factory is one of the most modern of its size in the world and this, together with the high quality of the products manufactured, were important factors for Philips in making their decision to invest. The introduction of Philips' products will have the effect of increasing factory throughput with consequent unit cost benefits.

The new electric melt furnace in the Foundry & Pressings division was successfully commissioned and has achieved the expected savings in material costs. However, lower demand for the products because of market conditions prevented full realisation of the benefits.

The Airconditioning division had a successful year notwithstanding severe competition from imports in the room airconditioning sector. However, margins suffered as a result of this and also from the liquidation of certain central airconditioning stocks to make way for the new product launched under a distributor agreement with Hitachi of Japan. The Hitachi product has been well accepted and is expected to make a significant profit contribution in the future.

The Kitchen Cabinet division achieved some noteworthy successes in the contract market where efforts are now being concentrated. Turnover is steadily improving and it is expected that this trend will continue.

During the year certain properties were sold and a profit amounting to £897,000 was realised. Details of this transaction are shown on page 18.

The major event on the industrial relations front was the signing of an agreement with a trade union at the Newcastle foundry. All major factories are now unionised and this evolutionary step provides workers and management with an effective forum for consultation and negotiation.

CORPORATE
Personnel a



CORPORATE SERVICES

Personnel and Corporate Relations

The numbers employed were further reduced during the year by 11.7% overall; the reductions were 10.2% in the UK, 17.5% in South Africa and 7.9% in the United States. Just over 900 employees were made redundant in the United Kingdom at a net cost of £1.3 million. Thirteen trading units in the United Kingdom had periods of short time working, the main incidence of which was in the period March to May. 1,530 employees were involved and assistance was obtained from the Government's Short Time Working Compensation Scheme.

Overseas employees accounted for 32% of the total employed at 31st December 1983, compared with 34% at 25th December 1982.

Industrial relations again remained stable throughout the year. There was only one strike, of 10 weeks' duration, in the toolroom of one of the companies. This involved a very small number of people and had little effect on production.

Sixty-two Youth Opportunity Scheme places providing six months work experience were completed in accordance with the Government's Youth Training Scheme in September 1983. The company supported the training centre created by Metcon Training at Dudley, West Midlands and provided eighty training places for young people. In addition, further places have been identified for work experience.

Forty-three scholarship awards, of which twenty were new awards, were made by the independent selection committee of the Glynwed Educational Scholarship Scheme. Seven award holders graduated from universities in 1983.

In addition to the selective use of management training courses at business schools, a new initiative was taken with the introduction of an internal five day residential management course. The first of these took place in October and it is planned that all directors and senior executives will progressively attend this programme in the next few years.

All applications for employment from disabled persons were given appropriate consideration and those recruited received training, career development and promotion as their case warranted. Special attention was given to the needs of any individuals who became disabled whilst in employment, including re-deployment if that was necessary and practicable.

The importance of good communications and relations with employees is recognised particularly in a Group as diverse as Glynwed International plc. The Group is organised on a decentralised basis and the management of each operating company is responsible for the development of employee participation practices in a manner which is compatible with its own particular needs.

Various actions have been taken to ensure that management are well informed and have the opportunity to participate in discussions on matters of general interest.

Regular half yearly meetings have been held of senior divisional directors to discuss the half year and annual results and meetings of all directors and senior executives likewise enable those attending to have a better appreciation of financial performance, progress and developments in the Group.

The annual Employees' Report gives all employees a detailed explanation of the annual results of the Group and the highlights of events during the year.

The organisation structure of the Glynwed Group in the United Kingdom, with relatively small individual operational units employing on average 185 people per unit, enables local management to establish and maintain a close working relationship with employees. Within each company, as appropriate, employees are provided with information relevant to the negotiation of terms and conditions, rationalisation and development of manufacturing facilities and development of products. During the last few years consultations have taken place in individual companies with employees and, as necessary, with trade unions aimed at informing them of the economic factors which affect the companies.

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Report of the Directors

CORPORATE SERVICES

Glynwed Overseas Ltd

Overseas market development continued on behalf of Group manufacturing companies. There has been an expansion in general trading and the provision of packages for overseas projects made up of Group and other complementary products.

Attention was again concentrated on the Middle East, which was the most important market area, but successes are now being achieved in East and West Africa. New markets are being developed in North Africa and Asia.

Capital of
company

Glynwed Properties Ltd

Glynwed Property Developments Ltd

Glynwed Properties Ltd owns and manages the Group's land and buildings in the UK which are occupied by Group companies and various other tenants.

During 1983 several construction projects were completed on behalf of Group companies, including a major warehouse development for Glynwed Consumer & Building Products Limited at Leamington Spa (Warwickshire). This high-bay, finished goods warehouse has been constructed on land acquired from the Local Authority adjacent to the factory and is linked to the production area by a high-level bridge crossing the access roadway.

A substantial extension was completed to one of our investment properties at Welham Green, Hatfield (Hertfordshire) and a start was made on the first phase of the refurbishment contract to the Audenshaw (Manchester) factory vacated by a Group company. The refurbishment of this very large industrial building will enable areas of the site and buildings to be sold or let in units with floor areas ranging from 1,500 sq.ft. (139 sq. metres) to 57,000 sq.ft. (5,295 sq. metres).

The extension of the roadway and service system was completed to the Express Trading Estate, Farnworth, near Bolton and the first package deal contract on the Estate, for a distribution and management centre was carried out.

During the year property sales in the United Kingdom totalled £1.706 million, resulting in a profit of £557,000.

Sharehold

Directors

Directors
interests



Capital of the company

Issues of share capital

An allotment was made during the year to certain holders of the company's 6% convertible unsecured loan stock of 34,408 ordinary shares of 25p each at 246.772p per share in response to elections made on 30th September 1983 in respect of the final conversion rights attaching to such stock.

Share option scheme

No options have been granted under the scheme since its approval in May 1973.

Share Allotment Authorisation

Resolutions will be proposed at the Annual General Meeting to renew, until the next following Annual General Meeting, the authority and power granted to the Board at the Annual General Meeting held on 26th May 1983 to allot new securities under sections 14 and 18 of the Companies Act, 1980.

Shareholders

At 31st December 1983, ordinary shareholders totalled 14,223 (1982—15,274) and these are analysed below:

Number of shares	% of shareholders	% of shares in issue
1—2,000	85.64	9.46
2,001—5,000	9.53	4.98
5,001—50,000	3.59	9.09
50,001—250,000	0.79	17.82
Over 250,000	0.45	58.65
	100.00	100.00

Notification has been received from Britannic Assurance Public Limited Company, under section 63 of the Companies Act, 1981, that it is interested in 3,220,000 ordinary shares (being 6.23% of the issued ordinary capital) of the company.

Directors

The members of your board at the date of this report are listed on page 7.

In accordance with the Articles of Association Mr W Garner and Mr DL Milne retire by rotation and, being eligible, offer themselves for re-election. As indicated in the Company's 1982 Annual Report, Mr R Sidaway retired from the Board at the Annual General Meeting held on 26th May 1983. Mr JM Hill, Chief Executive of Glynwed Tubes & Fittings Ltd, retired on 31st March 1984.

Mr W Garner has a service contract with the company expiring on 20th March 1985 and Mr DL Milne one expiring on 31st December 1986.

Directors' interests

The interests of the directors of the company at 31st December 1983 according to the register kept under Section 29 of the Companies Act 1967 were:

		31st December 1983		26th December 1982	
		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	312	6,000	312
	G Davies	1,250	—	1,250	—
	W Garner	4,687	312	4,687	312
	JM Hill	2,047	—	2,047	—
	DL Milne	1,000	—	—	—
	FCW Whitehouse	40,521	—	40,521	—
	JD Eccles	1,000	—	10,000	—
	Sir Denis Barnes	1,000	—	1,000	—
	EJ Pountain	2,000	—	1,250	—

*Including non beneficial trustee holdings

The company has not been notified of any change in the above holdings since 31st December 1983.

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

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Fixed assets

The movements of fixed assets are set out on page 90 and include £12.054 million for the purchase of new tangible fixed assets and £0.457 million (net) arising from the acquisition of new businesses. Certain properties in South Africa with a market value of Rands 13.350 million (£1.686 million) were disposed of during the year, partly for cash and partly in consideration for a share in a property partnership.

Acquisitions

During the year a 75% shareholding was obtained in Mensa Computers Ltd for £227,320 and a further investment was made in Thornton Group Holdings Ltd to bring the total Group holding in that company up to 92% at a total cost of £829,634, of which £529,634 was spent in 1983.

Two further acquisitions have been made since the date of the Balance Sheet. In January 1984 Longmore Brothers Ltd, a subsidiary of LCP Holdings plc, was purchased for £2.457 million, and in April the assets of Capper-Neill Plastics Ltd were purchased from its receiver for £1.4 million.

**Finance Act 1965
and capital gains tax**

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

**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, March 1978.

**Political and
charitable
contributions**

The group made contributions for the following purposes in 1983:

	£
Charitable	117,994
Educational	5,035
Political	25,000
	<hr/>
	148,029

The whole amount contributed for political purposes was paid to the Conservative Party.

'Close' company

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

Auditors

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

By order of the board
JC Blakeley
Secretary



Birmingham
11th April 1984

Source and Distribution of Value Added



For the 53 weeks ended 31st December 1983	1983 £000		1982 £000	
Source of Value Added				
Total turnover	487,198		444,301	
Cost of materials and services used	(339,420)		(310,604)	
Total Value Added	147,778		133,697	
	£000	%	£000	%
Distribution of Value Added				
Employees — wages, salaries, pension and national insurance contributions and other employee costs	108,436	73.4	101,745	76.1
Taxation — UK and overseas	6,003	4.1	2,226	1.7
Providers of capital				
Interest payable on borrowings	8,434	5.7	10,002	7.5
Dividends to shareholders	6,643	4.5	6,223	4.7
Minority shareholders in subsidiaries	766	0.5	595	0.4
Total cost of capital provided	15,843	10.7	16,820	12.6
Re-investment in the business				
Depreciation	9,779	6.6	8,182	6.1
Profit retained	3,055	2.1	1,194	0.9
Total re-invested	12,834	8.7	9,376	7.0
Extraordinary items (net)	4,662	3.1	3,530	2.6
Total Value Added	147,778	100.0	133,697	100.0

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Source and Application of Funds



For the 53 weeks ended 31st December 1983		1983 £000	1982 £000
Funds generated:			
Group profit before taxation		21,188	13,733
Depreciation		9,779	8,422
Funds generated from operations		30,967	22,155
Issue of shares		85	4,610
Disposal of fixed assets		9,375	2,083
Total funds generated		40,427	28,848
Application of funds:			
Acquisition of fixed assets		12,511	29,939
Investments		1,153	2,184
Working capital:			
Stocks		(1,318)	8,819
Debtors		2,248	12,501
Operating creditors		(2,645)	(13,819)
Dividends paid		6,223	5,321
Taxation paid		4,900	2,926
Extraordinary items before taxation		—	6,085
Premium/(discount) on acquisition of businesses		1,367	(15,166)
Other applications		662	1,082
Total funds applied		25,101	39,872
Increase/(decrease) in funds		15,326	(11,024)
Represented by changes in:			
Net liquid funds		17,917	(172)
Borrowings falling due after more than one year		(2,591)	(10,852)
Decrease/(increase) in net borrowings		15,326	(11,024)
Statement of net borrowings (Note 18)			
At 25th December 1982		78,216	67,192
At 31st December 1983		62,890	78,216
Decrease/(increase) in net borrowings		15,326	(11,024)

The effects on the Source and Application of Funds of the acquisition of new businesses are summarised below:

	1983 £000	1982 £000
Net assets acquired at date of acquisition		
Stocks	554	11,539
Debtors	315	17,925
Fixed assets	457	11,033
Net borrowings	(449)	(1,586)
Operating creditors	(937)	(12,099)
Taxation	—	(2,062)
Investment in related companies	—	3,187
Premium/(discount) on acquisition of businesses	1,367	(15,166)
Minority interest	(250)	—
Total consideration	1,057	12,771
Discharged by		
Issue of shares	—	4,602
Cash — current period	757	8,169
— previous year (related company investment)	300	—
Total consideration	1,057	12,771

Consolidated Profit and Loss Account

For the 53 weeks ended 31st December 1983	Notes	1983 £000	1982 £000
Turnover			
Home		324,273	277,177
Overseas		162,422	167,124
Total turnover	2	487,198	444,301
Net ordinary operating costs	3	(457,576)	(420,566)
Operating profit		29,622	23,735
Interest payable (net)	6	(8,434)	(10,002)
Profit on ordinary activities before taxation		21,188	13,733
Tax on profit on ordinary activities	7	(6,117)	(2,257)
Profit on ordinary activities after taxation		15,071	11,476
Minority interests		(766)	(595)
Profit after taxation and minority interests		14,305	10,881
Preference dividends	9	(70)	(70)
Earnings for the period	11	14,235	10,811
Ordinary dividend	9	(5,573)	(6,153)
Extraordinary items	8(a)	—	(3,530)
Extraordinary tax charge	8(b)	(4,662)	—
Profit retained	10 & 22	3,000	1,128
Earnings per share — net basis	11	17.00p	14.58p
— nil distribution basis		15.52p	19.49p

Notes on the accounts, pages 25 to 37.

Consolidated Balance Sheet



	1982 £000	Assets employed	31st December 1983	Notes	1983 £000	1982 £000
			Fixed assets			
			Tangible assets	12	90,810	96,875
			Investments	14	4,485	3,652
			Total fixed assets		95,295	100,527
			Current assets			
			Stocks	15	97,432	96,750
			Debtors	16	106,447	98,431
			Cash at bank and in hand		14,874	6,141
			Total current assets		210,753	201,372
			Creditors — amounts falling due within one year			
			Operating creditors	17	(96,522)	(94,322)
			Short term borrowings	18(a)	(23,397)	(20,581)
			Total creditors — amounts falling due within one year		(119,919)	(126,903)
			Net current assets		90,834	74,469
			Total assets less current liabilities		186,129	174,996
			Creditors — amounts falling due after more than one year			
			Taxation	17	(2,488)	—
			Medium and long term borrowings	18(a)	(54,362)	(51,776)
			Provisions for liabilities and charges			
			Taxation including deferred taxation	19	(5,350)	(1,376)
			Total net assets employed		123,924	121,844
			Capital and reserves and minority interests			
			Capital and reserves			
			Ordinary shares	21	20,937	20,928
			Preference shares	21	1,291	1,291
			Called up share capital		22,228	22,219
			Share premium account	22	21,448	21,372
			Revaluation reserve	22	15,336	18,949
			Other reserves	22	2,583	2,800
			Profit and loss account	22	54,422	49,342
			Total capital and reserves		116,037	114,682
			Minority interests		7,857	7,162
			Total capital and reserves and minority interests		123,924	121,844

L Fletcher Chairman

G Davies Group Chief Executive

Notes on the accounts, pages 25 to 37.

Balance Sheet

Assets employed

31st December 1983

	Notes	1983 £000	1982 £000
Fixed assets			
Investments	14	186,594	186,108
Current assets			
Debtors	16	4,999	1,184
Cash at bank and in hand		520	226
Total current assets		5,519	1,410
Creditors — amounts falling due within one year			
Operating creditors	17	(8,415)	(7,736)
Short term borrowings	18(a)	(49,713)	(47,373)
Total creditors — amounts falling due within one year		(58,128)	(55,109)
Net current liabilities		(52,609)	(53,699)
Total assets less current liabilities		133,985	132,409
Creditors — amounts falling due after more than one year			
Taxation	17	(437)	(556)
Medium and long term borrowings	18(a)	(50,816)	(48,134)
Provisions for liabilities and charges			
Taxation including deferred taxation	19	(806)	(322)
Total net assets employed		81,926	83,095

Capital and reserves

Capital and reserves

Ordinary shares	21	20,937	20,928
Preference shares	21	1,291	1,291
Called up share capital		22,228	22,219
Share premium account	22	21,448	21,372
Other reserves	22	838	838
Profit and loss account	22	37,412	38,600
Total capital and reserves		81,926	83,095

I Fletcher Chairman

G Davies Group Chief Executive

Notes on the accounts, pages 25 to 37

Notes on the Accounts



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.

In accordance with Section 149(5) of the Companies Act 1948, a separate profit and loss account for Glynwed International plc is not presented.

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. If net tangible assets acquired exceed the purchase consideration, the difference is deducted from goodwill arising on consolidation. Goodwill arising on consolidation is set against reserves.

Research and development

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

Foreign currencies

The accounts 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. Differences arising from changes in exchange rates are taken to reserve where they arise on capital items. Exchange differences on revenue transactions are reflected in the profits of the 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:

- Freehold buildings at 2% per annum.
- Leasehold land and buildings over 50 years or the period of the lease whichever is the less
- 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.

1982
1981

188,108

1,184

226

1,410

(7,736)

(47,373)

(58,109)

(53,699)

132,409

(588)

(48,434)

(322)

83,093

20,928

1,291

22,219

21,372

838

33,605

83,635

Notes on the Accounts

2 Principal activities

Turnover and operating profit by sub-group	Turnover		Profit	
	1983 £000	1982 £000	1983 £000	1982 £000
United Kingdom and European operations				
Consumer and building products	75,446	69,752	6,195	4,323
Distribution	26,213	26,841	393	(319)
Engineering	44,468	47,098	1,185	275
Steels	112,496	86,950	7,493	5,284
Tubes and fittings	96,085	74,194	9,397	8,315
Total UK and European operations	354,708	304,835	24,663	17,678
Other overseas operations				
Household and industrial appliances	80,873	98,728	5,406	5,545
Steel and engineering	41,617	40,738	(447)	312
Total other overseas operations	132,490	139,466	4,959	5,857
Total turnover and operating profit	487,198	444,301	29,622	23,735

Turnover by geographical area	1983		1982	
	£000	%	£000	%
Southern Africa	93,762	19.2	101,045	22.8
Europe	14,629	3.0	13,952	3.1
Middle East	7,869	1.6	8,751	2.0
Asia and Australasia	2,834	0.6	2,423	0.5
North and South America	43,328	8.9	40,953	9.2
Total overseas	162,422	33.3	167,124	37.6
United Kingdom	324,776	66.7	277,177	62.4
Total turnover	487,198	100.0	444,301	100.0

Sales value of direct exports from the United Kingdom during the period was £25 million (1982 £22 million).

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

3 Oper

4 Direc
emolu

Profit	1982	1983
£000	£000	£000
	4,323	(319)
	276	5,284
	8,315	17,878
	5,545	312
	5,857	23,735

1982	%
22.8	3.1
2.0	0.6
9.2	37.6
62.4	100.0

was £25
to products

3 Operating costs

	1983 £000	1982 £000
Net ordinary operating costs		
Raw materials and consumables	239,568	218,964
Staff costs (see note 5(b))	108,436	101,745
Other operating charges	72,924	66,845
Change in stocks of finished goods and work-in-progress	7,061	5,201
Own work capitalised	(985)	(462)
Other operating income	(7,202)	(4,399)
Other external charges	28,091	24,474
Depreciation and other amounts written off tangible fixed assets	9,779	8,182
Share of (profits)/losses of related companies	(96)	16
Total net ordinary operating costs	457,576	420,566
Net ordinary operating costs include the following:		
Hire of plant, equipment and vehicles	3,892	2,784
Auditors remuneration	699	624
Emoluments of directors of Glynwed International plc		
As directors	31	27
As executives	411	396
Payment in connection with retirement from office	13	—
Total directors emoluments	455	423
Profit on disposal of properties	1,414	335

4 Directors' emoluments

The emoluments of the chairman and the number of directors whose emoluments fall within the following scales are stated below:

Chairman

1983 £72,999 (1982 £69,771)

Other directors:

£	Number of directors	
	1983	1982
65,001 to 70,000	1	1
50,001 to 65,000	1	—
45,001 to 50,000	1	1
40,001 to 45,000	2	2
35,001 to 40,000	—	1
10,001 to 15,000	1	—
5,001 to 10,000	2	3
Up to 5,000	1	1

Emoluments, for the purpose of this note, exclude pension contributions.

Notes on the Accounts

5 Employee information

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

	1983	1982
	Number of employees	
United Kingdom and EEC countries	9,985	11,228
South Africa	4,065	4,913
United States of America	495	503
Other	10	10
Total	14,555	16,654

- (b) Staff costs of above employees

	£000	£000
Wages and salaries	94,069	88,244
Social security costs	7,318	7,038
Other pension costs	7,049	6,463
Total	108,436	101,745

The 1982 figures for the United Kingdom and EEC countries include 1,397 for the average weekly numbers of persons employed by the Ductile companies, and £4.126 million for their aggregate remuneration for the period from 3rd July to 25th December 1982

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

£	Number of employees
45,001 to 50,000	1
35,001 to 40,000	2
30,001 to 35,000	1

8 Extraordinary

(a)

(b)

9 Dividends

10 Profit

11 Earnings

6 Interest payable (net)

	1983 £000	1982 £000
Interest payable and similar charges		
On loans wholly repayable within five years	6,276	8,074
On all other loans	2,693	2,560
Exchange losses/(gains) on multi-currency loans	—	(52)
Total interest payable and similar charges	8,969	10,582
Less other interest receivable and similar income	535	580
Interest payable (net)	8,434	10,002

7 Taxation

	1983 £000	1982 £000
On the profit of the period:		
United Kingdom corporation tax at 50.5%	7,633	4,427
Double taxation relief	—	(2,263)
Transfer to/(from) deferred taxation	(773)	(2,443)
Advance corporation tax not immediately recoverable	—	3,643
Advance corporation tax recoverable	(1,241)	—
United Kingdom taxation	5,619	3,364
Overseas taxation	72	(347)
Related companies	114	31
Taxation on the profit of the period	5,805	3,048
Previous year adjustments	312	(791)
Total tax on profit on ordinary activities	6,117	2,257

The taxation charge has benefited from accelerated capital allowances. Without the benefit of these allowances, the taxation charge would have been increased by £1.1 million (1982 £4.2 million).

8 Extraordinary items

	1983 £000	1982 £000
(a) Termination costs of discontinued activities	—	5,418
Permanent reductions in value of investments	—	657
	—	3,085
Less: taxation relief applicable		
current	—	1,040
deferred	—	915
Total extraordinary items	—	3,530
(b) Deferred taxation charge resulting from the 1984 Finance Bill		
Additional charge to provide a full deferred tax liability because of the decrease in future capital allowances	10,470	—
Less: additional advance corporation tax recoverable	5,808	—
Total extraordinary tax charge	4,662	—

9 Dividends

	1983 £000	1982 £000
Preference dividends 5·425% (formerly 7·75%)	70	70
Ordinary dividends:		
Interim dividend paid of 2·45p per share (1982 2·45p)	2,051	2,051
Proposed final dividend of 5·40p per share (1982 4·90p)	4,522	4,102
Total ordinary dividends of 7·85p per share (1982 7·35p)	6,573	6,153

10 Profit retained

	1983 £000	1982 £000
Glynwed International plc	(1,428)	(1,499)
Subsidiary companies	4,483	2,693
Related companies	(55)	(66)
Total profit retained	3,000	1,128

The profit for the period attributable to shareholders after charging the extraordinary tax charge was £9·643 million (1982 £7·351 million).

11 Earnings per share

The calculations of earnings per share are based on the figures set out below and an average of 83,721,000 ordinary shares of 25p each (1982: 74,150,000 shares).

	1983 £000	1982 £000
Profit on ordinary activities after taxation	15,071	11,476
Minority interests	(766)	(595)
Preference dividends	(70)	(70)
Net basis	14,235	10,811
Advance corporation tax recoverable	(1,241)	—
Advance corporation tax not immediately recoverable	—	3,643
Nil distribution basis	12,994	14,454

Notes on the Accounts

12 Tangible fixed assets

	Land and buildings			Plant and machinery	Fixtures, fittings, tools and equipment	1983 Total tangible fixed assets	1982 Total tangible fixed assets
	Freehold £000	Leasehold Long £000	Short £000	£000	£000	£000	£000
Cost and valuation:							
At 25th December 1982	53,870	6,554	1,111	78,283	19,657	159,541	125,463
Exchange adjustments	309	(42)	16	350	94	727	2,597
Businesses acquired	—	—	6	506	125	637	20,311
Additions at cost	3,145	—	185	5,403	3,319	12,054	18,966
Disposals	(4,368)	—	(170)	(4,479)	(3,390)	(12,407)	(7,079)
Surplus/(deficit) on revaluation	—	—	—	—	—	—	(657)
Transfer to property partnership (note 14)	(2,789)	—	—	—	—	(2,789)	—
At 31st December 1983	50,173	6,512	1,208	80,065	19,805	157,763	159,541
Cost	8,310	4,221	383	77,870	19,505	110,289	105,067
Professional valuations:							
1982	5,194	17	—	187	—	5,398	5,410
1981	34,993	2,255	825	—	—	38,073	44,320
1978 and earlier	895	19	—	36	—	950	1,008
Directors valuations:							
1982	—	—	—	—	10	10	81
1981	—	—	—	60	41	101	—
1970 and earlier	781	—	—	1,912	249	2,942	3,655
At 31st December 1983	50,173	6,512	1,208	80,065	19,805	157,763	159,541
Accumulated depreciation:							
At 25th December 1982	2,322	43	125	49,253	10,923	62,666	49,755
Exchange adjustments	(9)	—	11	113	34	149	719
Businesses acquired	—	—	3	113	64	180	9,278
Provision for the period	788	109	73	5,831	2,978	9,779	8,422
Disposals	(555)	—	(11)	(2,397)	(2,765)	(5,728)	(4,996)
Surplus/(deficit) on revaluation	—	—	—	—	—	—	(512)
Transfer to property partnership (note 14)	(93)	—	—	—	—	(93)	—
At 31st December 1983	2,453	152	201	52,913	11,234	66,953	62,666
Net book value:							
At 31st December 1983	47,720	6,360	1,007	27,152	8,571	90,810	—
At 25th December 1982	51,554	6,511	1,046	29,030	8,734	—	96,875

Included in the cost of tangible fixed assets is £1.6 million in respect of assets in course of construction.

13 Capital commitments

	Group	
	1983 £000	1982 £000
Authorised by the board but not contracted for	1,994	1,639
Contracted for but not provided in the accounts	2,710	2,362
Total capital commitments	4,704	4,001

Glynwed International plc had no capital commitments (1982: nil).

1983 Total tangible fixed assets £000	1982 Total tangible fixed assets £000
--	--

159,541	125,463
727	2,597
637	20,311
12,054	18,906
(12,407)	(7,079)

—	(657)
(2,799)	—

157,763	159,541
---------	---------

110,289	105,067
---------	---------

5,398	5,410
38,073	44,320
950	1,008

10	81
101	—
2,942	3,655

157,763	159,541
---------	---------

62,666	49,755
149	719
180	9,278
9,779	8,422
(5,728)	(4,996)

—	(512)
---	-------

(93)	—
------	---

66,953	62,666
--------	--------

90,810	—
--------	---

96,875	—
--------	---

f assets in	—
-------------	---

1983 £000	1982 £000
1,994	1,639
2,710	2,362
4,704	4,001

14 Investments

Group	Share of net assets £000	Goodwill/ (Discount) £000	Amounts due from related companies £000	Total £000
Related Companies				
At 25th December 1982	270	621	2,631	3,522
Additions — property partnership	3,717	(1,021)	—	2,696
— other	8	86	—	94
Transfer to investment in subsidiary	—	(300)	—	(300)
Share of losses	(55)	—	—	(55)
Exchange adjustments	35	—	—	35
Repayment in period	—	—	(1,637)	(1,637)
At 31st December 1983	3,975	(614)	994	4,355
Other investments				
Cost — listed (market value at 31st December 1983 — £188,221)				375
— unlisted				30
Provisions				(275)
Total other investments				130
Total investments				
At 31st December 1983				4,485
At 25th December 1982				3,652

Glynwed International plc Subsidiaries	Cost of Shares £000	Pro- visions £000	Amounts due from Subsidi- aries £000	(to) Subsidi- aries £000	Total £000
At 25th December 1982	69,858	(9,620)	156,276	(30,941)	185,573
Additions	1,081	—	—	—	1,081
Group transfers	4,948	(31)	1,275	(6,192)	—
Charge for period	—	(1,597)	—	—	(1,597)
Movements during period	—	—	15,707	(14,305)	1,402
At 31st December 1983	75,887	(11,248)	173,258	(51,438)	186,459
Other investments	508	(373)	—	—	135
Total investments					
At 31st December 1983	76,395	(11,621)	173,258	(51,438)	186,594
At 25th December 1982	70,666	(9,993)	156,376	(30,941)	166,108

15 Stocks

	1983 £000	1982 £000
Raw materials and consumables	29,863	29,108
Work in progress	15,867	14,786
Finished goods and goods for re-sale	49,702	52,856
Total stocks	95,432	96,750

Notes on the Accounts

16 Debtors

	Group		Glynwed International plc	
	1983 £000	1982 £000	1983 £000	1982 £000
Amounts falling due within one year				
Trade debtors	94,275	92,549	—	—
Other debtors	2,340	2,223	36	19
Prepayments and accrued income	2,504	3,427	9	11
Taxation	628	—	—	—
Total debtors falling due within one year	100,447	98,199	45	30
Amounts falling due after more than one year				
Advance corporation tax	—	—	4,954	1,154
Mainstream corporation tax	—	282	—	—
Total debtors falling due after more than one year	—	282	4,954	1,154
Total debtors	100,447	98,481	4,999	1,184

17 Creditors

	Group		Glynwed International plc	
	1983 £000	1982 £000	1983 £000	1982 £000
Amounts falling due within one year				
Trade creditors	66,678	62,136	—	—
Bills of exchange payable	538	1,419	—	—
Social security	1,444	1,444	—	—
Dividend payable	4,522	4,102	4,522	4,102
Accruals and deferred income	11,553	13,381	563	774
Taxation	2,828	3,065	2,828	2,649
Other	8,959	8,775	502	211
Total operating creditors falling due within one year	96,522	94,322	8,415	7,736
Amounts falling due after more than one year — taxation	2,488	—	437	558

18 Borrowings

(a)

	Group		Glynwed International plc	
	1983 £000	1982 £000	1983 £000	1982 £000
Amounts falling due within one year				
Loans other than banks				
Secured — 6% Debenture Stock 1979/84	250	—	—	—
— Other	532	483	—	—
Total secured	782	483	—	—
Unsecured	398	419	—	—
Total loans other than banks	1,180	902	—	—
Total bank loans and overdrafts	22,217	31,679	49,713	47,373
Total borrowings falling due within one year	23,397	32,581	49,713	47,373
Amounts falling due after more than one year				
Loans other than banks				
Wholly repayable within five years				
Secured — 6% Debenture Stock 1979/84	—	275	—	—
— Other	518	932	—	—
Unsecured — 6% Loan Stock 1983/85	5,685	5,770	5,685	5,770
— Other	1,538	878	36	54
Total wholly repayable within five years	7,741	7,855	5,721	5,824
Repayable over more than five years other than by instalments:				
Secured — 7.5% Debenture Stock 1989/94	2,608	2,692	2,608	2,692
Unsecured — 10.75% Loan Stock 1994/99	5,886	5,886	5,886	5,886
Repayable over more than five years by instalments				
Secured (7.0% to 20.5%)	107	131	—	—
Unsecured (8.75%)	25	81	—	—
Total repayable over more than five years	8,626	8,790	8,494	8,578
Total loans other than bank loans falling due after one year	16,367	16,645	14,215	14,402
Bank loans and overdrafts				
Wholly repayable within five years	19,217	18,699	18,249	18,124
Repayable over more than five years other than by instalments (9.3% to 19.5%)	6,637	6,114	6,206	5,590
Repayable over more than five years by instalments (9.4% to 11.1%) (instalments due after more than five years £7,288, (1982 £8,255))	12,146	10,318	12,146	10,318
Total bank loans and overdrafts falling due after one year	38,000	35,131	36,601	34,032
Total borrowings falling due after one year	54,367	51,776	50,816	48,434
Total borrowings	77,764	84,357	100,529	95,807
Cash at bank and in hand	(14,874)	(6,141)	(520)	(226)
Total net borrowings	62,890	78,216	100,009	95,581
Analysis of borrowings over currencies				
Sterling	33,844	41,213	80,476	79,758
Other	43,920	43,144	20,053	16,049
Total borrowings	77,764	84,357	100,529	95,807

Notes on the Accounts

18 Borrowings (continued)

(b)

	Group		Glynwed International plc	
	1983 £000	1982 £000	1983 £000	1982 £000
Listed debt, bank and other borrowings				
Listed debt				
6% Debenture Stock 1979/84	250	275	—	—
6% Loan Stock 1983/85	5,685	5,770	5,685	5,170
7.5% Debenture Stock 1989/94	2,608	2,692	2,608	2,692
10.75% Loan Stock 1994/99	5,886	5,886	5,886	5,886
Total Listed debt	14,429	14,623	14,179	14,348
Other borrowings				
Term loans	2,979	2,852	36	54
Short term loans	139	72	—	—
Total other borrowings	3,118	2,924	36	54
Total Listed debt and other borrowings	17,547	17,547	14,215	14,402
Bank borrowings				
Term loans	38,000	35,131	36,601	34,032
Overdrafts and short term borrowings	22,217	31,679	49,713	47,373
Total bank borrowings	60,217	66,810	86,314	81,405
Total borrowings	77,764	84,357	100,529	95,807
Cash at bank and in hand	(14,874)	(6,141)	(520)	(226)
Total net borrowings	62,890	78,216	100,009	95,581
All loan capital is repayable at par at maturity.				
Analysis of maturity of borrowings				
Borrowings other than banks				
Repayable after five years	8,551	8,670	8,494	8,578
Repayable between two and five years	667	6,955	36	5,824
Repayable between one and two years	7,149	1,020	5,685	—
Total repayable after one year	16,367	16,645	14,215	14,402
Repayable in one year or less	1,180	902	—	—
Total borrowings other than banks	17,547	17,547	14,215	14,402
Bank borrowings				
Repayable after five years	13,565	14,009	13,494	13,834
Repayable between two and five years	22,666	19,258	21,996	18,287
Repayable between one and two years	1,769	1,864	1,111	1,811
Total repayable after one year	38,000	35,131	36,601	34,032
Repayable in one year or less	22,217	31,679	49,713	47,373
Total bank borrowings	60,217	66,810	86,314	81,405
Total borrowings	77,764	84,357	100,529	95,807
Secured borrowings				
Sterling				
7.5% Debenture Stock 1989/94	2,608	2,692	2,608	2,692
6% Debenture Stock 1979/84	250	275	—	—
Other currencies:				
Falling due within one year	539	490	—	—
Falling due after more than one year	683	1,128	—	—
Total secured borrowings	4,080	4,585	2,608	2,692



18 Borrowings
(continued)
(c)

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.

The 6% Debenture Stock 1979/84 is secured by floating charges on the assets and undertakings of certain wholly-owned subsidiaries which were formerly subsidiaries of Ductile Steels Ltd. The sinking fund requirement has been satisfied in each year commencing 31st December 1984 by annual redemptions at par and cancellation of stock. The stock will be repaid in full at par on 31st December 1984.

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

19 Deferred taxation

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

	1983		1982	
	Provision made £000	Full potential liability £000	Provision made £000	Full potential liability £000
Timing differences mainly between tax allowances and depreciation	11,856	12,596	2,242	17,427
Taxation losses carried forward	(213)	(623)	—	(131)
Stock appreciation relief	—	—	200	200
Advance corporation tax recoverable	(6,293)	(6,404)	(1,066)	(8,891)
Corporation tax payable if properties were disposed of at revalued amounts	—	4,882	—	5,038
Total deferred taxation provisions	5,350	10,451	1,376	13,643

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

20 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.

21 Share capital

	Authorised		Allotted and fully paid	
	No. of shares 000	£000	No. of shares 000	£000
Ordinary shares of 25p each: At 25th December 1982	113,333	28,333	83,712	20,928
Issued to stockholders exercising financial conversion rights under the 6% Loan Stock			35	9
Total at 31st December 1983	113,333	28,333	83,747	20,937
5.425% (formerly 7.75%) Cumulative Preference Shares of £1 each fully paid	1,291	1,291	1,291	1,291

Notes on the Accounts

22 Reserves

	Share premium £000	Revaluation reserve £000	Other reserves £000	Goodwill on consoli- dation £000	Profit & loss account £000	Total £000
Group						
Balances at 25th December 1982	21,372	18,949	8,724	(2,924)	49,342	92,463
Premium on shares issued	76	—	—	—	—	76
Movement on goodwill	—	—	—	(1,266)	—	(1,266)
Exchange differences	—	35	(530)	—	61	(434)
Movements between reserves	—	(3,598)	1,579	—	2,019	—
Profit retained	—	—	—	—	3,000	3,000
Balances at 31st December 1983	21,448	15,386	6,773	(4,190)	54,422	93,839
Glynwed International plc						
Balances at 25th December 1982	21,372	—	838	—	38,666	60,876
Premium on shares issued	76	—	—	—	—	76
Exchange differences	—	—	—	—	174	174
Loss for period	—	—	—	—	(1,428)	(1,428)
Balances at 31st December 1983	21,448	—	838	—	37,412	59,698

23 Trading Subsidiaries
and Related Companies

The following is a list of the company's principal subsidiaries and related companies which traded during the period ended 31st December 1983.

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**

Ansell, Jones & Co Ltd
 Certex Ltd†
 *Glynwed Consumer & Building Products Ltd†
 *Glynwed Distribution Ltd
 *Glynwed Engineering Ltd
 Glynwed Group Services Ltd
 Glynwed Overseas Ltd
 Glynwed Properties Ltd
 Glynwed Property Developments Ltd
 *Glynwed Steels Ltd
 *Glynwed Thermoplastics Ltd
 *Glynwed Tubes & Fittings Ltd

Incorporated and operating overseas

*Automation Service Equipment Inc (USA)
 *The Breman Steel Co Inc (USA)
 *Cooper & Turner Inc (USA)
 *Defy Corporation (Pty) Ltd (74.19% owned) and its subsidiaries (South Africa)†
 *Enfield Industrial Corp (USA)
 *Glynwed Australia Pty Ltd (Australia)†
 Glynwed Eurotrade BV (Holland)†
 *Headland Insurance Co Ltd (Bermuda)
 *La Dauphinoise SA (55% owned) (France)
 Nederlandse Autofitting Fabriek BV (Holland)†
 *The Pandjiris Weldment Company (USA)
 *Plastimatic Inc (USA)
 *Slocomb Plastic Pipe and Products Inc (USA)
 †Companies not audited by Coopers & Lybrand. The aggregate assets of companies not audited by Coopers & Lybrand at 31st December 1983 amounted to 14% of the group's assets.
 *Investments held by subsidiaries of Glynwed International plc.

23 Trading
and Related
(cont)

Glynwed Int

**23 Trading Subsidiaries
and Related Companies
(continued)**

Related Companies

		Total voting capital	% interest held
*Dauphinoise Thomson SA Manufacturers of thermostats	France	Frs 1m	47.6
Vulcathene South Africa (Pty) Ltd Distributors of plastic pipework systems	South Africa	R32,000	50
*Aircor Inc (formerly Technomex Inc) Manufacturers of decontamination systems for the electronics industry	U.S.A.	\$1,355,389	31.6
*SA Housewares (Pty) Ltd (formerly Orange Julius (Pty) Ltd) Distributors of small electrical appliances	South Africa	R1,000	36
*International Marketing Services Distributors of plastic products	U.S.A.	\$20,000	50
*A property partnership Property investors	South Africa	R13,350,000	36

*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 21 to 40 in accordance with approved
Auditing Standards.

In our opinion the accounts on pages 21 to 37, which have been prepared under the
historical cost convention modified as explained in the statement of accounting
policies set out on page 25, give a true and fair view of the state of affairs of the
company and the group at 31st December 1983 and of the profit and source and
application of funds of the group for the period then ended and comply with the
Companies Acts 1948 to 1981.

In our opinion the supplementary current cost accounts set out on pages 38 to 40
have been properly prepared, in accordance with the policies and methods
described in notes 1 to 6 on page 40, to give the information required by Statement
of Standard Accounting Practice No. 16.

Coopers & Lybrand

Coopers & Lybrand
Chartered Accountants
Birmingham
11th April 1984

Consolidated Current Cost Profit and Loss Account

For the 53 weeks ended 31st December 1983	Notes	1983 £000	1982 £000
Turnover			
Home		324,776	277,177
Overseas		162,422	167,124
Total turnover		487,198	444,301
Net ordinary operating costs		(457,576)	(420,566)
Operating profit		29,622	23,735
Current cost adjustments	2	(8,380)	(10,438)
Operating profit after current cost adjustments		21,242	13,297
Interest charges		(8,434)	(10,002)
Less: gearing adjustment	3	3,000	3,968
		(5,434)	(6,034)
Profit on ordinary activities before taxation		15,808	7,263
Tax on profit on ordinary activities		(6,117)	(2,257)
Profit on ordinary activities after taxation		9,691	5,006
Minority interests		(443)	140
Profit after taxation and minority interests		9,248	5,146
Preference dividends		(70)	(70)
Earnings for the period		9,178	5,076
Ordinary dividends		(6,573)	(6,153)
Extraordinary items	6	(4,662)	(3,664)
Current cost loss		(2,057)	(4,741)
Earnings per share — net basis		10.96p	6.85p
— nil distribution basis		9.48p	11.76p

Net operating

Shareholder
minority int
and propos
dividend

Net borrow

Notes on the current cost accounts, page 40.

Glynwed International plc
and subsidiary companies

Consolidated Current Cost Balance Sheet

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1982 £000		31st December 1983	Notes	1983 £000	1982 £000
277,177	Net operating assets	Fixed assets			
167,124		Tangible assets	4	100,240	109,811
444,301		Investments		4,573	3,632
(420,566)		Total fixed assets		104,813	113,463
23,735		Stocks	2	95,803	96,784
(10,438)		Debtors		100,447	98,199
13,297		Creditors		(89,800)	(87,156)
		Total net operating assets		211,263	221,291
(10,002)	Shareholders funds, minority interests and proposed dividend	Capital and reserves			
3,963		Called up share capital		22,228	22,219
(6,034)		Current cost reserve	5	43,518	47,621
7,263		Other reserves		25,197	24,521
(2,257)		Profit and loss account		35,039	33,475
5,006		Shareholders funds		125,982	127,836
140		Minority interests		7,831	6,978
5,146		Proposed dividend		4,522	4,102
(70)		Total shareholders funds, minority interests and proposed dividend		138,335	138,916
5,076	Net borrowings	Borrowings — amounts falling due within one year		23,397	32,581
(6,153)		Borrowings — amounts falling due after more than one year		54,367	51,776
(3,654)		Cash at bank and in hand		(14,874)	(6,141)
(4,741)		Taxation including deferred taxation		10,038	4,159
6.85p		Total net borrowings		72,928	82,375
11.76p		Total funds		211,263	221,291

Net operating assets exclude taxation, deferred taxation, proposed dividends and borrowings.

Notes on the current cost accounts, page 40

Notes on the Consolidated Current Cost Accounts

1 Basis of preparation

The accounts have been prepared in accordance with SSAP No.16 issued by the Accounting Standards Committee. Where appropriate, index numbers used to adjust to current cost values have been taken from the government publication 'Price Index Numbers for Current Cost Accounting'.

2 Current cost adjustments

	1983 £000	1982 £000
Cost of sales adjustment (COSA)	3,948	5,116
Monetary working capital adjustment (MWCA)	1,056	1,331
Depreciation adjustment	3,376	3,991
Total current cost adjustments	8,380	10,438

a) Stocks

Stocks shown in the balance sheet have been adjusted to current cost values. The COSA represents the additional cost of replacing stocks throughout the period.

b) Monetary working capital adjustment

The monetary working capital adjustment reflects the amount of additional finance needed for monetary working capital as a result of changes in prices throughout the period.

c) Depreciation adjustment

The depreciation adjustment is the additional charge against revenue required to reflect the impact of price changes on the value of fixed assets consumed throughout the period. For land and buildings the charge is based on asset lives assessed for this purpose by the directors. (see note 4a).

3 Gearing adjustment

The gearing adjustment reflects the benefit to shareholders of finance by borrowings fixed in monetary terms during a period of inflation.

4 Fixed assets

	Gross £000	Depreciation £000	1983 Net £000	1982 Net £000
Land and buildings	57,490	—	57,490	64,531
Plant and machinery, fixtures, fittings, tools and equipment	211,125	168,375	42,750	45,280
	268,615	168,375	100,240	109,811

Fixed assets have been valued as follows:

a) Land and buildings

Land and buildings are valued on an existing use basis at 31st December 1983 as assessed by the directors.

b) Plant and machinery, fixtures, fittings, tools and equipment

Plant and machinery, fixtures, fittings, tools and equipment have been valued at net current replacement cost using index numbers appropriate to the various industry classifications within the group. Historical costs have been used where assets have no equivalent replacement costs.

5 Current cost reserve

	1983 £000	1982 £000
Balance at 25th December 1982	47,621	43,923
Revaluation surpluses/(deficit):		
Land and buildings	(8,466)	(2,141)
Plant and machinery, fixtures, fittings, tools and equipment	1,951	3,921
Investments	88	217
Stocks	4,268	4,338
	45,462	50,258
Monetary working capital adjustment	1,056	1,331
Gearing adjustment 35.8% of £8.38 million (1982 - 38% of £10.438 million)	(3,000)	(3,968)
Balance at 31st December 1983	43,518	47,621
Of which: realised	20,924	15,867
unrealised	22,594	31,754
	43,518	47,621

6 Extraordinary items

The extraordinary items are referred to in note 8 to the accounts on page 29 and have been adjusted, where appropriate, to reflect current cost values.

PLEASE NOTE THAT
DUE TO THE POOR
QUALITY OF THE
FICHE SOME OF THE
FOLLOWING IMAGES
ARE ALSO OF POOR
QUALITY.