

Glynwed plc

Report and Accounts 1981

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Financial Highlights

	1981 £000	1980 £000
Turnover	368,057	356,169
Trading profit	24,779	22,062
Share of profits of associated companies	157	134
Interest charges	5,704	6,068
Group profit before taxation	19,232	16,128
Group profit attributable to ordinary shareholders	12,096	8,337
Ordinary dividends	4,799	4,798
Group profit retained	7,297	3,539
Operating assets employed	169,674	124,691
Capital expenditure on fixed assets	10,578	8,092
Depreciation	6,346	6,088
Earnings per ordinary share — net basis	18.53p	16.21p
— nil distribution basis	20.62p	19.91p
Dividends per ordinary share	7.35p	7.35p

Mr WGA Russell

Before referring to the events of the year, it is only right that I should give precedence to reporting sadly the death of our President, Mr WGA Russell. As a friend and confidant to Mr. F Wallis, the founder of the Group, Bill Russell succeeded him as Chairman in 1953 and retired in 1971. During this long period he saw Glynwed develop into a large, modern group of companies with a particular style which reflected his own integrity and principles. As his successor, I was privileged to serve on his Board for some five years before he retired and I and my colleagues owe much, not only to his professional guidance, but perhaps more importantly to those principles which we have tried to follow. He was a gentleman in all senses of the word and is greatly missed by all his friends, amongst whom he could count many shareholders.

Results and Dividends

It is pleasing to be able to report that despite the rather flat economic climate, the results for 1981 are an all time record in the history of the Group. Group profit before taxation amounted to £19.232 million, an improvement of some £3.104 million (19%) over 1980 and after deducting taxation and minority interests the amount attributable to ordinary shareholders for the year is £12.096 million.

For the first time for several years we have not felt it necessary to isolate any amount for extraordinary items which you may recall amounted to £2.2 million after tax in 1980. Whilst the rationalisation programme has continued during 1981, it was nevertheless at a much lower level and it has been possible therefore to absorb its costs, some £1 million, in arriving at trading profit.

Your directors have decided, in order to preserve cash and to avoid the lack of recovery of advanced corporation tax, to recommend a final dividend of 4.90 pence per share, which will maintain the total dividend for 1981 at the same figure of 7.35 pence per share as 1980. In arriving at this decision, they have taken into account the continuing tight level of industrial activity and believe it would be premature to increase the distribution this year.

The Year's Activities

Shareholders will recall that at the half year we announced profits before tax of £6.28 million and clearly the second half of the year produced over twice that amount, with much of the recovery in profitability arising in the United Kingdom. As a result, the contributions for the year from the United Kingdom and the overseas activities were approximately the same, which is pleasing in that our strategy for the last few years has been to increase the overseas contribution to our trading income.

Individually, it must be worthy of mention that the South African company has produced quite exceptional figures, but as was indicated at the time of the half year statement, the economy has shown signs in the last months of 1981 of falling away, although I have little doubt that the company is more than capable of maintaining an acceptable level of profitability.

Similarly, in the United States our investments provided a solid core of earnings which will be supported in 1982 by a full year of profits from Plastimatic Inc, and from the steel stockholding business purchased from Ingalls Inc, both of which were acquired in the second half of 1981.

I have already indicated that the United Kingdom contributed to a remarkable improvement in our fortunes in the second half of the year; in particular the steel industry began to settle after the serious blows which it suffered during 1980 and the first half of 1981. At the same time, Wednesbury Tube and our Domestic Appliances division produced improved figures in the second half of the year and with Foundries and Screws & Fastenings sustaining their levels of profitability, the principal activities in the United Kingdom appear to have come through the worst part of the recession in good shape.

However, there are one or two activities which are still of concern. The group's activities in steel stockholding and distribution produced an overall aggregate loss and there are few signs yet of improvement in fastenings and bearings distribution.

Shareholders will see in the accounts that at the end of 1981, as a result of an up to date professional valuation of the group's properties, the directors decided to revalue the fixed assets of the group by approximately £20 million.

During the year the total debt of the group increased by some £18 million, of which £17 million arose from the acquisitions mentioned below.

Acquisitions

During the year we acquired Plastimatic Inc, manufacturers of injection moulded thermoplastic mechanical driven components at a cost of \$2.25 million (£1.219 million) and also during the year we purchased the remaining 50% of Enfield Industrial Corporation at a cost of \$1 million (£0.541 million). We also purchased a steel stockholding business in the United States from Ingalls Inc, at a cost of \$10.750 million (£5.843 million) which is now absorbed into the Bremar operation in Atlanta, whilst towards the end of the year we purchased Durapipe International, a United Kingdom company which manufactures thermoplastic industrial pipework systems which complements our own activities in plastic systems.

This last acquisition increased the group debt by £8.619 million, including the existing Durapipe borrowings.

Meanwhile, we sustained our capital expenditure programme for the group at a respectable level of some £10.5 million for the year.

General

The second half of the year was perhaps the start of the renaissance of British industry and certainly we believe we can see this happening in our United Kingdom activities, although there are one or two areas which are still under very real pressure due entirely to a shortage of turnover. Nevertheless, the results for the second half of 1981 must show that Glynwed, if not other parts of British industry, took the financial and economic lessons very much to heart at a sufficiently early stage. It is good, therefore, to be able to see that the Government has recognised the efforts of industry by the recent budget which should help to force down interest rates and also as far as Glynwed is concerned, provide at least some modest stimulation in the building and construction industry.

Of course, it has been a terribly hard lesson for many of us and whilst we are doubtless leaner, there has been possibly an irrevocable loss of capacity in the United Kingdom industry and I suspect we shall all need much firmer evidence of a sustained economic recovery before we are prepared to make a material increase in the level of investment in new capacity.

Prospects

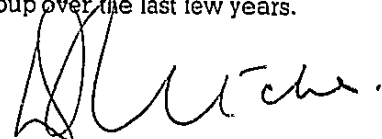
Provided there is no new setback in the level of activity in the United Kingdom, I believe we can look for a good year in 1982, but much will depend on some recovery in the economies of the United States and South Africa.

Acknowledgements

Yet again, it has been a difficult year for us and there have been many pressures on management and workforce and I would like to express the sincere appreciation of the Board to all employees for their hard work and loyal service throughout the year.

Extraordinary General Meeting

Finally, you will receive with this account a notice of an extraordinary general meeting with a letter which will explain its purpose. In particular, the meeting is to adopt new articles of association in place of those which were instituted very many years ago, but also you will find a proposal to change the name of the company to Glynwed International plc. Your directors feel it is an appropriate time, when trading profits from overseas contributed 50% of the results for the year, to remind the outside world of the change which has taken place in the structure of the Group over the last few years.



Summary of Comparative Figures

Trading results

	1981 £000	1980 £000	1979 £000	1978 £000	1977 £000
Turnover	368,057	356,169	345,521	316,437	285,440
Trading profit	24,779	22,062	23,296	19,978	16,559
Share of profits of associated companies	157	134	80	—	—
Interest charges	(5,704)	(6,068)	(4,701)	(3,898)	(3,532)
Group profit before taxation	19,232	16,128	18,675	16,080	13,027
Taxation	5,722	4,255	5,536	4,334	3,954
Group profit after taxation	13,510	11,873	13,139	11,746	9,073
Minority interests	1,344	1,217	452	91	47
Extraordinary items	—	2,249	1,534	727	680
Preference dividends	70	70	70	70	70
Ordinary dividends	4,799	4,798	5,974	5,973	5,263
Profit retained	1,297	3,539	5,109	4,885	3,013

Assets employed

Fixed assets	75,708	43,638	41,996	36,552	35,192
Investments	1,002	1,377	1,390	1,068	1,071
Stocks and work in progress	90,331	77,868	80,419	66,486	65,142
Debtors less creditors	12,362	10,962	8,412	11,538	12,181
Net trading assets	179,403	133,845	132,217	115,644	113,586
Current taxation and proposed dividend	9,729	9,154	11,335	10,592	9,042
Operating assets employed	169,674	124,691	120,882	105,052	104,544
Bank overdrafts and other short term borrowings (net)	26,268	14,724	15,572	7,801	15,615
Total assets employed	143,406	109,967	105,310	97,251	88,929

Financed by

Ordinary shares	16,325	16,323	16,322	16,320	16,205
Reserves	76,224	52,346	51,765	47,559	43,067
Ordinary share capital and reserves	92,549	68,669	68,087	63,879	59,272
Preference shares	1,291	1,291	1,291	1,291	1,291
Total share capital and reserves	93,840	69,960	69,378	65,170	60,563
Medium and long term indebtedness	40,924	34,018	29,254	24,532	20,974
Deferred taxation	1,719	1,407	3,308	3,867	6,322
Minority interests	6,923	4,582	3,370	3,682	1,070
Total funds	143,406	109,967	105,310	97,251	88,929

Statistics

Trading profit to turnover	%	6.7	6.2	6.7	6.3	5.8
Trading profit to operating assets employed	%	14.6	17.7	19.3	19.0	15.8
Turnover to operating assets employed	X	2.2	2.9	2.9	3.0	2.7
Earnings per share — net basis	p	18.5	16.2	19.3	17.8	13.9
Ordinary dividend per share	p	7.3	7.3	9.1	9.1	8.2
Dividend cover	X	2.5	2.2	2.1	1.9	1.7
Interest cover	X	4.4	3.7	5.0	5.1	4.7
Debt/equity ratio	%	66.7	65.4	61.6	47.0	59.4
Net assets per ordinary share	p	141.7	105.2	104.3	97.9	91.5



Glynwed public limited company

Executive directors

L Fletcher DSC FCA *Chairman*
G Davies FCA *Deputy Chairman*
and *Group Managing Director*
W Garner
JM Hill
DL Milne CA
FCW Whitehouse

Non executive directors

JD Eccles *Vice-chairman*
Sir Denis Barnes KCB

Secretary

JC Blakeley MA

Auditors

Coopers & Lybrand
Chartered Accountants, Birmingham

Bankers

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

Registrars

Midland Bank plc
Registrar's Department
Courtwood House
Silver Street Head
Sheffield S1 3RD

Head Office and Registered Office

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

Subsidiaries — principal executive officers

Building and Consumer Products

JM Hill *Chief Executive*
Glynwed Tubes & Fittings Ltd

T O'Neill *Chief Executive*
Glynwed Appliances Ltd

Dr J Furby *Managing Director*
Glynwed Integrated Services Ltd
and Director Central Resources Unit

Steel and Engineering

W Garner *Chief Executive*
Glynwed Steels Ltd
DW Richardson *Chief Executive*
Glynwed Screws & Fastenings Ltd

Stockholding and Distribution

E Tunnadine *Chief Executive*
Glynwed Steel Stockholding Ltd
FCW Whitehouse *Chief Executive*
Glynwed Distribution Ltd

Other Divisions and Trading Companies

BJ Moulton *Managing Director*
Glynwed Plastics Ltd

Overseas Operations

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

Corporate Services

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

The Directors of Glynwed present their annual report, together with the accounts of the company for the 52 weeks ended 26th December 1981. 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 Thursday, 27th May 1982.

Economic Background

The slower economic growth, which was experienced by most developed nations in 1980, continued throughout 1981. Most governments continued to operate policies designed primarily to reduce inflation, with less emphasis on output in the short term.

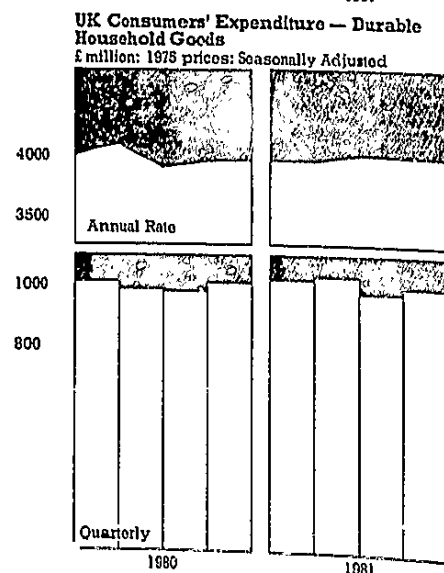
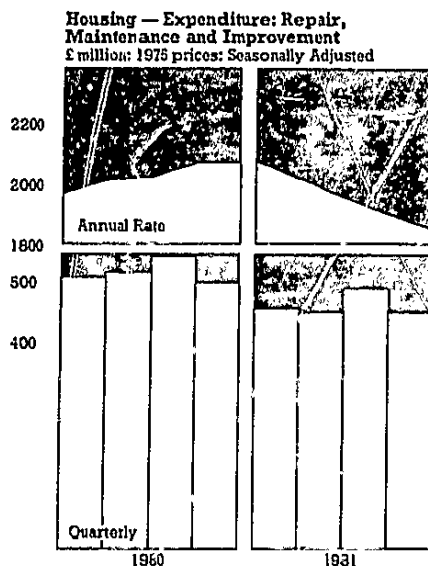
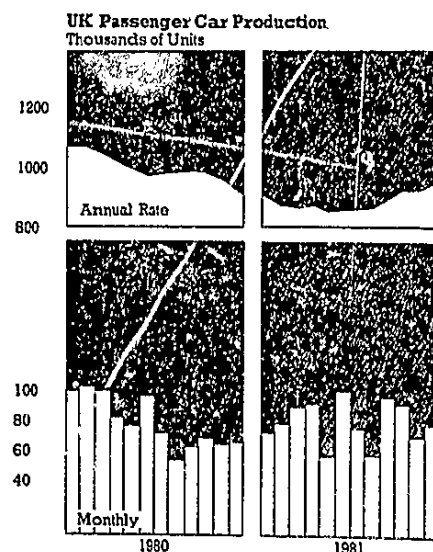
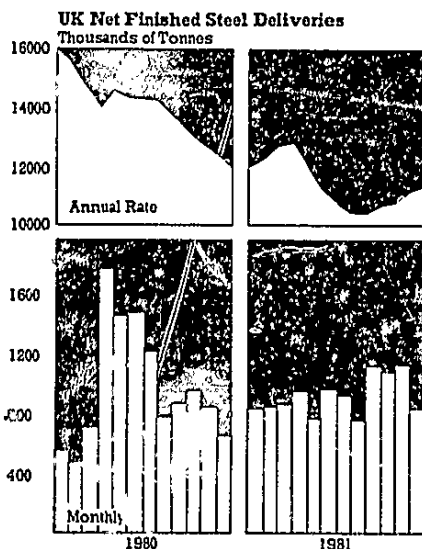
The dominant US economy grew strongly at the beginning of the year, but lapsed back into recession in the second half.

The UK economy started to grow rather earlier than most others, owing to the timing of the stock cycle. The fall had, however, been so great, and the recovery so slow, that output was substantially lower in 1981. The year ended on a rising trend, despite interest rates which remained high throughout.

Many of Glynwed's UK sectors were affected adversely: construction output fell by 13%, with new housing again falling the most sharply, while housing repair and maintenance expenditure was 15% lower. Expenditure on consumer durables was little changed, but the rate fell as the year ended.

Deliveries of finished steel were a further 10% lower. Steel production actually rose, because imports fell and because the previous year was so poor. Car and commercial vehicle production fell by 4% and 40% respectively, while mechanical engineering output was 9% lower.

Glynwed's overseas operations experienced widely differing conditions. France suffered a recession similar to that in the UK but less severe, and demand for engineering products was low. By contrast, relative prosperity continued in the south-east of the US, particularly in construction-related activities. The South African economy enjoyed its third consecutive year of rapid growth, and there was very high demand for building products and consumer goods, at least until the final quarter when there was some evidence of lower demand.



Group Results

The group results reported for 1981 are for the 52 weeks ended 26th December, 1981 (1980 52 weeks). The detailed accounts and notes are set out in "The Accounts" section on pages 19 to 35.

In 1981 group sales amounted to **£368.0** million compared with **£356.2** million in 1980, an increase of 3.3%. Sales from the UK operations declined from **£272.1** million in 1980 to **£256.9** million in 1981 but were more than offset by the substantial increase in the overseas operations from **£84.0** million in 1980 to **£111.1** million in 1981, an increase of 32.3%. Direct exports from the UK increased from **£16** million to **£22** million.

The trading profit before interest for the year amounting to **£24.779** million (1980 **£22.062** million) represented a return on capital employed of 14.6% (1980 17.7%). Before taking the surplus on revaluation of land and buildings and after adjusting for acquisitions during the year, the return on capital employed is 17.2%. The group's share of profits from associated companies increased from **£0.134** million in 1980 to **£0.157** million in 1981.

Interest charges of **£5.704** million in 1981 are lower than the 1980 charge of **£6.068** million by **£0.364** million, in spite of the borrowings increasing from **£48.7** million in 1980 to **£67.2** million in 1981. The reduced interest charge is after taking credit for an exchange gain of **£0.715** million on a multi-currency loan.

The group profit before tax was **£19.232** million (1980 **£16.128** million). Turnover and profit by sub-groups are shown under "Principal Activities" on page 8. The charge for taxation was **£5.722** million being 30% of the profit after interest. Of this amount **£1.366** million is advance corporation tax not immediately recoverable but which will be available to set off against future corporation tax liabilities.

There were no extraordinary items in 1981 (1980 **£2.249** million).

Group profit after minority interest amounted to **£12.166** million (1980 **£10.656** million). After charging preference and proposed ordinary dividends, profit retained for the year was **£7.297** million (1980 **£3.539** million).

Finance and Working Capital

On page 20 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 1.6 compared with 1.8 at 27th December, 1980. Working capital was **£66.696** million (1980 **£64.952** million) representing 46.5% (1980 59.1%) of total assets employed.

The total group borrowings increased by **£18.450** million. Bank overdrafts and short term borrowings less bank, cash balances and short term deposits increased by **£11.544** million; medium and long term indebtedness increased by **£6.906** million. Full details of loan capital and borrowed money are shown

in note 20 on page 31. The debt/equity ratio was 66.7% (1980 65.4%). During the year capital expenditure on fixed assets amounted to **£10.578** million (1980 **£8.092** million). The purchase of businesses for cash amounted to **£11.616** million, and this, together with their existing borrowings, accounted for **£16.840** million of the increase in total borrowings.

Operating and financial statistics for the past five years are set out in the "Summary of Comparative Figures" on page 4.

This year a statement of "Source and Distribution of Value Added" is set out on page 18.

Ordinary Dividend

A final dividend of 4.90p on the ordinary shares, which the annual general meeting will be asked to approve, is payable on 8th July, 1982. This together with the interim dividend of 2.45p per share gives a total dividend of 7.35p per share.

Inflation Accounting

The group consolidated current cost accounts are shown on pages 34 and 35 and conform to the requirements set out in SSAP No. 16 issued by the Accounting Standards Committee.

Report of the Directors

Principal activities

Turnover and profit by sub-group

	Turnover		Profit	
	1981	1980	1981	1980
	£000	£000	£000	£000
United Kingdom operations				
Building and consumer products	106,640	111,111	7,860	5,804
Steel and engineering	72,213	78,880	5,351	4,908
Stockholding and distribution	67,083	73,746	(704)	1,325
Other divisions and trading companies	10,987	8,393	135	57
Total UK operations	256,923	272,130	12,642	12,094
Overseas operations				
Household and industrial appliances	85,577	70,597	9,226	8,485
Steel and engineering	25,557	13,442	2,911	1,483
Total overseas operations	111,134	84,039	12,137	9,968
Total turnover and trading profit	368,057	356,169	24,779	22,062
Turnover by geographical area				
	1981		1980	
	£000	%	£000	%
Southern Africa	86,706	23.6	71,487	20.1
Europe	9,638	2.6	11,633	3.3
Middle East	10,674	2.9	6,854	1.9
Asia and Australasia	3,324	0.9	1,822	0.5
North and South America	23,086	6.3	8,726	2.4
Total overseas	133,428	36.3	100,522	28.2
United Kingdom	234,629	63.7	255,647	71.8
Total turnover	368,057	100.0	356,169	100.0

Exports

Sales value of direct exports from the United Kingdom during the year was **£22 million** (1980 £16 million).

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

BUILDING AND CONSUMER PRODUCTS

Glynwed Tubes & Fittings Ltd

The Wednesbury Tube Company
copper tubes, fittings and microbore heating components

Coventry Tubes Permatube
welded stainless steel and nickel alloy tubes

Vulcathene
chemical waste drainage systems and fabrications
brass laboratory fittings
injection mouldings and vacuum forming

Nederlandse Autofitting Fabriek BV
chemical waste drainage systems and fabrications
injection moulding and commercial irrigation fittings

William Embley
machined or unmachined sand and shell moulded castings and hot brass pressings, pattern equipment and tools, reproduction brassware, non-ferrous scrap merchants

Pioneer Castings (Willenhall)
sand castings and reproduction brassware

Southern Appliances (Bridport)
foundry equipment manufacturers

W & RJ Plant (Engineers)
machinists

Glynwed Plant
plant and toolmakers

Against a background of difficult market conditions, the division performed well during 1981 and although volumes were maintained, margins remained under pressure.

The level of imports of copper tube and fittings into the UK was further reduced during the year, which enabled Wednesbury Tube to increase its market share. Exports gained further ground, despite the depressed trading conditions in many of the division's traditional markets.

Copper prices were relatively stable during the year, opening at around £800 per tonne and closing the year at £870 per tonne.

Demand for stainless steel tube continued at a low level while the performance of the company's plastics interests improved. Another satisfactory year was recorded by the Dutch operation, despite a reduction in volume.

BUILDING AND CONSUMER PRODUCTS

Glynwed Bathroom & Kitchen Products Ltd

Vogue Bathrooms
cast iron and glass fibre baths
vanity basins and shower trays

Leisure Kitchen Products
kitchen sinks
vanity basins and shower cubicles

Glynwed Eurotrade BV
stockists and distributors of divisional and other group products

Demand for the porcelain enamelled cast iron products of Vogue Bathrooms stabilised in the second half of 1981 following greater marketing emphasis on the consumer.

The production facilities at Vogue were reduced to match the level of demand and this resulted in an improved performance in the second half of the year.

Leisure Kitchen Products achieved an increase in demand resulting from the introduction of new products, a re-structured UK sales force and a concerted effort in overseas markets. During the first quarter of 1981, the rationalisation of the manufacturing facilities onto one site was completed and new plant worth £½ million was commissioned. These factors combined to produce a profit result which was encouraging given the economic climate in the building industry.

Report of the Directors

BUILDING AND CONSUMER PRODUCTS

Glynwed Appliances Ltd

Aga-Rayburn

Aga and Rayburn cookers, domestic and commercial boilers, room heaters and open fires

Falcon Catering

Catering equipment

Flavel-Leisure

Flavel gas cookers and fires,
Leisure gas cookers and fires

The major task facing each unit of the division at the start of the year was the completion of plans to consolidate operations on three sites.

With the closure in 1980 of the Audenshaw (Manchester) factory, the manufacture of Leisure gas cookers was incorporated in the Flavel factory at Leamington.

Similarly Rayburn heaters were transferred from Audenshaw and Rayburn cookers from Scotland on to one site at Ketley (Shropshire) where the Aga cookers were already being assembled. The transfer included not only these products but all the relevant associated manufacturing plant.

In Scotland the transfer to Larbert of all activities formerly based at nearby Falkirk was completed.

Throughout what was a year of structural change, both in physical and organisational terms, divisional operations continued to up-date products and to sell into difficult markets. Increased control of the means of production created a significant reduction in working capital and improved profitability.

BUILDING AND CONSUMER PRODUCTS

Glynwed Integrated Services Ltd

Steelway

steel flooring, steel stairways
steel hand rails, steel fabrications

Steelfab Pipes & Vessels

fabrication of pipework
pressure vessels and boilers

Dalcon Joinery

contract joinery, building services

Exactoform

manipulation and forming of stainless and alloy steel sheet

GIS Products Ltd

manufacturers of electrical and electronic domestic lighting, security and environmental products

The Division as a whole showed an improvement on 1980 results.

The performance at Steelway was good, although the company did suffer from pressure on margins because of the increasing competitiveness of this particular type of business.

Steelfab Pipes & Vessels not only increased its turnover in pipes and vessels but also incorporated a boiler business transferred from Glynwed Appliances Ltd.

For Dalcon Joinery, 1981 was a year of re-building, after phasing out main contract work during the previous twelve months.

Exactoform was introduced into the division at the beginning of 1981 and changes to product ranges and manufacturing processes were introduced.

TB Mechanical Services withdrew from its contracting activities early in 1981 and the company was closed.

Formerly trading as Fotherby Willis, GIS Products developed in 1981 an entirely new range of products marketed under its new name. It was restructured to enable it to sell these products by mail order and direct selling methods.

STEEL AND ENGINEERING

Glynwed Steels Ltd

George Gadd & Co

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

There were notable closures in the steel industry in 1981 and many UK companies were operating unprofitably.

Selling prices during the first half of the year were under pressure but towards the end of the year the EEC quota system became more effective which resulted in stabilising prices, although still at a low level.

Continued effort overseas led to further export outlets in the USA, Nigeria, Iceland and Japan.

Despite the difficulties in the industry the division performed much better than expected and in particular the second half of the year showed a notable improvement.

STEEL AND ENGINEERING

Glynwed Screws & Fastenings Ltd

Glynwed Fastenings

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

Yarwood Ingram & Co

bright and high tensile studs and 'U' bolts

Wask Engineering

steel and malleable iron pipe fittings
malleable iron castings

Tower Manufacturing

semi tubular rivets
masonry nails and cable clips

Paul Fabrications

precision welding and fabrication of sheet metal
for high technology industries

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

James H Smith

bolts and non-standard fasteners for the railway,
coal, scaffolding and heavy plant industries

La Dauphinoise SA

fastenings, eyelets, rivets, push button fastenings

Dauphinoise--Thomson SA

thermostats

Divisional sales in 1981 were £2 million lower than the previous year; the major shortfall occurred in Cooper & Turner whose markets were substantially influenced by the reduced expenditure of the nationalised industries and the stockholding sector.

The effects of divisional rationalisation during 1980 coupled with a generally improved labour relations atmosphere nationally in 1981 generated a stabilising effect on the demand for the division's products, which resulted in higher profits; most of the improvement occurred in the second half of the year.

La Dauphinoise SA in France suffered from the effects of recession and had a poor year. At the end of the year, 10% of shares in Dauphinoise-Thomson SA were sold to Western Thomson Controls Ltd., and both that company and La Dauphinoise SA now each hold 50% of Dauphinoise Thomson SA shares.

STEEL AND ENGINEERING

Glynwed Foundries Ltd

Building Products Division

Sinclair Works

cast iron gutters, rainwater and drainage pipes and fittings

Automotive & Engineering Castings Division

Coalbrookdale Works

engineering castings
automotive castings
decorative castings
wood and coal burning stoves

Skipton Works

mechaneite engineering castings

UK demand for building products continued to be difficult during the whole of 1981 but the sale of Timesaver cast iron drain products exceeded expectations. During the year the closure of South Bank Works (Glasgow), which produced conventional fittings, was announced.

At the end of the year Glynwed Foundries was awarded the Kite Mark of the British Standards Institution for the Timesaver systems and became the first British company to be given such a certificate for cast iron drainage products.

Export sales were at a higher level than in 1980 and the success in development of export business was recognised by the West Midlands branch of the Confederation of British Industry, who awarded the division the certificate of 'Best Sellers 1981'.

In the Automotive and Engineering castings division considerable trimming back was necessary in 1981 in line with the downturn in the engineering sector. At the same time new wood and coal burning stoves were being designed and manufactured, and having progressed through the stringent USA Underwriters Laboratories' specifications, were marketed in many overseas countries.

Activity within the division reached a low in the June/July period and work continued throughout the year on a programme of product diversification. The new products which resulted from this programme helped to improve sales from August onwards, and substantial markets were opened up in the UK, USA, Belgium, Holland, Ireland and Australia. New products launched during 1981 accounted for about 20 per cent of turnover during the latter part of the year.

Report of the Directors

STOCKHOLDING AND DISTRIBUTION

Glynwed Steel Stockholding Ltd

Cashmores

stockholders of stainless and general steels, scrap merchants and machine tool dealers

Macreadys

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

Frank Stacey

stockholders of stainless steel products

A marked reduction in demand for all products in the division was the result of the industrial recession in 1981. Through a programme of tight cost control and an improvement in market share, however, the later months of the year showed a substantial improvement in trading.

Nearly 40,000 tonnes of scrap were exported during the year, and the UK markets for ferrous scrap were markedly improved. Machine tool dealing was difficult in the UK market, a situation not improved by the many large auctions held as a result of factory closures. Export orders became essential to the division and represented a hopeful trend.

Improved efficiency and productivity enabled the division to cope with the upturn in activity during the final quarter of the year.

STOCKHOLDING AND DISTRIBUTION

Glynwed Distribution Ltd

MBS Fastenings

stockists of all screwed products

MBS Bearings

stockists of bearings, chains, sprockets and adhesives

MBS Tools

stockists of engineers tools

MBS Airmasters

stockists of air compressors and air tools

MBS Engineers Supplies

stockists of fastenings, bearings and engineers tools

MBS Thames Bank

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

MBS Packing and Seals

area franchise for Chesterton products

MBS Special Products

suppliers of specialist engineering products

MBS Exactalign

stockists of rod end bearings

MBS companies dealing in fastenings, bearings and tools were faced in 1981 with a low level of demand and intense pressure on selling prices and margins.

MBS Thames Bank, which provides a service to the building trade, performed extremely well during the year and, despite the recession, returned excellent results.

Part of the continuing restructuring programme was the construction of a specially designed distribution centre which will become operational in 1982.

STOCKHOLDING AND DISTRIBUTION

Glynwed Wholesale Chemists Ltd

Rudge Roberts

Fylde Laboratories

wholesale supplies to retail chemists

The intense price competition experienced in recent years continued during 1981 and the problems of the industry were compounded by very poor demand at the retail level in the final four months of the year. These trading conditions have resulted in several wholesale companies reporting substantial trading losses.

Both Rudge Roberts and Fylde Laboratories increased sales within their respective delivery areas,

although these were achieved at the expense of considerably reduced gross margins.

Rudge Roberts (Northern) continued to trade at a loss in the first half of the year and because of the poor prospects in the Manchester area, the branch was closed at the end of September.

OTHER DIVISIONS AND TRADING COMPANIES

Glynwed Plastics Ltd

J Burns

component manufacturers to the automotive, building, engineering and general manufacturing industries
railway joint and joint insulation systems
machined components in plastics, fibre and wood laminates etc., to the engineering, electrical, building, automotive and general manufacturing industries
suppliers of specialist plastic, fibre and laminates to industry in general; high frequency welders of parts for the automotive, medical supply and general manufacturing industries.

Certex Ltd

uPVC window frame and profile extruders, fabricators and installers

Townsend Rubber Products

manufacturers of precision rubber mouldings, bonded assemblies and rollers in a wide range of rubber polymers.

J Burns' performance during the year was satisfactory considering the general trend within its sector and the reduced demand for cars.

The railway joint activity made further progress in 1981 while new materials and processes were introduced into the automotive departments.

The development of the Certex uPVC window system continued throughout 1981 with the aim of achieving a range suitable for all markets.

A rationalisation of products was carried out in mid-year leaving the unit to concentrate on the manufacture of uPVC windows and doors. The machined components and factoring activities were moved to J Burns which has similar operations.

The performance of Townsend Rubber Products was affected by the poor trading conditions throughout the rubber moulding markets. Particular effort was made to win new export orders and the results were encouraging. New materials and techniques were introduced successfully during 1981 and the quality control and laboratory facilities were improved.

OTHER DIVISIONS AND TRADING COMPANIES

Durapipe International Ltd

Durapipe Ltd

manufacturers and distributors of thermoplastic industrial pipework systems

Ansell, Jones & Co Ltd

lifting tackle manufacturers

Petatek Ltd

tooling, equipment and technology suppliers to the thermoplastic industry

Slocomb Plastic Pipe and Products Inc
thermoplastic pipework systems manufacturers

The Durapipe International Group was acquired on the 19th October, 1981. The group is based at Norton Canes, Cannock, Staffs, where the major operating company, Durapipe Limited, is situated. This company is concerned with the manufacture of industrial pipework systems in thermoplastics and is the largest UK manufacturer of PVC pressure pipe fittings. It has a high level of export activity. During 1981 there was some recovery of sales in the home market and the company is expected to continue this trend.

Other operations in the group include the manufacture of lifting tackle by Ansell, Jones & Co Ltd of Walsall, which was having difficulty in maintaining sales due to depressed market conditions both at home and overseas.

A recently established member of the Durapipe group is Petatek Ltd, whose business is the sale of technology, particularly relating to a new process called "Cuvar" which is a means of manufacturing plastic products with a laminated structure. It has had an excellent response from industry to its initial launch.

Durapipe International is also represented by associate companies in overseas locations: Pipework International Ltd, based at Sharjah, UAE, a pipework distributor, and Dura-Wills Pty Ltd, a plastics pipe and sheet manufacturer based in Melbourne, Australia.

SOUTH AFRICA

Defy Corporation (Pty) Ltd

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

The South African economy continued to grow in 1981 but at a slower rate than in 1980. The growth in real gross domestic product was 4 per cent compared with 8 per cent in 1980, but the buoyant conditions which had characterized the economy for the past two years began to slow down in the last quarter of 1981.

Defy took advantage of the early buoyant conditions and turnover for the year increased by 25 per cent. The refrigerator market was again extremely competitive due to low-cost imports and the introduction of a new, locally-manufactured range by a major

competitor. In May, 1981, Defy concluded an agreement with Industrie Zanussi SPA of Italy, for the manufacture of a technologically advanced range of refrigerators. In terms of this agreement Zanussi will have a minority interest in that particular venture.

The design of Defy's electric stoves was completely revised for cost-saving reasons and the company maintains its market leadership in this sector of the market.

The factory modernisation programme embarked upon in 1980 was continued and production capacity increased.

Report of the Directors

UNITED STATES OF AMERICA

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

On the 1st August, 1981, Breman acquired six additional service centres located in Atlanta and Savannah, Georgia; Orlando, Florida; and Mobile and Birmingham, Alabama. These operations considerably expanded Breman's distribution facilities.

However, Breman, with its new acquisitions, continued to show satisfactory progress and profit.

For Breman the last two months of 1981 were less buoyant than the first ten months as the recession in the United States finally reached the south-east.

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

Cooper & Turner Inc, Glynwed's first wholly owned subsidiary in the USA, was established to market the load indicator washer for structural bolting made by Cooper & Turner in the UK.

In 1981 the company produced its best results yet following its extensive sales efforts in earlier years.

To extend their product range, Cooper and Turner Inc. launched a series of wood and coal burning stoves made by Glynwed Foundries Ltd. Over 70 dealer outlets across the USA and Canada were appointed to sell the new stoves, for which there appears to be a good market.

Enfield Industrial Corporation Inc
stockists of chemical waste drainage systems

Glynwed owned 50% of this company but acquired the balance on the 2nd November, 1981. Enfield was formed 11 years ago and from an 11,500 sq.ft building near Chicago distributes polypropylene chemical waste piping systems throughout the United States. Its product range includes pipes, fittings, traps, drains and neutralisation tanks. Its sales and profits in 1981 were satisfactory.

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

The Pandjiris Weldment Company of St. Louis, Missouri, is one of the world's leading manufacturers of automatic welding positioning systems, and was acquired by Glynwed in June, 1980.

The company's standard product range includes more than 130 different types of equipment. Although some of this equipment is manufactured for use by small welding shops, most is designed and built for heavy duty automatic welding by the largest fabricating plants.

Major customers include manufacturers of tanks and vessels, with production sizes ranging from 500 lbs to 500 tons, while pipe fabricators and the energy industry are also major users of Pandjiris machinery.

Over the years demand for Pandjiris systems has continued to increase and 1981 was another excellent year for the company for both sales and profits.

Plastimatic Inc
injection moulding of thermoplastic and
thermosetting materials

Plastimatic Inc. was acquired on the 20th August, 1981. The company is located in Norwood, New Jersey, and has a plant of over 27,000 sq.ft. The company's main activity is the injection moulding of thermoplastic and thermosetting materials and the transfer moulding of thermosetting materials. Its primary products are mechanical drive components for the computer and computer peripheral markets and moulded components for the medical, electronic, aerospace and electro-mechanical industries.

CORPORATE SERVICES

Personnel and Corporate Relations

Despite the rationalisation already carried out in earlier years, it was nevertheless necessary in 1981 to reduce the number of employees in the United Kingdom by a further 10%. Progressively the incidence of short-time working was reduced during the year from 16 trading companies with 2,814 employees on short-time in January, 1981 to four trading companies with 624 employees on short-time in December, 1981. The Group obtained assistance for the employees concerned via the Temporary Short-Time Working Compensation Scheme.

Wherever possible, support was given to the Government's Youth Opportunities Programme by providing Work Experience places for young people. Ninety-three schemes were approved during 1981 by the Manpower Services Commission and 118 young people received such training, 16 of whom were employed following completion of their training.

Twenty-eight scholarship awards, of which 12 were new awards, were made by the independent selection committee of the Glynwed Educational Scholarship Scheme. In 1981 seven award holders graduated from various universities and two acquired diplomas.

Further acquisitions in the United States and increased business activity in South Africa resulted in an increase of 9% in the number of overseas employees which at December, 1981 accounted for 37% of the total employed in the Group.

All applications for employment from disabled persons are given proper consideration and those recruited receive training, career development and promotion as their case warrants. Special attention is paid to the needs of anyone who becomes disabled whilst employed by the company, including redeployment to other work if that is necessary and practicable.

Glynwed Overseas Ltd

During 1981 the Middle East continued as the company's most important market area, with significant orders being won in countries where the company had worked before: Saudi Arabia, Iraq and The Gulf States.

Considerable sales and marketing work was carried out in the Far East on behalf of various Glynwed companies and orders were won against intense competition.

Development of other export activity on behalf of Group companies continued throughout the year.

Crackley Ltd

Crackley Ltd owns and manages most of the group's land and buildings in the UK, both those occupied by group companies and those occupied by external tenants.

During 1981, offices and a warehouse were constructed for Glynwed Distribution Ltd and work commenced on the first phase of a development to be let to external tenants at Pear Tree Lane in the Dudley Enterprise Zone.

Report of the Directors

Capital of the company

Issues of share capital

An allotment was made to certain holders of the company's 6% convertible unsecured loan stock on 8th October 1981 of 6,628 ordinary shares of 25p each at 246.772p per share in response to elections made on 30th September 1981 in respect of the conversion rights attaching to such stock. See also note 20 on page 31.

Share option scheme

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

Shareholders

At 26th December 1981, ordinary shareholders totalled 14,569 (1980—15,648) and these are analysed below:

Number of shares	% of shareholders	% of shares in issue
1—2,000	88.37	12.04
2,001—5,000	7.55	5.12
5,001—50,000	2.77	9.83
50,001—250,000	0.95	25.35
Over 250,000	0.36	47.66
	100.00	100.00

The directors have not received any notification under Section 26 of the Companies Act 1976 that any person or group of persons has an interest amounting to 5% or more in the ordinary share capital of the company.

Directors

The members of your board at the date of this report are listed on page 5. The late Mr JA Paterson was a director from 1st July to 9th October 1981, and Mr MA Hastilow retired from the board on 31st March 1981.

In accordance with the articles of association Mr JD Eccles and Sir Denis Barnes retire by rotation and, being eligible, offer themselves for re-election.

Neither of the directors proposed for re-election has a service contract with the company.

Directors' interests

The interests of the directors of the company at 26th December 1981 according to the register kept under Section 29 of the Companies Act 1967 were:

		26th December 1981		28th December 1980	
		Sole beneficial owner	Family and other interests*	Sole beneficial owner	Family and other interests*
Ordinary shares of 25p each fully paid	L Fletcher	6,000	312	5,000	312
	G Davies	1,250	—	1,250	—
	W Garner	4,687	312	4,687	312
	JM Hill	2,047	—	547	—
	DL Milne	—	—	—	—
	FCW Whitehouse	40,521	—	40,521	—
	JD Eccles	10,000	—	2,500	—
	Sir Denis Barnes	1,000	—	1,000	—

*Including non-beneficial trustee holdings

The company has not been notified of any change in the above holdings during the period 27th December 1981 to 8th April 1982 inclusive.

The directors had no interests in any contract with group companies, with the exception of service contracts and as set out in Note 21 on the accounts.

Fixed assets

In December 1981 a revaluation of most of the land and buildings in the group was carried out by professional valuers. The revaluation disclosed, on a vacant possession open market basis, a surplus over the book value of land and buildings of £20.173 million (see note 13 on page 28). No provision has been made for corporation tax on chargeable gains which may arise if the properties are sold at the revaluation figures (see note 19 on page 30).

Finance Act 1965 and capital gains tax

The official price of Glynwed public limited company ordinary shares on 6th April 1965 adjusted for the rights issue made in 1976 was 135½p.

Employees

In the United Kingdom the group has employed an average of 10,505 persons each week of the year. The aggregate gross remuneration paid or payable to them was £55.832 million (1980—£58.761 million) for the year.

Average number of employees	1981	1980
United Kingdom	10,505	12,329
Overseas	5,569	5,129
	16,074	17,458

South Africa—EEC Code of Conduct

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

Political and charitable contributions

The group made contributions for the following purposes in 1981:

	£
Charitable	65,737
Educational (universities)	3,072
Political	15,000
	83,809

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
5th April 1982

Source and Distribution of Value Added

For the 52 weeks ended 26th December 1981

1981
£000

1980
£000

Source of income				
Group sales	368,057		356,169	
Cost of material and services used	247,717		239,669	
Value added by manufacturing and trading operations	120,340		116,500	
Investment income	82		176	
Extraordinary items	—		(4,106)	
Total Value Added	120,427		112,570	
	£000	%	£000	%
Distribution of Value Added				
Employees — wages, salaries, pension and national insurance contributions and other employee costs	89,230	74.1	88,526	78.6
Taxation — UK and overseas	5,664	4.7	2,340	2.1
Providers of capital				
Interest payable on borrowings	5,704	4.8	6,068	5.4
Dividends to shareholders	4,869	4.0	4,868	4.3
Minority shareholders in subsidiaries	1,344	1.1	1,217	1.1
Total cost of capital provided	11,917	9.9	12,153	10.8
Re-investment in the business				
Depreciation	6,346	5.3	6,088	5.4
Profit retained	7,270	6.0	3,463	3.1
Total re-invested	13,616	11.3	9,551	8.5
Total Value Added	120,427	100.0	112,570	100.0



Source and application of funds	20
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Source and Application of Funds

For the 52 weeks ended 26th December 1981		
	1981 £000	1980 £000
Total net borrowings at 27th December 1980	48,742	44,826
Funds generated:		
Group profit before taxation	19,232	16,128
Depreciation	6,346	6,088
Extraordinary items before taxation	—	(4,106)
Funds generated from operations	25,578	18,110
Issues of shares	17	9
Total funds generated	25,595	18,119
Application of funds:		
Fixed assets, less disposals*	18,243	7,730
Investments*	(375)	(13)
Working capital:		
Stocks and work in progress*	12,463	(2,551)
Debtors less creditors*	1,399	2,550
Dividends paid	4,869	6,044
Taxation paid*	4,836	5,304
Increase in goodwill and other reserve movements*	2,610	2,971
Total funds applied	44,045	22,035
Increase in borrowings	18,450	3,916
Represented by changes in:		
Net liquid funds*	11,544	(848)
Medium and long term indebtedness	6,906	4,764
	18,450	3,916
Net borrowings at 26th December 1981:		
Bank overdrafts and short term borrowings*	29,029	16,037
Bank and cash balances*	(2,761)	(1,313)
Net liquid funds	26,268	14,724
Medium and long term indebtedness	40,924	34,018
Total net borrowings at 26th December 1981	67,192	48,742
*Summary of the effect of the acquisition of new businesses at exchange rates at time of acquisition:		
	1981 £000	1980 £000
Net assets acquired		
Net borrowings	(5,224)	382
Stocks and work in progress	4,921	828
Debtors	3,952	810
Fixed assets	8,942	621
Creditors	(3,142)	(679)
Taxation	79	(109)
Investment in associated companies	190	—
Goodwill arising on acquisition	1,898	2,845
Consideration	11,616	4,698

Consolidated Profit and Loss Account



For the 52 weeks ended 26th December 1981

	Notes	1981 £000	1980 £000
Turnover	1		
Home		234,629	255,647
Overseas (including exports)		133,428	100,522
Total turnover		368,057	356,169
Trading profit	2	24,779	22,062
Share of profits of associated companies		157	134
Interest charges	4	(5,704)	(6,068)
Group profit before taxation		19,232	16,128
Taxation	5	5,722	4,255
Group profit after taxation		13,510	11,873
Minority interests		1,344	1,217
Group profit before extraordinary items		12,166	10,656
Extraordinary items	6	—	2,249
Group profit after extraordinary items		12,166	8,407
Preference dividends	7	70	70
Group profit attributable to ordinary shareholders		12,096	8,337
Ordinary dividends	7	4,799	4,798
Profit retained	8	7,297	3,539
Earnings per share — net basis	9	18.53p	16.21p
— nil distribution basis		20.62p	19.91p

Statement of reserves:

Balance at 27th December 1980:			
As previously reported		52,346	51,488
Changes in accounting policies		—	277
Opening balance as restated		52,346	51,765
Items taken direct to reserves	18	16,581	(2,958)
Profit retained	8	7,297	3,539
Balance at 26th December 1981		76,224	52,346

Notes on the accounts, pages 24 to 31.

Consolidated Balance Sheet

26th December 1981

Notes

1981
£000

1980
£000

Assets employed

Current assets

Stocks and work in progress	10	90,331	77,868
Debtors, bills receivable and prepayments		85,698	70,206
Bank and cash balances and short term deposits	20	2,761	1,313
Total current assets		178,790	149,387

Current liabilities

Creditors and accrued charges		73,336	59,244
Bank overdrafts and other short term borrowings	20	29,029	16,037
Current taxation	11	6,529	5,955
Proposed dividend		3,200	3,199
Total current liabilities		112,094	84,435

Net current assets

Fixed assets	13	66,696	64,952
Investments	15	75,708	43,638
		1,002	1,377
Total net assets		143,406	109,967

Financed by

Ordinary shares	17	16,325	16,323
Reserves	18	76,224	52,346
Ordinary share capital and reserves		92,549	68,669
Preference shares	17	1,291	1,291
Total share capital and reserves		93,840	69,960
Medium and long term indebtedness	20	40,924	34,018
Deferred taxation	19	1,719	1,407
Minority interests		6,923	4,582
Total funds		143,406	109,967

L Fletcher
G Davies

L Fletcher Chairman

G Davies Deputy Chairman and Group Managing Director

Notes on the accounts, pages 24 to 31.

Glynwed plc

Balance Sheet

1980
£000

26th December 1981

Notes

1981
£000

1980
£000

Assets employed

Current assets

Debtors, and prepayments

480

215

Bank balances and short term deposits

20

956

481

Total current assets

1,436

696

Current liabilities

Creditors and accrued charges

1,383

2,052

Bank overdrafts and other short term borrowings

20

37,342

21,140

Current taxation

11

2,234

2,240

Proposed dividend

3,200

3,199

Total current liabilities

44,159

28,631

Net current liabilities

(42,723)

(27,935)

Interest in subsidiaries

12

156,328

132,963

Investments

15

35

122

Advance corporation tax recoverable

1,839

3,448

Total net assets

115,479

108,598

Financed by

Ordinary shares

17

16,325

16,323

Reserves

18

61,735

59,146

Ordinary share capital and reserves

78,060

75,469

Preference shares

17

1,291

1,291

Total share capital and reserves

79,351

76,760

Medium and long term indebtedness

20

35,888

31,813

Deferred taxation

19

240

25

Total funds

115,479

108,598

L Fletcher Chairman

G Davies Deputy Chairman and Group Managing Director

Notes on the accounts, pages 24 to 31.

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 with assets generally carried in the balance sheet at or below the cost incurred at their date of acquisition. However, the convention does permit the inclusion in the balance sheet of certain assets at a value in excess of cost and those fixed assets which are included at valuations in excess of original cost are detailed in note 13 on page 28.

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 year. The profit and loss account also includes the results of subsidiaries acquired and sold during the year from or up to their effective date of acquisition or sale. The group's share of the results of material associated companies is included in the profit and loss account and the group's interest is shown in the consolidated balance sheet at cost together with its share of the reserves of the associated companies. A company is an associated company if, not being a subsidiary, the group's interest therein is long term and comprises not less than 20% of the equity voting rights, and the group is in a position to exercise a significant influence on the affairs of the company.

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. Expenses incurred in the issue of such shares are charged against share premium account.

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 added to reserves on consolidation. Goodwill arising on consolidation is set against reserves.

Turnover

All sales arising within the group are eliminated on consolidation and turnover comprises external sales excluding value added tax.

Research and development

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

Extraordinary items and prior year adjustments

Material profits and losses which derive from transactions outside the ordinary course of business and which are not expected to recur frequently or regularly are treated as extraordinary. Material adjustments arising from changes in accounting policy or the correction of fundamental errors in prior years are treated as prior year adjustments.

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 year. 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 year. Exchange differences on multi-currency loans form part of borrowing costs.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value and full provision has been made for obsolete and slow moving items.

Cost in the case of products manufactured by companies in the group consists of direct material and labour costs and all other expenditure which has been incurred in the normal course of business in bringing those products to their present location and condition.

1 Accounting policies (continued)

Depreciation

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

- (i) Freehold buildings at 2% per annum.
- (ii) Leasehold land and buildings over 50 years or the period of the lease whichever is the less.
- (iii) Plant, equipment and vehicles over a period of from 4 to 10 years according to their estimated working lives.

No depreciation has been charged on freehold land.

Market value of trade investments

Trade investments are included in the balance sheet at cost unless there is considered to be a permanent reduction in their value.

Deferred taxation

Provision is made for deferred taxation at the rates of taxation ruling at the year end. In view of the projected levels of capital investment, the deferred taxation liability is restricted to an amount which, in the opinion of the directors, is likely to become payable in the foreseeable future. Deductions are made for unrelieved advance corporation tax and corporation tax losses recoverable against corporation tax payable on future profits.

2 Trading profit

	1981 £000	1980 £000
This is stated after crediting:		
Income from listed investments	57	80
Interest receivable on property transactions and other sundry interest	30	96
and after charging:		
Depreciation (note 13 on page 28)	6,346	6,088
Hire of plant, equipment and vehicles	2,495	2,481
Emoluments of directors of Glynwed plc:		
As directors	19	15
As executives	354	347
Augmentation of pension fund	91	—
Compensation for loss of office	10	—
Total directors' emoluments	474	362
Auditors' remuneration:		
Glynwed plc	66	37
Subsidiaries	419	356
Total auditors' remuneration	485	413

Notes on the Accounts

3 Directors' and employees' emoluments

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

Chairman

1981 £59,584 (1980 £50,401)

Other directors:

£	Number of directors	
	1981	1980
50,001 to 55,000	1	1
35,001 to 40,000	1	—
30,001 to 35,000	3	3
25,001 to 30,000	—	2
5,001 to 10,000	3	2
Up to 5,000	1	1

The number of other employees in the United Kingdom who received emoluments in excess of £20,000 is as follows:

£	Number of employees	
	1981	1980
25,001 to 30,000	4	1
20,001 to 25,000	3	6

4 Interest charges

	1981 £000	1980 £000
Bank overdrafts, bank loans and other short term borrowings	5,872	4,838
Other loans repayable after 31st December 1986	947	1,230
	6,819	6,068
Less interest receivable on bank deposits and loans	400	—
	6,419	6,068
Less exchange gain on multi-currency loan	715	—
Net interest charges	5,704	6,068

5 Taxation

	1981 £000	1980 £000
On the profit of the year:		
United Kingdom corporation tax at 52%	2,702	1,152
Double taxation relief	(2,077)	(629)
Transfer to/(from) deferred taxation	782	(1,832)
Advance corporation tax not immediately recoverable	1,366	2,410
United Kingdom taxation	2,773	1,101
Overseas taxation	3,395	3,261
Associated companies	58	58
	6,226	4,420
Previous year adjustments	(504)	(165)
Total taxation	5,722	4,255

The taxation charge has benefited from accelerated capital allowances. It is not expected that all the taxation deferred by these timing differences will be payable in the future and this tax has therefore not been provided. Without the benefit of these allowances, the taxation charge would have been increased by £0.2 million (1980 £3.1 million).

6 Extraordinary items

	1981 £000	1980 £000
Termination costs of discontinued activities	—	4,106
Less: taxation relief applicable	—	1,857
Extraordinary items after taxation relief	—	2,249

7 Dividends

	1981 £000	1980 £000
Preference dividends 5.425% (formerly 7¼%)	70	70
Ordinary dividends:		
Interim dividend paid of 2.45p per share (1980 2.45p)	1,599	1,599
Proposed final dividend of 4.90p per share (1980 4.90p)	3,200	3,199
Total ordinary dividend of 7.35p per share (1980 7.35p)	4,799	4,798

8 Profit retained

	1981 £000	1980 £000
Glynwed plc	1,884	(540)
Subsidiary companies	5,386	4,003
Associated companies	27	76
Total profit retained	7,297	3,539

9 Earnings per share

The calculations of earnings per share are based on the figures set out below and 65,293,000 ordinary shares of 25p each (1980: 65,289,000 shares)

	1981 £000	1980 £000
Group profit after taxation	13,510	11,873
Minority interests	(1,344)	(1,217)
Preference dividends	(70)	(70)
Net basis	12,096	10,586
Advance corporation tax not immediately recoverable	1,366	2,410
Nil distribution basis	13,462	12,996

10 Stocks and work in progress

	1981 £000	1980 £000
Raw materials and consumable stores	22,504	19,099
Work in progress	12,382	11,424
Finished goods and distribution stocks	55,445	47,345
Total stocks and work in progress	90,331	77,868

11 Current taxation

	Group		Glynwed plc	
	1981 £000	1980 £000	1981 £000	1980 £000
United Kingdom corporation tax	(395)	865	338	172
Advance corporation tax	2,068	2,068	1,896	2,068
Total UK current taxation	1,673	2,933	2,234	2,240
Overseas taxation	4,856	3,022	—	—
Total current taxation	6,529	5,955	2,234	2,240

Notes on the Accounts

12 Interest in subsidiaries

	1981 £000	1980 £000
Shares at or below cost	57,233	53,801
Amounts owing from subsidiaries	113,199	94,835
Amounts owing to subsidiaries	(14,104)	(15,673)
Total interest in subsidiaries	156,328	132,963

A list of principal subsidiaries which traded during the year is given on page 33.

13 Fixed assets

	Land and buildings			Plant, equipment and vehicles	1981 Total fixed assets £000	1980 Total fixed assets £000
	Freehold £000	Leasehold Long £000	Short £000	£000		
Cost and valuation:						
At 27th December 1980	26,992	709	747	64,923	93,371	88,220
Transfers during year	216	—	(216)	—	—	—
Exchange adjustments	11	—	—	2	13	71
New businesses	3,571	—	63	10,540	14,174	1,266
Additions at cost	3,769	—	—	6,809	10,578	8,092
Disposals	(730)	(9)	(129)	(4,983)	(5,851)	(4,278)
Surplus on revaluation	10,982	1,574	622	—	13,178	—
At 26th December 1981	44,811	2,274	1,087	77,291	125,463	93,371
Cost	1,538	—	87	74,657	76,282	78,184
Professional valuations:						
1981	40,666	2,255	1,000	—	43,921	—
1978	921	—	—	—	921	1,238
1977 and earlier	287	19	—	37	343	6,097
Directors valuations	—	—	—	—	—	—
1970 and earlier	1,399	—	—	2,597	3,996	7,852
At 26th December 1981	44,811	2,274	1,087	77,291	125,463	93,371
Accumulated depreciation:						
At 27th December 1980	8,113	233	294	41,093	49,733	46,224
Transfers during year	88	—	(88)	—	—	—
Exchange adjustments	41	—	—	31	72	8
New businesses	102	—	23	5,185	5,310	654
Provision for the year	499	18	10	5,821	6,346	6,088
Disposals	(363)	(4)	(72)	(4,272)	(4,711)	(3,241)
Surplus on revaluation	(6,622)	(243)	(150)	—	(6,995)	—
At 26th December 1981	1,858	2	37	47,858	49,755	49,733
Net book value:						
At 26th December 1981	42,953	2,272	1,050	29,433	75,708	—
At 27th December 1980	18,879	476	453	23,830	—	43,638

Freehold and leasehold properties in use at 26th December 1981 were valued by professional valuers. In the United Kingdom the valuations were by Messrs Edwards, Bigwood & Bewlay of Birmingham, in the United States of America by Cushman & Wakefield of Georgia Inc of Atlanta, Georgia and in the Republic of South Africa by Messrs Richard Ellis of Cape Town. These valuations, based on the vacant possession open market value of the properties, amounted to £43.921 million and have been included in the accounts giving a surplus of £20.173 million over net book values. The revaluation reserve has been credited with £18.600 million (note 18) and the balance of £1.573 million has been credited to minority interests. The charge for depreciation for future years based on the buildings valuation will be increased by approximately £0.205 million.

Certain properties in the United Kingdom which are not in use and are currently being offered for sale have not been included in the valuation. The freehold properties in France and Holland, all of which were in use, were not re-valued. The net book value of the properties not valued as at 26th December 1981 amounted to £2.354 million.

14 Capital expenditure

Authorised by the board but not contracted for
Contracted for but not provided in the accounts

Total expenditure authorised

Glynwed plc had no capital commitments (1980: nil).

Group	
1981	1980
£000	£000
5,428	3,876
5,568	1,401
11,046	5,277

15 Investments

	Group		Glynwed plc	
	1981 £000	1980 £000	1981 £000	1980 £000
Trade investments:				
Listed equity shares, at cost	407	1,057	—	—
Unlisted equity shares, at or below cost	29	36	25	25
Total trade investments	436	1,093	25	25
Market value of listed shares	189	692	—	—
Associated companies—unlisted:				
At or below cost	491	97	10	97
Share of post-acquisition reserves less exchange adjustments	75	187	—	—
Total associated companies—unlisted	566	284	10	97
Total investments	1,002	1,377	35	122

The directors estimate the value of unlisted investments to equate to book value.

The following information is given in respect of the unlisted trade investments and unlisted associated companies, showing the country of registration or incorporation and the group's interest in the issued share capital.

Name	Country of registration or incorporation	Capital	% held
*European Plumbing Materials Ltd	England	£50,000	50
*Irano British Building Products Ltd	Iran	Rials 25m	49
†Dauphinoise-Thomson SA	France	Frs 1m	47½
Vulcathene South Africa (Pty) Ltd	South Africa	R32,000	50
†Pipework International Ltd	U.A.E.	Dh 4m	50
†Dura-Wills Pty Ltd	Australia	A\$ 500,000	40

*These two companies have not been dealt with as associated companies as their figures are not significant to the group. No loan capital has been created.

†Shares held by a subsidiary of Glynwed plc.

16 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.

17 Share capital

	Authorised		Issued	
	No. of shares 000	£000	No. of shares 000	£000
Ordinary shares of 25p each:				
Balance at 27th December 1980	80,000	20,000	65,292	16,323
Issued to stockholders exercising rights under 6% convertible unsecured loan stock			6	2
Balance at 26th December 1981	80,000	20,000	65,298	16,325
5.425% Cumulative Preference Shares of £1 each fully paid (formerly 7¼%)	1,291	1,291	1,291	1,291

2,341,581 shares of the unissued ordinary share capital are reserved for issue to the holders of the 6% convertible unsecured loan stock who may exercise their conversion rights.

Notes on the Accounts

18 Reserves

	Share premium £000	Other reserves £000	Goodwill on consoli- dation £000	Total £000
Group				
Balance at 27th December 1980	21,350	46,176	(15,180)	52,346
Premium on shares issued	15			15
Movement on goodwill			(2,665)	(2,665)
Exchange differences and other adjustments		631		631
Surplus on revaluation of properties		18,600		18,600
Items taken direct to reserves	15	19,231	(2,665)	16,581
Profit retained		7,297		7,297
Balance at 26th December 1981	21,365	72,704	(17,845)	76,224
Retained in associated companies		70		70
Available for distribution		50,529		50,529
Not available for distribution	21,365	22,105	(17,845)	25,625
Total reserves	21,365	72,704	(17,845)	76,224
Glynwed plc				
Balance at 27th December 1980	21,350	37,796		59,146
Premium on shares issued	15			15
Exchange differences		690		690
Profit for year		1,084		1,884
Balance at 26th December 1981	21,365	40,370		61,735
Available for distribution		39,532		39,532
Not available for distribution	21,365	838		22,203
Total reserves	21,365	40,370		61,735

19 Deferred taxation

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

	1981		1980	
	Provision made £000	Full potential liability £000	Provision made £000	Full potential liability £000
Timing differences mainly between tax allowances and depreciation	4,218	13,579	2,390	10,196
Taxation losses carried forward	(951)	(1,088)	(418)	(418)
Stock appreciation relief	167	167	974	13,965
Advance corporation tax recoverable	(1,715)	(5,918)	(1,539)	(3,948)
Corporation tax payable if properties were disposed of at revalued amounts	—	3,328	—	341
Total deferred taxation provisions	1,719	10,068	1,407	20,138

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

20 Loan capital and borrowed money

	Group		Glynwed plc	
	1981 £000	1980 £000	1981 £000	1980 £000
Secured				
<i>Sterling:</i>				
7.5% Debenture Stock 1989/94	2,837	2,883	2,837	2,883
Other currencies (6 to 17.5%)	2,750	637	—	—
Total secured loans	5,587	3,520	2,837	2,883
Unsecured				
<i>Sterling:</i>				
10.75% loan stock 1994/99	5,886	5,886	5,886	5,886
6.0% convertible loan stock 1983/85	5,778	5,795	5,778	5,795
10% loan notes 1986	71	—	71	—
Term loans (12.9 to 17.5%)	14,000	14,000	14,000	14,000
Bank overdrafts (13 to 17%)	16,010	9,231	36,655	21,018
<i>Other currencies:</i>				
Term loans (8.2 to 20%)	11,064	5,088	7,872	3,249
Bank overdrafts (8.9 to 20%)	11,557	6,595	131	122
Total unsecured loans	64,366	46,535	70,393	50,070
Total loan capital and borrowed money	69,953	50,055	73,230	52,953
Bank and cash balances and short term deposits	(2,761)	(1,313)	(956)	(481)
Total net borrowings	67,192	48,742	72,274	52,472
Amounts repayable in one year or less or on demand included in current liabilities	29,029	16,037	37,342	21,140
Bank and cash balances and short term deposits	(2,761)	(1,313)	(956)	(481)
Amounts repayable in more than one year shown as long and medium term loans	40,924	34,018	35,888	31,813
Total net borrowings	67,192	48,742	72,274	52,472
<i>Bank borrowings repayable:</i>				
In one year or less or on demand	28,288	15,898	37,342	21,140
Between one and two years	2,375	1,729	1,111	556
Between two and five years	8,448	3,996	7,333	3,333
In five years or more	13,146	13,476	12,872	13,360
Total bank borrowings	52,257	35,099	58,658	38,389
<i>Other borrowings repayable:</i>				
In one year or less or on demand	741	139	—	—
Between one and two years	842	97	—	—
Between two and five years	7,197	5,909	5,849	5,795
In five years or more	8,916	8,811	8,723	8,769
Total other borrowings	17,696	14,956	14,572	14,564
Total loan capital and borrowed money	69,953	50,055	73,230	52,953

The debenture stock (including accrued interest) is secured by floating charges on the assets and undertakings of Glynwed plc and certain of its wholly-owned subsidiaries. The sinking fund requirement has been satisfied to date by the purchase and cancellation of £605,930 of stock.

The convertible unsecured loan stock carries the right, exercisable in any of the years 1982 to 1983, to convert 246,772p nominal amount of stock into one ordinary share of 25p. The holders of £16,375 loan stock exercised the conversion option at 30th September 1981.

All loan capital, including any unconverted stock, is repayable at par.

21 Other statutory information

During the year three subsidiary companies arranged to purchase computer systems for a total consideration of £78,000 from Mensa Computers Limited. Mr L Fletcher has a 10% interest and Mr G Davies a 12½% interest in the issued share capital of Mensa Computers Limited.

Auditors' Report

Auditors' Report to the members of Glynwed public limited company

We have audited the accounts on pages 20 to 31 and 34 and 35 in accordance with approved Auditing Standards.

In our opinion the accounts on pages 20 to 31, which have been prepared under the historical cost convention as explained in the statement of accounting policies set out on pages 24 and 25, give a true and fair view of the state of affairs of the company and the group at 26th December 1981 and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Acts 1948 to 1981.

In our opinion the supplementary current cost accounts set out on pages 34 and 35 have been properly prepared, in accordance with the policies and methods described in notes 1 to 5, to give the information required by Statement of Standard Accounting Practice No. 16.

Coopers & Lybrand
Coopers & Lybrand
 Chartered Accountants
 Birmingham

5th April 1982

Financial Calendar 1982

Annual general meeting	27th May
Final ordinary dividend payable	8th July
Half year end	26th June
Interim ordinary dividend payable	15th December
Preference dividend payable	30th June, 31st December
1982 year end	25th December

Interest payments (United Kingdom):

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

The following is a list of the company's principal subsidiaries which traded during the year ended 26th December 1981, all of which, unless otherwise stated, are wholly owned.

The capital in each case consists wholly of ordinary shares or common stock.

Registered in England and operating in the United Kingdom

Certex Ltd†
Crackley Ltd
Durapipe International Ltd and its subsidiaries†
G.I.S. Products Ltd†
Glynwed Bathroom & Kitchen Products Ltd†
Glynwed Distribution Ltd
Glynwed Appliances Ltd†
Glynwed Foundries Ltd†
Glynwed Group Services Ltd
Glynwed Integrated Services Ltd
Glynwed Overseas Ltd
Glynwed Plastics Ltd
Glynwed Screws & Fastenings Ltd
Glynwed Steels Ltd
Glynwed Steel Stockholding Ltd
Glynwed Tubes & Fittings Ltd
Glynwed Wholesale Chemists Ltd

Incorporated and operating overseas

*The Breman Steel Company Inc (USA)
*Cooper & Turner Inc (USA)
*Defy Corporation (Pty) Ltd (74% owned) and its subsidiaries (South Africa)†
*Enfield Industrial Corporation Inc (USA)
*Glynwed Australia Pty Ltd (Australia)†
Glynwed Eurotrade BV (Holland)†
*La Dauphinoise SA (95% owned) (France)
Nederlandse Autofitting Fabriek BV (Holland)†
*The Pandjiris Weldment Company Inc (USA)
*Plastimatic Inc (USA)†

*Shares held by subsidiaries of Glynwed plc.

†Companies not audited by Coopers & Lybrand. The aggregate assets of such companies at 26th December 1981 amounted to 28% of the group assets.

Consolidated Current Cost Profit and Loss Account

For the 52 weeks ended 26th December 1981

	Notes	1981 £000	1980 £000
Turnover			
Home		234,629	285,647
Overseas (including exports)		133,428	100,522
Total turnover		368,057	386,169
Trading profit		24,779	22,062
Current cost adjustments	2	8,046	8,465
Trading profit after current cost adjustments		16,733	13,597
Share of profits of associated companies		157	134
Interest charges		(5,704)	(6,068)
Less: gearing adjustment	3	2,905	2,836
		(2,799)	(3,232)
Group profit before taxation		14,091	10,499
Taxation		5,722	4,255
Group profit after taxation		8,369	6,244
Minority interests		840	949
Group profit before extraordinary items		7,529	5,295
Extraordinary items		—	2,249
Group profit after extraordinary items		7,529	3,046
Preference dividends		70	70
Group profit attributable to ordinary shareholders		7,459	2,976
Ordinary dividends		4,799	4,798
Group current cost profit retained		2,660	(1,822)
Earnings per share — net basis		11.42p	8.00p
— nil distribution basis		13.52p	11.69p
Statement of retained reserves			
Balance at 27th December 1980		87,513	51,765
Current cost profit retained		2,660	(1,822)
Movements on current cost reserve		3,409	40,828
Items taken direct to other reserves		(2,019)	(2,958)
Balance at 26th December 1981		91,563	87,813

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'. A refinement in the application of SSAP No. 16 has resulted in the 1980 current cost reserve and minority interests being restated. This has no effect on the total shareholders funds.

2. Current cost adjustments

	1981 £000	1980 £000
Cost of sales adjustment (COSA)	3,598	4,314
Monetary working capital adjustment (MWCA)	961	1,378
Depreciation adjustment	3,487	2,773
Total current cost adjustments	8,046	8,465

a) Stocks and work in progress

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

b) Monetary working capital adjustment

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

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 year. For land and buildings the charge is based on revised asset lives assessed during the professional valuation (see note 4(a)).

3. Gearing adjustment

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

Consolidated Current Cost Balance Sheet



Net trading assets

26th December 1981

	Notes	1981 £000	1980 £000
Stocks and work in progress	2	91,111	78,645
Debtors, bills receivable and prepayments		85,692	70,206
Creditors and accrued charges		(73,336)	(69,244)
Net current assets		103,473	89,607
Fixed assets	4	90,102	79,449
Investments		784	1,012
Total net operating assets		194,359	170,068

Shareholders funds

Ordinary shares		16,325	16,323
Current cost reserve	5	43,937	40,528
Other reserves		47,626	46,985
Ordinary share capital and reserves		107,888	103,836
Preference shares		1,291	1,291
Total share capital and reserves		109,179	105,127
Proposed dividends		3,200	3,199
Minority interests		6,540	5,638
Total shareholders' funds		118,919	113,964

Net borrowings

Medium and long term indebtedness		40,924	34,018
Deferred taxation		1,719	1,407
Current taxation		6,529	5,965
Bank overdrafts and other short term borrowings less bank and cash balances		26,268	14,724
Total net borrowings		75,440	56,104
Total funds		194,359	170,068

4. Fixed assets

	26th December 1981		1980
	Gross £000	Depreciation £000	Net £000
Land and buildings	54,243	—	54,243
Plant, equipment and vehicles	161,978	126,119	35,859
	216,221	126,119	90,102

Fixed assets have been valued as follows:

a) Land and buildings

A professional valuation on an existing use basis of the group's land and buildings was made at 26th December 1981 and this valuation has been incorporated in the current cost accounts.

b) Plant, equipment and vehicles

Plant, equipment and vehicles 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 in certain industries where the plant and equipment have no equivalent replacement.

5. Current cost reserve

	1981 £000	1980 £000
Balance at 27th December 1980	40,528	—
Revaluation surpluses:		
Land and buildings	472	28,666
Plant, equipment and vehicles	1,161	8,602
Investments	147	(365)
Stocks and work in progress	3,573	5,083
	45,881	41,986
Monetary working capital adjustment	961	1,378
Gearing adjustment 36.1% of £8.046 million (1980 33.5% of £8.465 million)	(2,905)	(2,836)
Current cost reserve	43,937	40,528
of which: realised	9,998	3,361
unrealised	33,939	36,167
Current cost reserve	43,937	40,528

Notice of Meeting

Notice is hereby given that the forty first annual general meeting of Glynwed public limited company will be held at Headland House, Sheldon, Birmingham, on Thursday, 27th May 1982 at 12 noon to transact the following business:

- 1 To receive and adopt the annual report and accounts for the 52 weeks ended 26th December 1981.
- 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.

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
4th May 1982

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 (Saturdays and public holidays excluded) from 4th May 1982 to 26th May 1982 inclusive, and at the place of the meeting for 15 minutes prior to the meeting and during the meeting.