

WILLIAM BLYTHE AND CO LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report and the audited accounts for the year to 28 September 1975.

ACTIVITIES

The company is engaged in the manufacture and sale of heavy inorganic chemicals.

MEMORANDUM AND ARTICLES OF ASSOCIATION

During the year alterations have been made to the Objects Clause in the Memorandum and the Articles of Association have been wholly revised. The principal objective of these changes was to give the shareholders overriding control over the powers of Directors in respect of borrowings, new capital and Board appointments and to streamline much of the administration necessitated by Company law.

FIXED ASSETS

The detailed statement given as note 7 to the account reflects the changes in the fixed assets.

DIRECTORS

The following persons were directors of the company during part or the whole of the accounting year:

J D Horner (Chairman)	T G Robson
P M Shaw (Managing Director)	F Smith
W C Bright (resigned 2 May 1975)	J Wilkinson
J Meakin	G Lloyd-Watts
T S Smith	G Ringwood (appointed 8 July 1975)

DIRECTORS' INTERESTS

None of the directors or their families was interested in the company's shares during the year under review.

Directors' interests in the parent company, Hickson and Welch (Holdings) Limited, were as follows:

	50p Ordinary Shares	8½% Unsecured Loan		
		Stock 1989/94		
	28.9.75	29.9.74	28.9.75	29.9.74
J Meakin	19	400	-	-
G Ringwood	200*	-	-	-
F Smith	218	208	-	-
T S Smith	2,000	-	-	-
J Wilkinson	393	-	281	-

\* held on appointment

WILLIAM BLYTHE AND CO LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

The interests of Mr J D Horner and Mr P M Shaw do not fall to be shown by virtue of the Companies (Disclosure of Directors' Interests) (Exceptions) No 3 Regulations 1968.

TURNOVER

The gross sales for the year amounted to £7,450,102 (£7,088,277 - 1974) derived wholly from the company's manufacturing and merchanting of chemicals.

EXPORTS

The aggregate value of goods exported from the UK by the company amounted to £2,455,869 (£2,042,309 - 1974).

TRADING RESULTS

	Year to <u>28.9.75</u>	Year to <u>29.9.74</u>
	£	£
Profit for the year before taxation	783,704	653,019
Share of profit of associated company	2,694	-
	<u>786,398</u>	<u>653,019</u>
Taxation	382,653	353,392
Share of taxation of associated company	1,536	-
	<u>384,189</u>	<u>353,392</u>
Profit after taxation, before extraordinary items	402,209	299,627
Deduct: Extraordinary items:-		
Provision for diminution in value of investment in subsidiary (including its loss for the year)	116,709	-
Additional transfer to deferred tax	-	8,360
	<u>285,500</u>	<u>291,267</u>
Dividend received from a subsidiary	12,101	9,740
	<u>297,601</u>	<u>301,007</u>
Dividend payable	121,000	197,228
Retained profit for the year transferred to reserves	<u>£176,601</u>	<u>£103,779</u>

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WILLIAM BLYTHE AND CO LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

AUDITORS

The auditors, Price Waterhouse & Co, have expressed their willingness to continue in office in accordance with Section 159 of the Companies Act 1948.

BY ORDER OF THE BOARD

T W Barton  
Secretary

19 December 1975

Registered Office:  
Holland Bank Works  
Church  
Accrington

Place of Registration and Company No:  
England - 35648

AUDITORS' REPORT TO THE MEMBERS OF WILLIAM BLYTHE & CO LIMITED

In our opinion the accounts on pages 5 to 11 give a true and fair view of the state of the company's affairs as at 28 September 1975 and of its profit for the year then ended and comply with the Companies Acts 1948 and 1967.



Chartered Accountants

19 December 1975

WILLIAM BLYTHE AND CO LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 SEPTEMBER 1975

<u>1974</u>		
<u>£7,088,277</u>	TURNOVER (Note 2)	<u>£7,450,102</u>
651,995	TRADING PROFIT FOR THE YEAR AFTER CHARGING (AND CREDITING) THE FOLLOWING ITEMS:	783,181
140,252	Depreciation	159,998
(12,555)	Government grant released	(14,630)
65,072	Bank interest payable	43,384
43,816	Directors' emoluments (Note 3)	49,868
2,066	Hire of plant and machinery	8,580
4,004	Auditors' remuneration	4,160
(1,770)	(Profit)/Loss on retirements and sales of fixed assets	-7,323
-	SHARE OF PROFIT OF ASSOCIATED COMPANY	2,694
		<u>785,875</u>
	DIVIDENDS RECEIVABLE:	
1,024	Quoted investments gross including imputed tax credit	523
9,740	Dividend received from a subsidiary	12,101
<u>662,759</u>	PROFIT FOR THE YEAR BEFORE TAXATION AND EXTRAORDINARY ITEMS	<u>798,499</u>
353,392	United Kingdom corporation tax based thereon (Note 4)	384,189
<u>309,367</u>	PROFIT FOR THE YEAR BEFORE EXTRAORDINARY ITEMS	<u>414,310</u>
	Extraordinary items:	
-	Provision for losses of a subsidiary (Note 8)	116,709
8,360	Additional amount set aside for deferred taxation	-
<u>301,007</u>	PROFIT FOR THE YEAR AFTER TAXATION AND EXTRAORDINARY ITEMS	<u>297,601</u>
197,228	DIVIDENDS (Note 5)	121,000
<u>£103,779</u>	RETAINED PROFIT TRANSFERRED TO RESERVES	<u>£176,601</u>

# WILLIAM BLYTHE & CO LIMITED

## BALANCE SHEET - 28 SEPTEMBER 1975

1974

### EMPLOYMENT OF CAPITAL

1,779,513	Fixed assets (Note 7)	2,098,900
227,989	Interests in subsidiaries (Note 8)	212,510
13,026	Quoted investments	-
-	Interest in associated company (Note 9)	13,658

### CURRENT ASSETS

1,085,836	Stocks	1,183,752
1,203,153	Debtors and prepayments	1,177,375
204,653	Amounts owing by fellow subsidiaries	222,152
2,027	Cash	2,620
<u>2,495,669</u>		<u>2,585,899</u>

### CURRENT LIABILITIES

985,303	Creditors and accrued charges	875,228
282,332	Corporation tax	236,213
138,887	Amount owing to holding company	53,020
-	Amounts owing to fellow subsidiaries	833
620,310	Bank overdraft	517,283
29,348	Unrealised profits on stocks held within the group	33,280
-	Proposed dividend	121,000
<u>2,056,180</u>		<u>1,836,857</u>

439,489	NET CURRENT ASSETS	749,042
<u>£2,460,017</u>		<u>£3,074,110</u>

### CAPITAL EMPLOYED

1,013,070	Issued share capital (Note 5)	1,013,070
932,059	Reserves (Note 6)	1,105,099
<u>1,945,129</u>		<u>2,118,169</u>
433,033	Deferred taxation	838,901
81,855	Government grants	117,040
<u>£2,460,017</u>		<u>£3,074,110</u>

### DIRECTORS

J D Horner - Chairman  
P M Shaw - Managing Director

*J D Horner*  
*P M Shaw*

WILLIAM BLYTHE AND CO LIMITED

NOTES TO THE ACCOUNTS - 28 SEPTEMBER 1975

1 ACCOUNTING POLICIES

Depreciation

Fixed assets are written off evenly over their expected useful lives. The significant rates of depreciation are:

Buildings and property	25 years (4%)
Plant and machinery	12 years (8.33%)
Others (including motor vehicles)	5 years (20½%)

Government Grants

Government grants in respect of each year's expenditure have been credited to profit and loss account over the average life of the relevant assets.

Stock Valuation

Stocks are stated at the lower of cost and net realisable value. An appropriate portion of overhead expenditure is included in the cost of manufactured products.

Deferred Taxation

Provision is made at the rate of corporation tax ruling at the balance sheet date and arises from the allocation for taxation purposes of income, expenditure and depreciation to periods different from those used for accounting purposes.

2 TURNOVER

Turnover represents the value of goods invoiced during the year, less returns and allowances and includes sales to other group companies amounting to £913,261 (1974 - £685,830).

3 DIRECTORS' EMOLUMENTS

	<u>1975</u>	<u>1974</u>
	£	£
Fees	-	1,150
Management remuneration	49,868	42,666
	<u>49,868</u>	<u>43,816</u>

WILLIAM BLYTHE AND CO LIMITED

NOTES TO THE ACCOUNTS - 28 SEPTEMBER 1975 (CONTINUED)

DIRECTORS' EMOLUMENTS (continued)

Excluding pension contributions these were as follows:

	<u>1975</u>	<u>1974</u>
	<u>£</u>	<u>£</u>
Chairman	NIL	250
Highest paid director	13,495	10,985

Other directors were in the following ranges:

Not more than £2,500	3	2
£2,501 - £5,000	1	2
£5,001 - £7,500	2	4
£7,501 - £10,000	2	-

4 TAXATION

The charge for taxation has been calculated at the rate of 52% (1974 - 52%); it includes £188,500 (1974 - £187,000) for deferred taxation and £1,536 (1974 - NIL) for share of taxation of associated company. Deferred taxation includes the benefit of stock appreciation relief up to 29 September 1974.

5 SHARE CAPITAL AND DIVIDENDS

	<u>Authorised</u>	<u>Issued and fully paid</u>
At 29 September 1974		
5.6% cumulative preference shares of £1 each	117,940	110,660
3.5% non-cumulative second preference shares of 25p each	110,050	110,050
Ordinary shares of 15p each	1,022,010	792,360
	<u>£1,250,000</u>	<u>£1,013,070</u>

All the share capital was converted into ordinary shares of £1 each on 4 April 1975.

At 28 September 1975

Ordinary shares of £1 each	<u>£1,250,000</u>	<u>£1,013,070</u>
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The preference shareholders waived their right to any dividends due up to 4 April 1975.



WILLIAM BLYTHE AND CO LIMITED

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NOTES TO THE ACCOUNTS - 28 SEPTEMBER 1975 (CONTINUED)

6 RESERVES

	<u>Unappropriated Profits</u>	<u>General Reserves</u>	<u>Total</u>
At 29 September 1974	395,304	536,755	932,059
Transfer to Government Grant Reserve in respect of prior year	3,561	-	3,561
As restated	391,743	536,755	928,498
Retained profit for the year	176,601	-	176,601
At 28 September 1975	<u>£568,344</u>	<u>£536,755</u>	<u>£1,105,099</u>

7 FIXED ASSETS

	<u>Land and Buildings</u>	<u>Plant and Equipment</u>	<u>Total</u>
Cost or revaluation (1972) as at 29 September 1974	631,920	1,431,460	2,063,380
Additions during year	126,006	371,155	497,161
Disposals during year	(5,439)	(31,302)	(36,741)
	<u>752,487</u>	<u>1,771,313</u>	<u>2,523,800</u>
Depreciation as at 29 September 1974	44,398	239,469	283,867
Charge for the year	20,456	139,542	159,998
Disposals	(188)	(18,777)	(18,965)
Depreciation at 28 September 1975	<u>64,666</u>	<u>360,234</u>	<u>424,900</u>
Net Book Amount	<u>£687,821</u>	<u>£1,411,079</u>	<u>£2,098,900</u>

The majority of the fixed assets were professionally revalued by F S Airey Entwistle and Co as at March 1972 on a going concern basis and updated by the directors as at 1 October 1972.

	<u>Land and Buildings</u>		<u>Plant and Equipment</u>
	<u>Freeholds</u>	<u>Long Leaseholds</u>	
At valuation 1960	31,145	1,930	-
At revaluation 1972	356,737	61,528	811,378
At cost	301,147	-	959,935
	<u>£689,029</u>	<u>£63,458</u>	<u>£1,771,313</u>

WILLIAM BLYTHE AND CO LIMITED

NOTES TO THE ACCOUNTS - 28 SEPTEMBER 1975 (CONTINUED)

8 INTERESTS IN SUBSIDIARIES

The company owns the whole of the issued share capital of Michael Uttley Limited and of Blythe Plastics Engineering Limited, companies incorporated in England.

	£
Cost of shares	48,100
Amounts owing by subsidiaries on current accounts	281,119
	<u>329,219</u>
Less: Provision for losses (see below)	116,709
	<u>£212,510</u>

Statement in accordance with Section 15(4) of the second schedule of the Companies Act 1967:

Group accounts are not submitted as William Blythe and Co Limited is a wholly owned subsidiary of Hickson and Welch (Holdings) Limited, incorporated in England. The following financial information relates to the accounts of Michael Uttley Limited and Blythe Plastics Engineering Limited.

	£
Retained loss of the subsidiaries at the beginning of the year	(33,172)
Losses less profits of the subsidiaries for the year	<u>(71,436)</u>
	(104,608)
Dealt with in the accounts of the company	<u>12,101</u>
Retained loss of the subsidiaries at the end of the year	<u>£(116,709)</u>

9 INTEREST IN ASSOCIATED COMPANY

The company owns 40% of the issued share capital of G & A Plastics Limited, a company incorporated in England.

	£
Cost of shares	7,500
Loan, repayable on demand, bearing interest at 14% per annum	5,000
Share of post-acquisition profits after taxation	<u>1,158</u>
	<u>£13,658</u>

WILLIAM BLYTHE AND CO LIMITED

NOTES TO THE ACCOUNTS - 28 SEPTEMBER 1975 (CONTINUED)

10 CAPITAL COMMITMENTS

	<u>1975</u>	<u>1974</u>
	£	£
Amounts authorised by the board for which contracts have been placed	29,000	143,000
Amounts authorised by the board not yet committed	30,000	33,000

11 CONTINGENT LIABILITIES

The company, together with other group companies, has given joint and several guarantees totalling £3,000,000 in respect of bank credit facilities afforded to the holding company.

12 ULTIMATE HOLDING COMPANY

The ultimate holding company is Hickson and Welch (Holdings) Limited, a company incorporated in England.