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THE HOLYWELL-HALKYN MINING AND TUNNEL COMPANY LIMITED

AND SUBSIDIARY

REPORT OF THE DIRECTORS

and

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 1980



THE HOLYWELL-HALKYN MINING AND TUNNEL COMPANY LIMITED

BOARD OF DIRECTORS

Dr. H. D. Mackenzie (Chairman)  
Mr. T. R. Jones  
Mr. W. H. Jones  
Mr. J. Monkman  
Mr. T. W. Thomas

Secretary and Registered Office

Mr. W. H. Jones

Olwyn Goch, Rhydymwyn, Near Mold

Auditors

Price Waterhouse & Co., Chartered Accountants,  
Silkhouse Court, Tithesbarn Street,  
Liverpool L2 2LJ.

Bankers

Midland Bank Limited, Flint, Clwyd.

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REPORT OF THE DIRECTORS

and

STATEMENT OF ACCOUNTS

For the Year Ended 31st March, 1980

THE HOLYWELL-HALKYN MINING AND TUNNEL COMPANY LIMITED

(A Subsidiary of Courtaulds Limited)

REPORT OF THE DIRECTORS

The Directors submit their report and the accounts for the financial year ended 31st March, 1980

PROFIT/(LOSS)

	£
The trading profit for the year amounted to	1,198
From which is deducted loan interest of	800
	<u>398</u>
Add balance brought forward	1,818
	<u>£2,216</u>

DIVIDEND

No Dividend is recommended to be paid.

DIRECTORS

The names of the present Board of Directors or of any person who served as a Director during the financial year are:-

Dr. H. D. Mackenzie (Chairman)  
Mr. W. H. Jones  
Mr. J. Monkman  
Mr. T. R. Jones  
Mr. T. W. Thomas (Appointed 25.10.79)

The Directors retiring by rotation are Dr. H. D. Mackenzie and Mr. T.W. Thomas who, being eligible, offer themselves for re-election.

The interest of Directors in Shares or Debentures of the Holding Company as at the beginning and end of the financial year were:-

	<u>Ordinary Shares</u> <u>of 25p each</u> <u>31st March</u>		<u>5% Preference</u> <u>Shares of £1 each</u> <u>31st March</u>		<u>7% Debenture Stock</u> <u>1982/87</u> <u>31st March</u>	
	1979	1980	1979	1980	1979	1980
Dr. H. D. Mackenzie	-	-	-	-	£17.50	£17.50
Mr. J. Monkman	461	461	-	-	£25.00	£25.00
Mr. W. H. Jones	144	144	-	-	-	-
Mr. T. R. Jones	202	202	-	-	£5.00	£5.00
Mr. T. W. Thomas	-	-	-	-	-	-

No Director has or has had during the financial year any interest in any contract significant to the Company's business.

COMPANY'S ACTIVITIES

The Company has continued its main activity of maintenance of the drainage tunnels when conditions permitted, thus ensuring an adequate supply of water to the Holding Company's North Wales Factories.

COMPANY'S ACTIVITIES (Cont'd)

The Company/Group has introduced further measures aimed at energy conservation and will continue to review all fuel expenditure to promote maximum savings.

EXPORTS

No goods were exported from the United Kingdom during the financial year.

AUDITORS

The Auditors, Price Waterhouse and Co., are willing to continue in office and a resolution for their re-appointment will be made at the forthcoming Annual General Meeting.

By Order of the Board

W. H. JONES

Secretary

THE HOLYWELL-HALKIN MINING AND TUNNEL COMPANY LIMITED

AND SUBSIDIARY

A Subsidiary of Courtaulds Limited  
A Company Incorporated in England

Consolidated Profit and Loss Account for the Year Ended 31st March, 1980

<u>£</u>	<u>1979</u>	<u>£</u>	<u>£</u>	<u>1980</u>	<u>£</u>
595			<u>TRADING PROFIT/(LOSS)</u>		398
			(after taking into account the charges below)		
		259	Depreciation (excluding land and buildings)	1,909	
		500	Audit Fees and Expenses	274	
		800	Directors' Emoluments	-	
			Loan Interest paid to Holding Company (gross)	800	
595			<u>PROFIT FOR THE YEAR BEFORE TAXATION</u>		398
			Taxation - Note 5		
595			<u>PROFIT FOR THE YEAR AFTER TAXATION</u>		398
			<u>Balances Brought Forward</u>		
	1,223		Company	1,818	
1,251	28		Subsidiaries	28	1,846
1,846			<u>BALANCE AVAILABLE</u>		2,244
			<u>BALANCE CARRIED FORWARD</u>		
	1,818		Company	2,216	
	28		Subsidiaries	28	
1,846					2,244

The annexed notes form an integral part of these accounts.

THE HOLYWELL-HALKYN MINING AND(A Subsidiary of the  
A Company Incorporated inBALANCE SHEET 31st

<u>1979</u>		<u>1980</u>
£		£
110,915	<u>FIXED ASSETS - Note 2</u>	115,431
	Expenditure on Tunnels, Plant etc. at cost less sales and amount written off	
<u>110,915</u>		<u>115,431</u>
	<u>INVESTMENTS in Subsidiaries at cost less amounts</u>	
	written off £60,000	
37,092	18,692 Shares of £10 each, 99.51% owned, fully paid, in The Halkyn District Mines Drainage Company registered in England	37,092
(13)	LESS: Amounts due to Subsidiaries on Current Account	(13)
<u>37,079</u>		<u>37,079</u>
	<u>CURRENT ASSETS</u>	
6,610	Stocks - General Stores	6,860
513	Debtors and Prepayments	1,006
34,408	Owing by Holding Company	27,431
2,867	" " Fellow Subsidiaries	2,899
738	Balance at Bank	1,008
<u>45,136</u>		<u>39,204</u>
	<u>CURRENT LIABILITIES</u>	
7,083	Creditors and Accruals	4,178
4,967	Owing to Holding Company	29,887
30,822	" " Fellow Subsidiaries	6,993
<u>42,872</u>		<u>41,058</u>
<u>2,264</u>	<u>NET CURRENT ASSETS/(LIABILITIES)</u>	<u>(1,854)</u>
<u>£150,258</u>		<u>£150,656</u>

# LIKYN MINING AND TUNNEL COMPANY LIMITED

Subsidiary of Courtaulds Limited  
Company Incorporated in England

BALANCE SHEET 31st MARCH, 1980

<u>1980</u> £	<u>1979</u> £		<u>1980</u> £
115,431	100,000	<u>AUTHORISED CAPITAL</u>	100,000
	20,000	100,000 Shares at £1 each	20,000
		20,000 4% Non-Cumulative Redeemable, Preference Shares of £1 each	
115,431	120,000		120,000
		<u>ISSUED CAPITAL</u>	
37,092	63,188	63,188 Shares of £1 each, fully paid	63,188
(13)			
37,079			
		<u>RESERVES</u>	
6,860	20,000	Capital Redemption - Reserve	20,000
1,006	46	Forfeited Shares Account	46
27,431	1,006	Capital General Reserve	1,006
2,899	64,200	Tunnel Repairs Reserve	64,200
1,008	1,818	Profit and Loss	2,216
39,204	87,070		87,468
4,178			
29,887			
6,993			
41,058			
(1,854)			
<u>£150,656</u>	<u>£150,253</u>		<u>£150,656</u>

..... *J. B. Mackenzie* ..... Director

..... *L. H. Jones* ..... Director

CONSOLIDATED BALANCE SHEET

<u>1979</u>		<u>1980</u>
<u>£</u>		<u>£</u>
149,045	<u>FIXED ASSETS - Note 2</u>	153,561
	Expenditure on Tunnels etc. at cost less sales and amounts written off, including adjustments for the purposes of a consolidation	
149,045		153,561
	<u>CURRENT ASSETS</u>	
6,610	Stocks - General Stores	6,860
513	Debtors	1,006
34,408	Owing by Holding Company	27,431
2,867	" " Fellow Subsidiaries	2,899
738	Balance at Bank	1,008
45,136		39,204
	<u>CURRENT LIABILITIES</u>	
7,083	Creditors and Accruals	4,178
4,967	Owing to Holding Company	29,887
30,822	" " Fellow Subsidiaries	6,993
42,872		41,058
2,264	<u>NETT CURRENT ASSETS/(LIABILITIES)</u>	(1,854)
1,023	Less: Minority Interest	1,023
<u>£150,286</u>		<u>£150,684</u>



HEALTHY MINING AND TUNNEL COMPANY LIMITED

AND SUBSIDIARIES

Subsidiary Group of Courtaulds Limited  
Company Incorporated in England

STATEMENT OF BALANCE SHEET - 31ST MARCH, 1980

<u>1980</u>	<u>1979</u>		<u>1980</u>
<u>£</u>	<u>£</u>		<u>£</u>
153,561	100,000	<u>AUTHORISED CAPITAL</u>	100,000
	20,000	100,000 Shares of £1 each	20,000
		20,000 4% Non-Cumulative Redeemable Preference Shares of £1 each	
<hr/>	<hr/>		<hr/>
153,561	120,000		120,000
<hr/>	<hr/>		<hr/>
		<u>ISSUED CAPITAL</u>	
6,860	63,188	63,188 Shares of £1 each, fully paid	63,188
1,006			
27,431		<u>RESERVES</u>	
2,899	20,000	Capital Redemption Reserve	20,000
1,008	46	Forfeited Shares Account	46
	1,006	Capital General Reserve	1,006
	64,200	Tunnel Repairs Reserve	64,200
	1,846	Profit and Loss Account	2,244
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39,204	87,098		87,496
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4,178			
29,887			
6,993			
<hr/>			
41,058			
<hr/>			
(1,854)			
<hr/>			
1,023			
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£150,684	£150,286		£150,684
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..... *J. S. Mackenzie* ..... Director

..... *W. S. Mackenzie* ..... Director

THE HOLYWELL-HALKYN MINING AND TUNNEL COMPANY LIMITED  
AND SUBSIDIARY

A Subsidiary of Courtaulds Limited  
A Company Incorporated in England

Statement of Source and Application of Funds

<u>£</u>	<u>1979</u>	<u>£</u>		<u>£</u>	<u>1980</u>	<u>£</u>
			<u>SOURCES OF FUNDS</u>			
		595	Profit before Tax			398
			Adjustments for items not involving the movement of funds:			
		-	Depreciation			1,909
		<u>595</u>	TOTAL GENERATED FROM OPERATIONS			<u>2,307</u>
			<u>APPLICATION OF FUNDS</u>			
		-	Purchase of Fixed Assets			(6,425)
		<u>595</u>				<u>(4,118)</u>
			<u>INCREASE/DECREASE IN WORKING CAPITAL</u>			
		106	Increase/(Decrease) in stocks			250
		(649)	(Decrease) in debtors			493
		(3,733)	(Increase)/Decrease in creditors			2,905
			Movement in balances with Holding Company and Fellow Subsidiaries:			
			Increase/(Decrease) in amount owing by Holding Company		(6,977)	
1,501			Fellow Subsidiaries		32	
945						
			(Increase)/Decrease in amount owing to Holding Company		(2,026)	
(2,195)			Fellow Subsidiaries		935	(8,036)
<u>4,221</u>		<u>4,472</u>				<u>(4,388)</u>
		196				
			<u>MOVEMENT IN NET LIQUID FUNDS</u>			
		399	Increase/(Decrease) in balance at bank			270
		<u>595</u>				<u>(4,118)</u>

The annexed notes form an integral part of these accounts.

THE HOLYWELL-HALKYN MINING AND TUNNEL COMPANY LIMITED

AND SUBSIDIARY

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1980

1. ACCOUNTING POLICIES

(a) Fixed Assets and Depreciation

Fixed assets are stated at cost to the Group Company which originally purchased them. Depreciation is not provided on tunnels, freehold land and buildings. The cost of buildings cannot be accurately quantified to enable depreciation to be calculated but is considered to be immaterial in relation to the total amount of fixed assets. Other assets are depreciated at fixed rates so as to write them off over the period of their expected useful lives.

(b) Basis of Stock Valuation

Stocks are stated at cost or net realisable value, whichever is lower.

(c) Deferred Taxation

Deferred taxation is provided only in respect of timing differences between profits as computed for taxation purposes and profits as stated in the accounts to the extent that there is a reasonable probability that such deferred taxation will be payable within the foreseeable future after taking into account the availability of Group Relief. Timing differences are due primarily to the excess of U.K. accelerated taxation allowances on capital expenditure over the corresponding depreciation charge in the accounts and U.K. stock appreciation relief.

2. FIXED ASSETS

	<u>The Company</u>		<u>The Group</u>	
	<u>Tunnels, Freehold Land and Buildings</u>	<u>Plant and Equipment</u>	<u>Tunnels, Freehold Land and Buildings</u>	<u>Plant and Equipment</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Cost less sales and amount written off</u>				
As at:-				
31st March 1979	114,337	5,572	152,467	5,572
31st March 1980	114,337	11,252	152,467	11,252
<u>Depreciation</u>				
As at:-				
31st March 1979	3,422	5,572	3,422	5,572
31st March 1980	3,422	6,736	3,422	6,736
<u>Net book Amount</u>				
As at:-				
31st March 1979	110,915	-	149,045	-
31st March 1980	110,915	4,516	149,045	4,516

During the year £645 was expended on the addition of plant and equipment. During the same period disposal amounting to £745 cost (less depreciation of £745) also took place. The depreciation charge for the year was £1,909.

1980

1979

3. TURNOVER

Sales (gross amount as  
invoiced)

To Holding Company

227,043

224,651

	<u>1980</u>	<u>1979</u>
4. <u>DIRECTORS' EMOLUMENTS</u>		
As Directors	Nil	500
Emoluments excluding pensions contributions -		
Chairman	Nil	Nil
Directors receiving no emoluments or emoluments less than £5,000	5	5
The total emoluments of the highest paid Director amounted to	<u>Nil</u>	<u>500</u>

5. TAXATION

The tax charge has been reduced to £NIL as a result of the benefit of taxation losses incurred by another group company.

In accordance with the accounting policy 1(c) stated above the company has made no provision for the following potential deferred taxation at 52%

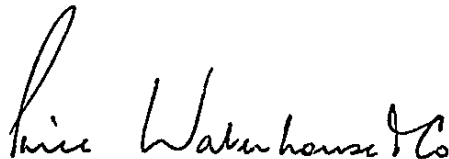
	<u>1980</u>	<u>1979</u>
Capital allowances	2,231	(203)
Other timing differences	<u>33,384</u>	<u>33,384</u>
	<u>35,615</u>	<u>33,181</u>

6. HOLDING COMPANY

The Holywell-Halkyn Mining & Tunnel Company Limited is a subsidiary of Courtaulds Limited which is incorporated in the United Kingdom.

Auditors' Report to the Members of  
The Holywell-Halkyn Mining and Tunnel Company Limited

In our opinion the accounts on pages 3 - 8 which have been prepared under the historical cost convention give, under that convention, a true and fair view of the state of affairs of the Company and the Group at 31st March, 1980 and of the profit and the source and application of funds of the Group for the year then ended and comply with the Companies Acts 1948 and 1967.



Chartered Accountants

Silkhouse Court,  
Tithebarn Street,  
Liverpool L2 2LJ.