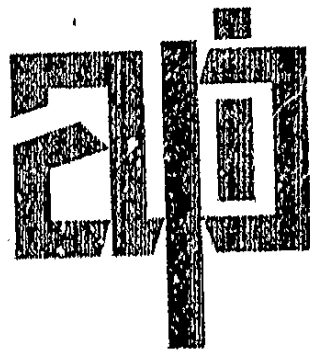


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Associated Paper Industries plc



REPORT AND ACCOUNTS · 1984



ASSOCIATED PAPER INDUSTRIES plc

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Cover foil blocked using stamping foil manufactured by George M. Whaley Limited on Pearl Coated board manufactured by Henry & Leigh Slater Limited.

Directors and secretary

DIRECTORS

C. F. M. Rawlinson, F.C.A., Chairman

J. A. Graham, Managing

*J. G. Adams, F.C.A., A.C.M.A.

*P. R. Armitage

*B. R. Hall

W. Q. C. Mackenzie, F.C.A.

I. D. McKechnie

*non-executive

SECRETARY

A. Sentance, F.C.I.S.

REGISTERED OFFICE

Silk House, Park Green, Macclesfield, Cheshire SK11 7NU

Registered number 169249

BANKERS

Lloyds Bank Plc

Morgan Grenfell & Co. Limited

The Royal Bank of Scotland plc

REGISTRARS AND TRANSFER AGENTS

Ravensbourne Registration Services Limited,

Bourne House 34 Beckenham Road, Beckenham, Kent BR3 4TU

AUDITORS

Ernst & Whelan Chartered Accountants,

Lowry House, 17 Marble Street, Manchester M2 3AW

SOLICITORS

Theodore Goddard & Co.,

16 St. Martin's-le-Grand, London EC1A 4EJ

STOCKBROKERS

Laing & Crutekshank,

Piercy House, Copthall Avenue, London EC2R 7BE

Henry Cooke, Lumsden & Co.,

Parsonage Gardens, Manchester M60 3AH

Notice of meeting

Notice is hereby given that the sixty-third Annual General Meeting of the company will be held at The Howard Hotel, Temple Place, London WC2R 2PR on Tuesday, the twelfth day of February, 1985, at 12.30 p.m., for the following purposes:—

- 1 To receive the report of the directors and the audited accounts for the year ended 29th September, 1984,
- 2 To declare a dividend.
- 3 To re-elect directors.
- 4 To re-appoint the auditors.
- 5 To authorise the directors to fix the remuneration of the auditors.
- 6 As special business to consider and, if thought fit, to pass the following Resolutions of which those numbered i and ii will be proposed as Ordinary Resolutions and those numbered iii and iv will be proposed as Special Resolutions—

RESOLUTIONS

- i (a) That the amendments to the Executive Share Option Scheme referred to in the Chairman's letter to shareholders dated 8th January, 1985, be approved and that the directors be and are hereby authorised to make those amendments to the rules of the said Scheme and such further amendments as may be necessary to obtain and maintain the approval to the said Scheme of the Board of Inland Revenue pursuant to Schedule 10 to the Finance Act 1984; and
- (b) That voting by directors on any matters connected with the said Share Option Scheme be hereby authorised notwithstanding that they may be interested in the same and the prohibition on an interested director voting and being counted in the quorum (except in relation to his own participation in the Scheme) contained in the Articles of Association of the company be hereby relaxed to that extent accordingly.
- ii That the directors' authority contained in Article 11 of the company's Articles of Association relating to the allotment of Relevant Securities be and is hereby renewed and so that the maximum amount of Relevant Securities which may be allotted under the authority shall be £1,436,882 and that the date on which the renewed authority shall expire shall be the fifth anniversary of the passing of this Resolution.
- iii That the exception contained in Article 9(3) of the company's Articles of Association relating to the allotment of Equity Securities shall apply until the date on which the next Annual General Meeting of the company is concluded.
- iv That subject to the passing of the Resolution numbered ii to be proposed at this meeting the Disapplication Power contained in Article 12 of the company's Articles of Association relating to the allotment of Equity Securities be and is hereby renewed for a period expiring on the date on which the authority referred to in the said Resolution numbered ii will expire.

By order of the board

A. SENTANCE

Secretary

Dated 8th January, 1985

Silk House, Park Green, Macclesfield, Cheshire SK11 7NU

Notes

- 1 A member entitled to attend and vote is entitled to appoint a proxy to vote instead of him and that proxy need not also be a member. A form of proxy is enclosed with this notice for use in connection with the business set out above. A form of proxy must reach the registrars of the company not later than 48 hours before the time of the meeting.
- 2 The following documents, which are available for inspection during normal business hours at the company's registered office, will, on the day of the Annual General Meeting, be available for inspection at The Howard Hotel, Temple Place, London WC2R 2PR from 12.15 p.m. until the close of the meeting:—
 - a) The register of directors' interests and transactions.
 - b) A copy of all contracts of service of the directors with the company or any of its subsidiaries.
 - c) A copy of the current rules of the Executive Share Option Scheme and the proposed amendments to the Scheme.
 - d) A copy of the Memorandum and Articles of Association of the company.

Financial highlights

	1984 £'000	1983 £'000	Increase %
Turnover			
Exports	47,146	37,273	26.5
Turnover per employee	9,681 46	6,443 40	50.3 15.0
Profit before taxation and profit sharing	4,113	2,515	63.5
Profit sharing	206	—	—
Profit before taxation	3,907	2,515	55.3
Profit attributable to ordinary shareholders	3,142	1,906	64.8
Retained profit	2,229	1,196	86.4
Capital expenditure	2,035	1,168	74.2
Ordinary shareholders' funds	16,502	11,670	41.4
Earnings per ordinary share			
Historic	17.2p	12.9p	33.3
Current cost	8.8p	8.5p	3.5
Dividends per ordinary share			
Interim	1.8p	1.2p	25.0
Final	3.6p	3.0p	16.7
Total	5.0p	4.2p	19.0
Dividend cover (times)			
Historic	3.4	2.7	
Current cost	1.8	1.8	

Chairman's statement

1984 was a very good year for API. Group turnover increased by over 26% to £47 million. Profit before tax and the proposed allocation to the new profit sharing scheme for employees increased by over 63% and, after taking account of profit sharing, pre-tax profit rose by 55% from £2.5 million to £3.9 million.

Earnings per share show an increase of 33% to 17.2p per share. The tax charge in 1984 was, however, exceptionally low and we expect that the tax charge will be at a somewhat higher rate in 1985. Your board is proposing an increase in the total dividend on the ordinary shares from 4.2p to 5.0p covered 3.4 times by historical cost earnings and 1.8 times by current cost earnings.

This year, the annual report contains an illustrated review of operations describing some of the more significant events of the year. I would, however, particularly mention the strong performance of our stamping foil operations which now contribute almost 28% of trading profits before group costs. At the same time our paper mill at Otley has produced good results in a difficult period of rapidly rising raw material costs. Across the group as a whole exports have made a major contribution to the successful results of the year; increasing by 50% to £9.7 million, which represents over 20% of the group turnover.

During the year we acquired Airpel Filtration Ltd. and Airpel Hydraulics Ltd. and our new air conditioning, filtration and purification division has made a good start. It was particularly pleasing that Purification Products Ltd. won the Queen's Award for exports in 1984.

In October 1983 we made a successful rights issue to raise some £2.74 million and this, together with internally generated funds of £4.9 million, has enabled us to finance a significant growth in working capital and capital expenditure of over £2 million, whilst ending the year with a very strong balance sheet. This will enable us to fund, without difficulty, the considerable capital expenditure plans which are now under way as we continue to modernise and improve our plants.

The group's performance is due to the splendid efforts of our employees and I would like to thank them all for what they have achieved. Turnover per employee has risen again this year to £46,000 and I am also pleased that API is now providing employment for well over 1,000 people.

At the AGM in February 1984 shareholders approved the introduction of a profit sharing scheme and, in view of the excellent results in 1984 your board has allocated the maximum 5% of profit to the scheme which will mean that shares to the value of £208,000 will be distributed equally to over 700 employees, in February 1985.

API now comprises a group of well run companies producing a large number of high quality products which are sold to a wide range of industries. The excellence of these products is demonstrated by the rapid growth in the group's exports which go all over the world, including some of the most advanced economies; API is competing successfully with the best. The policy of API is to maintain its plant to very high standards and to invest in new technology whenever it is available; to this end we have acquired some significant new plant in recent years and we shall continue to do so.

Against the background of our broad aim to increase the proportion of our profits earned in the growing stamping foil and air conditioning, filtration and purification industries we are looking at a number of interesting investment opportunities and new product developments both here and abroad. We expect that 1985 will be a year of further progress and growth.



Charles Dawson

Charles Dawson⁵

Operations review

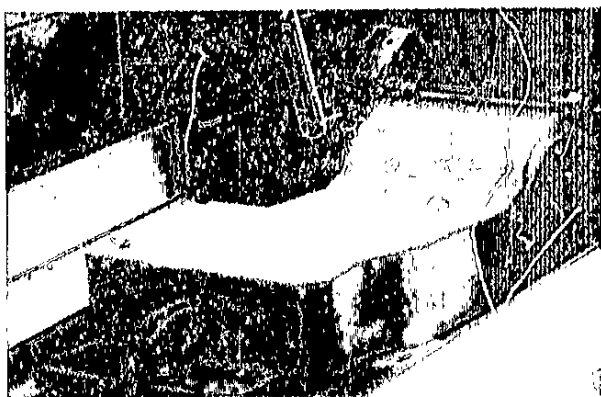
Papermaking and Converting

A 23% increase in exports from £3.0 million to £3.7 million has contributed to the overall £5 million (17.1%) increase in turnover.

P. Garnett & Son Limited invested further in waste paper treatment plant to reduce fibre costs and this work is continuing. At Henry & Leigh Slater Limited two major capital expenditure schemes were started which are aimed at reducing costs and improving quality. The benefits of these schemes are expected during 1984/5.

The continued success of this division depends on innovation and development which will be assisted by the strong management teams now in place.

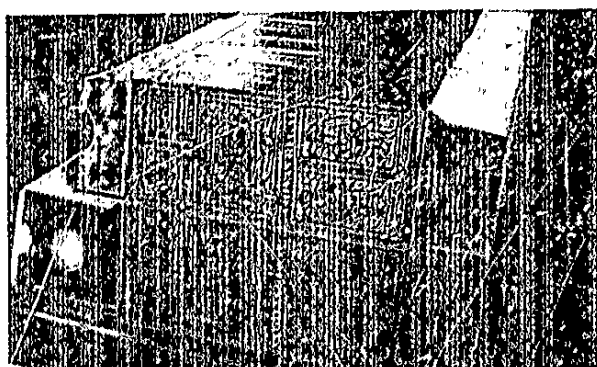
	1984	1983
Turnover	£34,616,000	£29,569,000
Trading profit	£3,008,000	£2,588,000



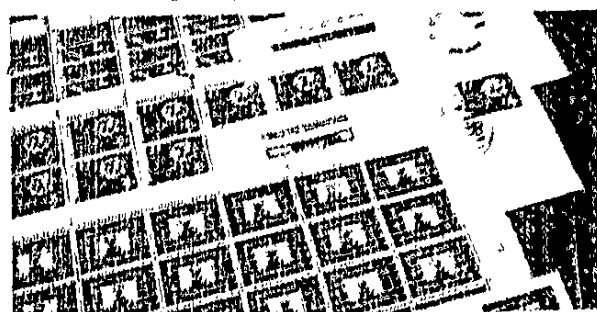
Envelopes made with Garnett manilla paper coming off the production line at the DRO factory in Hemel Hempstead.



Hole-punching of manilla folders made from Garnett board at Tollitt & Harvey Ltd., Kings Lynn.



The distinctive packaging for Chivas Regal whisky, made with foiled board produced by Henry & Leigh Slater (Poynton), ready for use at the Seagrams plant in Paisley, Scotland.



A range of Belgian postage stamps printed on gummed paper produced by Henry & Leigh Slater (Bollington).



Preparing metirgue cases at a bakery in Denmark on baking tray paper made by Leonard Stace.

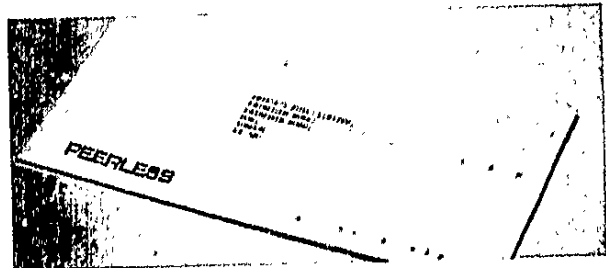
Stamping Foils

1984 was a successful year and the greater part of the sales increase came from George M. Whiley Limited following the commissioning of major new equipment during 1983. Peerless Foils Limited had a good year and expanded sales of specialised products in line with their policy of broadening the product range. Most of our growth has come from export markets and export sales increased from £3.9 million to £5.3 million, an increase of 37%. Our overseas selling arrangements are now much stronger than a year ago and offer good potential for the future.

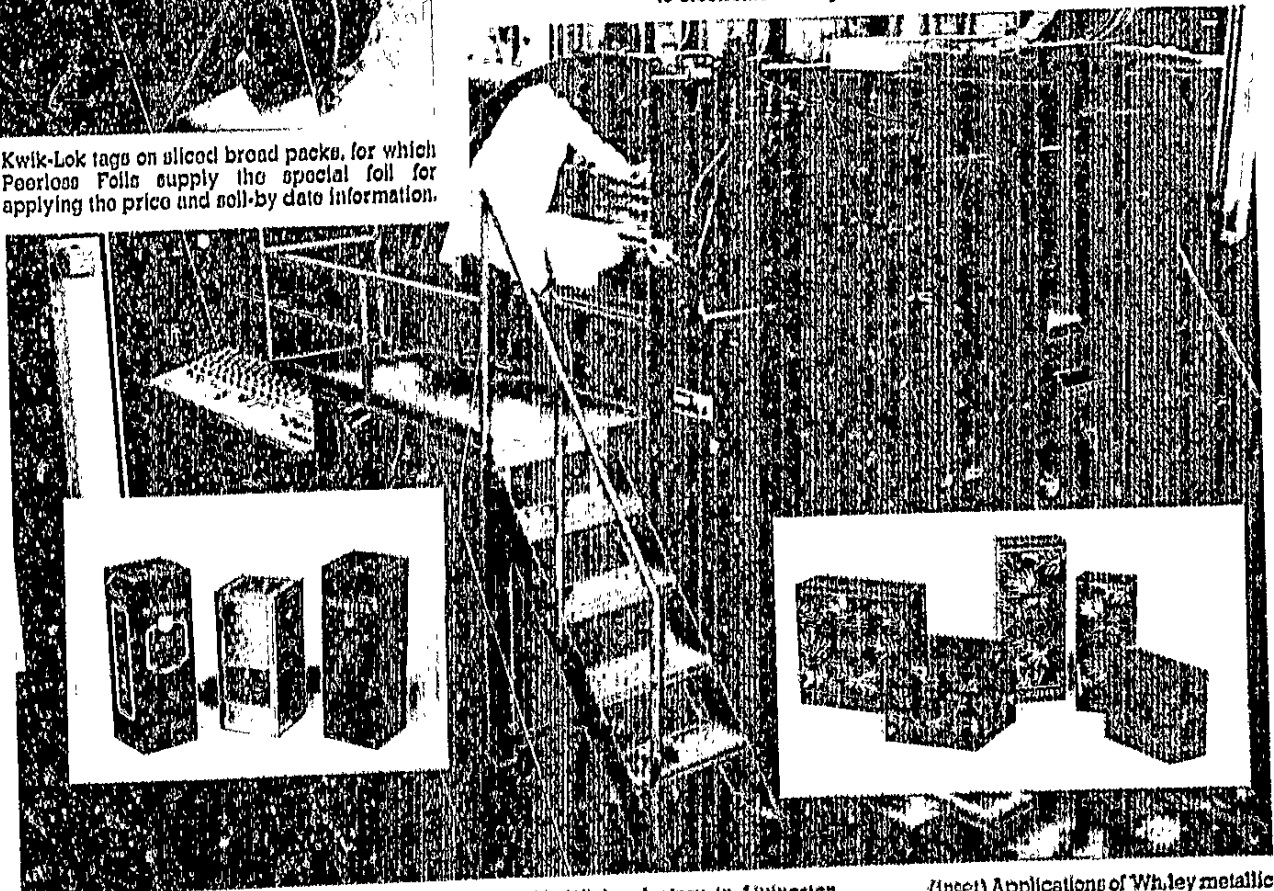
	1984	1983
Turnover	£8,490,000	£6,942,000
Trading profit	£1,325,000	£715,000



Kwik-Lok tags on sliced bread packs, for which Peerless Foils supply the special foil for applying the price and sell-by date information.



Peerless Foils developed the special blue foil used for applying the coded postcode information to envelopes by the Post Office prior to electronic sorting.



The new vacuum metalliser installed at the George M. Whiley factory in Livingston, Scotland at a cost of £540,000 in August 1984. Commissioning was completed before the year end thus removing a limitation on production which had been reached during the summer.

(Inset) Applications of Whiley metallic foils on Martell and Yves Saint Laurent packaging produced in France.

Operations review continued

Air Conditioning, Filtration and Purification

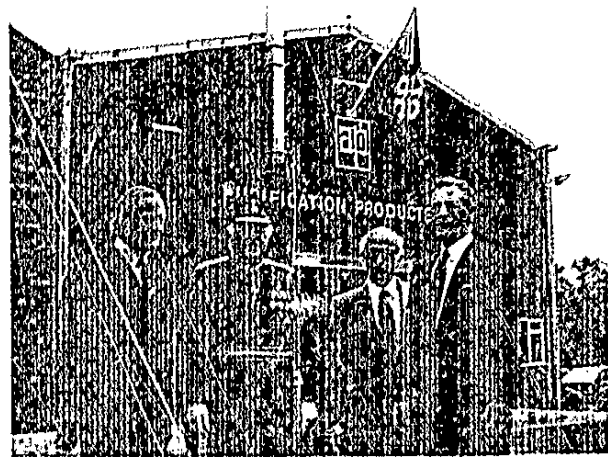
The first full year of this division produced a satisfactory result overall. Efforts have been devoted to strengthening the management teams so that the year ended with a sounder base for future expansion. Purification Products Limited won the Queen's Award for Export Achievement and this success has continued with 72% of sales exported in 1983/4.

At Airpel Filtration Limited and Diffusion Environmental Systems Limited there have been improvements to production equipment and Airpel are well advanced with the installation of a computer based production control system.

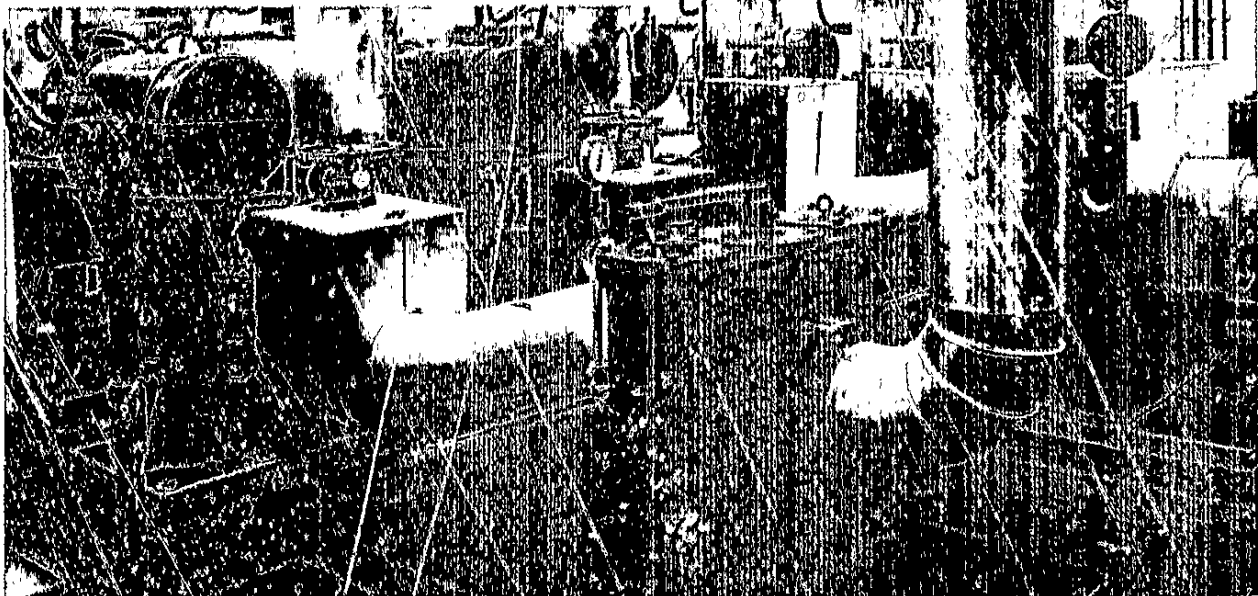
	1984	1983
Turnover	£4,040,000	£762,000
Trading profit	£423,000	£139,000



Air conditioning units recently installed by Diffusion in the headquarters of Sony (UK) Ltd. at Slaines, Middlesex.



Mr. Charles Rawlinson, Sir William Bulmer Lord Lieutenant of West Yorkshire, Mr. Tej Singh and Mr. Ian McKechnie at the presentation of the Queen's Award for Export Achievement to Purification Products.



Part of a new installation using Airpel filters in the plant room of the Norwich Union building in Birmingham

Report of the directors

The directors present their report and the audited accounts for the year ended 29th September, 1984.

RESULTS AND DIVIDENDS

The group results for the year, together with the appropriations made and proposed, are set out in the group profit and loss account on page 12. The results include a full year's contribution from Airpel Filtration Limited and Airpel Hydraulics Limited (together "Airpel") which were acquired in October 1983.

Profit before taxation was £3,907,000 (1983 £2,515,000). After taxation, distributable profit amounted to £3,163,000 (1983 £1,927,000) and from this amount dividends of £21,000 (1983 £21,000) have been paid on the preference share capital of the company.

After taking into account the effect of the rights issue, earnings per ordinary 25p share have increased from 12.9p in 1983 to 17.2p in 1984 and the directors recommend a final dividend of 3.5p per ordinary share making a total for the year of 5.0p (1983 4.2p). If approved the final dividend will be paid on 13th February, 1985 to shareholders on the register on 11th January, 1985.

GROUP PROFIT SHARING SCHEME

The amount of profit which the directors have allocated this year to the Group Profit Sharing Scheme is the maximum amount of £206,000 (5%) (1983 Nil). This will be distributed equally in the form of ordinary shares to every employee who has completed the necessary three years qualifying service.

ACTIVITIES

The group operates in the following markets:

Papermaking and converting

Stamping foils

Air conditioning, filtration and purification

A review of activities is shown on pages 6-8 and an analysis of turnover and trading profit by activity is shown on page 17.

The principal group companies and products are listed under the above headings on page 32.

Throughout the group each company devotes resources to product development. Attention is also given to market investigations to find opportunities for the development of new products and processes.

ACQUISITION OF AIRPEL

On 10th October, 1983 the company acquired the entire issued share capitals of Airpel Filtration Limited and Airpel Hydraulics Limited. The total cost of acquisition was £743,000 of which £449,000 was paid in cash and the balance of £294,000 by the issue of 327,194 ordinary shares of 25p each of the company at a price of 90p. These shares did not rank for the final dividend in respect of the year ended 1st October, 1983.

RIGHTS ISSUE

In October, 1983 the company completed a one for four rights issue of 3,588,080 new ordinary shares of 25p each at 80p per share to existing shareholders. The net proceeds of the issue were £2,742,000.

FIXED ASSETS

Changes in fixed assets are set out in note 11. Gross expenditure in the year amounted to £2,035,000.

The freehold and long leasehold properties were professionally valued on 29th September, 1984 on an expected realisation in existing use basis. This valuation exceeded the net book value, after deducting government grants, by £1,204,000.

DIRECTORS

The directors of the company are shown on page 2.

The directors retiring by rotation are Mr. J. G. Adams and Mr. I. D. McKechnie who, being eligible, offer themselves for re-election.

Mr. J. G. Adams, F.C.A., A.C.M.A., is aged 54 and joined the board in April, 1978, following the acquisition of George M. Whitley Limited of which he was chairman. He is a non-executive director and is also a non-executive director of a number of other listed companies.

Mr. I. D. McKechnie is aged 61 and joined the board in February, 1966. He was appointed managing director of P. Garnett & Son Limited in December, 1977. Mr. McKechnie's contract of service is for a period of three years which commenced on 1st June, 1984 and provides that it may be extended on 1st June, 1985 and on 1st June in each succeeding year for a period being the shorter of two years or until Mr. McKechnie reaches the age of 65.

Report of the directors continued

DIRECTORS' INTERESTS

The interests of the directors, as defined by the Companies Act 1967, in the issued shares and share options of the company were as follows:

	Ordinary 25p Shares			Ordinary 25p Share Options	
	14.12.84	29.9.84	2.10.83	29.9.84	2.10.83
C. F. M. Rawlinson	23,500	23,500	11,000	—	—
J. A. Graham	24,718	24,718	28,718	70,000	50,800
J. G. Adams	25,000	25,000	23,333	—	—
P. R. Armitage	2,500	2,500	2,000	—	—
B. R. Hall	10,000	10,000	11,527	—	—
W. Q. C. Mackenzie	8,300	8,300	7,720	35,200	26,800
I. D. McKechnie	38,091	38,091	38,091	53,200	39,600

117,200 of the ordinary share options outstanding at 29th September, 1984 were granted at 60p per share in March 1982, which price was adjusted to 57p as a result of the rights issue. 43,200 options were granted at 118p per share in February 1984.

Except as otherwise stated all the above interests were beneficial. No director had any interest in the issued preference shares of the company or the shares of any subsidiary at the above dates.

Apart from service contracts, no contracts subsisted at any time during the year between the company or its subsidiaries and any of the directors or their families or connected persons which would require disclosure.

PENSIONS

The group has two funded pension schemes Associated Paper Industries plc Pension and Life Assurance Fund and The George M. Whilley Limited Pension and Assurance Scheme. Actuarial valuations of both these schemes have recently been undertaken by R. F. W. Byles, B.Sc., F.I.A., F.P.M.I., F.S.S., A.S.A., an employee of Willis Faber Advisory Services Limited. The valuations showed that the assets of both schemes were sufficient to secure the benefits that would have arisen had the schemes been wound up at their valuation dates. In view of the healthy state of both schemes, it was agreed, on actuarial advice, to improve certain benefits for members. Contributions to both schemes continue to be made in accordance with the advice of the actuary.

In addition to the above the group still pays pensions under three unfunded non-contributory pension schemes, membership of which is now closed. The cost in the year to 29th September, 1984 amounted to £120,000 (1983 £137,000).

DISABLED PERSONS

In compliance with current legislation a policy is in existence for encouraging the employment of disabled persons wherever this is practicable in group companies. Every endeavour is made to ensure that disabled employees benefit from training and career development programmes in common with all employees.

SHARE OPTIONS GRANTED IN THE YEAR

During the year options were granted under the Group Executive Share Option Scheme on 169,400 ordinary 25p shares at 118p.

EMPLOYEE INVOLVEMENT

The group has an established programme of communication with employees, based on the companies for which they work. Employees receive information about the performance and the activities of their employing companies by such means as committee meetings and management briefings. The group now also has in existence a Group Profit Sharing Scheme referred to above which is open for participation equally by all employees who have completed the necessary three years qualifying service.

The trustees of the pension schemes send an annual report to all members. At each company an annual pension consultation meeting takes place attended by employee representatives. At these meetings there is discussion on the performance of the fund and any other matter relating to pensions.

Report of the directors continued

SUBSTANTIAL INTERESTS IN SHARES OF THE COMPANY AND CLOSE COMPANY PROVISIONS

In accordance with the Companies Acts 1967 and 1976, the directors have been notified that The Investment Company plc hold 15.84% and the Guardian Royal Exchange Assurance plc and its subsidiary companies hold 25.5%, of the issued preference shares of the company.

In addition, the directors have been informed that funds managed or advised by M & G Investment Management Limited hold 12.55% of the company's ordinary shares. Except as disclosed above, to the best of the directors' knowledge there are no interests amounting to 5% or more in any class of share of the company.

So far as the directors are aware the close company provisions of the Income and Corporation Taxes Act 1970 do not apply to the company.

CHARITABLE AND POLITICAL DONATIONS

Charitable donations made by the group during the year amounted to £5,000. A donation of £3,000 was made to the Conservative Party.

AUDITORS

Ernst & Whinney have expressed their willingness to continue in office as auditors and in accordance with Section 14(i) of the Companies Act 1976 a resolution proposing their reappointment will be put to the members at the annual general meeting.

By order of the board

A. SENTANCE
Secretary



Macclesfield, 14th December, 1984

Group profit and loss account for the year ended 29th September 1984

	Note	1984 £'000	1983 £'000
TURNOVER	2	47,146	37,273
Cost of sales	3	<u>(37,272)</u>	<u>(30,331)</u>
GROSS PROFIT		9,874	6,942
Distribution costs	3	(1,087)	(876)
Selling and administrative expenses	3		
Operating		(4,570)	(3,322)
Profit sharing scheme		<u>(206)</u>	<u>—</u>
TRADING PROFIT	2	4,011	2,744
Interest	4	<u>(104)</u>	<u>(229)</u>
PROFIT BEFORE TAXATION	5	3,907	2,515
Taxation	8	<u>(744)</u>	<u>(522)</u>
PROFIT AFTER TAXATION		3,163	1,927
Preference dividends	9	(21)	(21)
Ordinary dividends	9	<u>(913)</u>	<u>(710)</u>
BALANCE TRANSFERRED TO RESERVES		<u>2,229</u>	<u>1,196</u>
EARNINGS PER ORDINARY 25p SHARE	10		
Basic and fully diluted earnings		17.2p	12.9p
Basic earnings with taxation charge on a nil distribution basis		15.8p	12.4p

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Group balance sheet

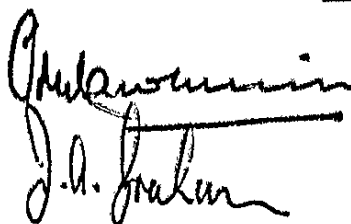
at 29th September 1984

		1984		1983	
	Note	£'000	£'000	£'000	£'000
TANGIBLE FIXED ASSETS	11		9,705		8,579
CURRENT ASSETS					
Stocks	13	6,841		4,831	
Debtors	14	10,289		8,225	
Cash		<u>1,592</u>		<u>97</u>	
		<u>18,722</u>		<u>12,953</u>	
CREDITORS—amounts falling due within one year					
Creditors	15	8,416		5,817	
Short term borrowings	16	208		396	
Current taxation		636		519	
Dividends		639		538	
Finance leases	17	<u>94</u>		<u>85</u>	
		<u>9,990</u>		<u>7,355</u>	
NET CURRENT ASSETS			<u>8,732</u>		<u>5,598</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,437</u>		<u>14,177</u>
CREDITORS—amounts falling due after more than one year					
Loans	18	(83)		(783)	
Finance leases	17	(58)		(167)	
Taxation		<u>(401)</u>		<u>(252)</u>	
			(844)		(756)
DEFERRED CREDIT—government grants			<u>17,051</u>		<u>12,219</u>
SHARE CAPITAL AND RESERVES					
Called up share capital	18		3,112		4,134
Share premium account	19	3,393		1,335	
Revaluation reserve	19	165		155	
Profit and loss account	19	<u>8,391</u>	<u>11,839</u>	<u>6,595</u>	<u>8,028</u>
SHAREHOLDERS' FUNDS			<u>17,051</u>		<u>12,219</u>

G. F. M. RAWLINSON
J. A. GRAHAM

Chairman
Managing Director

14th December, 1984



Company balance sheet at 29th September 1984

	Note	1984 £'000	1984 £'000	1983 £'000	1983 £'000
FIXED ASSETS					
Tangible fixed assets	11		148		140
Subsidiary companies	12		15,433		12,781
			<u>15,581</u>		<u>12,921</u>
CURRENT ASSETS					
Debtors	14	29		243	
Cash		1,548			
		<u>1,577</u>		<u>243</u>	
CREDITORS—amounts falling due within one year					
Creditors	15	687		600	
Amounts due to subsidiaries		349		441	
Short term borrowings	18	5		196	
Current taxation		360		304	
Dividends		639		538	
		<u>2,010</u>		<u>1,979</u>	
NET CURRENT LIABILITIES			(433)		(1,736)
TOTAL ASSETS LESS CURRENT LIABILITIES			15,148		11,185
CREDITORS—amounts falling due after more than one year					
Loans	16	—		(500)	
Taxation		(50)	(50)		(500)
			<u>15,098</u>		<u>10,685</u>
SHARE CAPITAL AND RESERVES					
Called up share capital	18		8,112		4,134
Share premium account	19	3,393		1,335	
Profit and loss account	19	6,593	6,988	6,216	6,551
			<u>15,098</u>		<u>10,685</u>

G. F. M. RAWLINSON
J. A. GRAHAM
14th December, 1984

Chairman
Managing Director

G. F. M. Rawlinson
J. A. Graham

Source and application of funds for the year ended 29th September 1984

	1984	1983
	£'000	£'000
GENERATED FROM OPERATIONS		
Profit before taxation	3,907	2,515
Adjustment for items not involving the movement of funds:—		
Depreciation less grants	983	725
	<u>4,890</u>	<u>3,240</u>
(INCREASE) DECREASE IN WORKING CAPITAL		
Stocks (increase)	(2,210)	(262)
Debtors (increase)	(2,064)	(812)
	<u>(4,274)</u>	<u>(1,074)</u>
Creditors increase	2,599	477
	<u>(1,675)</u>	<u>(597)</u>
	<u>3,215</u>	<u>2,643</u>
OTHER SOURCES		
Instalment proceeds on sale of subsidiary company	—	200
Net book value of fixed assets sold	106	74
Value of shares issued on the purchase of Airpel	294	—
Net proceeds of rights issue	2,742	—
	<u>3,142</u>	<u>274</u>
TOTAL SOURCES	<u>6,357</u>	<u>2,917</u>
APPLICATIONS		
Purchase of fixed assets less grants	(2,127)	(1,191)
Goodwill paid for acquisitions in the year	(433)	(612)
Purchase of minority interest	—	(14)
Finance lease repayments	(100)	(79)
Dividends paid	(833)	(594)
Taxation paid	(478)	(147)
	<u>(3,971)</u>	<u>(2,637)</u>
IMPROVEMENT IN NET LIQUID FUNDS	<u>2,386</u>	<u>280</u>
REPRESENTED BY:		
Increase in cash balances	1,495	37
Short term borrowings repaid	191	543
Loans repaid (received)	700	(300)
	<u>2,386</u>	<u>280</u>
Summary of the effects of the acquisition of Airpel:		
Net assets acquired:	£'000	
Fixed assets	250	
Stocks	605	
Debtors	546	
Bank	(318)	
Creditors	(736)	
Taxation	(37)	
	<u>310</u>	
Goodwill	433	
Cost of acquisition	<u>743</u>	

Notes to the accounts

1 ACCOUNTING POLICIES

The following are the more important accounting policies adopted by the group:

Accounting convention

The accounts have been prepared under the historical cost convention except for the inclusion of certain assets which are at valuation.

Basis of consolidation

The accounting dates of all companies in the group are co-terminous, and results for the year ended on the accounting date are included in the group results in full except where subsidiaries are acquired or sold during the year when results are included from or to the date of acquisition or sale.

Fixed assets

Fixed assets are included in the accounts at valuations or cost.

Depreciation

Freehold and long leasehold land is not depreciated. The cost or valuation of other fixed assets is written off in equal annual instalments over the expected useful lives as follows:

Freehold and long leasehold properties	—18 to 37 years from 1st October 1978
Short leasehold properties	—over period of lease
Plant	—5 to 20 years
Vehicles	—4 to 5 years
Furniture and equipment	—5 to 10 years

Government grants

Government grants, being investment and development grants and energy conservation grants, received and receivable are credited to the government grants account and are released to profit and loss account over the estimated lives of the assets concerned.

Stocks and work in progress

Stocks are stated at the lower of cost and estimated net realisable value. Cost is determined on a first in first out basis. Cost of work in progress and finished goods comprises the cost of raw materials, direct labour and overheads attributable to the production of stock. Net realisable value comprises the estimated selling value less selling costs.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on short-term timing differences and all other material timing differences which are not expected to continue in the future.

Unrelieved advance corporation tax is carried forward to the extent that it is considered to be recoverable in future periods.

Pensions

Non-contributory Pension Schemes

Pensions paid under these schemes are charged in arriving at the trading results for the year. Admission to the schemes has ceased, the principal ones ceasing admission on 31st March, 1974.

Pension and Life Assurance Funds

Annual contributions are charged in arriving at the trading results for the year at rates advised by the companies' actuaries to be sufficient to secure the benefits under the rules of the schemes.

Foreign currencies

Assets and liabilities in foreign currencies are translated at rates ruling at the balance sheet date and trading items at the average rate for the period. Differences arising are charged against trading profit.

1 ACCOUNTING POLICIES—continued

Goodwill

Goodwill arising on consolidation is written off against reserves as it arises.

Leases

Leases are treated in accordance with the provisions of Statement of Standard Accounting Practice No. 21 "Accounting for leases and hire purchase contracts". Fixed assets leased under finance leases are capitalised and depreciated over their anticipated useful lives. The finance charges are allocated over the primary lease period having regard to the capital element outstanding. The costs of operating leases are charged to the profit and loss account in equal annual instalments over the period of the lease.

2 TURNOVER AND TRADING PROFITS

Turnover represents amounts invoiced to third parties excluding value added tax.

Turnover by geographical analysis:

	1984 £'000	1983 £'000
United Kingdom	37,203	30,395
Western Europe	6,755	5,135
Eastern Europe	223	146
Asia and Australasia	1,397	739
Africa	527	412
Americas	1,041	446
Total turnover	<u>47,146</u>	<u>37,273</u>

Direct exports from the United Kingdom were £9,681,000 (1983 £6,443,000).

Turnover by main activity:

Papermaking and converting
Stamping foils
Air conditioning, filtration and purification

	1984 £'000	1983 £'000
Papermaking and converting	34,616	29,569
Stamping foils	8,490	6,942
Air conditioning, filtration and purification	4,040	762
	<u>47,146</u>	<u>37,273</u>

Trading profits by main activity:

Papermaking and converting
Stamping foils
Air conditioning, filtration and purification

	1984 £'000	1983 £'000
Papermaking and converting	3,008	2,588
Stamping foils	1,325	715
Air conditioning, filtration and purification	423	139
	<u>4,756</u>	<u>3,442</u>
	(745)	(698)
Group costs	<u>4,011</u>	<u>2,744</u>

The 1984 trading profits are stated after charging an appropriation under the Group Profit Sharing Scheme of £206,000. This scheme was approved by shareholders on 9th February, 1984.

3 COSTS

Cost of sales are all costs allocated to production including packing materials.

Distribution costs are costs incurred in distributing the goods from the production site to the customer.

Selling and administrative expenses are costs other than cost of sales and distribution costs.

ASSOCIATED PAPER INDUSTRIES plc

Notes to the accounts continued

11 TANGIBLE FIXED ASSETS—GROUP

	Freehold land and buildings		Leasehold land and buildings		Plant and equipment	Finance leases	Total
	Land	Buildings	Long	Short	Owned		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 2nd October, 1983	521	1,590	1,479	203	9,521	479	13,793
Additions	—	41	9	—	1,985	—	2,035
On acquisition	—	—	—	—	466	—	466
Disposals	—	—	(2)	—	(268)	—	(270)
At 29th September, 1984	<u>521</u>	<u>1,631</u>	<u>1,486</u>	<u>203</u>	<u>11,704</u>	<u>479</u>	<u>16,024</u>
Being:							
Cost	25	1,381	1,486	203	11,704	479	15,278
Professional valuation 1971	—	250	—	—	—	—	250
Professional valuation 1979	496	—	—	—	—	—	496
	<u>521</u>	<u>1,631</u>	<u>1,486</u>	<u>203</u>	<u>11,704</u>	<u>479</u>	<u>16,024</u>
Depreciation							
At 2nd October, 1983	—	269	274	112	4,443	116	5,214
Provided during period	—	58	40	24	870	60	1,052
On acquisition	—	—	—	—	217	—	217
Disposals	—	—	(1)	—	(163)	—	(164)
At 29th September, 1984	<u>—</u>	<u>327</u>	<u>313</u>	<u>136</u>	<u>5,367</u>	<u>176</u>	<u>6,319</u>
Net book value at 29th September, 1984	<u>521</u>	<u>1,304</u>	<u>1,173</u>	<u>67</u>	<u>6,337</u>	<u>303</u>	<u>9,705</u>

TANGIBLE FIXED ASSETS—COMPANY

Cost							
At 2nd October, 1983	14	—	28	25	121	—	188
Additions	—	—	—	—	57	—	57
Transfer inter group	—	—	—	—	(6)	—	(6)
Disposals	—	—	—	—	(27)	—	(27)
At 29th September, 1984	<u>14</u>	<u>—</u>	<u>28</u>	<u>25</u>	<u>145</u>	<u>—</u>	<u>212</u>
Depreciation							
At 2nd October, 1983	—	—	5	10	33	—	48
Provided during period	—	—	1	3	27	—	31
Transfer inter group	—	—	—	—	(1)	—	(1)
Disposals	—	—	—	—	(14)	—	(14)
At 29th September, 1984	<u>—</u>	<u>—</u>	<u>6</u>	<u>13</u>	<u>45</u>	<u>—</u>	<u>64</u>
Net book value at 29th September, 1984	<u>14</u>	<u>—</u>	<u>22</u>	<u>12</u>	<u>100</u>	<u>—</u>	<u>148</u>

The 1979 valuation was on an expected realisation in existing use basis, the 1971 valuation was on an estimated realisation basis. These valuations were not materially different from the historic net book values.

12 SUBSIDIARY COMPANIES

Investments at cost 2nd October, 1983	
Acquisitions	
Investments at cost 29th September, 1984	
Amounts due from subsidiaries—non trading balances	
Less provisions	

1984	1983
£'000	£'000
4,033	3,309
743	724
4,776	4,033
13,334	11,924
18,610	15,957
(3,177)	(3,176)
15,433	12,781

The company's principal subsidiaries are listed on page 32.

13 STOCKS

Raw materials
Finished goods and work in progress
Stores

1984	1983
£'000	£'000
3,235	1,821
3,288	2,542
318	268
6,841	4,631

The estimated replacement cost of stock does not exceed the balance sheet value by a material amount.

14 DEBTORS

Under one year
Trade debtors
Prepayments
Other debtors
VAT

Over one year
Life assurance policy (note 16)
Other debtors

Group		Company	
1984	1983	1984	1983
£'000	£'000	£'000	£'000
9,884	7,537	—	—
270	224	—	10
126	292	24	131
164	29	5	2
10,244	8,082	29	143
45	43	—	—
—	100	—	100
10,289	8,225	29	243

Notes to the accounts continued

15 CREDITORS—amounts falling due within one year

	Group		Company	
	1984 £'000	1983 £'000	1984 £'000	1983 £'000
Trade creditors	5,704	3,949	—	—
Bills of exchange	286	31	—	—
Accruals	1,104	813	65	75
Other creditors	173	156	8	1
National insurance and income tax	323	291	83	65
VAT	826	577	501	359
	<u>8,416</u>	<u>5,817</u>	<u>657</u>	<u>500</u>

16 BORROWINGS

Short term borrowings

Secretary of State for Scotland loan (secured, guaranteed by company) repayable in equal half-yearly instalments of £100,000 bearing interest at 7½% per annum

Bank overdrafts

	Group		Company	
	1984 £'000	1983 £'000	1984 £'000	1983 £'000
Secretary of State for Scotland loan (secured, guaranteed by company) repayable in equal half-yearly instalments of £100,000 bearing interest at 7½% per annum	200	200	—	—
Bank overdrafts	5	196	5	196
	<u>205</u>	<u>396</u>	<u>5</u>	<u>196</u>

Loans—falling due after more than one year

Secretary of State for Scotland loan (secured, guaranteed by company) repayable in equal half-yearly instalments of £100,000 bearing interest at 7½% per annum

Bank loans

Mortgage on freehold property repayable from 1st March, 1990 to 25th February, 1995, at interest rates from 7% to 11½% per annum, secured on life assurance policy

	Group		Company	
	1984 £'000	1983 £'000	1984 £'000	1983 £'000
Secretary of State for Scotland loan (secured, guaranteed by company) repayable in equal half-yearly instalments of £100,000 bearing interest at 7½% per annum	—	200	—	—
Bank loans	—	500	—	500
Mortgage on freehold property repayable from 1st March, 1990 to 25th February, 1995, at interest rates from 7% to 11½% per annum, secured on life assurance policy	83	83	—	—
	<u>83</u>	<u>783</u>	<u>—</u>	<u>500</u>

The loan of £83,000 is repayable after 1990.

17 LEASING COMMITMENTS

The future minimum lease payments to which the company's subsidiaries are committed at 29th September, 1984 under finance leases and non-cancellable operating leases, excluding property leases, are as follows:

	Finance leases £'000	Group Operating leases £'000
Years ending September:		
1985	101	38
1986	55	31
1987	5	25
1988	—	15
1989 and after	—	9
	<u>161</u>	<u>118</u>
Less finance charges allocated to future periods	<u>9</u>	<u>—</u>
	<u>152</u>	<u>118</u>

	Group 1984 £'000	Group 1983 £'000
Finance leases payable:		
Within one year	94	85
After more than one year	<u>58</u>	<u>167</u>
	<u>152</u>	<u>252</u>

The company has no finance leases or non-cancellable operating leases but has guaranteed the future commitments on the finance leases of its subsidiaries as shown above.

18 SHARE CAPITAL

	Authorised 1984 £'000	Authorised 1983 £'000	Allotted, called up and fully paid 1984 £'000	Allotted, called up and fully paid 1983 £'000
549,000 3.85% (formerly 6½%) Cumulative Preference Shares of £1 each	<u>549</u>	<u>549</u>	<u>549</u>	<u>549</u>
Ordinary Shares of 25p each:				
At 2nd October, 1983	4,750	4,750	3,585	3,585
Authorised during year	<u>1,250</u>	<u>—</u>	<u>—</u>	<u>—</u>
Issued during year	—	—	82	—
Acquisition of Alrpel	—	—	396	—
Rights issue	<u>6,000</u>	<u>4,750</u>	<u>4,563</u>	<u>3,585</u>
At 29th September, 1984	<u>6,549</u>	<u>5,299</u>	<u>5,112</u>	<u>4,134</u>

Full exercise of the options granted under the company's share option scheme would result in the issue, not earlier than March 1985 or later than February 1991, of a further £127,850 Ordinary Share Capital, made up of 270,800 shares at 57p, 12,000 shares at 60p, 59,200 shares at 71p and 169,400 shares at 118p.

Notes to the accounts continued

19 RESERVES

	Group		Company	
	1984	1983	1984	1983
	£'000	£'000	£'000	£'000
Share premium account				
At 2nd October, 1983	1,335	1,335	1,335	1,335
Premium on shares issued during the year	2,058	—	2,058	—
At 29th September, 1984	<u>3,393</u>	<u>1,335</u>	<u>3,393</u>	<u>1,335</u>
Revaluation reserve				
At 2nd October, 1983 and 29th September, 1984	<u>155</u>	<u>155</u>	<u>—</u>	<u>—</u>
Profit and loss account				
At 2nd October, 1983	6,595	6,000	5,216	4,077
Goodwill written off acquisitions in the year	(433)	(612)	—	—
Reserve arising from purchase of minority interest	—	11	—	—
Balance from profit and loss account	<u>2,229</u>	<u>1,196</u>	<u>1,377</u>	<u>1,139</u>
At 29th September, 1984	<u>8,391</u>	<u>6,595</u>	<u>6,593</u>	<u>5,216</u>
Total reserves	<u>11,939</u>	<u>8,085</u>	<u>9,986</u>	<u>6,551</u>
Available for distribution	8,391	6,580	6,593	5,216
Not available for distribution	<u>3,548</u>	<u>1,505</u>	<u>3,393</u>	<u>1,335</u>
Total reserves	<u>11,939</u>	<u>8,085</u>	<u>9,986</u>	<u>6,551</u>

20 PROFIT ATTRIBUTABLE TO MEMBERS

£2,310,000 (1983 £1,870,000) of the profit for the year attributable to members has been dealt with in the accounts of the Company. In accordance with Section 149 of the Companies Act 1948 the Company is not required to publish its own profit and loss account.

21 CAPITAL COMMITMENTS

	Group		Company	
	1984	1983	1984	1983
	£'000	£'000	£'000	£'000
Amounts not provided for in these accounts are:				
Contracted	567	413	—	—
Authorised but not contracted	<u>298</u>	<u>115</u>	<u>—</u>	<u>18</u>

Current cost accounts

Group profit and loss account
for the year ended 29th September 1984

	Note	1984 £'000	1983 £'000
TURNOVER		<u>47,146</u>	<u>37,273</u>
Trading profit under historical convention		4,011	2,744
Cost of sales adjustment	2	(735)	(113)
Monetary working capital adjustment	3	(298)	(114)
Additional depreciation	4	<u>(503)</u>	<u>(480)</u>
		<u>(1,536)</u>	<u>(707)</u>
Current cost trading profit		2,475	2,037
Interest		(104)	(229)
Gearing adjustment	5	<u>—</u>	<u>69</u>
		<u>(104)</u>	<u>(160)</u>
Current cost profit before taxation		2,371	1,877
Taxation		<u>(744)</u>	<u>(588)</u>
Current cost profit after taxation		1,627	1,289
Preference dividends		(21)	(21)
Ordinary dividends		<u>(913)</u>	<u>(710)</u>
Adjusted balance transferred to retained profit	9	<u>693</u>	<u>559</u>
Current cost profit per ordinary 25p share			
Basic		8.8p	8.5p
With taxation charge on a nil distribution basis		7.4p	8.1p

Current cost accounts continued

Group balance sheet
at 29th September 1984

	Note	1984	1983
		£'000	£'000
Fixed assets	6		
Land and buildings		4,215	3,418
Plant and machinery (less grants £397,000)		<u>9,066</u>	<u>7,817</u>
		13,281	11,235
Stocks	7		4,689
Monetary assets			
Debtors		10,289	8,225
Cash		<u>1,592</u>	<u>97</u>
		<u>11,881</u>	<u>8,322</u>
Monetary liabilities—under one year			
Creditors		8,418	5,817
Short term borrowings		205	396
Current taxation		638	519
Dividends		639	538
Finance leases		<u>94</u>	<u>85</u>
		<u>9,990</u>	<u>7,355</u>
Net current monetary assets		1,891	967
Monetary liabilities—over one year			
Loans		(93)	(783)
Finance leases		(58)	(167)
Taxation		<u>(401)</u>	<u>(252)</u>
		<u>(542)</u>	<u>(1,202)</u>
		<u>21,698</u>	<u>15,689</u>
Share capital and reserves			
Share capital		5,112	4,134
Share premium		3,393	1,335
Current cost reserve	8	11,480	8,747
Retained profit	9	<u>1,733</u>	<u>1,473</u>
		<u>21,698</u>	<u>15,689</u>

Notes to the current cost accounts

1 Basis

The group historical cost accounts have been adjusted in accordance with the provisions of Statement of Standard Accounting Practice No. 16 to give the current cost accounts. These accounts are provided to show the results and net assets of the group after adjusting for the effects of price changes specific to the group's business. Comparative figures have not been restated. The bases used in calculating the adjustments are set out below. Indices used are those issued by the Government Statistical Service.

2 Cost of sales adjustment

This has been calculated using the averaging method to charge the profit and loss account with the current cost of stocks at the time sales were made.

3 Monetary working capital adjustment

This has been calculated using the averaging method to charge the current cost profit and loss account with the effect of price changes on the average amount by which credit extended to customers has exceeded credit taken from suppliers in the year.

4 Additional depreciation

This has been calculated on the plant, machinery and equipment by applying price indices to the historical cost depreciation in order to charge profit and loss account with depreciation at a rate which reflects current costs. No revision in estimated asset lives has been made from those used in the historical cost accounts. The group's land and buildings were revalued at 29th September, 1984 (see note 6 below) and the current cost depreciation charge has been based on the revalued amounts applicable to the buildings.

5 Gearing adjustment

During 1984 the weighted average borrowings were not significant (1983 £1,724,500). Accordingly no gearing adjustment has been made.

6 Fixed assets

Land and buildings are valued on an expected realisation value in existing use, based on a valuation carried out by Dacre, Son & Hartley, Chartered Surveyors, as at 29th September, 1984 (valuation £4,216,000). Plant and machinery is shown at net current replacement cost calculated by applying indices to the historical cost net book amount (gross current replacement cost £27,348,000 net of grants £397,000). Grants are included for those companies which are still eligible for grants and have been based on expected realisation values for land and buildings and net current replacement cost for plant and machinery.

7 Stocks

These are included at the lower of current replacement cost, calculated by applying price indices, and net realisable value.

Notes to the current cost accounts continued

8 Current cost reserve

	1984		1983	
	£'000	£'000	£'000	£'000
At 2nd October, 1983		8,747		7,934
Net surplus on revaluation of assets				
Land and buildings	882		(13)	
Plant and machinery	649		613	
Fixed assets	1,511		600	
Stocks—revaluation	169		55	
Cost of sales adjustment	735		113	
Monetary working capital adjustment	298		114	
	2,713		882	
Gearing adjustment	—		(69)	
		2,713		813
At 29th September, 1984		<u>11,460</u>		<u>8,747</u>

9 Retained profit

	1984	1983
	£'000	£'000
At 2nd October, 1983	1,473	1,516
Profit retained for year	693	558
Goodwill on acquisition of subsidiaries	(433)	(612)
Reserve on purchase of minority interest	—	11
At 29th September, 1984	<u>1,733</u>	<u>1,473</u>

Report of the auditors to the members

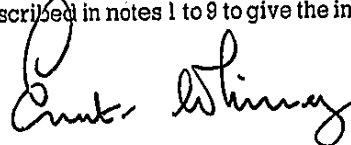
We have examined the accounts of Associated Paper Industries plc set out on pages 12 to 24 and 32. These have been prepared under the historical cost convention as explained in note 1. Our audit has been carried out in accordance with approved auditing standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group, so far as concerns members of the company, at 29th September, 1984 and of the profit, changes in retained profits 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 current cost accounts set out on pages 25 to 28 have been properly prepared in accordance with the policies and methods described in notes 1 to 9 to give the information required by Statement of Standard Accounting Practice No. 16.

ERNST & WHINNEY,
Chartered Accountants
Manchester

14th December, 1984



Statement of value added
in the year ended 29th September 1984

	£'000	1984 £'000	%	£'000	1983 £'000	%
TURNOVER		47,146	100.0		37,273	100.0
BOUGHT-IN MATERIALS AND SERVICES		32,762	69.5		26,424	70.9
VALUE ADDED		<u>14,384</u>	<u>30.5</u>		<u>10,849</u>	<u>29.1</u>
APPLIED THE FOLLOWING WAY:						
To employees						
Wages, salaries, pensions and profit sharing		9,072	63.1		7,103	65.5
To providers of capital						
Interest	104			229		
Preference dividends	21			21		
Ordinary dividends	<u>913</u>	1,038	7.2	<u>710</u>	960	8.8
To government						
Corporation tax payable	744			588		
Rates	<u>318</u>	1,062	7.4	<u>277</u>	865	8.0
To maintain and expand assets*						
Depreciation less government grants	983			725		
Retained profits	<u>2,229</u>	3,212	22.3	<u>1,196</u>	1,921	17.7
VALUE ADDED		<u>14,384</u>	<u>100.0%</u>		<u>10,849</u>	<u>100.0%</u>

*Group expenditure on fixed assets purchased in the year was £2,035,000 (1983 £1,168,000) before grants; Airpel was also acquired at a cost of £743,000. (1983 Diffusion Environmental Systems Limited was acquired at a cost of £710,000).

Group financial statistics

	1984	1983	1982	1981	1980
	£'000	£'000	£'000	£'000	£'000
TURNOVER—outside group	<u>47,146</u>	<u>37,273</u>	<u>35,029</u>	<u>33,782</u>	<u>44,667</u>
TRADING PROFIT	<u>4,011</u>	<u>2,744</u>	<u>2,600</u>	<u>1,576</u>	<u>1,120</u>
Interest	(104)	(229)	(331)	(591)	(768)
PROFIT BEFORE TAXATION	<u>3,907</u>	<u>2,515</u>	<u>2,269</u>	<u>985</u>	<u>352</u>
Taxation	(744)	(588)	(367)	(279)	(46)
PROFIT AFTER TAXATION	<u>3,163</u>	<u>1,927</u>	<u>1,902</u>	<u>706</u>	<u>306</u>
Preference dividends	(21)	(21)	(21)	(21)	(21)
Extraordinary profit (loss)	—	—	139	264	(3,903)
Ordinary dividends	3,142	1,906	2,020	949	(3,618)
	(913)	(710)	(545)	(343)	(285)
RETAINED PROFIT (LOSS)	<u>2,229</u>	<u>1,196</u>	<u>1,475</u>	<u>606</u>	<u>(3,903)</u>
NET ASSETS					
Fixed assets	9,705	8,579	8,179	7,100	7,234
Assets held for realisation	—	—	14	82	853
Amount due on sale of subsidiary	—	—	200	400	600
Net current assets less taxation	8,331	5,346	4,740	5,100	3,388
	<u>18,036</u>	<u>13,925</u>	<u>13,133</u>	<u>12,682</u>	<u>12,075</u>
LOANS—over one year	(83)	(783)	(483)	(1,682)	(1,882)
DEFERRED TAX AND GOVERNMENT GRANTS	(844)	(786)	(748)	(575)	(644)
FINANCE LEASES—over one year	(88)	(167)	(253)	(265)	—
	<u>17,081</u>	<u>12,219</u>	<u>11,649</u>	<u>10,160</u>	<u>9,549</u>
CAPITAL EMPLOYED					
Ordinary capital	4,563	3,585	3,885	3,572	3,567
Reserves	11,939	8,085	7,490	6,014	5,408
Ordinary shareholders' equity	16,502	11,670	11,075	9,586	8,975
Preference capital	549	549	549	549	549
Minority interests	—	—	25	25	25
	<u>17,051</u>	<u>12,219</u>	<u>11,649</u>	<u>10,160</u>	<u>9,549</u>
STATISTICS RELATING TO ORDINARY SHAREHOLDERS					
Earnings per share—Fully diluted (adjusted for rights issue)	17.2p	12.9p	12.8p	4.6p	1.9p
Dividend per ordinary share	5.0p	4.2p	3.8p	2.4p	2.0p
Dividend cover (times)	3.4	2.7	3.5	2.0	1.0
Ordinary shareholders' equity per share	90.4p	81.4p	77.2p	67.1p	62.9p
Borrowings as a percentage of shareholders' funds	2.6%	11.7%	15.1%	29.8%	38.6%
Return on opening shareholders' funds (pre-tax)	32.0%	21.6%	22.4%	10.3%	2.6%
Average number of employees	1,028	943	913	1,011	1,886
£000's turnover per employee	46	40	38	33	23

Principal companies and products

Associated Paper Industries plc, Macclesfield, Cheshire
Telephone: 0625 610334

Subsidiary companies:

PAPERMAKING AND CONVERTING

P. Garnett & Son Limited, Otley, Yorkshire
Telephone: 0943 466611

Poster and envelope papers and laminated manillas.

Henry & Leigh Slater Limited, Bollington & Poynton, Cheshire
Telephone: 0625 73051

Coated and laminated papers and boards for packaging, labelling and advertising.

Leonard Stace Limited, Cheltenham, Gloucestershire
Telephone: 0242 514081

Specialised coated and impregnated papers.

STAMPING FOILS

Peerless Foils Limited, Bow, London
Telephone: 01-981 2828

Stamping foils for the plastics, packaging and bookbinding industries.

George M. Whilley Limited, Livingston, West Lothian
Telephone: 0806 38611

Stamping foils for industrial marking, packaging and decorating purposes.

AIR CONDITIONING, FILTRATION AND PURIFICATION

Purification Products Limited, Otley, Yorkshire
Telephone: 0943 466611

Materials for use in filtration, desiccation and odour absorption—as agents for P. Garnett & Son Limited

Diffusion Environmental Systems Limited
(formerly Diffusion Radiator Co. Limited)
Walton-on-Thames, Surrey
Telephone: 0932 240197

Air conditioning, ventilating and heating equipment

Airpel Filtration Limited (acquired October 1983)
Chalfont St. Peter, Buckinghamshire
Telephone: 0753 889251

Liquid filters for all fluid handling industries.

Airpel Hydraulics Limited (acquired October 1983)
Newark, Nottinghamshire
Telephone: 0636 76794

Hydraulic pumps and motors—distributors

All the subsidiary companies above are wholly owned subsidiaries of Associated Paper Industries plc, except Purification Products Limited which is a wholly owned subsidiary of P. Garnett & Son Limited. All the companies are registered in England.