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Notice of meeting

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Notice is hereby given that the eighty second annual general meeting of Lindustries Limited will be held in the Ballroom Lounge, The Dorchester (Ballroom entrance), Park Lane, London W1, on Tuesday 31 July 1979 at 12 noon for the following purposes:

- 1 To receive and adopt the report of the directors and the accounts for the financial year ended 31 March 1979 and to declare final dividends on the ordinary shares and the preferred ordinary stock. (Resolution 1)
- 2 To re-elect the following as directors of the company :
Sir Alec Ogilvie (Resolution 2)
Sir Ian Morrow (Resolution 3)
Mr. B. M. Knox (Resolution 4)
Mr. P. J. W. Shuttleworth (Resolution 5)
- 3 To reappoint Coopers & Lybrand as auditors and to authorise the directors to fix their remuneration (Resolution 6)

A member entitled to attend and vote may appoint a proxy, who need not be a member of the company, to attend and vote instead of him. More than one proxy may be appointed.

By order of the Board

P. J. W. Shuttleworth, Secretary
31 St. Andrew Square, Edinburgh, EH2 2AB.
6 July 1979

P. J. W. Shuttleworth

A statement of the share transactions and copies of the service contracts of certain directors will be available at the company's registered office during business hours from 6 to 31 July 1979 and at the annual general meeting from 11.45 a.m. until its conclusion.

Directors

W. E. Luke
Chairman

P. A. Rippon DFC
Vice Chairman and Managing Director

†J. A. Harper CEng MIEE
*D. A. Hunter Johnston
*B. M. Knox MCTD
†A. E. Luke
R. J. Lupini BA FIPM
*Sir Ian Morrow CA FCMA
*Sir Alec Ogilvie
P. J. W. Shuttleworth FCIS
E. L. S. Weiss FCA

**non-executive*

†Assistant Managing Directors (Operations)

Group Secretary
P. J. W. Shuttleworth FCIS

Head Office
Trevor House, 100 Brompton Road, London SW3 1EL

Registrars and Registered Office
The Royal Bank of Scotland Limited
P.O. Box 27, 31 St. Andrew Square, Edinburgh EH2 2AB

Auditors
Coopers & Lybrand
Abacus House, Gutter Lane, Cheapside, London EC2V 8AH

Bankers
The Royal Bank of Scotland Limited
62 Lombard Street, London EC3P 3DE

Solicitors
McKenna & Co.
Inveresk House, 1 Aldwych, London WC2R 0HG

Highlights

Lindustries Limited and subsidiary companies

	1979 £000	1978 £000
Sales		
Sales outside the group	100,228	88,403
Earnings		
Profit before taxation	7,242	6,830
Profit after taxation	5,272	4,814
Earned for ordinary shareholders	4,916	4,503
Ordinary dividends	1,845	1,674
Earned per 25p ordinary share	26.5p	24.4p
Dividends per 25p ordinary share	9.9p	9.0p
Dividend cover	2.7 times	2.7 times
Assets		
Assets employed	43,821	42,036
Assets attributable to ordinary shares	35,238	33,206
Asset value per 25p ordinary share	189.5p	176.2p

Chairman's Statement



V. E. Luke
Chairman

The results of our trading during this last financial year emphasise the stability of profits which is provided by the geographical and operational diversity of the company's activities. Despite a number of adverse factors our profit was £7,242,000 compared with £6,833,000 in the previous year, an increase of 6%. This, by itself, is not a remarkable achievement but the profit has been struck after charging £448,000 in respect of relocation, redundancy and reorganisation costs, £785,000 trading losses incurred by two of our operating subsidiaries and approximately £575,000 of currency losses due to the strengthening of sterling during the year. The Group's profit after tax was £5,272,000 compared with last year's £4,814,000, an increase of 9½%.

Dividend

An interim dividend of 3.3 pence per share was paid in April. Your directors will recommend at our Annual General Meeting a final dividend of 6.6 pence per share. Thus the total dividend for the year will have been raised by 10%. At last dividend limitation has been removed and in future our dividend policy can be more flexible. This means that it will no longer be expedient for us to recommend increased dividends merely for the purpose of establishing a higher base.

Engineering products

Sales increased by 21% but the profit, although showing a modest increase, was eroded by a number of factors. External industrial action such as the lorry drivers' strike inevitably affected production at our Engineering companies but, by comparison, the companies within our own Group suffered very little disruption from direct industrial action. Although the nine-week stoppage at the Ford Motor Company was particularly hurtful, the subsequent surge in demand for Delanair's products, a high proportion of which are sold to the Ford Motor Company, helped to mitigate its effects.

The substantial losses incurred by Cowlshaw Walker and Delaney Gallay Dynamics sadly discounted the excellent performance of the other Engineering companies. Strenuous efforts are being made to bring the losers back into profit, but in the case of Cowlshaw Walker the company's viability depends on the volume of orders received from the National Coal Board and, of late, their requirements have been smaller than historically enjoyed. However, the other Engineering companies are in good shape and have started the new year with good order books.

Other manufacturing products

All but one of the companies in this sector increased their sales. The overall total was only up by about 7% but the profits increased by 48%. H. A. Combs suffered a loss because competition from manufacturers in the Far East, where low cost labour is plentiful, has weakened our competitive position. The company is gradually changing its product base and is now beginning to make a modest profit. The other companies have done well. St Albans Rubber outstandingly so. Waine Seaplast made increased profits and Wellington and Daval matched last year's satisfactory profit despite difficult competitive conditions particularly in the

markets. A far-reaching and vital re-equipment programme has been proceeding at the Warne factory in Barking at considerable cost. The re-organisation is being managed skilfully and the inevitable loss, including the consequential costs, were well contained although they were also exacerbated by a lengthy strike. The Warne company has sold some surplus land for a net figure of £450,000, which will reimburse some of the capital being invested.

During the year we sold a 60% shareholding in one of our smaller subsidiary companies, Heston Rubber Products, to its major supplier, a large and successful Danish company, for which it acts as agent in the United Kingdom and with which we have entered into a management agreement.

Thread and allied products

The principal company in this sector is Barbour Threads, which is based in Northern Ireland, but the products of which are sold all over the world. The company has had an exceedingly difficult year with sales increasing by about 17% but profits decreasing by nearly 50%. Normally about two-thirds of the company's sales are exported, but during the year exceptionally severe competition was experienced in most overseas markets and it was not possible, because of exchange movements, to obtain prices which would compensate for higher production costs at the mills. The small factory in France was burnt down during the year and will not be replaced. The Italian company is still going strong and again made a valuable contribution to the overall profit of this sector.

E. B. Hamel continues to experience severe competition from abroad but broke even at the year end. The other companies, including the Longford company in the Republic of Ireland, all made satisfactory profits.

Overseas

When the sales and profits of overseas companies are converted from local currency to sterling the results in comparison with those of a previous year can be distorted. Our Canadian company, John Leckie Incorporated, is largely a distributor, whereas our Mexican company, Alta Mar, both manufactures and distributes fish nets. Last year in their own currencies they both earned substantially higher profits on much increased turnover and, even when converted into sterling at the current rate of exchange, their trading profits showed significant increases.

The increase in sales of the overseas companies was 15% and profits showed an increase of 44 %. These overseas subsidiaries provided us with 20% of our total pre-tax profit. I hope and believe that our overseas operations will continue to do well.

Information

The assets employed by the Group at the end of the year have increased from £42 million to £43.8 million and the assets attributable to ordinary shareholders have increased from £33.2 million to £35.2 million, or 18.7.8p per ordinary share at 31 March 1979 as compared with 179.7p per share at the beginning of the year - an increase of 10.3p per share. This does not take into account the significant excess of the market values of our properties over their book values.

The tax charge has benefited from certain further releases or deferred taxation – in accordance with the policy we adopted last year – and the charge in this year's accounts of 27.2% is marginally lower than last year's of 29.5%.

Our cash position overall has strengthened and our net borrowings have been reduced in spite of the increase in working capital caused by the higher level of turnover. The cash generation of our U.K. companies was particularly encouraging; in total, our overseas companies required cash, largely because of the demands of John Leckie – whose working capital control procedures are now under active investigation – and the capital expenditure programme of our Mexican company, Industrias Alta Mar.

Exports

On page 15 we give a break-down of our export performance from which it will be seen that the overall exports of the Group increased by nearly 30%. They account for about a fifth of our total Group sales. This is a very good performance at a time when sterling's appreciation has created difficulties for United Kingdom exporters.

Acquisition policy

Our balance sheet is strong and gives scope for financing acquisitions which would strengthen our Group in certain product areas. We have done a considerable amount of research into this and are constantly studying the practicability of acquiring other companies both at home and abroad.


The political scene

Since my last statement there has been a change of Government. The new Government's intention to reduce direct taxation should develop a climate in which all employees of our Group are encouraged to reap an adequate reward for hard work and increased efficiency. I believe that the vast majority of our trade union members wish the company to prosper because this is the only means by which they can benefit themselves and their families by increased earnings and security. It is our intention to continue, through friendly communication, to encourage the closest working relationship at all levels. This in turn will bring the fullest understanding of what needs to be done by everyone concerned to increase the profitability of our various subsidiary companies. There is still a need to improve productivity from our existing capital investment and to reduce unit costs so that we can be competitive in export markets, despite difficulties created by the strengthening of sterling in relation to other currencies.

Retirement

At our Annual General Meeting on 31 July I shall retire as Chairman and from the Board after nearly 53 years of service with the company – 41 of them as a Director, 25 as Managing Director and 20 as Chairman. During this long period of time the company's successes have greatly exceeded its setbacks although there have been periods of both financial and operational difficulties. I shall be leaving the company on 31 July.

company it has developed into quite a large industrial holding company, the management of which is both complicated and challenging. I am confident that Mr Peter Rippon, who succeeded me as Managing Director five years ago and will also become Chairman when I retire, will provide enlightened leadership to the team which, although comparatively young, is nevertheless very experienced in business management. He and all of the other 7,500 employees of the company have my grateful thanks for their loyalty in the past and my sincere good wishes for their future. I can promise that shareholders, employees, customers and, indeed, the Government, who take such a large part of our profits, will continue to benefit from the activities of this great old company.



W. E. Luke
Chairman

21 June 1979

Report of the directors

The directors submit their report and the accounts for the financial year ended 31 March 1979.

1. Principal activities

Lindustrial Limited is an industrial holding company whose principal operating subsidiaries in the United Kingdom and abroad are shown on pages 35 to 38. A review of the trading activities of these subsidiaries is given on pages 9 to 14.

2. Inflation accounting

A current cost statement is set out on page 34. This statement has been prepared on the basis of the interim recommendations of the Accounting Standards Committee.

3. Sales, profit and dividends

Group sales, profit and dividends are shown in the consolidated profit and loss account on page 18. The sales and profit for the year of each of the main product areas are shown below together with the comparative figure for the previous year.

	1979 £000	1978 £000
Sales		
Engineering products	45,772	37,763
Rubber and plastic products	17,634	16,492
Thread and allied products	21,343	20,763
Overseas operations	15,479	13,445
	<hr/> 100,228	<hr/> 88,403
Profit		
Engineering products	3,263	3,163
Rubber and plastic products	954	640
Thread and allied products	1,315	1,685
Overseas operations	1,789	1,234
	<hr/> 7,325	<hr/> 6,722
Investment income	352	1,071
Interest payable	(548)	(548)
	<hr/> 7,129	<hr/> 7,245
Share of profits of associated companies	113	113
	<hr/> 7,242	<hr/> 7,358
Profit before taxation		

The sales and profit were derived from companies operating in the following geographical areas:

	1979 £000	1978 £000
Sales		
UK	75,089	65,879
Other EEC countries	5,419	5,064
North America	15,479	13,445
Other areas	4,241	4,015
	<hr/> 100,228	<hr/> 88,403
Profit		
UK	4,817	4,598
Other EEC countries	507	682
North America	1,434	967
Other areas	484	586
	<hr/> 7,242	<hr/> 6,833

The directors are recommending a final dividend on the ordinary shares of 6.6p per share which with the interim dividend paid previously makes 9.9p per share (1978 9.0p) for the year. A final dividend of 2.1% on the preferred ordinary stock is also recommended.

4. Associated companies

During the year Heston Rubber Products Ltd, previously a wholly owned subsidiary, became an associated company following the sale of 60% of its equity to Codan Gummi AS of Denmark. The company has since changed its name to Heston Codan Rubber Ltd.

In accordance with the requirements of the Department of Trade concerning the adoption of its Code of Conduct by British companies in relation to their South African subsidiaries and associates, a report will be filed with the Department covering the twelve months ending on 30th June 1978. When prepared copies of the report will be available at the request of any interested shareholder.

As stated in note 14 of the accounts, Natal Thread Co (Pty) Ltd, which has had a most successful year and in which the Group holds a 15% interest, has been reclassified as a trade investment and credit has only been taken in these accounts for dividends received and not, as in the past, for the proportionate share of the company's profits.

Operating subsidiaries

The following is a review of the trading of the operating subsidiary companies.

The twelve subsidiary companies listed on page 11, make a wide range of engineering products and their sales of which £5,537,000 were exports, increased by 21% compared with those of the previous year. Overall profits of these subsidiaries were £3,263,000 an increase of 3%.

Vehicle and specialist components

Delanair Ltd manufactures heaters and air conditioners for cars and commercial vehicles at Ammanford in South Wales. Despite a nine week strike at Ford Motor Co Ltd, a major customer, and the national transport strike at the beginning of 1979, both of which had a serious affect on production schedules, the company had a successful year and increased its sales by 18%. The company's manufacturing facilities are now based entirely at Ammanford where further investment was made during the year to provide the most modern production capacity to meet demand for the company's products from customers in the vehicle component industry both in the United Kingdom and, increasingly, in Continental Europe. Development of the company's products continued and has enabled Delanair to compete successfully in a most important industry. The company has an excellent staff and first rate facilities, which together should enable it to compete successfully. **Delaney Gallay Dynamics Ltd** makes specialised equipment and components for use in the aviation industry at factories in north west London and Biggleswade in Bedfordshire. The small improvement in the company's trading which occurred towards the end of the previous year was short-lived and despite a lot of hard work devoted to the re-organisation of the company during the past two and a half years, results for the year show a serious operating loss. The company suffered a damaging strike which lasted for five weeks and the overall level of productivity during the year was unsatisfactory. Following action to control the trading losses, the company is now operating on a more viable basis whilst plans are being made for its future activities. **Gallay Ltd** of Wellingborough in Northamptonshire manufactures equipment and components for military and off-highway vehicles. The company traded satisfactorily during the year and increased both sales and profits. During the past two years the company has been successful in building up a wide range of products and customers and now supplies equipment and components to the off-highway vehicle market in addition to its traditional market of military vehicle manufacturers. The outlook for the current year is good.

Industrial components

Heating Elements Ltd at Leicester, designs and manufactures a wide range of heating elements with a significant proportion being supplied to the synthetic fibres industry. During the year the company had to meet tough demands involving new products, technical changes and rapidly expanding delivery schedules from its principal customers in the textile machinery industry. These demands were contained and the company earned an improved profit, following slack demand in the previous two years. Demand for the company's yarn heaters and its other products in the current year is strong and provided this trend is maintained, the company is hoping to increase its sales and profits significantly during 1979/80. **Flatby Engineering Co Ltd** manufactures machines and components for the printing, commercial vehicle, general engineering and machine tool industries at its factory near Leicester. Demand for this company's products was strong throughout the year and record sales and profits were made. The satisfactory results reflect the measures taken by the company during the year to achieve greater efficiency in all areas of its activity. The new financial year has started well with a plentiful level of orders which, if sustained, should ensure another good year.

Processing equipment for the brewing industry

Robert Morton (DG) Ltd of Burton-on-Trent supplies plant and equipment for use in the brewing and allied industries and specialised small bore pipes for use in gas turbine engines. 1978/79 was an extremely busy year for the company involving the completion of three new brewhouses in the United Kingdom, high demand from customers in the small bore pipework business and considerable activity in a number of turn-key brewery projects. The level of the company's sales at £4.6 million was 22% higher than those in the previous year with a satisfactory profit margin. Development of the company's capability is continuing in order to meet increasing market opportunities at home and abroad. The current year has started well with a good order book and prospects are encouraging.

Machine tools, mining and bulk handling equipment

Joseph Rhodes & Sons Ltd of Wakefield in Yorkshire, together with its manufacturing and sales companies, **Joseph Rhodes Manufacturing Ltd** and **Rhodes Interform Ltd**, manufactures a variety of metal forming machines for use in a wide range of industries. The company supplies a full range of power presses, extrusion presses, press brakes, shears and associated machinery for use in metal forming. The results were most satisfactory and showed good growth from the previous year, reflecting work carried out by the company in recent years to improve efficiency, develop products and expand markets in the United Kingdom and abroad. The company has started the new year with a high order book and good results should be achieved. The profit performance of **Coil Machinery (Cornac) Ltd** was eroded by the absorption of costs associated with acquiring the assets of **Humphris Press Equipment Ltd** and moving to larger premises which provide improved commissioning and testing facilities. The company is now able to undertake bigger contracts and the results for the current year are expected to be better. **Cowlshaw Walker & Co Ltd** of Biddulph in Staffordshire, manufactures and supplies bulk handling equipment, consisting of conveyors, bunkers and rock and stone crushing machines, for use in coal mining and in other extractive industries, as well as presses and metal fabrications. Although the level of orders received by the company was encouraging at the beginning of the year, it fell away later on as demand for coal bunkers from the National Coal Board was significantly reduced. Whilst some good orders were obtained for crushing machinery and other new products, some for export, the combined effect of low overall demand and higher costs produced a serious loss. Stringent steps are being taken to reduce costs but the outlook for the current year is not good, being so dependent on orders from the coal mining industry.

The Group owns five subsidiaries, listed on page 36, which manufacture and market a range of products made from natural and synthetic rubber and from plastic. Total sales of these products were £17,634,500 for the year -- of which £6,139,000 were exports whilst profits at £95,000 showed an improvement of 43% when compared with those of the previous year.

Industrial rubber products

The **St Albans Rubber Co Ltd** of St Albans, Hertfordshire, makes rubber sheeting for sale to manufacturers of wet-suits used in sailing, water skiing and diving, and also makes cellular rubber mouldings and sheeting for supply to the automotive, packing and other industries. The company traded successfully and achieved a 60% increase in export sales and a 15% increase in home sales. Profits increased satisfactorily and the return on capital employed improved. A considerable sum is being invested by the company to provide additional production capacity in order to meet continuing demands for the company's products and to maintain growth in the future. The new year has started with a strong order book and excellent prospects. **William Warne & Co Ltd** of Barking in Essex manufactures a range of rubber gaskets and rings, high pressure hoses, tubing and anti-pollution booms. As reported a year ago, the company has been engaged throughout the year in implementing plans to modernise and re-organise its activities and to re-equip much of its facilities. The work is proceeding satisfactorily and will be completed during the current financial year. The company's trading during the year has been at a much improved level but the heavy re-organisation costs are reflected in the loss which was made. The company is now trading on a profitable basis and prospects for a better performance during the current year are good, although further re-organisation costs will still have a major impact on the overall result.

Medical products

Warne Surgical Products Ltd manufactures disposable and re-usable medical products for use in hospitals at its factories at Lurgan in Northern Ireland and Andover in Hampshire. The results show a 9% improvement in sales which is reasonable in view of the difficult conditions which prevailed in the Health Service in the United Kingdom during the year and the strong competition experienced abroad. The company's profit increased by 75% from a low base which reflects the steps taken to control costs and improve efficiency. This improvement is encouraging and augurs well for the efforts the company is making to increase its existing business and to develop new products and markets. (ed.)

Stationery, packaging and dispensing products

H. A. Coombs Ltd of Calne in Wiltshire makes and sells a wide range of rubber and thermo-plastic bands and packaging aids. Much was done during the year to re-establish the company on a profitable basis following last year's serious loss. It was, however, necessary to write off a substantial amount of poor stocks and, in consequence, the company again made a loss. At present, the company is making a small profit and, with improving exports and the development of some new products for both home and overseas markets, better results are expected for the current year. **Waddington & Duval (Holdings) Ltd** makes plastic taps, pourers and dispensers at Putney in London which are supplied to customers in the wine, beer, detergent, oil and pharmaceutical markets. The company again succeeded in improving its level of sales in all markets with 61% being export of plastic products, and to the effects of the strength of the pound sterling. The company's results for the current year are a loss but a good one, considering the circumstances.

Thread and allied products

The Group owns eight subsidiaries in the United Kingdom and nine subsidiaries abroad which manufacture a wide range of natural and synthetic threads, braids, twines, yarns, ropes, fishing lines and narrow fabrics. These products are sold to customers in many different industries throughout the world. Sales totalled £21,343,000 of which 34% were exports; profits at £1,319,000 were 35% below those of the previous year.

Thread, braid and twine products

Lindustries Textiles Ltd through Barbour Threads Manufacturing Ltd of Lisburn, Northern Ireland and Kilbirnie in Ayrshire and Barbour Threads Ltd of Liverpool, makes and sells a wide range of linen and synthetic threads, braids and twines for use in a variety of industries for many different purposes. The results were most disappointing with sales only marginally higher than in the previous year and a considerable reduction in profit. This was caused by severe competition in nearly all markets leading to some lowering of prices, particularly in European markets, and pressure on profit margins. Some 54% of all sales are exported and the strengthening of the £ had a significant effect on export sales. Throughout much of the year the worldwide recession in the textile industry meant that there was poor demand for the company's products. In the last quarter of the year demand improved and, if this trend is sustained during 1979/80, the company's performance should be better. **Fils à Coudre Barbo** S.A. of France, suffered a serious fire at its factory in Marseille early in June 1978 which destroyed its manufacturing facilities. Demand from customers in the French market was met by shipping goods from Barbour Threads at Speke, but the fire caused considerable disruption and the company made a loss for the year. It has been decided to discontinue manufacturing in France and to establish a new warehouse at Lyon where the company will be in a better geographical position to service its customers. **Industria Filati di Lino e Canapa S.p.A.** of Vimercate in Italy supplies the shoe and clothing industries and allied trades in Italy with threads, twines and braids. The company had another good year with excellent results. Both manufacturing and trading conditions remained difficult but the company was able successfully to overcome the strong competition which prevailed in most of its markets. Prospects for the current year are at present satisfactory.

Yarn products

Two subsidiary companies produce yarns. **Dunbar McMaster & Co Ltd** in Northern Ireland, makes flax yarns which are supplied to the weaving trade and other textile processors at home and abroad. The results were satisfactory with increased demand, sales and profits. The company's performance is dependent on being able to obtain supplies of good flax at prices which will enable it to supply linen yarns at competitive prices in all its markets. The flax crop purchased for 1978/79 production was excellent and, with strong demand, the year's results were good. The outlook for the current year is satisfactory. **The Longford Textile Co Ltd** of Longford in the Republic of Ireland produced high quality yarns for sale to customers in the textile and allied industries and to other **Lindustries** subsidiaries. Although trading conditions were difficult, particularly at the beginning of the year when the textile recession was at its worst in the general cycle, the company was able, by greater efficiency and control of its production

performance and higher sales and profits were made. The current year has started well and the company is in a good position to exploit business opportunities in all its markets.

Specialised tape, twine and corded products

E.B. Hamel & Son Ltd of Tamworth in Staffordshire makes a range of narrow fabrics, for use in the furnishing and clothing industries, and specialised filter cloth for use by the agricultural industry. Demand for the company's products remained slack throughout the year with sales of tape for zip fastener use being particularly affected by strong competition from foreign suppliers, mostly from the Far East. In consequence, the results were poor and trading for the year was at breakeven level. The company is vulnerable to competition from manufacturers in third world countries which, given the low technology involved in its products, is difficult to counter. Diversification of the product range continues but the outlook for a significant improvement in results for the current year remains poor at present.

Levi Jackson & Sons Ltd of Glossop in Derbyshire manufactures industrial twines and cordage for use principally in the fishing and allied industries. The results for the year were quite good but lack of production hampered sales. Steps to improve production output are being taken which will enable the company to seek additional sales more aggressively.

Apart from those overseas activities already referred to, Lindustries owns two further subsidiaries, one in Canada and one in Mexico. **Industrias Alta Mar S.A.** of Guadalajara manufactures fishing nets, ropes and twines for use by the fishing industry in Mexico. During the year the size of the Mexican fishing fleet increased and the company enjoyed high demand for its products. By careful control the management was able to overcome occasional shortages of raw materials during the year and excellent results were obtained. Further investment in the company is planned in order to provide greater capacity to meet demands and remain competitive. Prospects for 1979/80 are good.

John Leckie Inc in Canada is a major distributor of commercial fishing supplies, marine hardware products and sewing threads and also manufactures tents and a variety of camping and equestrian equipment. Although there was little improvement overall in the Canadian economy, the steps taken by the company to rationalise its product range bore some success and the year's results show a considerable improvement on those of last year. Demand for the company's commercial fishing products has improved and the control of costs is now much tighter. The company's management is at present considering a number of strategic options with the object of a real step forward in profitability.

The average weekly number of employees in the UK during the year was 6,325 and the aggregate remuneration paid or payable to them was £23,302,237. In addition there were 1,041 employees in the overseas subsidiaries.

7. Interests in issued share capital

The register kept by the company in accordance with the provisions of section 34 of the Companies Act 1967 showed that, on 21 June 1979, Hanson Trust Limited, through its subsidiary Tillotson Commercial Vehicles Ltd, held 5.93% of the issued ordinary share capital of the company. The directors were not aware on that date of any other person holding 5% or more of the issued ordinary share capital of the company.

8. Issue of shares

Following the exercise of options under the company's Share Option Scheme (1973) 94,750 ordinary shares of 25p each fully paid were issued during the year at a consideration of 40p per share.

9. Fixed assets

An analysis of the fixed assets of the company and its subsidiaries appears in the notes on the accounts on page 26. The directors are of the opinion that the market value of the Group's interests in land and buildings is substantially in excess of book value.

10. Exchange rate adjustments

In arriving at the retained profit at 31 March 1979, account has been taken of exchange rate adjustments of £584,000. This relates to the differences which have arisen on the translation into sterling of the net assets of overseas companies and of foreign currency borrowings at rates of exchange ruling at the end of the year as compared with those ruling at the beginning of the year. Although these differences affect the net asset values of overseas companies and the net amounts of foreign currency borrowings, they are in the opinion of the directors unrelated to the profit and loss account of the year and they have no immediate cash implication. Accordingly, the directors consider it more appropriate to include the effect of these exchange rate adjustments in arriving at the reserves to be carried forward rather than, as in prior years, within extraordinary items.

11. Donations

Donations made for charitable purposes by the Group during the year were £9,957. Other donations were: British United Industrialists £1,500, Conservative Party £1,000, Economic League £1,111.

12. Exports

Direct exports by UK companies in the Group were made to the following geographical areas:

	1979	1978
	£000	£000
North America	1,694	1,000
EEC Countries	9,110	10,000
Other European Countries	2,367	2,000
Rest of the world	5,001	1,000
	18,172	14,000

13. Directors

The present directors of the company are named on page 2. The directors retiring by rotation are Sir Alec Ogilvie, Sir Ian Morrow and Mr. B. M. Knox who, being eligible, offer themselves for re-election. Mr. P. J. W. Shuttleworth, who was appointed a director on 1 September 1978, retires in accordance with the Articles of Association and, being eligible, offers himself for re-election.

14. Directors' interests

According to the register kept by the company, the directors had the following interests in the company's shares and stocks on 31 March 1979. Holdings on 1 April 1978, or on date of appointment, are shown in brackets where different:

	Beneficially held	Otherwise held		Beneficially held	Otherwise held
Ordinary shares			Preferred ordinary stock		
J. A. Harper	3,000		B. M. Knox		£3,000
D. A. Hunter Johnston	3,000		Preference stock		
B. M. Knox	25,200	16,400	B. M. Knox		£666
	(25,048)				
A. E. Luke	6,500				
	(9,633)				
W. E. Luke	26,000				
R. J. Lupini	1,000				
Sir Ian Morrow	1,000				
Sir Alec Ogilvie	2,000				
P. A. Rippon	1,605				
P. J. W. Shuttleworth	3,300				
	(5,000)				
E. L. S. Weiss	1,250				

The only change to have occurred in the directors' interests between 31 March and 21 June 1979 is the acquisition of 5,000 ordinary shares by Mr. P. J. W. Shuttleworth.

15. Directors' rights to acquire shares

The following options were held during the year by the directors shown in accordance with the rules of the Lindt Industries Share Option Scheme (1973) which enable certain senior executives to acquire the company's shares:

Director	Date of grant of option	Options held on 1.4.78	Options held on 31.3.79	Price to be paid per share	Exercisable on or after	Exercisable before
J. A. Harper	4.2.75	45,000	45,000	40p	4.2.78	4.2.82
A. E. Luke	4.2.75	35,000	35,000	40p	4.2.78	4.2.82
R. J. Lupini	4.2.75	15,000	12,000	40p	4.2.78	4.2.82
	16.2.77	7,500	7,500	63p	16.3.80	16.3.84
P. A. Rippon	4.2.75	40,000	40,000	45p	4.2.78	4.2.82
P. J. W. Shuttleworth	4.2.75	15,000 (1.9.76)	15,000	45p	4.2.78	4.2.82
	16.2.77	5,000 (1.9.78)	5,000	67p	16.3.80	16.3.84

None of the directors has, or during the financial year under review had, a material interest in any significant contract with the company or with any of its subsidiaries.

17. **Auditors**

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

By order of the Board
P. J. W. Shuttleworth
Secretary
31 St. Andrew Square, Edinburgh EH2 2AB



21 June 1979

Consolidated profit and loss account for the financial year ended 31 March 1979

Lindustries Limited and subsidiary companies

	Notes	1979 £000	1978 £000
Sales	2	<u>100,228</u>	<u>88,403</u>
Trading profit	3	7,129	6,742
Share of profits of associated companies	6	<u>113</u>	<u>91</u>
Profit before taxation		7,242	6,833
Taxation (after prior year credits)	7	<u>1,970</u>	<u>2,018</u>
Profit after taxation		5,272	4,814
Attributable to minority interests		<u>271</u>	<u>226</u>
Profit attributable to Lindustries Limited before extraordinary items		5,001	4,588
Extraordinary items	8	<u>(102)</u>	<u>(250)</u>
Profit attributable to Lindustries Limited		4,899	4,338
Dividends	9	<u>1,930</u>	<u>1,759</u>
Profit for the year retained	10	<u>2,969</u>	<u>2,579</u>
Earnings per 25p ordinary share	11	<u>26.5p</u>	<u>24.4p</u>

Statement of retained profits

Retained profit at the beginning of the year		23,711	21,633
Retained profit for the year		2,969	2,579
Exchange rate adjustments		(584)	(546)
Other movements	21	<u>(1,042)</u>	<u>45</u>
Retained profit at the end of the year		<u>25,054</u>	<u>24,711</u>

Consolidated balance sheet at 31 March 1979

Lindströms Limited and subsidiary companies

	Notes	1979 £000	1978 £000
Assets employed			
Fixed assets	13	17,799	18,032
Investments	14	1,376	1,600
Advance corporation tax recoverable		940	594
		<u>20,115</u>	<u>20,226</u>
Current assets:			
Stock	15	25,161	22,759
Debtors		22,389	19,474
Bank balances and short term deposits		2,254	1,456
		<u>49,804</u>	<u>43,689</u>
Current liabilities:			
Creditors and accrued liabilities		17,260	14,402
Advance payments from customers	16	1,429	1,013
Bank overdrafts and short term loans		2,870	2,431
Taxation	17	2,557	2,048
Dividends		1,908	1,154
		<u>26,024</u>	<u>21,048</u>
Net current assets		<u>23,780</u>	<u>22,641</u>
		<u>43,895</u>	<u>42,867</u>
Deferred taxation	18	74	829
		<u>43,821</u>	<u>42,038</u>
Financed by			
Issued capital of Lindströms Limited	19	6,855	6,855
Share premium	20	4,186	4,573
Reserves	21	25,997	24,122
		<u>37,438</u>	<u>35,550</u>
Debentures and term loans	22	4,326	4,326
Deferred credits for government grants		1,331	1,331
Minority interests		726	726
		<u>43,821</u>	<u>42,038</u>

Parent company balance sheet at 31 March 1979

Lindustries Limited

	Notes	1979 £000	1978 £000
Assets employed			
Subsidiary companies	12	33,002	28,104
Fixed assets	13	967	988
Investments	14	181	15
Advance corporation tax recoverable		940	594
		<u>35,090</u>	<u>29,701</u>
Current assets:			
Debtors		98	51
Bank balances and short term deposits		1,100	567
		<u>1,198</u>	<u>598</u>
Current liabilities:			
Creditors and accrued liabilities		84	151
Bank overdraft and short term loans		467	840
Taxation	17	1,027	964
Dividends		1,908	1,134
		<u>3,486</u>	<u>3,109</u>
Net current liabilities		<u>2,288</u>	<u>2,511</u>
		<u>32,802</u>	<u>27,190</u>
Financed by			
Issued capital	28	6,855	6,832
Share premium	29	4,586	4,371
Reserves	29	13,473	10,105
		<u>29,920</u>	<u>21,308</u>
Rebentures and term loans	30	2,832	3,550
		<u>32,802</u>	<u>27,190</u>

Source and application of funds

for the financial year ended 31 March 1979

Lindustries Limited and subsidiary companies

	1979 £000	1978 £000
Source of funds		
Profit before taxation	7,242	6,119
Less: Minority interests	(271)	(119)
Extraordinary items	(102)	(280)
	<u>6,869</u>	<u>5,720</u>
Adjustment for items not involving the movement of funds:		
Depreciation	1,946	1,769
Exchange rate adjustments	(387)	(347)
Increase in minority interest	119	117
Movement in reserves of associated companies	67	1
Revenue reserves of associate sold	5	—
Other reserve movement	(95)	—
Decrease in deferred credits for government grants	(35)	—
Funds from other sources:		
Fixed asset disposals	1,007	429
Share options exercised	38	41
Total source	<u>9,534</u>	<u>8,367</u>
Application of funds		
Increase in stocks	2,402	581
Increase in debtors	2,915	1,483
Increase in creditors	(2,858)	(838)
Increase in advance payments	(416)	(344)
Working capital increase	2,043	882
Capital expenditure	2,917	3,225
Repayment of term loans	333	340
Increase/(decrease) in investment in associates	44	(105)
Increase in trade investments	170	—
Application before tax and dividend payments	<u>5,507</u>	<u>4,942</u>
Funds generated from operations	<u>4,027</u>	<u>3,100</u>
Less: Tax payments	(2,492)	(1,100)
Dividend payments	(1,176)	(1,100)
Increase in liquid funds	<u>359</u>	<u>900</u>

Notes on accounts

Accounting policies

(a) Basis of consolidation

The consolidated accounts include the accounts of all the subsidiaries for the financial year ended 31 March and of principal associated companies in accordance with (b) below. The basis of consolidation is consistent with that of the principal associated companies except as specified in (h) below.

(b) Associated companies

The consolidated profit and loss account includes the Group's share of the results of the principal associated companies (note 6) and the reserves in the consolidated balance sheet include the Group's share of the post acquisition reserves of these companies (note 21). The figures are taken from the latest audited accounts in respect of years ended on dates between 28 February and 31 March. The remaining associated companies are not material and are treated as trade investments in the consolidated accounts.

(c) Depreciation

Depreciation is determined on the basis of the expected useful lives of fixed assets. It is calculated on a straight-line basis at the following principal rates:

Freehold and long leasehold properties	: 2% per annum
Short leasehold properties	: over the period of the lease
Plant and equipment	: 5% to 25% per annum
Tooling	: 33 1/3% per annum

Certain overseas companies follow different depreciation policies in order to comply with local legislation.

(d) Research and development

Expenditure on research and development, which is not directly recoverable from the customer, is written off in the year in which it is incurred.

(e) Stock and work in progress

Stock and work in progress is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes direct expenditure and an appropriate proportion of fixed and variable production overheads.

(f) Deferred taxation

Provision is made at the current rates of tax for net tax deferred as a result of timing differences in the accounting and taxation treatment of depreciation, revaluation of properties, stock and certain provisions to the extent that in the opinion of the directors the tax deferred may become payable in the foreseeable future.

(g) Grants

Government grants on the purchase of fixed assets are treated as deferred credits and transferred to profit and loss account over the expected useful lives of the assets concerned. Grants for revenue expenditure are credited to profit and loss account in the year in which the corresponding expenditure has been charged, provided the grant has been agreed.

(h) Foreign currencies

The accounts of overseas subsidiaries and associated companies and assets and liabilities in foreign currencies are translated to sterling at the rates of exchange ruling at the balance sheet date. The difference arising on the translation of the net equity interest of overseas companies at the commencement of the year is dealt with through reserves together with unrealised differences relating to foreign currency borrowings. This represents a change of policy, such differences having previously been shown as an extraordinary item in the consolidated profit and loss account. All differences arising from changes in exchange rates on revenue transactions and realised differences on repayment of foreign currency borrowings are dealt with in arriving at the trading profit.

2. Sales

Sales represent the sale of goods and services outside the Group, excluding value added tax.

3. Trading profit

Trading profit is shown after charging the following:

Interest payable (note 4)	548	394
Administrative remuneration (parent £14,000—1978 £12,000)	150	137
Depreciation	1,946	1,769
Emoluments of directors of Lindustrial Limited (note 5)	156	162
Costs of reorganisation and reorganisation schemes	448	445

1979	1978
£000	£000

and crediting the following:

Dividends from listed trade investment	100	84
Other dividends and interest	252	17
	352	101

100	84
252	17
352	101

4. Interest payable

Debentures	135	135
Term loans	216	240
Bank overdrafts	197	19
	548	394

135	135
216	240
197	19
548	394

5. Emoluments of directors of Lindustrial Limited

Fees	9	8
Other emoluments for management	142	118
Pensions to past executive directors	5	5
Superannuation gratuity to past executive director	—	31
	156	162

9	8
142	118
5	5
—	31
156	162

Fees and other emoluments were paid as follows:

The emoluments of the Chairman were £8,701 (1978—£8,548) and of the highest paid director were £25,838 (1978—£23,378). The table below shows the number of directors within the bands stated; also shown is the amount of tax at the rates ruling for 1978/79 at the top end of each band above £10,000 and the corresponding take-home pay based upon a married man without children and with no other income.

Emoluments	Tax	Take-home pay	1979 Number	1978 Number
£	£	£		
Not more than 2,500			3	4
2,501 to 5,000			1	1
5,001 to 7,500			—	1
7,501 to 10,000			2	1
10,001 to 12,500	3,911	8,589	—	—
12,501 to 15,000	5,333	9,667	1	—
15,001 to 17,500	6,931	10,569	—	—
17,501 to 20,000	8,650	11,320	—	—
20,001 to 22,500	10,553	11,947	3	—
22,501 to 25,000	12,428	12,572	—	—
25,001 to 27,500	14,460	13,040	1	—

Notes on accounts continued

6. Associated companies

Lindus Limited's share of the profits of its principal associated companies has been incorporated in the consolidated profit and loss account as follows (note 1 (b)):

Share of profits before tax
Taxation
Dividends paid to Group companies
Profits retained by associated companies
Exchange adjustments
Movement in reserves for the year

Based on profits for the year:
UK corporation tax at 52% (1978 52%)
Double taxation relief

Overseas tax
Deferred taxation (note 1 (f))

On share of profits of associated companies:
UK corporation tax
Overseas tax

Charges/(credits) in respect of previous years:
UK corporation tax
Overseas tax
Deferred taxation

The charge for UK corporation tax is less than the rate of 52% by £769,000 (1978 £1,071,000) due to stock appreciation relief and accelerated capital allowances which have not been adjusted by a provision for deferred tax. The credits in respect of previous years arise from additional reliefs available to subsidiaries and reassessment of the need to retain deferred tax provisions brought forward from last year.

Loss resulting from a fire in a subsidiary company
Sale of property
Provision for cost of subsidiary company rationalisation

1979 £000	1978 £000
113	91
39	34
74	57
60	31
14	26
(81)	(72)
(67)	(46)
2,227	1,710
(510)	(444)
1,717	1,272
1,027	835
—	37
2,744	2,144
27	—
12	34
2,783	2,178
(130)	(142)
2	(17)
(685)	—
1,970	2,019
(70)	—
(32)	—
(102)	—

5 Dividends

Dividends paid, declared or proposed:
 Preference stock—3.5% (1978 3.5%)
 Preferred ordinary stock—4.2% (1978 4.2%)

1979	1978
£000	£000
39	30
46	26
85	56

Ordinary shares
 Interim declared 3.3p (1978 paid 3.0p)
 Final proposed 6.6p (1978 6.0p)
 Adjustment to 1977 final dividend owing to change in rate of advance corporation tax
 Adjustment to 1978 final dividend for shares issued after 1 April 1978

1979	1978
£000	£000
613	54
1,229	1,112
—	8
3	—
1,930	1,253

6 Profit for the year retained

Lindusries Limited
 Subsidiary companies
 Associated companies

1979	1978
£000	£000
1,438	607
1,517	1,000
14	73
2,969	2,679

Of the group profit for the year of £5,272,000 after taxation, £3,369,000 (1978 £2,358,000) has been dealt with in the accounts of Lindusries Limited.

7 Earnings per share

The calculation of earnings per 25p ordinary share is based on earnings of £4,916,000 (1978 £4,502,000) and a weighted average number of ordinary shares in issue during the year of 18,578,829 (1978 18,430,877). The earnings figure is the profit attributable to Lindusries Limited before extraordinary items, £5,001,000 (1978 £4,588,000) less preference and preferred ordinary dividends, £85,000 (1978 £85,000). No material dilution would occur if the Lindusries Share Option Scheme (1973) were implemented in full.

8 Subsidiary companies

Shares, at cost less provisions
 Amounts owing from subsidiaries, less provisions
 Dividends receivable
 Amounts owing to subsidiaries

1979	1978
£000	£000
11,187	11,244
15,104	15,756
9,889	3,454
(3,178)	(1,000)
33,002	28,454

The principal subsidiaries are shown on pages 35 to 38. The investment in subsidiary companies is included in the parent company balance sheet at cost less provisions for any permanent diminution in value.

Notes on accounts continued

13. Fixed assets

Group	Freehold property £000	Leasehold property Long leases £000	Leasehold property Short leases £000	Plant and equipment £000	Total £000
<i>Cost or valuation:</i>					
At 2 April 1978	8,422	3,172	113	20,087	31,794
Exchange rate adjustments	(170)	22	(1)	(183)	(354)
Additions during year	586	(1)	(17)	2,309	2,917
Disposals	(921)			(991)	(1,936)
	<u>7,917</u>	<u>3,193</u>	<u>95</u>	<u>21,222</u>	<u>32,427</u>
At 31 March 1979					
<i>Accumulated depreciation:</i>					
At 2 April 1978	1,333	303	41	12,085	13,762
Exchange rate adjustments	(51)		5	(106)	(157)
Depreciation for year	161	74	(6)	1,716	1,946
Disposals	(112)		40	(835)	(823)
	<u>1,321</u>	<u>377</u>	<u>40</u>	<u>12,390</u>	<u>14,628</u>
At 31 March 1979					
	<u>6,596</u>	<u>2,816</u>	<u>55</u>	<u>8,332</u>	<u>17,799</u>
Net book value					
				213	210
Valuations incorporated above:					1,372
1957	57				1,690
1968	1,372	161			289
1970	1,535				1,200
1972	289	1,200			17
1973					4,934
1976	77			213	846
	<u>2,330</u>	<u>1,361</u>		<u>213</u>	<u>4,958</u>
	<u>462</u>	<u>171</u>			
Accumulated depreciation	<u>2,868</u>	<u>1,190</u>			
Parent company					1,936
<i>Cost</i>		1,035			
At 2 April 1978 and 31 March 1979					47
		47			21
<i>Accumulated depreciation:</i>					68
At 2 April 1978		21			
Depreciation for year		68			967
At 31 March 1979		967			
Net book value					

The rates of depreciation applied in past years have resulted in plant and equipment of a gross book value of £5,661,000 being written down to a nominal figure. Although these assets are still in use the directors do not consider that they have a significant residual value.

14. Investments

	Group 1979 £000	Group 1978 £000	Parent 1979 £000	Parent 1978 £000
Associated companies				
Unlisted shareholdings at cost	145	245	20	—
Share of post acquisition reserves:				
At 2 April 1978	1,017	1,045	—	—
Movement in reserves of associates retained (Note 6)	(67)	(46)	—	—
Elimination of reserves of associate sold	(9)	(27)	—	—
Elimination of reserves of associate reclassified as a trade investment	(362)	45	—	—
	<u>724</u>	<u>1,292</u>	<u>20</u>	<u>—</u>
Loans	173	34	160	15
	<u>902</u>	<u>1,296</u>	<u>180</u>	<u>15</u>
Trade investments				
At cost	276	301	—	—
Listed shareholding (a)	198	3	1	—
Unlisted shareholdings (b)	<u>474</u>	<u>304</u>	<u>1</u>	<u>—</u>
	<u>1,376</u>	<u>1,600</u>	<u>181</u>	<u>15</u>
Total investments	<u>1,304</u>	<u>1,652</u>	<u>—</u>	<u>—</u>
Market value of listed shareholding — (a) above	1304	1,652	—	—
Direct value of unlisted shareholdings — (b) above	108	3	1	—

The above figures and directors' valuations shown above do not take account of the potential tax liability in the event of a share sale, amounting to approximately £254,000. The directors have reclassified as a trade investment a shareholding previously considered to be an investment in a related company, with the result that credit is taken only for dividends of £24,000. The 1978 comparative figures in the consolidated profit and loss account have been restated by reducing the share of profits of associated companies by £86,000, the taxation charge by £41,000, and the retained profit for the year by £45,000. The principal companies included above are as shown on page 38.

15. Stock

Stock is classified as follows:				
Raw materials and components	6,870	5,820	—	—
Work in progress	8,705	7,709	—	—
Finished goods	10,662	9,958	—	—
	<u>26,237</u>	<u>23,507</u>	<u>—</u>	<u>—</u>
Less: Progress payments received from customers	1,076	746	—	—
	<u>25,161</u>	<u>22,761</u>	<u>—</u>	<u>—</u>

16. Trade payables

Advance payments received from customers for work which has not yet been started are shown separately in the consolidated balance sheet.

UK and overseas tax payable before 1 April 1980	1,300	1,400	1,027	—
UK and overseas tax payable on and after 1 April 1980	1,257	—	—	—
	<u>2,557</u>	<u>1,400</u>	<u>1,027</u>	<u>—</u>

Notes on accounts continued

Group	Full Potential liability 1979 £000	Amount provided 1979 £000	Full Potential liability 1978 £000	Amount provided 1978 £000
(a) Accelerated tax allowances on fixed assets	4,062	50	3,673	194
(b) Tax on revaluation of properties	486	—	548	70
(c) Stock appreciation relief	3,756	31	3,125	595
(d) Other timing differences	(191)	(7)	(330)	(30)
	<u>8,113</u>	<u>74</u>	<u>7,205</u>	<u>829</u>

The major factors contributing to the difference between the full potential liability and the provision carried in the accounts are as follows:—

- (a) accelerated tax allowances on fixed assets. The plans for the foreseeable future show that for certain subsidiaries the investment in fixed assets eligible for 100% tax allowances will fall short of the charge for depreciation on existing and new assets. Accordingly, deferred tax has been provided in respect of this expected shortfall.
- (b) tax on revaluation of properties. If those group properties which have been revalued were sold at their revalued amounts, a tax liability would arise. However, there is no intention currently to sell such properties, and consequently a deferred taxation provision is not considered necessary.
- (c) stock appreciation relief. Group companies have made full or partial provisions for stock appreciation relief where decreases in stock values are anticipated in the foreseeable future.

Parent company

There is no potential deferred tax liability in the parent company (1978 nil).

	Authorised 1979 £000	Authorised 1978 £000	Issued 1979 £000	Issued 1978 £000
5% (now 3.5% plus tax credit) cumulative preference stock	1,100	1,100	1,100	1,100
6% (now 4.2% plus tax credit) non-cumulative preferred ordinary stock	1,100	1,100	1,100	1,100
Ordinary shares of 25p each	10,300	10,300	4,655	4,632
	<u>12,500</u>	<u>12,500</u>	<u>6,855</u>	<u>6,832</u>

During the year options were exercised in respect of 94,750 ordinary shares of 25p.

Under the terms of the Lindustries Share Option Scheme (1973) the following options were outstanding at 31 March 1979:

- (a) Exercisable before 4 February 1982 to subscribe for 272,750 ordinary shares of 25p at a price of 40p.
- (b) Exercisable on or after 16 March 1980 and before 16 March 1984 to subscribe for 137,500 ordinary shares of 25p at a price of 67p.

At 2 April 1978

Premium on share options exercised

At 31 March 1979

£000
4,571
15

4,586

	Non-distributable Reserves £000	Distributable Reserves £000	Total £000
Group			
At 2 April 1978			
Parent and subsidiaries	283	22,703	22,986
Associated companies	9	1,008	1,017
	<u>292</u>	<u>23,711</u>	<u>24,003</u>
Movement during year:			
Retained profit for the year	—	2,969	2,969
Exchange rate adjustments	—	(584)	(584)
Reclassification of associate (Note 14)	—	(362)	(362)
Reclassification of reserves	585	(585)	—
Unrealised profit on sales between group companies not taken into account in previous years	—	(95)	(95)
Deferred tax releases in respect of fixed asset revaluation surpluses	70	—	70
Elimination of capital reserve of associate sold	(4)	—	(4)
	<u>943</u>	<u>25,054</u>	<u>25,997</u>
At 31 March 1979			
Parent and subsidiaries	938	24,480	25,418
Associated companies	5	574	579
	<u>943</u>	<u>25,054</u>	<u>25,997</u>
Parent Company			
At 2 April 1978	112	11,329	11,441
Dividends received from subsidiaries in respect of releases of deferred tax provisions for previous years	—	5,600	5,600
Profit for the year retained	—	1,438	1,438
	<u>112</u>	<u>18,367</u>	<u>18,479</u>
At 31 March 1979			
	<u>112</u>	<u>18,367</u>	<u>18,479</u>

Retained profits of overseas subsidiary and associated companies of £5,803,000 (1978 £6,334,000) are subject to UK taxless double taxation relief if remitted to the UK by way of dividend.

	Group 1979 £000	Group 1978 £000	Parent 1979 £000	Parent 1978 £000
6½% Debenture stock 1984/89 (secured)	2,157	2,157	2,157	2,157
Bank loans (unsecured), interest varying with inter-bank rates	—	163	—	163
US \$192,739, repayable November 1979	—	—	—	—
US \$1.5m, repayable April 1981	725	806	725	806
US \$7.6,000, repayable April 1980-May 1982	36	—	—	—
US \$201,400, repayable October 1983	97	—	—	—
Canadian \$2.6m, repayable August 1980- August 1986 (1978 Canadian \$2.7m, repayable February 1980-February 1984)	1,088	1,220	—	1,220
Department of Industry loan (unsecured), interest at 10%, repayable June 1980- June 1982	225	—	—	—
	<u>4,328</u>	<u>2,286</u>	<u>2,882</u>	<u>2,286</u>

Notes on accounts continued

	Group 1979 £000	Group 1978 £000	Parent 1979 £000	Parent 1978 £000
Not provided in accounts:				
Capital expenditure authorised by directors	1,335	1,054	—	—
Including capital expenditure contracted	778	523	—	—
Rights issue by trade investment	339	—	—	—
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Guarantees for bank and other loans	242	254	1,849	845
Notes receivable discounted	6	8	—	—
Uncalled share capital	9	9	16	16
Other claims	—	4	—	—
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	257	285	1,865	861

The parent company has guaranteed annual payments of subsidiaries up to £106,000 (1978 £120,000).

1979-80

We report on the accounts set out on pages 18 to 30. These have been prepared under the historical cost convention which permits the inclusion of leasehold and freehold properties at a revaluation.

In our opinion the accounts give a true and fair view of the state of affairs at 31 March 1979 and of the profit and the source and application of funds for the financial year ended on that date, according to the historical cost convention, and comply with the Companies Acts 1948 and 1967.

Conpers & Lybrand
Chartered Accountants

London
21 June 1979

Ten year record

Lindus Limited and subsidiary companies

	1979	1978
	£000	£000
Sales		
Sales outside the Group	100,228	28,403
Earnings		
Profit before taxation	7,242	6,919
Profit after taxation	5,272	4,859
Earned for ordinary shareholders	4,916	4,543
Ordinary dividends ³	1,845	1,674
Assets employed		
Fixed assets, investments and A.C.T. recoverable	20,115	20,226
Net current assets	23,780	21,275
Deferred taxation ¹	(74)	(829)
	43,821	40,672
Financed by		
Ordinary capital	4,655	4,632
Reserves and share premium	30,593	28,574
Ordinary shareholders' funds	35,238	33,206
Preference, preferred ordinary and minority interests	2,924	2,805
Debentures and term loans	5,659	4,661
	43,821	40,672
	p	p
Earnings ²	26.5	24.7
Dividends ²	9.9	9.0
Assets	139.5	179.2

1. Deferred taxation is shown at the end of the financial year. It represents the amount of tax which has been paid but which is not yet due to the tax authorities.

2. Earnings and dividends are shown in pence per share. They are based on the number of shares in issue at the end of the financial year.

13 Months

1977	1976	1974	1973	1972	1971	1970	1969
£000	£000	£000	£000	£000	£000	£000	£000
78,964	104,887	61,545	50,933	42,630	36,098	35,070	31,477

6,605	7,021	4,835	4,607	3,011	2,083	2,308	2,553
3,535	3,593	2,331	2,645	1,766	1,360	1,366	1,322
3,247	3,195	2,126	2,478	1,582	1,190	1,202	1,162
810	1,105	684	635	862	770	860	860

18,865	18,903	17,534	16,128	14,701	12,313	12,195	10,035
20,490	15,779	12,487	10,112	7,945	8,467	9,119	9,392
(5,349)	(4,108)	(2,150)	(1,533)	(1,220)	(833)	(740)	(433)
34,006	30,574	27,871	24,707	21,426	19,947	20,574	18,988

4,606	4,606	4,547	4,547	4,536	4,528	4,528	4,528
21,511	18,491	16,596	15,028	11,807	10,297	10,902	9,238
26,117	23,097	21,145	19,575	16,343	14,325	15,430	13,766
2,683	2,909	2,634	2,544	2,495	2,462	2,484	2,562
5,201	4,568	4,092	2,583	2,588	2,660	2,660	2,660
34,006	30,574	27,871	24,707	21,426	19,947	20,574	18,988

F	P	P	P	P	P	P	P
17.6	17.3	11.7	13.6	8.7	6.6	6.6	6.4
4.4	6.0	3.8	3.5	4.8	4.3	4.8	4.8
17.0	125.4	116.3	107.6	90.1	81.9	85.2	76.6

5. The above figures are based on the figures for 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 2680, 2681, 2682, 2683, 2684, 2685, 2686, 2687, 2688, 2689, 2690, 2691, 2692, 2693, 2694, 2695, 2696, 2697, 2698, 2699, 2700, 2701, 2702, 2703, 2704, 2705, 2706, 2707, 2708, 2709, 2710, 2711, 2712, 2713, 2714, 2715, 2716, 2717, 2718, 2719, 2720, 2721, 2722, 2723, 2724, 2725, 2726, 2727, 2728, 2729, 2730, 2731, 2732, 2733, 2734, 2735, 2736, 2737, 2738, 2739, 2740, 2741, 2742, 2743, 2744, 2745, 2746, 2747, 2748, 2749, 2750, 2751, 2752, 2753, 2754, 2755, 2756, 2757, 2758, 2759, 2760, 2761, 2762, 2763, 2764, 2765, 2766, 2767, 2768, 2769, 2770, 2771, 2772, 2773, 2774, 2775, 2776, 2777, 2778, 2779, 2780, 2781, 2782, 2783, 2784, 2785, 2786, 2787, 2788, 2789, 2790, 2791, 2792, 2793, 2794, 2795, 2796, 2797, 2798, 2799, 2800, 2801, 2802, 2803, 2804, 2805, 2806, 2807, 2808, 2809, 2810, 2811, 2812, 2813, 2814, 2815, 2816, 2817, 2818, 2819, 2820, 2821, 2822, 2823, 2824, 2825, 2826, 2827, 2828, 2829, 2830, 2831, 2832, 2833, 2834, 2835, 2836, 2837, 2838, 2839, 2840, 2841, 2842, 2843, 2844, 2845, 2846, 2847, 2848, 2849, 2850, 2851, 2852, 2853, 2854, 2855, 2856, 2857, 2858, 2859, 2860, 2861, 2862, 2863, 2864, 2865, 2866, 2867, 2868, 2869, 2870, 2871, 2872, 2873, 2874, 2875, 2876, 2877, 2878, 2879, 2880, 2881, 2882, 2883, 2884, 2885, 2886, 2887, 2888, 2889, 2890, 2891, 2892, 2893, 2894, 2895, 2896, 2897, 2898, 2899, 2900, 2901, 2902, 2903, 2904, 2905, 2906, 2907, 2908, 2909, 2910, 2911, 2912, 2913, 2914, 2915, 2916, 2917, 2918, 2919, 2920, 2921, 2922, 2923, 2924, 2925, 2926, 2927, 2928, 2929, 2930, 2931, 2932, 2933, 2934, 2935, 2936, 2937, 2938, 2939, 2940, 2941, 2942, 2943, 2944, 2945, 2946, 2947, 2948, 2949, 2950, 2951, 2952, 2953, 2954, 2955, 2956, 2957, 2958, 2959, 2960, 2961, 2962, 2963, 2964, 2965, 2966, 2967, 2968, 2969, 2970, 2971, 2972, 2973, 2974, 2975, 2976, 2977, 2978, 2979, 2980, 2981, 2982, 2983, 2984, 2985, 2986, 2987, 2988, 2989, 2990, 2991, 2992, 2993, 2994, 2995, 2996, 2997, 2998, 2999, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 3027, 3028, 3029, 3030, 3031, 3032, 3033, 3034, 3035, 3036, 3037, 3038, 3039, 3040, 3041, 3042, 3043, 3044, 3045, 3046, 3047, 3048, 3049, 3050, 3051, 3052, 3053, 3054, 3055, 3056, 3057, 3058, 3059, 3060, 3061, 3062, 3063, 3064, 3065, 3066, 3067, 3068, 3069, 3070, 3071, 3072, 3073, 3074, 3075, 3076, 3077, 3078, 3079, 3080, 3081, 3082, 3083, 3084, 3085, 3086, 3087, 3088, 3089, 3090, 3091, 3092, 3093, 3094, 3095, 3096, 3097, 3098, 3099, 3100, 3101, 3102, 3103, 3104, 3105, 3106, 3107, 3108, 3109, 3110, 3111, 3112, 3113, 3114, 3115, 3116, 3117, 3118, 3119, 3120, 3121, 3122, 3123, 3124, 3125, 3126, 3127, 3128, 3129, 3130, 3131, 3132, 3133, 3134, 3135, 3136, 3137, 3138, 3139, 3140, 3141, 3142, 3143, 3144, 3145, 3146, 3147, 3148, 3149, 3150, 3151, 3152, 3153, 3154, 3155, 3156, 3157, 3158, 3159, 3160, 3161, 3162, 3163, 3164, 3165, 3166, 3167, 3168, 3169, 3170, 3171, 3172, 3173, 3174, 3175, 3176, 3177, 3178, 3179, 3180, 3181, 3182, 3183, 3184, 3185, 3186, 3187, 3188, 3189, 3190, 3191, 3192, 3193, 3194, 3195, 3196, 3197, 3198, 3199, 3200, 3201, 3202, 3203, 3204, 3205, 3206, 3207, 3208, 3209, 3210, 3211, 3212, 3213, 3214, 3215, 3216, 3217, 3218, 3219, 3220, 3221, 3222, 3223, 3224, 3225, 3226, 3227, 3228, 3229, 3230, 3231, 3232, 3233, 3234, 3235, 3236, 3237, 3238, 3239, 3240, 3241, 3242, 3243, 3244, 3245, 3246, 3247, 3248, 3249, 3250, 3251, 3252, 3253, 3254, 3255, 3256, 3257, 3258, 3259, 3260, 3261, 3262, 3263, 3264, 3265, 3266, 3267, 3268, 3269, 3270, 3271, 3272, 3273, 3274, 3275, 3276, 3277, 3278, 3279, 3280, 3281, 3282, 3283, 3284, 3285, 3286, 3287, 3288, 3289, 3290, 3291, 3292, 3293, 3294, 3295, 3296, 3297, 3298, 3299, 3300, 3301, 3302, 3303, 3304, 3305, 3306, 3307, 3308, 3309, 3310, 3311, 3312, 3313, 3314, 3315, 3316, 3317, 3318, 3319, 3320, 3321, 3322, 3323, 3324, 3325, 3326, 3327, 3328, 3329, 3330, 3331, 3332, 3333, 3334, 3335, 3336, 3337, 3338, 3339, 3340, 3341, 3342, 3343, 3344, 3345, 3346, 3347, 3348, 3349, 3350, 3351, 3352, 3353, 3354, 3355, 3356, 3357, 3358, 3359, 3360, 3361, 3362, 3363, 3364, 3365, 3366, 3367, 3368, 3369, 3370, 3371, 3372, 3373, 3374, 3375, 3376, 3377, 3378, 3379, 3380, 3381, 3382, 3383, 3384, 3385, 3386, 3387, 3388, 3389, 3390, 3391, 3392, 3393, 3394, 3395, 3396, 3397, 3398, 3399, 3400, 3401, 3402, 3403, 3404, 3405, 3406, 3407, 3408, 3409, 3410, 3411, 3412, 3413, 3414, 3415, 3416, 3417, 3418, 3419, 3420, 3421, 3422, 3423, 3424, 3425, 3426, 3427, 3428, 3429, 3430, 3431, 3432, 3433, 3434, 3435, 3436, 3437, 3438, 3439, 3440, 3441, 3442, 3443, 3444, 3445, 3446, 3447, 3448, 3449, 3450, 3451, 3452, 3453, 3454, 3455, 3456, 3457, 3458, 3459, 3460, 3461, 3462, 3463, 3464, 3465, 3466, 3467, 3468, 3469, 3470, 3471, 3472, 3473, 3474, 3475, 3476, 3477, 3478, 3479, 3480, 3481, 3482, 3483, 3484, 3485, 3486, 3487, 3488, 3489, 3490, 3491, 3492, 3493, 3494, 3495, 3496, 3497, 3498, 3499, 3500, 3501, 3502, 3503, 3504, 3505, 3506, 3507, 3508, 3509, 3510, 3511, 3512, 3513, 3514, 3515, 3516, 3517, 3518, 3519, 3520, 3521, 3522, 3523, 3524, 3525, 3526, 3527, 3528, 3529, 3530, 3531, 3532, 3533, 3534, 3535, 3536, 3537, 3538, 3539, 3540, 3541, 3542, 3543, 3544, 3545, 3546, 3547, 3548, 3549, 3550, 3551, 3552, 3553, 3554, 3555, 3556, 3557, 3558, 3559, 3560, 3561, 3562, 3563, 3564, 3565, 3566, 3567, 3568, 3569, 3570, 3571, 3572, 3573, 3574, 3575, 3576, 3577, 3578, 3579, 3580, 3581, 3582, 3583, 3584, 3585, 3586, 3587, 3588, 3589, 3590, 3591, 3592, 3593, 3594, 3595, 3596, 3597, 3598, 3599, 3600, 3601, 3602, 3603, 3604, 3605, 3606, 3607, 3608, 3609, 3610, 3611, 3612, 3613, 3614, 3615, 3616, 3617, 3618, 3619, 3620, 3621, 3622, 3623, 3624, 3625, 3626, 3627, 3628, 3629, 3630, 3631, 3632, 3633, 3634, 3635, 3636, 3637, 3638, 3639, 3640, 3641, 3642, 3643, 3644, 3645, 3646, 3647, 3648, 3649, 3650, 3651, 3652, 3653, 3654, 3655, 3656, 3657, 3658, 3659, 3660, 3661, 3662, 3663, 3664, 3665, 3666, 3667, 3668, 3669, 3670, 3671, 3672, 3673, 3674, 3675, 3676, 3677, 3678, 3679, 3680, 3681, 3682, 3683, 3684, 3685, 3686, 3687, 3688, 3689, 3690, 3691, 3692, 3693, 3694, 3695, 3696, 3697, 3698, 3699, 3700,

Current cost statement

For the financial year ended 31 March 1979

Lindustries Limited and subsidiary companies

	1979 £000	1978 £000
Sales	100,228	98,434
Group profit before taxation as in historic cost accounts	7,242	6,863
Less: Adjustments		
Depreciation	1,417	1,521
Cost of sales	2,628	2,917
	4,045	4,438
Operating profit	3,197	2,395
Gearing adjustment	601	603
Adjusted profit before taxation and extraordinary items	3,798	2,998
Taxation	1,970	2,019
Adjusted profit after taxation	1,828	979
Minority interests	216	131
Adjusted profit before extraordinary items	1,612	848
Extraordinary items	(102)	(250)
Adjusted attributable profit	1,510	598
Dividends	1,930	1,759
Adjusted retained loss	(420)	(1,161)

NOTES

1. Depreciation adjustment

This has been calculated by analysing the historic cost of assets other than property by reference to the year of purchase of each asset concerned. These amounts were then revised in accordance with the change in the appropriate indices between the year of purchase and the current year. Indices were taken from the Central Statistical Office Publication "Price Index Numbers for Current Cost Accounting" for U.K. companies and published general price indices for overseas companies. Depreciation on the revised 1978 figures was then computed, and the adjustment is the difference between the revised current year depreciation charge and the historic cost depreciation charge.

2. Cost of sales adjustment

This is computed by the averaging method in which the historic cost of opening and closing stock is revised to the average current cost by means of internally calculated indices for U.K. companies and published general price indices for overseas companies.

3. Gearing adjustment

This is calculated as a percentage of the sum of the above two adjustments. The percentage represents the proportion of the net balance of non-current liabilities to the net balance of non-current assets, excluding the equity share capital and reserves. For the purpose of the calculation, the non-current liabilities include long-term borrowings and deferred taxation, and the non-current assets include fixed assets and investments. The gearing adjustment is calculated as a percentage of the difference between the revised current year depreciation charge and the historic cost depreciation charge.

4. Freehold and leasehold properties

Principal subsidiary and associated companies

Engineering Products

Company	Location	Activity	Managing Director	Sales 1979 £000
Cochrane Walker & Co Ltd	Biddulph, Staffs	Bulk handling equipment for the mining and other extractive industries and heavy power presses.	T. A. Emmett (Acting)	5,254
Deleker Ltd	Ammanford, Dyfed	Heaters and air conditioners for the motor industry.	§F. J. Karran	16,951
DeLacey Gifford & Lyman Ltd	Cricklewood, London Biggleswade, Beds.	Equipment and components for the aviation and industrial and marine industries.	§F. J. Karran (Chairman)	2,847
§Gallay Ltd	Wellingborough, Northants.	Equipment and components for military, commercial and off-highway vehicles.	R. V. Matcham	1,931
Robert Monro (SC) Ltd	Burton-on-Trent, Staffs.	Equipment and components for the brewing and allied industries.	§D. F. Hutton	4,602
Heating Elements Ltd	Wigston Magna, Leics.	Electrical elements and heaters for industrial and domestic applications.	D. Thomas	2,205
Rathby Engineering Co Ltd G. S. Miles & Co Ltd	Peckleton Common, Leics.	Engineering components and assemblies for the motor, commercial vehicle, general engineering and machine tool industries. Office machinery, netting machines and gas welding equipment	M. Daniels (Director and General Manager)	6,674
Joseph Rhodes & Sons Ltd	Wakefield, Yorkshire	Power and extrusion presses, press brakes, shears and strip handling equipment for the metal forming and sheet metal industries.	J. S. W. Martin	6,193
Joseph Rhodes & Sons (Wakefield) Ltd	Wakefield, Yorkshire		J. Blacker (Director and General Manager)	
Blacker (Wakefield) Ltd	Wakefield, Yorkshire		C. E. Middlemiss	
§H. F. Hawkins & Co Ltd	Ferndown, Dorset		H. F. Hawkins	

§Member of Group Management Committee

The sales figures above include sales within the Group of £885,000.

The companies listed above and on pages 26 to 33 are incorporated and registered in the countries in which their principal operations are located or are wholly owned in brackets. Shares of companies in all companies are held by Linwood Limited except those marked * which are held by subsidiaries. All the companies are wholly owned and controlled by Anglo American Industries Ltd. The companies are listed in the order of their incorporation.

Rubber and Plastic Products

Company	Location	Activity	Managing director	Sales 1979 £000
H. A. Coombs Ltd	Calne, Wilts.	<i>Rubber bands, plastic ties and packaging machinery and materials.</i>	§A. J. Lucking (Chairman)	1,668
The St. Albans Rubber Co Ltd	St. Albans, Herts.	<i>Sponge sheeting, mouldings, rubber flooring and materials for wet suits.</i>	§K. N. Jeffery	5,344
Waddington & Duval (Holdings) Ltd	Putney, London	<i>Pourers, taps, dispensers and medical valves.</i>	§A. J. Lucking	1,359
W.A. Biological Products Ltd	Andover, Hants. Lurgan, Northern Ireland (Incorporated in England)	<i>Medical products and disposable and re-usable hospital supplies.</i>	R. D. G. Ross	2,895
William Wane & Co Ltd	Barking, Essex	<i>Rubber gaskets and rings, high pressure hose, tubing and anti-pollution brooms.</i>	J. D. Isaac	5,831

§Member of Group Management Committee

The sales figures above include sales within the Group of £341,000.
In addition there were sales of £878,000 by Hopton Rubber Products Ltd, prior to its becoming an associated company.

Thread and Allied Products

Company	Location	Activity	Managing director	Sales 1979 £000
Enterprise Textiles Ltd.	Lisburn, N. Ireland (Incorporated in Scotland)	<i>Controlling company for Barbour Threads Ltd and Barbour Threads Manufacturing Ltd.</i>	§D. W. Barton	17,291
Barbour Threads Ltd.	Speke, Liverpool	<i>Natural and synthetic threads, twines and braids.</i>	A. Washbrook	Shown under Industries Textiles Ltd.
Barbour Threads (Netherlands) BV*	Holland	"		"
Barbour Threads Pty Ltd*	Australia	"		"
Barbour Threads (Pty) Ltd*	South Africa	"		"
N.V. Barbour Threads	Belgium	"		"
Belgium SA*		"		"
Crawford Threads Ltd	N. Ireland	"		"
Frank & Bonney (NZ) Ltd*	New Zealand	"		"
Thames Thread Manufacturing Co Ltd*	Republic of Ireland	"		"
Woolf Spinning Co Ltd	N. Ireland	"		"
Barbour Threads Manufacturing Ltd	Lisburn, N. Ireland Kilbirnie, Scotland (Incorporated in N. Ireland)	<i>Manufacture of natural and synthetic threads, twines and braids.</i>	W. Jamieson	"
Barbour McMaster & Co Ltd	Gilford, N. Ireland	<i>Gill and wet spun flax yarns.</i>	W. Jamieson	1,306
Filou Coudre Barbour S.A.*	Lyon, France	<i>Threads, twines and braids.</i>	§D. W. Barton (President)	571
E. & H. Hornel & Son Ltd.	Tamworth, Staffs.	<i>Natural and synthetic narrow fabrics.</i>	J. W. Dunkley	1,786
Industria Filati L. F. & C. S.p.A.	Vimercate, Italy	<i>Threads, twines and braids.</i>	S. R. Bramley	2,441
W. & A. Jackson & Sons Ltd	Glossop, Derbys.	<i>Natural and synthetic twines and ropes, fishing lines and industrial sewing threads.</i>	C. P. B. Smith	771
The Longford Textile Co Ltd. Longford Manufacturing Ltd	Republic of Ireland	<i>Natural and synthetic yarns.</i>	W. Jamieson (Chairman)	2,923

§Member of Group Management Committee

The sales figures above include sales within the Group of £5,746,000

Overseas Operations and other group and associated companies

Company	Location	Activity	President	Sales 1979 £000
Johns & Co. (UK) Ltd.	Guadalajara, Mexico	Fish nets, ropes and twines.	J. F. Nibecker	6,273
Johns & Co. (UK) Ltd.	Toronto, Halifax, Montreal, St. John's and Winnipeg, Canada	Sales of fish netting, threads, industrial and marine hardware, Canvas goods.	R. A. Ingram	9,206

Group companies	Location	Activity
Crowford Industrial Properties Ltd.	London	Property holding.
London Investments Ltd.	London (Incorporated in Scotland)	Investment holding.
London Management Services Ltd.	London (Incorporated in Scotland)	Group administration

Associated companies			Ordinary shares owned
Knicker (Pty) Ltd.	South Africa	Narrow fabrics and elastic.	50%
W. L. G. G. G. Ltd.	Hengoed, Glam.	Rubber tubing, mouldings, rings and industrial polymer products.	40%
W. L. G. G. G. Ltd.	South Africa	Property holding.	50%
Trade investments			
	Australia	Ropes, twines, cordage, yarns and carpets	15%
	South Africa	Threads.	15%

General Information

Dividend and interest payment dates

The final dividends for the financial year which ended on 31 March 1979 now recommended by the directors will, subject to declaration at the annual general meeting of the company on 31 July 1979, be paid on 1 October 1979 to those members registered on 7 September 1979.

Subject to declaration where appropriate, dividend and interest payments are made in accordance with the following timetable:

Ordinary shares and preferred ordinary stock

Interim dividend to be announced in December for payment in April.

Final dividend to be proposed in June for payment in October.

Preference stock

Dividend payments are made in May and November in each year.

Debenture stock

Interest payments are made in March and September in each year.

Capital gains tax -

market values at 6 April 1965

Ordinary shares	£0.57032
Preferred ordinary stock	£0.7875
Preference stock	£0.6875
Debenture stock	£92.50

Income and Corporation Taxes Act 1970

The close company provisions of the above Act do not apply to the company and there has been no change in that respect since the end of the financial year.

Analysis of ordinary shareholders at 16 June 1979	Number shareholders	%	Number of shares	%
Individuals:				
Up to 1,000 shares	3,236	66.07	1,663,325	8.92
1,001 to 5,000 shares	1,279	26.11	2,476,837	13.28
5,001 to 30,000 shares	61	1.24	512,126	2.74
Over 30,000 shares	1	0.02	34,560	0.18
	4,577	93.44	4,686,858	25.12
Institutions and other corporate holdings:				
Banks and nominee companies	205	4.19	7,982,193	42.25
Insurance, investment trust companies and unit trust and pension funds	47	0.96	3,351,701	17.97
Other corporate holdings	69	1.41	2,735,529	14.66
	321	6.56	13,969,423	74.88
	4,898	100.00	18,656,281	100.00

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