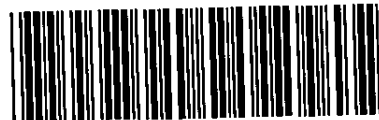


Registered number 00026077.

Strategic Report, Report of the Directors and  
Financial Statements for the Period 1 January 2017 to 30 December 2017  
for  
Delta Limited

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Contents of the Financial Statements  
for the Period 1 January 2017 to 30 December 2017

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Delta Limited

Company Information

for the Period 1 January 2017 to 30 December 2017

**DIRECTORS:**

M C Jaksich  
R A Massey  
J A Taylor  
G S Lebens  
T P Francis  
Mrs K C Potts

**SECRETARY:**

David Venus & Company LLP

**REGISTERED OFFICE:**

c/o Prism Cosec  
42-50 Hersham Road  
Walton-on-Thames  
Surrey  
KT12 1RZ

**REGISTERED NUMBER:**

00026077 (England and Wales)

**AUDITORS:**

Bostockwhite Limited  
Chartered Accountants and Statutory Auditors  
Cabourn House  
Station Street  
Bingham  
Nottinghamshire  
NG13 8AQ

Strategic Report

for the Period 1 January 2017 to 30 December 2017

The directors present their strategic report for the period 1 January 2017 to 30 December 2017.

**REVIEW OF BUSINESS**

The Group's subsidiary businesses continued to generate profit and as at 31 December 2017, the Company had received dividends from those subsidiaries. The Company's administration expenses totalled £3.1 million during the period, compared to administrative income of £52.2 million in the previous period. The change in this value is largely attributable to foreign exchange losses of £1.2 million (2016: £54.6 million of foreign exchange gains).

**Key performance indicators**

In measuring the performance of the company, the directors look at the recurring overhead base as part of the cost controls.

	<b>2017</b>	<b>2016</b>
	<b>£million</b>	<b>£million</b>
Administrative expenses	3.1	(52.2)
Less foreign exchange fluctuations	(1.2)	54.6
Less pension costs (actuarial estimate)	(1.0)	(1.2)
Less provision for losses	(0.3)	(0.6)
	<hr/>	<hr/>
	0.6	0.6
	<hr/> <hr/>	<hr/> <hr/>

**Risks and uncertainties**

There are a number of potential risks and uncertainties which could impact the Company's financial position and performance principally due to their potential impact on the Company's subsidiary businesses.

**Global, Political and Economic conditions**

The Company owns businesses in five countries and has either sales or sourcing arrangements with various counterparties located within other countries within Asia, Africa and South America. Whilst the Company benefits from the growth opportunities in these continents, it is similarly exposed to the economic, political and business risks associated with such international operations. Throughout its investments the Company encounters different legal and regulatory requirements including those for taxation, exchange control (including repatriation of profits), environmental, operational and competitive matters.

**Pensions**

The Company sponsors a UK defined benefit plan, The Delta Pension Plan ("the Plan"). The Plan had an FRS 102 valuation net deficit of £140.5 million at 30 December 2017 (2016: deficit of £169.8 million), with the Plan's assets totalling £440.2 million and its liabilities totalling £580.7 million (2016: assets of £394.6 million and liabilities of £564.4 million). The Plan is exposed to the risk of changes in interest rates, investment returns, the market value of investments, inflation and changes in the expected longevity of its members. The Plan is also exposed to changes in UK laws and regulations with regard to pension plans.

Delta Limited (Registered number: 00026077)

Strategic Report  
for the Period 1 January 2017 to 30 December 2017


**Foreign exchange**

The Company is exposed to movements in exchange rates between sterling and other world currencies particularly the Australian dollar, which could adversely or positively impact the value of the Company's investments.

**Impact of Brexit**

The directors have considered the impact of Brexit on the activities of the company and have concluded that the risks posed are negligible.

**ON BEHALF OF THE BOARD:**

  
.....  
M C Jaksich - Director

Date: 6.7.18.....

Delta Limited (Registered number: 00026077)

Report of the Directors  
for the Period 1 January 2017 to 30 December 2017

The directors present their report with the financial statements of the company for the period 1 January 2017 to 30 December 2017.

The 2017 results have been prepared for the period 1 January 2017 to 30 December 2017. The 2016 results have been prepared for the period 27 December 2015 to 31 December 2016. The period-end date for the company has changed to 30 December 2017. This is to align Delta Limited's reporting deadline with that of Valmont Industries, Inc. (Valmont), its parent. Due to the comparative period being 7 days longer than the current, the results of the company may not be entirely comparable.

The Company's financial statements solely reflect the trading performance and assets of the Company and not of the Company's subsidiaries. As such reported profit includes only investment income less expenses incurred by the Company.

**PRINCIPAL ACTIVITY**

The Company owns businesses in Africa and Europe. The European business holds assets that ultimately achieve a return from the Australasian, Asian and US businesses it used to indirectly own. These businesses are engaged in the manufacture and distribution of engineered steel products; the provision of hot-dip galvanising and zinc reclamation services; and the manufacture and distribution of manganese materials.

**DIVIDENDS**

The Company paid dividends of £20 per ordinary share on 20 March 2017 and £2.66, £2.69 and £2.57 per ordinary share on 1 July, 30 September, and 30 December 2017 respectively.

The Directors have not recommended a final dividend for 2017.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

M C Jaksich  
R A Massey  
J A Taylor  
G S Lebens  
T P Francis  
Mrs K C Potts

**Directors' indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

**GOING CONCERN**

The directors have acknowledged the latest guidance on going concern. The Company has net cash balances of £43 million at 30 December 2017, and the Company's subsidiary businesses continue to trade profitably and hold substantial cash balances. The dividends expected from the Company's subsidiary companies, together with the Company's existing cash balances and the value of the Company's investments, are expected to be sufficient to fulfil the Company's foreseeable obligations to the Delta Pension Plan. Consequently, after making enquiries and considering known future uncertainties, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Company's financial statements.

Report of the Directors  
for the Period 1 January 2017 to 30 December 2017

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

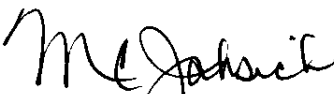
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Bostockwhite Limited, have indicated their willingness to continue in office.

**ON BEHALF OF THE BOARD:**

  
.....  
M C Jaksich - Director

Date: 6.7.18 .....

### **Opinion**

We have audited the financial statements of Delta Limited (the 'company') for the period ended 30 December 2017 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 December 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements



Independent Auditors' Report to the Members of  
Delta Limited

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Samantha White FCA CTA (Senior Statutory Auditor)  
for and on behalf of Bostockwhite Limited  
Chartered Accountants and Statutory Auditors  
Cabourn House  
Station Street  
Bingham

Date: 6.7.18.

Delta Limited (Registered number: 00026077)

Income Statement

for the Period 1 January 2017 to 30 December 2017

		Period 1.1.17 to 30.12.17		Period 27.12.15 to 31.12.16	
	Notes	£'000	£'000	£'000	£'000
<b>TURNOVER</b>			-		-
Administrative expenses			3,137		(52,240)
<b>OPERATING (LOSS)/PROFIT</b>			(3,137)		52,240
Income from shares in group undertakings		135		10,380	
Interest receivable and similar income		16,716		21,976	
			16,851		32,356
			13,714		84,596
Amounts written off investments	4		761		6,483
			12,953		78,113
Interest payable and similar expenses	5	12		-	
Other finance costs	17	4,400		4,500	
			4,412		4,500
<b>PROFIT BEFORE TAXATION</b>	6		8,541		73,613
Tax on profit	7		3,334		2,175
<b>PROFIT FOR THE FINANCIAL PERIOD</b>			5,207		71,438

The notes form part of these financial statements

Delta Limited (Registered number: 00026077)

Other Comprehensive Income  
for the Period 1 January 2017 to 30 December 2017

	Period 1.1.17 to 30.12.17 £'000	Period 27.12.15 to 31.12.16 £'000
Notes		
<b>PROFIT FOR THE PERIOD</b>	5,207	71,438
<b>OTHER COMPREHENSIVE INCOME</b>		
Gain arising on revaluation of investment in subsidiaries	162	-
Actuarial gains/(losses) on pension assets during the period	21,345	47,670
Actuarial losses on pension liabilities during the period	(17,800)	(92,700)
Reserve transfer	-	71,439
Capital contribution	30,000	-
Income tax relating to components of other comprehensive income	-	-
	<hr/>	<hr/>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX</b>	33,707	26,409
	<hr/>	<hr/>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>38,914</u>	<u>97,847</u>

The notes form part of these financial statements


Delta Limited (Registered number: 00026077)

Balance Sheet

30 December 2017

	Notes	30.12.17 £'000	£'000	31.12.16 £'000	£'000
<b>FIXED ASSETS</b>					
Investments	9		153,337		155,095
<b>CURRENT ASSETS</b>					
Debtors	10	150		1,318	
Cash at bank	11	43,063		62,826	
		<u>43,213</u>		<u>64,144</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	699		3,975	
<b>NET CURRENT ASSETS</b>			<u>42,514</u>		<u>60,169</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>195,851</u>		<u>215,264</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		(12)		(12)
<b>PROVISIONS FOR LIABILITIES</b>	14		-		(1,100)
<b>PENSION LIABILITY</b>	17		(140,500)		(169,800)
<b>NET ASSETS</b>			<u><u>55,339</u></u>		<u><u>44,352</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		1,000		1,000
Revaluation reserve	16		163		-
Capital contribution reserve	16		2,893		2,893
Other capital reserves	16		30,000		-
Retained earnings	16		21,283		40,459
<b>SHAREHOLDERS' FUNDS</b>			<u><u>55,339</u></u>		<u><u>44,352</u></u>

The financial statements were approved by the Board of Directors on 6.7.18 and were signed on its behalf by:



M C Jaksich - Director

The notes form part of these financial statements

Statement of Changes in Equity  
for the Period 1 January 2017 to 30 December 2017

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	
<b>Balance at 27 December 2015</b>	38,441	169,914	33,998	
<b>Changes in equity</b>				
Issue of share capital	(37,441)	-	(33,998)	
Dividends	-	(227,302)	-	
Total comprehensive income	-	97,847	-	
<b>Balance at 31 December 2016</b>	1,000	40,459	-	
<b>Changes in equity</b>				
Dividends	-	(27,927)	-	
Total comprehensive income	-	8,751	-	
<b>Balance at 30 December 2017</b>	1,000	21,283	-	
	Revaluation reserve £'000	Capital contribution reserve £'000	Other capital reserves £'000	Total equity £'000
<b>Balance at 27 December 2015</b>	-	2,893	-	245,246
<b>Changes in equity</b>				
Issue of share capital	-	-	-	(71,439)
Dividends	-	-	-	(227,302)
Total comprehensive income	-	-	-	97,847
<b>Balance at 31 December 2016</b>	-	2,893	-	44,352
<b>Changes in equity</b>				
Dividends	-	-	-	(27,927)
Total comprehensive income	163	-	30,000	38,914
<b>Balance at 30 December 2017</b>	163	2,893	30,000	55,339

The notes form part of these financial statements

## 1. STATUTORY INFORMATION

Delta Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The functional currency of the company is also Pound Sterling (£).

## 2. ACCOUNTING POLICIES

### **Basis of preparation**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

### **Going concern**

In preparing the financial statements, the directors have adopted the going concern basis. The Company has net cash balances of £43.1 million at 30 December 2017, and the Company's subsidiary businesses continue to trade profitably and hold substantial cash balances. The dividends expected from the Company's subsidiary companies, together with the Company's existing cash balances and the value of the Company's investments, are expected to be sufficient to fulfil the Company's foreseeable obligations to the Delta Pension Plan. Consequently, after making enquiries and considering known future uncertainties, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Company's financial statements.

### **Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).

### **Preparation of consolidated financial statements**

The financial statements contain information about Delta Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Valmont Industries, Inc.

### **Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**2. ACCOUNTING POLICIES - continued**

**Investments in subsidiaries**

The Company accounts for its investments in subsidiary undertakings at fair value, whereby the original cost of the investments is adjusted for the movement in underlying net assets applicable to the investments since their date of acquisition with an adjustment to the Company's other comprehensive income. Gains or losses are transferred to the revaluation reserve to emphasise that these gains or losses have not been realised.

However, the gain shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

**Foreign currencies**

Foreign currency transactions are translated into sterling using exchange rates prevailing at the dates of the transactions. Exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in currencies other than sterling at exchange rates ruling at the balance sheet date are recognised in the profit and loss account.

**Pension costs and other post-retirement benefits**

The Company operates a defined benefit pension plan.

A defined benefit pension plan is one that specifies the amount of pension benefit that an employee will receive on retirement. The Company operates a funded defined benefit pension plan, where actuarially-determined payments are made to trustee-administered funds.

The defined benefit obligation is calculated by independent actuaries using the projected unit credit method and is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

The Company accounts for actuarial gains and losses in full through other comprehensive income in the period in which they occur. Where the actuarial valuation of the plan demonstrates that the plan is in surplus, the recognisable asset is limited to that from which the Company can benefit in the future.

The current service cost, administration costs and gains or losses on settlements and curtailments are included in administrative expenses in the profit and loss account. Past service costs, if any, are similarly included where the benefits have vested, otherwise they are amortised on a straight-line basis over the vesting period.

The net of expected interest on pension plan liabilities and expected return on pension plan assets is recorded in the profit and loss account as other finance costs.

2. **ACCOUNTING POLICIES - continued**

**Impairment of assets**

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes an estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is written down to its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use and is determined for an individual asset. If the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, the recoverable amount of the cash-generating unit to which the asset belongs is determined. The present value of estimated future cash flows is calculated using discount rates reflecting the risks specific to that asset and the current market assessment of the time value of money for the value in use calculation. Impairments are recognised in the profit and loss account.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of the recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**Financial assets**

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

**Loans to group undertakings**

The Company recognises loans to group undertakings when the transfer of substantial risks and rewards of ownership is made. Where the loans are denominated in foreign currencies, the assets are initially measured at the spot rate on the transfer date. The loan balance is then revalued at the year end spot rate and the foreign exchange difference is recorded in the profit and loss account.

**Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

**Provisions**

Provisions are recognised when a present obligation (legal or constructive) exists in respect of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and where the amount can be reliably estimated by the directors. Where the impact is material, provisions are discounted to present value.



Notes to the Financial Statements - continued  
for the Period 1 January 2017 to 30 December 2017

2. **ACCOUNTING POLICIES - continued**

**Critical accounting judgements and key sources of estimation uncertainty**

In the process of applying the Company's accounting policies which are described above, management has made various judgements that potentially have a significant effect on the amounts recognised in the financial statements. These judgements relate primarily to the following items:

**Investment income**

Interest receivable on investments and cash balances is recognised in the profit and loss account under the heading of interest receivable and similar income on an accruals basis.

**Pensions (see note 17)**

The obligation in respect of the Company's retirement benefit obligations is dependent on a number of estimates including those relating to mortality, inflation, salary increases and the rate at which liabilities are discounted. Any change in these assumptions would impact the retirement benefit obligation recognised.

**Carrying amount of certain assets**

In reviewing the carrying value of certain assets, estimates of future financial performance of the assets and businesses concerned are taken into account. The estimates inherently include assumptions of internal and external factors that, whilst considered reasonable at the date of these accounts, may change in the future from those levels currently expected.

**Deferred tax assets**

Deferred tax assets have not been recognised since the directors hold the view that it is improbable that the Company will be able to utilise them in the future, given the lack of operations and so potential taxable income in the UK.

3. **EMPLOYEES AND DIRECTORS**

There were no staff costs nor employees for the period ended 30 December 2017 (2016: Nil).

	Period 1.1.17 to 30.12.17 £'000	Period 27.12.15 to 31.12.16 £'000
Emoluments	-	-

**Directors' transactions**

There were no transactions with directors during the period.

4. **AMOUNTS WRITTEN OFF INVESTMENTS**

	Period 1.1.17 to 30.12.17 £'000	Period 27.12.15 to 31.12.16 £'000
Provision for diminution in value of fixed asset investments	761	6,483

Notes to the Financial Statements - continued  
for the Period 1 January 2017 to 30 December 2017

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	Period 1.1.17 to 30.12.17 £'000	Period 27.12.15 to 31.12.16 £'000
Other interest paid	12	-
	<u>12</u>	<u>-</u>

6. **PROFIT BEFORE TAXATION**

The operating loss is stated after charging:

	Period 1.1.17 to 31.12.17 £'000	Period 27.12.15 to 31.12.16 £'000
Auditor's remuneration - company	35	40
Auditor's remuneration - subsidiary entities	16	15
Foreign exchange differences	1,214	(54,672)
	<u>1,265</u>	<u>(54,617)</u>

7. **TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the period was as follows:

	Period 1.1.17 to 30.12.17 £'000	Period 27.12.15 to 31.12.16 £'000
Current tax:		
Foreign tax	1,186	2,175
Tax paid in respect of prior years	2,148	-
	<u>3,334</u>	<u>2,175</u>
Tax on profit	<u>3,334</u>	<u>2,175</u>

7. **TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1.1.17 to 30.12.17 £'000	Period 27.12.15 to 31.12.16 £'000
Profit before tax	8,541	73,613
Profit multiplied by the standard rate of corporation tax in the UK of 19.250% (2016 - 20%)	1,644	14,723
Effects of:		
Utilisation of tax losses	(1,383)	(10,583)
Tax effect of dividends not assessable for tax	(26)	(2,076)
Short term timing differences	817	842
Income not taxable / expenses not deductible	(766)	(2,905)
Tax effect of transfer pricing adjustments current losses	-	(1)
Foreign tax not recoverable under double taxation relief	3,083	2,175
Tax effect of utilisation of group losses	(35)	-
Total tax charge	3,334	2,175

**Tax effects relating to effects of other comprehensive income**

	1.1.17 to 30.12.17		
	Gross £'000	Tax £'000	Net £'000
Gain arising on revaluation of investment in subsidiaries	162	-	162
Actuarial gains/(losses) on pension assets during the period	21,345	-	21,345
Actuarial losses on pension liabilities during the period	(17,800)	-	(17,800)
Reserve transfer	30,000	-	30,000
Capital contribution	33,707	-	33,707

Notes to the Financial Statements - continued  
for the Period 1 January 2017 to 30 December 2017

7. **TAXATION - continued**

	27.12.15 to 31.12.16		Net £'000
	Gross £'000	Tax £'000	
Gains arising on revaluation of investment in subsidiaries			
Actuarial gains/(losses) on pension assets during the period	47,670	-	47,670
Actuarial losses on pension liabilities during the period	(92,700)	-	(92,700)
Reserve transfer	71,439	-	71,439
	<u>26,409</u>	<u>-</u>	<u>26,409</u>

The applicable rate of tax changed from 20% to 19% from 1 April 2017 due to the provisions made in the UK Finance Act. As a result the blended rate for the year is 19.250% (2016 - (20.000%).

A summary of deferred tax assets that are not recognised in these financial statements is set out in Note 10. This reflects unused tax losses carried forward of £60,013,051 (2016 - £66,247,845).

8. **DIVIDENDS**

	Period 1.1.17 to 30.12.17 £'000	Period 27.12.15 to 31.12.16 £'000
	Ordinary shares of 25p each Interim	<u>27,927</u>

9. **FIXED ASSET INVESTMENTS**

	30.12.17 £'000	31.12.16 £'000
Shares in group undertakings	16,153	16,751
Loans to group undertakings	137,184	138,344
	<u>153,337</u>	<u>155,095</u>

Notes to the Financial Statements - continued  
for the Period 1 January 2017 to 30 December 2017

9. **FIXED ASSET INVESTMENTS - continued**

Additional information is as follows:

	Shares in group undertakings £'000
<b>COST OR VALUATION</b>	
At 1 January 2017	393,335
Disposals	(20,752)
Revaluations	163
	<hr/>
At 30 December 2017	372,746
	<hr/>
<b>PROVISIONS</b>	
At 1 January 2017	376,584
Provision for period	761
Eliminated on disposal	(20,752)
	<hr/>
At 30 December 2017	356,593
	<hr/>
<b>NET BOOK VALUE</b>	
At 30 December 2017	16,153
	<hr/> <hr/>
At 31 December 2016	16,751
	<hr/> <hr/>

(i) The net book value of shares is equivalent to the Company's share of the issued share capital and reserves of the subsidiary companies.

(ii) The cost of shares in subsidiary companies is £372,583,062 (2016: £393,335,296).

	Loans to group undertakings £'000
At 1 January 2017	138,344
Other movement	(1,160)
	<hr/>
At 30 December 2017	137,184
	<hr/> <hr/>

Notes to the Financial Statements - continued  
for the Period 1 January 2017 to 30 December 2017

9. **FIXED ASSET INVESTMENTS - continued**

The loans to group undertakings are represented by loan notes that are repayable in 2042 and attract interest at a rate of 8.44% per annum.

The Company has investments in the following principal subsidiary undertakings:

Country of Incorporation	Company	Ownership	% interest	Principal activity
Philippines	Industrial Galvanizers Corporation of the Philippine Inc	Indirect	100%	Galvanizing services
Philippines	IGCP Properties Inc	Indirect	40%	Property holding company
United Kingdom	Valmont EMD Holdings Limited	Direct	100%	Investment holding company
Netherlands	Delta Electrical and Engineering Holdings BV	Direct	100%	Investment holding company
United Kingdom	Delta Engineering Holdings Limited	Direct	100%	Investment holding company
United Kingdom	Delta Industries Limited	Direct	100%	Investment holding company
United Kingdom	Valmont MMC Holdings Limited	Direct	100%	Dormant company
Netherlands	Delta Group International BV	Direct	100%	Dormant company
United Kingdom	Delta Pension Nominees Limited	Direct	100%	Dormant company

The company has significant holdings in the following undertakings :

Country of Incorporation	Company	Ownership	% interest	Principal activity
South Africa	Delta EMD Limited *	Indirect	49.1%	Investment holding company
South Africa	EMD Investments Proprietary Limited	Indirect	49.1%	Investment holding company
South Africa	Delta (EMD) Proprietary Limited	Indirect	49.1%	Manufacture and distribution of electrolytic manganese dioxide
Australia	Delta EMD Australia Proprietary Limited	Indirect	49.1%	Dormant company

\* - Delta EMD Limited is listed on the Johannesburg Stock Exchange

10. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.12.17	31.12.16
	£'000	£'000
Amounts owed by group undertakings	32	1,165
VAT	37	68
Prepayments and accrued income	81	85
	<u>150</u>	<u>1,318</u>

Notes to the Financial Statements - continued  
for the Period 1 January 2017 to 30 December 2017

10. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued**

**Deferred tax not recognised:**

	30.12.17 £'000	31.12.16 £'000
Tax losses	(10,202)	(11,262)
Retirement benefit obligations	(23,885)	(28,866)
	<u>(34,087)</u>	<u>(47,858)</u>

Deferred tax assets have not been recognised because the directors believe it is still uncertain that the company will generate taxable profits in the foreseeable future, so will be unable to utilise the deferred tax assets.

11. **CASH AT BANK**

Cash as at 30 December 2017 includes money market funds of £37,141,140 (2016: £52,122,046) and other bank balances of £5,921,614 (2016: £10,704,03).

Included in other bank balances as at 30 December 2017 £46,008 (2016: £47,322) are amounts held specifically for the settlement of unpaid dividends previously declared by Delta Limited. Due to the slow release of these funds, this amount should be considered as non-current assets.

Also included in other bank balances as at 30 December 2017 is £nil (2016: £10,000,000) that is subject to a charge. This charge has been subsequently released during year ended 30 December 2017.

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.12.17 £'000	31.12.16 £'000
Trade creditors	67	49
Amounts owed to group undertakings	470	3,647
Other tax creditor	-	112
Other creditors	42	47
Accrued expenses	120	120
	<u>699</u>	<u>3,975</u>

These amounts are interest free and repayable on demand, however this is at the discretion of the directors of Delta Limited.

13. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	30.12.17 £'000	31.12.16 £'000
Amounts owed to group undertakings	<u>12</u>	<u>12</u>

Notes to the Financial Statements - continued  
for the Period 1 January 2017 to 30 December 2017

14. PROVISIONS FOR LIABILITIES

	30.12.17	31.12.16
	£'000	£'000
Other provisions	-	1,100
	<u>          </u>	<u>          </u>
		Other
		provisions
		£'000
Balance at 1 January 2017		1,100
Charge to Income Statement during period		300
Utilised during period		(1,400)
		<u>          </u>
Balance at 30 December 2017		-
		<u>          </u>

The Company is involved in claims and lawsuits incidental to its business. At 31 December 2016, an accrual of £1.1 million was included in provisions for liabilities in the Company's balance sheet pertaining to a legacy matter. The matter has since been settled in the period to 30 December 2017.

15. CALLED UP SHARE CAPITAL

	30.12.17	31.12.16
	£'000	£'000
Ordinary shares		
Issued and fully paid		
4,000,000 ordinary shares of 25p each	1,000	1,000
	<u>          </u>	<u>          </u>

The Company has one class of ordinary share.



Notes to the Financial Statements - continued  
for the Period 1 January 2017 to 30 December 2017

16. RESERVES

	Retained earnings £'000	Revaluation reserve £'000	Capital contribution reserve £'000	Other capital reserves £'000	Totals £'000
At 1 January 2017	40,459	-	2,893	-	43,352
Profit for the period	5,207	-	-	-	5,207
Dividends	(27,927)	-	-	-	(27,927)
Capital contribution	-	-	-	30,000	30,000
Actuarial losses	3,544	-	-	-	3,544
Revaluation surplus on investment	-	163	-	-	163
At 30 December 2017	<u>21,283</u>	<u>163</u>	<u>2,893</u>	<u>30,000</u>	<u>54,339</u>

Reserves of the company held as at 30 December 2017 represent the following:

**Retained earnings**

Cumulative profit and loss of the company net of distributions to shareholders.

**Revaluation reserve**

This reserve represents the cumulative gains and losses on revaluation of shares in group undertakings.

**Capital Contribution Reserve**

A non-distributable reserve historically created by the buy back by the company of (previously issued) preference share capital.

**Other Capital Reserve**

A distributable reserve arising from capital contributions received from parent company.

Notes to the Financial Statements - continued  
for the Period 1 January 2017 to 30 December 2017

17. EMPLOYEE BENEFIT OBLIGATIONS

The company sponsors a funded defined benefit pension plan, the Delta Pension Plan (DPP).

The level of benefits provided by the DPP depends on a member's length of service and their salary at their date of leaving the DPP. The DPP is closed to future accrual.

The last funding valuation of the DPP was carried out by a qualified actuary as at 31 March 2015.

Contributions of £1.2 million are expected to be paid by the Company to DPP during the period ending on 29 December 2018.

The results of the latest funding valuation at 31 March 2015 have been adjusted to the balance sheet date taking account of experience over the period since 31 March 2015, changes in market conditions and differences in the financial and demographic assumptions. The present value of the defined benefit obligation was measured using the Projected Unit Credit Method.

Reconciliation of funded status to the balance sheet :

	30.12.17	31.12.16
	£'000	£'000
Fair value of assets	440,200	394,600
Present value of funded defined benefit obligations	(580,700)	(564,400)
	<hr/>	<hr/>
Funded status	(140,500)	(169,800)
Unrecognised asset	-	-
	<hr/>	<hr/>
Asset/(liability) recognised on the balance sheet	(140,500)	(169,800)
Present value of unfunded defined benefit obligations	-	-

Amounts recognised in income statement :

	30.12.17	31.12.16
	£'000	£'000
Operating cost :		
Administrative expenses	1,000	1,200
Financing cost :		
Interest on net defined benefit liability	4,400	4,500
	<hr/>	<hr/>
	5,400	5,700
	<hr/> <hr/>	<hr/> <hr/>

Amounts recognised in other comprehensive income :

	30.12.17	31.12.16
	£'000	£'000
Asset gains / (losses) arising during the period	21,300	47,700
Liability gains / (losses) arising during the period	(17,800)	(92,700)
	<hr/>	<hr/>
Total amount recognised in other comprehensive income	3,500	(45,000)
	<hr/> <hr/>	<hr/> <hr/>

**EMPLOYEE BENEFIT OBLIGATIONS - continued**

Changes to the present value of the defined benefit obligation during the period :

	30.12.17	31.12.16
	£'000	£'000
Opening defined benefit obligation (DBO)	564,400	467,500
Interest expense on DBO	15,600	17,300
Actuarial losses on liabilities	17,800	92,700
Net benefits paid out	(17,100)	(13,100)
	<u>580,700</u>	<u>564,400</u>

Changes to fair value of DPP assets during the period :

	30.12.17	31.12.16
	£'000	£'000
Opening fair value of DPP assets	394,600	347,300
Interest income on DPP assets	11,200	12,800
Gain / (loss) on DPP assets	21,300	47,700
Contributions by the Company	31,200	1,100
Net benefits paid out	(17,100)	(13,100)
Administration costs incurred	(1,000)	(1,200)
	<u>440,200</u>	<u>394,600</u>

Actual return on DPP assets :

	30.12.17	31.12.16
	£'000	£'000
Interest income on DPP assets	11,200	12,800
Gain / (loss) on DPP assets	21,300	47,700
	<u>32,500</u>	<u>60,500</u>

The principal assumptions used to calculate the liabilities under FRS 102 are set out below :

Main financial assumptions :

	30.12.17	30.12.16
	% pa	% pa
RPI Inflation	3.30	3.35
CPI Inflation	2.20	2.25
Pension increases (RPI inflation up to 5% pa)	3.15	3.15
Pension increases (RPI inflation min 3% max 5% pa)	3.15	3.15
Discount rate for DPP liabilities	2.55	2.80

**EMPLOYEE BENEFIT OBLIGATIONS - continued**

Main demographic assumptions :

	30.12.17	31.12.16
	S2PxA tables scaled by 100% for males and 85% for females with improvements in line with the CMI 2016 projections with a smoothing factor 7.5 and a long-term rate of improvement of 1.25% pa	S2PxA tables scaled by 100% for males and 85% for females with improvements in line with the CMI 2015 projections and a long-term rate of improvement of 1.25% pa
Mortality		
Expected future lifetimes from age 65		
- Males aged 45	23.5 years	23.9 years
- Females aged 45	26.7 years	27.4 years
- Males aged 65	22.1 years	22.2 years
- Females aged 65	25.2 years	25.5 years
	100% of members assumed to take the maximum tax free cash at retirement based on current conversion factors	100% of members assumed to take the maximum tax free cash at retirement based on current conversion factor
Cash commutation		

Plan asset allocation :

	30.12.17		31.12.16	
	£'000	%	£'000	%
UK equities	9,800	2.2%	8,600	2.2%
Overseas equities	147,700	33.6%	125,400	31.8%
Index-linked gilts	117,100	26.6%	109,600	27.8%
Corporate bonds	65,900	15.0%	68,000	17.2%
DGFs	85,900	19.5%	81,000	20.5%
Cash/net	13,800	3.1%	2,000	0.5%
	<u>440,200</u>	<u>100%</u>	<u>394,600</u>	<u>100%</u>

As at 30 December 2017, the DPP assets included £400,000 of shares in Delta EMD, a subsidiary of Delta Limited. None of the remainder of the DPP assets are directly invested in the Company's financial instruments or in the property occupied by, or other assets used by, the Company.

**18. ULTIMATE PARENT COMPANY**

The ultimate parent company is Valmont Industries Inc, a company incorporated in the US. Valmont Industries Inc is the parent undertaking of the largest and smallest group which includes the Company and for which group accounts are prepared. Copies of the consolidated financial statements of Valmont Industries Inc can be obtained from [www.valmont.com](http://www.valmont.com).