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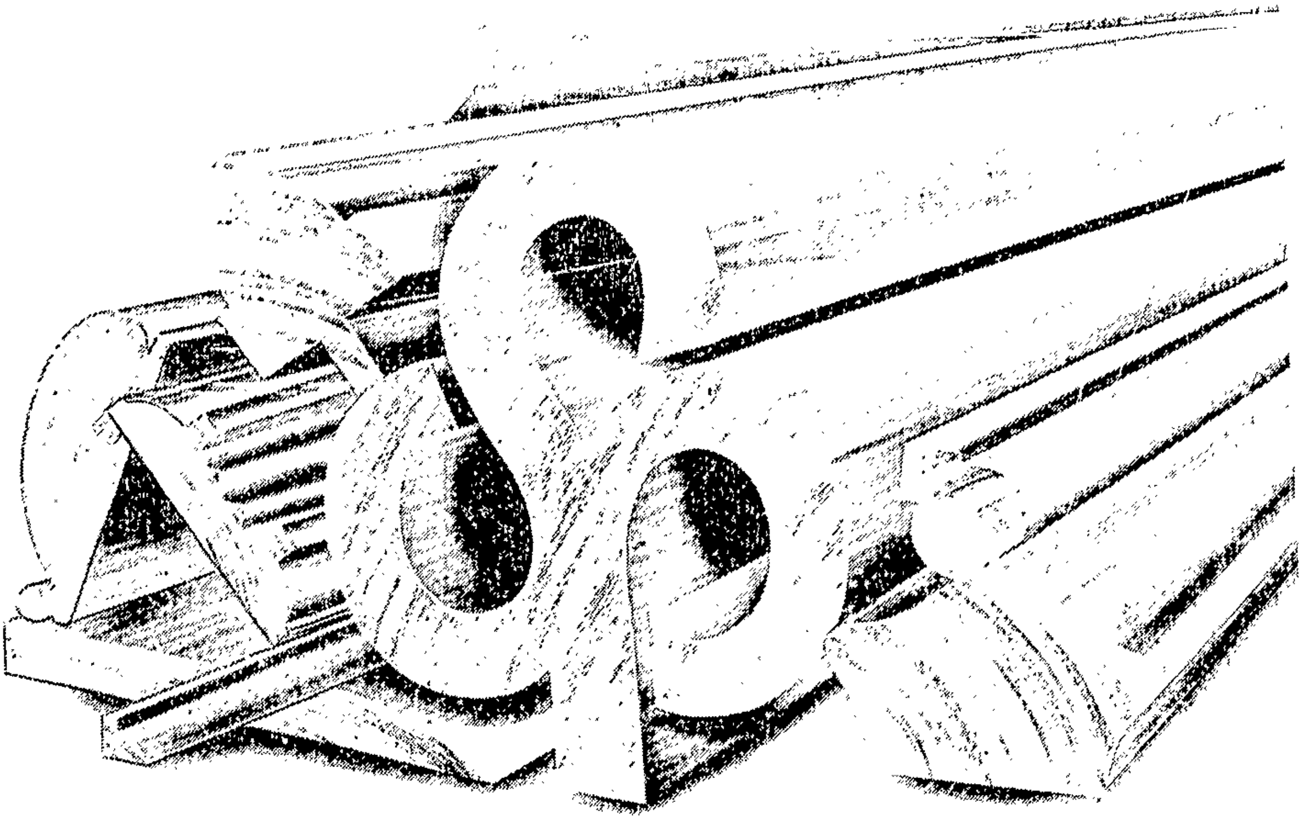
Group Corporate Advertisement for the trade press 1978-79



Every moulding you could wish for.

Years of experience have shown us what types of moulding you're most likely to specify. If we now stock the most impressive range in the South of England, it's because we shape our mouldings to your most exacting needs. Of course, we also hold all the British Standard patterns.

If you want something really unique, we have our own machine shop to create the special profiles to do the job. We have the facilities plus the know how to help every aspect of your business.

To save you time, trouble and money, we pioneered single source buying. Now, through your local sales office you have access to 10,000 quality lines. In timber, panel products, and builders' merchants supplies. All at competitive prices.

Again, we not only pioneered self-service in the trade, we offer modern facilities for loading your vehicles. As for deliveries, our large fleet of lorries cuts more than a dash every day.

Plus a whole lot more.

Sandell Perkins Limited

London Area North • Area Sales Director: Adrian Eldre ., 22 Praed Street, W2 1NJ Tel 01-723 7061 • 149 Harrow Road, W2 6NA. Tel: 01-402 9311 • 2/4 South Wharf Road, W2 1NZ Tel 01-723 7061 • 6 South Wharf Road, W2 1NZ Tel 01-723 8476/8808 • 156 West End Lane, NW6 1SD Tel 01-794 8151 • 2 Neptune Road Estate, Harrow, HA1 4ER Tel 01-863 8521 • 124a Kentish Town Road, NW1 9QB. Tel: 01-485 0111 • 51 Mayes Road, N22 6TN. Tel 01-888 7216 • 240 Kingsland Road, E2 8AX Tel 01-739 6817 • 305a Kingsland Road, E8 4DL Tel 01-254 1442 • Hercules Wharf, Leamouth Road, E14. Tel. 01-987 3508 • Park Avenue, Southall, UB1 3AB Tel 01-571 0914 • **London Area South** • Area Sales Director Denis Stockwell, 57 South Lambeth Road, London SW8 1RJ Tel 01-735 7171 (Also William Bloore Hardwoods) • 18 Union Street, SE1 1SZ. Tel 01-407 3511 • 46 Redcross Way, SE1 1LE Tel 01-407 3511 • 38/51 Old Devonshire Road, Balham, SW12 9PQ Tel 01-673 1212 • 41 Rockbourne Road, Lewisham, SE23 2DA Tel. 01-699 0881 • 2 Hurst Road, Sidcup, DA15 9AB Tel 01-300 9341 • Ewell Road, Cheam, SM3 8AP Tel 01-642 6695 • Ross Parade, Wallington SM6 8QF Tel 01-647 1403/01-669 1654 • Hampton Road, Croydon, CR0 2XG Tel 01-689 4311 • 54/56 High Street West Wickham Tel 01 776 0670 **Surrey Area** • Area Sales Director Allen Halliday Woodbridge Road Guildford, GU1 1EH Tel 62821 • Quarry Road Godstone RH9 8DL Tel 2067 • 153 Fleet Road Fleet Hants, GU13 9PD Tel 3681 **Kent & Sussex Area** • Area Sales Director Douglas Oliver, Forstal Road, Aylesford Maidstone Kent, ME20 7AG Tel 70111 • Jenkins Dale, Chatham, Kent ME4 5RT Tel 43696 • Victoria Road, Ashford Tel 25935 • Limekiln Road, Canterbury Tel 66322 • Springfield Valley Road Hastings, Sussex TN38 0RP Tel 424300

Officers and Professional Advisers

Directors	C. R. Carr, T.D.	(Chairman)
	H. M. W. Harris, M.A.	(Deputy Chairman)
	T. I. Perkins	(Managing)
	E. C. Adams, F.C.A.	
	J. H. Carr, T.D.	
	J. S. Faulder, M.A.	
	R. J. Marshall	
	D. C. W. Perkins	
	S. P. Smythe	
Secretary	A. L. Gurney, F.C.I.S., A.I.B.	
Registered Office	Cobtree House, Forstal Road, Aylesford, Maidstone, Kent, ME20 7AG.	
Auditors	Touche Ross & Co., 3 London Wall Buildings, London, EC2M 5PH.	
Bankers	National Westminster Bank Limited, 3 High Street, Maidstone, Kent, ME14 1XU. Midland Bank Limited, 16 High Street, Maidstone, Kent, ME14 1XU.	
Solicitors	Clifford-Turner & Co., Blackfriars House, 19 New Bridge St., London, EC4V 6BY.	

Notice of Meeting

Notice is hereby given that the Fifteenth Annual General Meeting of Sandell Perkins Limited will be held at The Charing Cross Hotel, Strand, London WC2N 5HX, on Wednesday, 26th September 1979 at 11.30 a.m. for the following purposes:

1. To receive and adopt the directors' report and the audited accounts for the year ended 31st March 1979, together with the auditors' report.
2. To declare a final dividend.
3. To re-elect the following directors:
   T. I. Perkins
   E. C. Adams
   R. J. Marshall
4. To re-appoint Touche Ross & Co., Chartered Accountants, as auditors, and authorise the directors to fix their remuneration.

By Order of the Board
A. L. GURNEY
Secretary

Cobtree House,
Forstal Road,
Aylesford,
Maidstone,
Kent, ME20 7AG.
24th August 1979

Notes

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (whether a member or not) to attend and vote instead of him. Forms of proxy must reach the registered office of the Company not less than 48 hours before the time appointed for the holding of the meeting.
2. The register of directors' shareholdings and transactions will be available for reference at the commencement of and during the continuance of the Annual General Meeting.
3. Copies of the directors' service contracts will be available for inspection at the registered office of the Company from the date of this notice until the date of the meeting and at the meeting for a period of 15 minutes prior to commencement.

Chairman's Statement

Free enterprise companies have to survive in a highly competitive environment. The degree of effort and skill, which all those involved in the private sector exercise and which makes such a vital contribution to the nations wealth, is not always recognised — even by those who work in the business.

Financial Results

It is gratifying, therefore, to report a substantial increase in our pretax profits which properly reflect the endeavours of all members of the Group.

Profits this year of £2,751,241 are up by 48% on last year, whilst turnover is up by £5,030,500 to £31,487,380, an improvement of 19% compared with 1978.

You will remember that last year to the end of March 1978, we had certain problems with falling timber prices which reduced our profit margins and difficulties in bringing the three new businesses we purchased, Bloore's, Cooper's and Jennings, into profit. I am glad to say that during the twelve months of this review the position has improved. Timber prices have hardened over the year and we have had a positive contribution from all these businesses now happily and fully integrated into the Group.

It is true that the recent strength of sterling has cushioned the rise in the purchase price of timber over the period of last year as a result of which the cost increases have only amounted to 8%. It is also true that sales during the last three months of the financial year, particularly in January and February, were depressed because of road haulage picketing and the severe winter. Had it not been for these two factors our profits would have been even higher.

Taxation

This year the tax charge is £1,181,500 being an effective rate of 43%. Last year I mentioned that, following the recommendations of the Accounting Standards Committee, we were no longer providing for deferred taxation where it could be demonstrated with reasonable probability that timing differences would continue in the foreseeable future. Following a review of our capital expenditure plans for the coming years, we have concluded that deferred taxation on capital allowances is not required.

Dividends

The interim dividend paid in February was 12½%. As you may know, dividend restraint expires at the end of July 1979. In view of the significant increase in profits for the year, your Directors recommend that the final dividend should be lifted to 32.5% which makes an increase in total dividends for the year of 33% or, in cash terms, an increase from 3.4p. to 4.5p. per share. The dividend will, if approved, be paid on the 1st October to those on the register at the 10th September. Despite this improved payment the dividend cover has gone up to 4.1 times compared with 3.7 last year.

Balance Sheet

At the end of the year, following our normal 3-year practice, we instructed Jones, Lang, Wootton, Chartered Surveyors, to revalue all our Freehold and Leasehold properties. Their report gave a total value of £5,757,000 which shows a surplus of £1,929,000 over cost values. The Group's fixed assets have, therefore, been adjusted to reflect this and the revaluation surplus credited to reserves.

The Year in Retrospect

I have already referred to the integration of Bloore's, Cooper's and Jennings into the Group and of the contribution they all made towards the years results. Much of our capital expenditure, during the year under review, has gone towards new buildings and services to rehouse or re-equip these businesses. At Vauxhall we have concreted and improved the yard layout so that we will have, eventually, a comprehensive Timber and Builders Merchants Yard which is less dependent on the somewhat volatile hardwood trade. At Ashford and Canterbury, where we

Chairman's Statement Continued

trade as Sandell Perkins + Coopers, we have constructed extra sheds and laid out further roads so that the whole range of timber products is now stocked at both depots. Also in the Kent Area we have purchased additional ground next to our Hastings Yard and increased our stock holding range and capacity there.

The greatest developments have taken place at Guildford where by some structural alterations and much reorganisation we have brought the Jennings Builders Merchants business into our own site and thus freed their buildings for reletting. At Guildford we now have, on one two-acre site, a timber business with mill, a comprehensive light and heavy Builders Merchants yard and a DIY store complete with its own car park. This, wherever possible, is the comprehensive type of depot which we will aim for in future.

As reported in the interim statement in December, we have added two further companies to the Group during the past financial year. Near Worthing, Clapham Common Brick & Tile Co. Ltd., originally brick manufacturers as their name suggests, but now diversified into Builders Merchants, will give us good coverage in that part of Sussex which previously we had to service from Guildford and Godstone. We are in the process of adding Timber Products to Clapham's stock range and their present B.M. sales have shown a substantial increase since the New Year. At Tunbridge Wells we have purchased S.E. Haward & Co. Ltd., an ironmonger and light builders merchant with a large proportion of cash sales. We plan to modernise and rebuild on part of this site to give an improved and expanded service. Hawards, in addition, have a smaller shop at Crowborough.

During the year we terminated our lease and closed our Plywood and Wallboard depot at Godstone. We have relocated the stocks previously held there throughout the Group. By putting the goods in the Areas nearer the customer, we have improved our trading opportunities.

Prospects for the Coming Year

The start of the current year has been promising. Sales for the first quarter are up by 21% on last year but this has mainly been caused by increased selling prices and the addition of the two new businesses purchased last November. Estimated profits are so far up by over 30% compared with the April-June quarter last year which is also encouraging.

Much has been said of the recent change in the United Kingdom's political leadership which occurred three months ago. Our hopes are that the trading environment, with better incentives and rewards for enterprise, will encourage business and increase trading activity. However, in the short term, whilst the tighter monetary policy, with high interest rates and a reduction in capital expenditure, takes effect, the national outlook for the rest of this year is not optimistic. With the switch from direct to indirect taxation, the effects of the energy crisis and the dramatic increase in the cost of fuel, higher inflation must cause at best no more growth and at worst a world trade recession. We doubt that the increases shown during the first three months can be maintained. We are, however, reasonably confident that, given no dramatic setbacks, we can improve on the current record profits contained in these accounts.

Staff

I would end by thanking all the staff for their loyalty and hard work – often in trying conditions – during the past year. We are continually seeking ways of identifying them more and more with the fortunes and hopes of the Company. It is only in this way that we can maintain the level of service to our customers, the strength of the Organisation and the expansion of the Company.

RICHARD CARR

Chairman

Report of the Directors

The directors have pleasure in submitting to the members the audited accounts of the Company for the year ended 31st March 1979.

Activities

The principal activities of the group are the marketing and distribution of timber, timber products and building materials to the building trade and industry generally within the United Kingdom.

Results and Dividends

		1979		1978
		£		£
Profit before taxation		2,751,241		*1,849,406*
Taxation		1,181,500		*683,599*
Profit after taxation		1,569,741		*1,165,807*
Dividends:				
Interim 12.5% *(1978 11%)*	104,754		*92,183*	
Proposed final 32.5% *(1978 22.804%)*	272,360	377,114	*191,105*	*283,288*
Profit retained		£1,192,627		*£882,519*

The directors recommend the payment of a final dividend of 32.5% making a total payment for the year of 45%.

Exports

The value of goods exported by the Company during the year amounted to £55,817 (1978 £162,376).

Directors

The following were directors of the Company during the year. Their interests in the shares of the Company were as follows:

	Ordinary shares of 10p each	
	31st March 1979	*31st March 1978*
C. R. Carr	122,495	*125,000*
H. M. W. Harris	73,381	*73,381*
T. I. Perkins	326,841	*326,841*
E. C. Adams	10,000	*10,000*
J. H. Carr	104,692	*103,867*
J. S. Faulder	—	—
R. J. Marshall	10,000	*10,000*
D. C. W. Perkins	325,841	*325,841*
S. P. Smythe	191,015	*191,015*

Under article 21 of the Company, T. I. Perkins, E. C. Adams and R. J. Marshall retire and, being eligible, offer themselves for re-election.

Acquisitions

On the 30th November 1978 the Company acquired S. E. Haward and Co. Limited and its subsidiary J. R. Hughes (Tunbridge Wells) Limited for a total consideration of approximately £630,000 and Clapham Common Brick and Tile Company Limited for a consideration of approximately £323,000. Both Companies are engaged primarily in the building materials industry.

Report of the Directors Continued

Revaluation

A revaluation of the Group's freehold and leasehold properties was carried out as at the 31st March 1979 and has been incorporated into the accounts.

Employees

The average number of persons employed by the group each week during the year was 952 at an aggregate annual remuneration of £3,582,024.

Donations

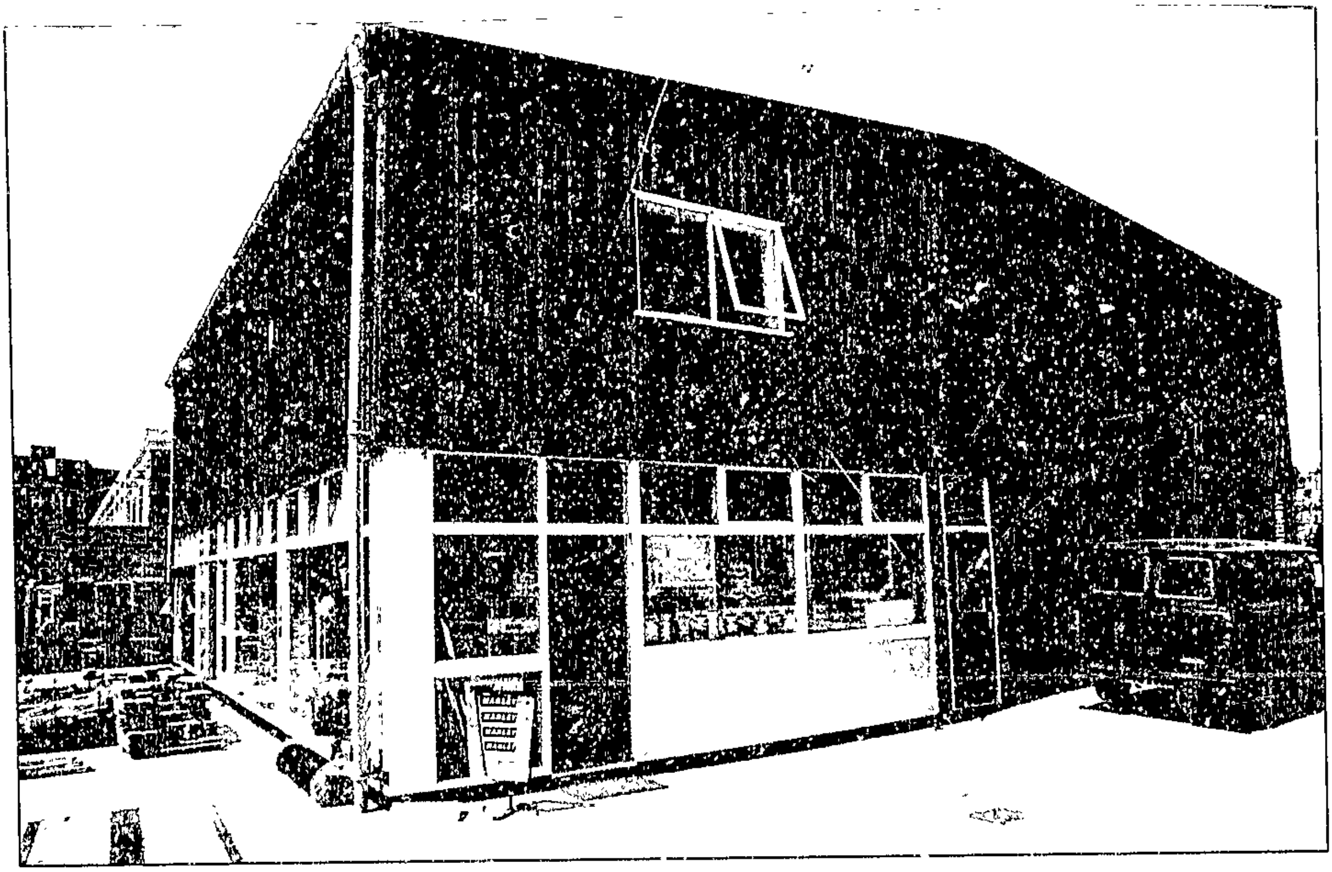
During the year, the group made a donation to the Conservative Party of £1,000.

Close company status

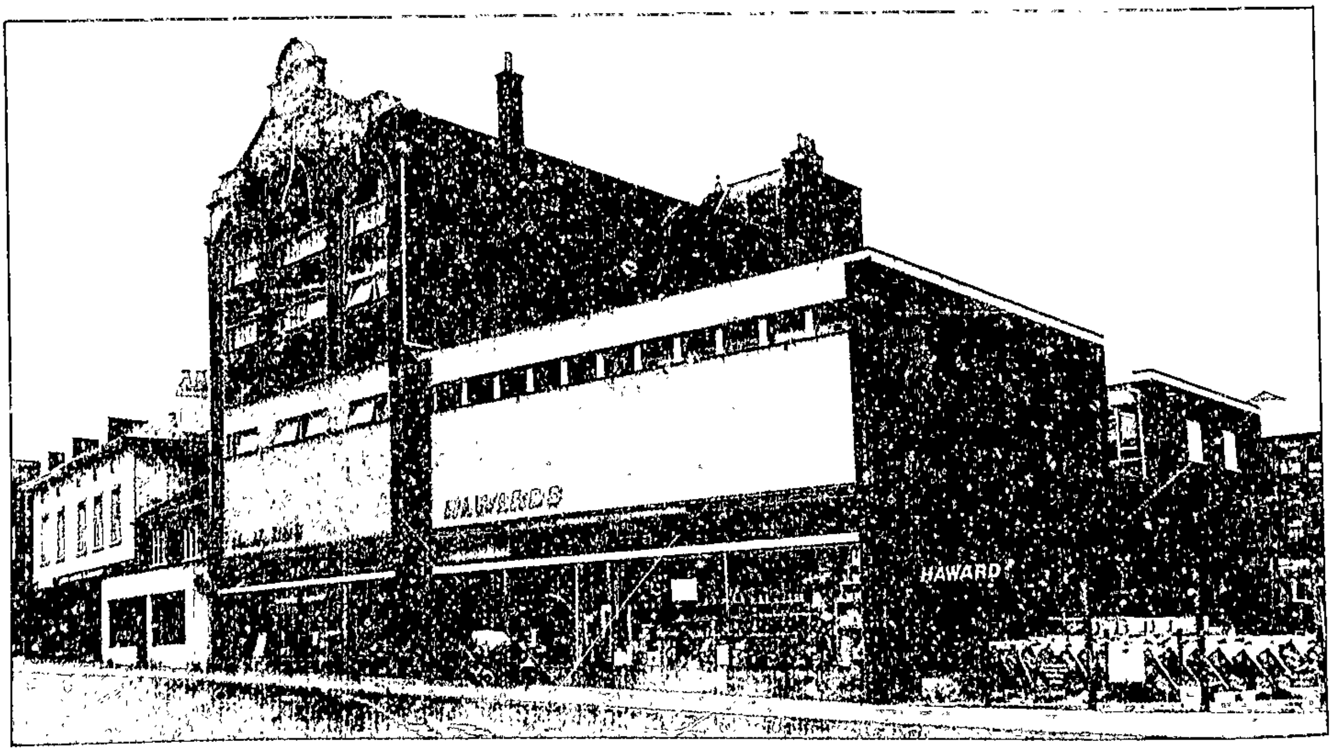
It has been agreed with the Inland Revenue that the close company provisions of the Income and Corporation Taxes Act 1970 did not apply to the Company at the 31st March 1977. In the opinion of the directors there has been no change in the status of the Company since that date.

By Order of the Board
A. L. GURNEY
Secretary

23rd July 1979



Wallington — rebuilt during the past year



S.E. Haward, Tunbridge Wells — purchased by the group on 30th November 1978

Auditors' Report to the Members of Sandell Perkins Limited

In our opinion the accounts and notes, on pages 12 to 18, which have been prepared under the historical cost convention, including the revaluation of certain assets, comply with the Companies Acts 1948 and 1967 and, so far as concerns the members of the company, give a true and fair view of the state of affairs at 31st March 1979 of the Company and of the Group, and of the profit and source and application of funds of the group for the year ended on that date.

Touche Ross & Co.

Touche Ross & Co

Touche Ross & Co.
Chartered Accountants
London

23rd July 1979

Consolidated Profit and Loss Account

For the year ended 31st March 1979

	Notes		1979 £		1978 £
Turnover	2		£31,487,380		£26,456,841
Profit from operation	3		2,751,241		1,849,406
Taxation	4		1,181,500		683,599
Profit after taxation			1,569,741		1,165,807
Dividends	6		377,114		283,288
Undistributed profit transferred to reserves	12		£1,192,627		£882,519
Earnings per ordinary share of 10p			18.7p		13.9p
Statement of retained profits:					
Retained profits for the year			1,192,627		882,519
Retained profits at beginning of year as previously reported		5,682,245		4,927,251	
Prior year adjustment deferred taxation	1(d)	549,925		422,400	
As restated			6,232,170		5,349,651
Retained profits at end of year			£7,424,797		£6,232,170

Consolidated Balance Sheet

31st March 1979

	Notes	1979 £	1979 £	1978 £
Fixed assets	7		6,715,872	3,394,839
Current assets:				
Stock		6,398,859		5,087,629
Debtors		5,205,541		4,665,289
Cash at bank and in hand		212,593		103,661
		11,816,993		9,856,579
Current liabilities:				
Bank overdraft and acceptances		428,740		853,781
Creditors		5,041,508		3,690,860
Corporation tax		1,324,672		767,013
Dividend proposed		272,360		191,105
		7,067,280		5,502,759
Net current assets			4,749,713	4,353,820
			£11,465,585	£7,748,659
Capital Employed				
Share capital	11		838,030	838,030
Reserves	12		9,961,812	6,355,857
			10,799,842	7,193,887
Deferred taxation	9		(84,257)	(195,228)
Loan	10		750,000	750,000
			£11,465,585	£7,748,659

C. R. CARR
T. I. PERKINS } Directors

Balance Sheet

31st March 1979

	Notes	1979 £	1979 £	*1978 £*
Fixed assets	7		6,282,538	*3,377,042*
Interest in subsidiaries	13		(913,999)	*(1,191,945)*
Current assets:				
Stock		6,070,738		*4,952,001*
Debtors		5,125,521		*4,657,380*
Cash		193,041		*102,811*
		11,389,300		*9,712,192*
Current liabilities:				
Bank overdraft and acceptances		428,740		*853,756*
Creditors		4,889,281		*3,662,739*
Corporation tax		1,296,703		*769,838*
Group relief payable		—		*31,036*
Dividend proposed		272,360		*191,105*
		6,887,084		*5,508,474*
Net current assets			4,502,216	*4,203,718*
			£9,870,755	*£6,388,815*
Capital Employed				
Share capital	11		838,030	*838,030*
Reserves	12		8,317,052	*4,996,013*
			9,155,082	*5,834,043*
Deferred taxation	9		(34,327)	*(195,228)*
Loan	10		750,000	*750,000*
			£9,870,755	*£6,388,815*

C. R. CARR
T. I. PERKINS } Directors

Consolidated Source and Application of Funds

For the year ended 31st March 1979

		1979 £	1979 £	1978 £	1978 £
Source of funds:	Profit before taxation		2,751,241		1,849,406
	Adjustment for items not involving movement of funds:				
	Depreciation		325,114		320,077
	Surplus on acquisition of subsidiaries		219,157		3,317
	Total generated from operations		3,295,512		2,172,800
	Disposal of fixed assets		45,761		46,145
	Increase in creditors		1,431,903		696,198
	Loan		–		750,000
	Issue of shares		–		9,120
			4,773,176		3,674,263
Application of funds:	Purchase of fixed assets	1,317,739		1,045,233	
	Dividends paid and proposed	377,114		283,288	
	Taxation paid	670,269		374,550	
	Increase in stocks	1,311,230		810,275	
	Increase in debtors	540,252		673,719	
	Increase in A.C.T. recoverable	22,599		6,879	
			4,239,203		3,193,944
			£533,973		£480,319
Movement in net liquid funds:	Increase in cash balances		108,932		97,495
	Decrease in overdrafts		425,041		382,824
			£533,973		£480,319

Notes to the Accounts

1. Accounting policies

(a) Basis of consolidation
The group accounts consolidate the accounts of the Company and all subsidiaries made up to 31st March 1979. Investments in subsidiaries are stated at cost, representing in respect of acquisitions:

For cash	–	The cash consideration
By exchange of shares	–	The estimated market value of the shares on the day the offer became unconditional

It is the Company's policy to write-off goodwill in the year of acquisition.

(b) Depreciation
The group's depreciation rates have changed during the year as a result of a reassessment of the expected useful lives of its assets. The previous and revised expected lives are shown below in years. Depreciation is not generally charged on freehold land; depreciation on other fixed assets is charged in equal annual instalments over the following periods:

	1979	1978
Freehold buildings	50	50
Short leasehold properties	Period of lease	Period of lease
Motor cars and Transits	4	4
Office machinery and shop equipment	4	5
Lorries	5	4
Side-loaders, forktrucks, mobile cranes, and small electrical plant	6	5
Fixed cranes, mill plant and all other plant	10	5

(c) Stock
Stock is valued at the lower of cost and net realisable value.

(d) Deferred taxation
Provision is made in the accounts for taxation which is deferred due to short-term timing differences except to the exten that it can be demonstrated with reasonable probability that the timing differences will continue in the foreseeable future. Based on a review of the capital expenditure which the company proposes to undertake, the deferred tax on capital allowances in excess of depreciation has been credited to reserves. Accordingly, the figures for 1977/78 have been restated on a comparable basis.

2. Turnover

Turnover represents group sales to third parties excluding V.A.T.

3. Profit from operation

Profit from operation is after charging:

	1979 £	*1978 £*
Depreciation	325,114	*320,077*
Interest payable –		
short term loans and overdrafts	74,693	*141,128*
long term loans	92,289	*40,429*
Auditors' remuneration	22,000	*18,000*
Additional pension costs	66,000	*30,275*
Directors' emoluments –		
Remuneration including pension fund contributions	158,702	*145,876*
Compensation for loss of office	–	*42,996*
and after crediting:		
Rent receivable	31,349	*37,320*
Interest receivable	8,491	*575*

Additional information relating to directors' emoluments:

Remuneration of Chairman	£16,958	*£16,101*
Remuneration of highest paid director	£20,040	*£17,450*

The number of directors with remuneration in the following ranges were:

£	£	1979	*1978*
0 –	2,500	1	*1*
10,001 –	12,500	–	*3*
12,501 –	15,000	2	*2*
15,001 –	17,500	4	*4*
17,501 –	20,000	1	–
20,001 –	22,500	1	–

There were four employees whose remuneration fell in the range of £10,000 – £12,500

4. Taxation

	1979 £	*1978 £*
Corporation tax at 52% *(1978: 52%)* based on the taxable profit for the year	1,178,000	*639,834*
Deferred Taxation	3,500	*43,765*
	£1,181,500	*£683,599*

If deferred taxation, using the liability method, had been fully provided, the charge for taxation would have been £1,496,000 *(1978: £1,080,922)*.

5. Profit after taxation

Of the profit after taxation £1,551,159 *(1978: £1,236,933)* has been dealt with in the accounts of Sandell Perkins Limited.

6. Dividends

	1979 £	*1978 £*
Interim – 12.5% *(1978: 11%)*	104,754	*92,183*
Proposed final – 32.5% *(1978: 22.804%)*	272,360	*191,105*
	£377,114	*£283,288*

Notes to the Accounts Continued

7. Fixed assets

(a) The Group

	Freehold property £	Short leasehold property £	Plant vehicles and equipment £	Total £
Cost/Valuation				
Balance at 1st April 1978	2,517,730	576,260	1,552,178	4,646,168
Additions from subsidiaries acquired at cost	555,000	–	122,203	677,203
Capital expenditure	195,492	5,979	532,684	734,155
Disposals	(9,501)	–	(166,368)	(175,869)
Surplus on revaluation	1,672,464	256,761	–	1,929,225
Balance at 31st March 1979	4,931,185	839,000	2,040,697	7,810,882
Depreciation				
Balance at 1st April 1978	225,306	155,014	871,009	1,251,329
From subsidiaries acquired	–	–	93,619	93,619
Charge for the year	42,950	23,965	258,199	325,114
Applied on disposals	(2,291)	–	(127,817)	(130,108)
Write-back on revaluation	(265,965)	(178,979)	–	(444,944)
Balance at 31st March 1979	–	–	1,095,010	1,095,010
Net book value at 31st March 1979	£4,931,185	£839,000	£945,687	£6,715,872
Net book value at 31st March 1978	£2,292,424	£421,246	£681,169	£3,394,839

(b) The Company

	Freehold property £	Short leasehold property £	Plant vehicles and equipment £	Total £
Cost/Valuation				
Balance at 1st April 1978	2,517,730	576,260	1,516,741	4,610,731
Transfer from subsidiaries at cost	190,000	–	116,597	306,597
Capital expenditure	195,492	5,979	532,684	734,155
Disposals	(9,501)	–	(166,368)	(175,869)
Surplus on revaluation	1,622,464	256,761	–	1,879,225
Balance at 31st March 1979	4,516,185	839,000	1,999,654	7,354,839
Depreciation				
Balance at 1st April 1978	225,306	155,014	853,369	1,233,689
Transfer from subsidiaries	–	–	89,977	89,977
Charge for the year	42,950	23,965	256,772	323,687
Applied on disposals	(2,291)	–	(127,817)	(130,108)
Write-back on revaluation	(265,965)	(178,979)	–	(444,944)
Balance at 31st March 1979	–	–	1,072,301	1,072,301
Net book value at 31st March 1979	£4,516,185	£839,000	£927,353	£6,282,538
Net book value at 31st March 1978	£2,292,424	£421,246	£663,372	£3,377,042

A revaluation of all Freehold and Leasehold property was carried out as at 31st March 1979 by Jones, Lang, Wootton, Chartered Surveyors and has been incorporated into the Balance Sheet. The amount of depreciation on property which will be charged in 1979/80 is approximately £116,000 compared with £67,000 this year.

8. Capital commitments

Company and Group	1979 £	*1978 £*
Capital expenditure for which orders have been placed	512,410	*175,923*
Capital expenditure authorised by the directors for which no orders have yet been placed	465,590	*583,314*
	£978,000	*£759,237*

9. Deferred taxation

	The Group 1979 £	The Group *1978 £*	The Company 1979 £	The Company *1978 £*
Unrealised surplus on revaluation of property	180,000	–	180,000	–
Short term timing differences	(147,531)	*(101,101)*	(97,601)	*(101,101)*
Advance corporation tax recoverable	(116,726)	*(94,127)*	(116,726)	*(94,127)*
	£ (84,257)	*£(195,228)*	£ (34,327)	*£(195,228)*

In accordance with the group's accounting policy for taxation, provision has been made for deferred taxation liabilities where it cannot be demonstrated with reasonable probability that the timing difference will continue.

Notes to the Accounts Continued

9. continued.

The amount of deferred tax which has not been provided is as follows:

	The Group 1979 £	The Group 1978 £	The Company 1979 £	The Company 1978 £
Stock appreciation relief	1,475,927	1,261,825	1,438,172	1,261,825
Capital allowances in excess of depreciation	734,779	549,925	726,971	549,925
Unrealised surplus on revaluation of property	615,000	107,388	615,000	107,388
Capital gains rolled over	230,766	226,290	230,766	226,290
	£3,056,472	£2,145,428	£3,010,909	£2,145,428

10. Loan

	1979 £	1978 £
Three month London Inter Bank offered rate (plus 2.125%) £375,000 is repayable in July 1983 and £375,000 in July 1984.	£750,000	£750,000

11. Share capital

	The Group and the Company Authorised £	Issued and fully paid £
Ordinary shares of 10p each	£900,000	£838,030

12. Reserves

	The Group 1979 £	The Group 1978 £	The Company 1979 £	The Company 1978 £
Retained Profits	7,424,797	6,232,170	6,052,513	4,875,643
Share premium account	120,370	120,370	120,370	120,370
Surplus on acquisition of subsidiaries	222,476	3,317	–	–
Surplus on revaluation of fixed assets	2,194,169	–	2,144,169	–
	£9,961,812	£6,355,857	£8,317,052	£4,996,013

13. Interest in subsidiaries

	1979 £	1978 £
Shares at cost less amounts written off	3,150,538	2,528,966
Debentures at cost	350,000	–
Amount due to subsidiaries	(4,414,537)	(3,720,911)
	£(913,999)	£(1,191,945)

Subsidiaries, all of which are wholly owned and incorporated in the United Kingdom:

- George Holt Limited
- Walter S. Fry Limited
- Samuel Putney Limited
- W. & S. Scott Limited
- Elliott-Perkins Limited
- Wallboard Distributors Limited
- Sandell, Smythe & Drayson Limited and its subsidiaries:
  - J. Archer Smith Limited
  - T. Hodgson & Company (St. Leonards) Limited
  - King & Scarborough Limited
  - S & D Timber Limited
  - One Stop Home & Garden Centres Limited
- Ingram Perkins & Company Limited and its subsidiaries:
  - Auclaye Brickfields Limited
  - A. & W. T. Richardson Limited
  - Cobtree Nominees Limited, Formerly Wood & Co. (London) Limited
- Broad & Company Limited and its subsidiaries:
  - Broads Builders Merchants Limited
  - T. Holland & Son Limited
- Frank Cooper (Canterbury) Limited
- Dane John Properties Limited
- Dane John Investment Limited
- S. E. Haward & Co. Limited and its subsidiary:
  - J. R. Hughes (Tunbridge Wells) Limited
- Clapham Common Brick and Tile Co. Limited

14. Contingent Liabilities

The Group

The Inland Revenue are disputing certain losses surrendered by a subsidiary to the holding company for the year ended 31st March 1976. The Company is resisting these claims. In the event of these losses not being available, a further liability to Corporation Tax of approximately £580,000 would arise together with interest currently at the rate of 9% with effect from 1st July 1977.

Five Year Review

Results (£000's)	1975	1976	1977	1978	1979
Sales	11,099	15,246	21,588	26,457	31,487
Profit from operation	1,077	1,195	2,009	1,849	2,751
Profit after taxation	599	496	1,630	1,166	1,570
Extraordinary items	–	+ 294	–	–	–
Dividends	190	227	253	283	377

Ratios & Statistics					
Earnings per share before extraordinary items	7.8p	6.0p	19.5p	13.9p	18.7p
Net book value per 10p share	53.6p	55.6p	71.9p	85.8p	128.9p
Dividend – Pence per share	2.5p	2.7p	3.0p	3.4p	4.5p
Profit from operation % of sales	9.7%	7.8%	9.3%	7.0%	8.7%
Profit per employee	£2,009	£1,690	£2,520	£2,075	£2,890

Note

All the above figures have been re-stated in order to reflect the change in the basis of providing for deferred taxation as explained in Note 1(d) to the accounts.

London Area North

Sandell Perkins + Broads

1 Area Sales Office:
22 Praed Street, W2 1NH.
Tel: 01-723 7061

2 149 Harrow Road, W2 6NA.
Tel 01-402 9311

3 2-4 South Wharf Road, W2 1NZ.
Tel: 01-723 7061
6 South Wharf Road, W2 1NZ.
Tel 01-723 8476/8808.

4 156 West End Lane, NW6 1SD.
Tel: 01-794 8151

5 2a Neptune Road Estate, Harrow, HA1 4ER. Tel. 01-863 8521

6 124a Kentish Town Road, NW1 9QB
Tel 01-485 0111.

7 51 Mayes Road N22 6TN
Tel. 01-888 7216

8 240 Kingsland Road, E2 8AX
Tel 01-739 6317.

9 305a Kingsland Road, E8 4DL
Tel 01-254 1442

10 Hercules Wharf, Leamouth Road, E14 0JG
Tel 01 987 3508

11 Park Avenue, Southall, UB1 3AB
Tel 01 571 0914

12 Henlow Industrial Estate, Henlow R A F Camp, Bedfordshire
Tel Hitchin 814333 (One Stop)

London Area South

13 Area Sales Office:
57 South Lambeth Road
SW8 1RJ Tel 01-735 7171

14 46 Redcross Way SE1 1LE
Tel 01-407 3511

15 18 Union Street SE1 1SZ
Tel 01-407 3511

16 38/51 Old Devonshire Road, Balham, SW12 9PQ. Tel: 01-673 1212.

17 41 Rockbourne Road, Lewisham, SE23 2DA. Tel: 01-699 0881.

18 2 Hurst Road, Sidcup, DA15 9AB.
Tel: 01-300 9341.

19 Ewell Road, Cheam, SM3 8AP.
Tel: 01-642 6695.

20 Ross Parade, Wallington, SM6 8QF.
Tel. 01-647 1403/01-669 1654.

21 Hampton Road, Croydon, CR0 2XG.
Tel: 01-689 4311.

22 54/56 High Street, West Wickham, BR4 0PB Tel: 01-776 0670.

Surrey, Hants & West Sussex Area

23 Area Sales Office:
Woodbridge Road,
Guildford, GU1 1EH. Tel: Guildford 62821

24 153 Fleet Road, Fleet, Hants.
GU13 8PD Tel: Fleet 3681

25 Long Furlong Road, Clapham Common
Nr Worthing, Sussex
Tel Patching 22[illegible] 226 & 317

26 Vernon House, 2-4 Church Street,
Weybridge, Surrey KT13 8DX.
Tel. Weybridge 54681 2 (One Stop)

Kent & East Sussex Area

Sandell Smythe + Drayson

27 Area Sales Office:
Forstal Road
Aylesford Maidstone, Kent
ME20 7AG Tel Maidstone 70111

28 Jenkins Dale Chatham Kent
ME4 5RT Tel Medway 43696

29 Victoria Road, Ashford, TN23 1HP
Tel: Ashford 25935.

30 Lime Kiln Road, Canterbury, CT1 3QH
Tel: Canterbury 66322.

31 Springfield Valley Road, Hastings, Sussex, TN38 0RP
Tel: Hastings 424300.

Group Hardwood Depot

32 William Bloore Hardwoods.
57 South Lambeth Road, SW8 1RJ.
Tel 01-735 7171

S.E. Haward

33 14-33 Goods Station Road
Tunbridge Wells, Kent
Tel. Tunbridge Wells 22224

34 5 The Broadway, Crowborough, Sussex Tel Crowborough 2647

Sandell Perkins Limited

Head Office
Cobtree House, Forstal Road,
Aylesford, Maidstone, Kent, ME20 7AG.
Tel: Maidstone 70111.
Telex: 965056.