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Annual Report & Financial Statements
31st March 1985

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Sandell Perkins 1785 - 1985

200 YEARS

Sandell Perkins plc

Sandell Perkins plc

87/

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Payment of Interim Dividend to Ordinary Shareholders

25th September 1986
Provisional date for Annual General Meeting

Officers & Professional Advisers

Directors	T.I. Perkins *(Chairman)* C.R. Carr T.D. *(Deputy Chairman)* D.C.W. Perkins *(Joint Managing)* E.C. Adams F.C.A., F.C.T. *(Joint Managing)* J.H. Carr T.D. J.S. Faulder M.A. R.J. Marshall J.R. Rolph B.Sc. Hons., F.C.A., F.B.I.M.
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., Hill House, 1 Little New Street, London EC4A 3TR
Bankers	National Westminster Bank P.L.C., 3 High Street, Maidstone, Kent ME14 1HX Midland Bank P.L.C., 16 High Street, Maidstone, Kent ME14 1HX
Solicitors	Clifford-Turner & Co., Blackfriars House, 19 New Bridge Street, London EC4V 6BY

Notice of Meeting

Notice is hereby given that the twenty-first Annual General Meeting of Sandell Perkins plc will be held at the Strand Palace Hotel, Strand, London WC2R 0JJ on Thursday, 26th September 1985 at 11.30 a.m. for the following purposes:

1 To receive and adopt the financial statements for the year ended 31st March 1985, together with the reports of the directors and auditors thereon.

2 To declare a final dividend.

3 To re-elect the following directors:
E.C. Adams
J.H. Carr

4 To re-appoint Touche Ross & Co., Chartered Accountants, as auditors and authorise the directors to fix their remuneration.

Forstal Road,
Aylesford,
Maidstone,
Kent ME20 7AG.
25th July 1985

By order of the Board
A.L. GURNEY
Secretary

A.L. Gurney

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 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

Financial Results

The pre tax profit for 1984/5 improved by 2.8% on the previous year to £5,567,000. From July national consumption of building materials declined, following the boom generated by the infliction of VAT, on house extensions and improvements, in June 1984. The severe winter weather of this year has also affected levels of consumption. These factors inevitably caused a more competitive market situation to develop than had been anticipated and given the circumstances we are therefore reasonably satisfied with the year's results.

Profit after tax and extraordinary items increased by 16.6% to £3,590,000.

Dividends

In view of the Group's progress and profitability your directors are recommending a final dividend of 2.6p per share which if approved at the AGM will, including the interim 1.2p already paid, amount to a 15% increase on that paid last year.

The 12 months trading and developments

During the year we made two acquisitions. In October the heavy building material business of IFT Ltd in New Southgate (North London). This branch provides useful representation between our Winchmore Hill and Mayes Road outlets.

In December B.J. Newman & Company Ltd Builders Merchants joined the Group providing branches in Eastbourne, Worthing, Lewes, Brighton and Crawley. They fill significant gaps in our distribution network in Sussex.

Both acquisitions inevitably required a degree of reorganisation and will shortly become established as conventional Sandell Perkins branches.

We also opened a new branch in Central Croydon and during the year we have continued our policy of updating facilities at existing branches.

D.W. Archer Ltd opened branches in Didcot and Oxford and are continuing to make progress.

We have discontinued the skip hire business which was difficult to manage to an acceptable standard of integrity.

Staff

We have pleasure in recording our thanks to the employees of the company for their continued effective contribution to our progress. The significant improvements to the pension scheme attracted a good response and membership grew by 132 members over the previous year.

Retirement

Mr John Marshall, a Group Director for the last 10 years, retires this August and I would like to thank him for his contribution and wish him well in his retirement.

Structure

With the acquisition of B.J. Newman providing new opportunities we have changed the structure of the Group so that all trading activities are controlled by Sandell Perkins Trading Company Limited which is a wholly owned subsidiary. We consider this change to be more appropriate in the future development of the Group.

Prospects for Coming Year

The current rates of timber and building material consumption nationally are at indifferent levels, however given your substantial past investment in facilities and a reasonable contribution from our lowest performers, we expect the current year to establish further progress. Any significant improvement in volumes of consumption will require a much greater government commitment to making or improving buildings services and facilities. The health of the Building Industry depends upon this.

We have recently received the results of a market survey, independently commissioned by us, to examine segments of the market which we serve. The conclusion is that your company is well positioned to serve the trends in consumption and is optimistic for our future.

200 Years

It is a milestone in our progress that our oldest component company J & A S Smythe Ltd celebrates its 200th Anniversary this year. It is with pleasure that we mark the occasion with some interesting historical pictures recording the presence in Maidstone of this founding Company.

Timothy Perkins
Chairman

25th July 1985

Directors' Report

The directors have pleasure in presenting their annual report and the audited financial statements for the year ended 31st March 1985.

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

	1985 £000	*1984 £000*
Profit before taxation	5,567	*5,416*
Profit after taxation, minority interests and extraordinary items	3,590	*3,079*
Dividends	963	*836*
Profit retained	2,627	*2,243*

Full details of the results are shown in the consolidated profit and loss account. The final dividend recommended by the directors is 2.6p per ordinary share which, together with the interim dividend paid of 1.2p per ordinary share, gives a total dividend for the year of 3.8p compared to 3.3p last year.

Directors

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

	Ordinary shares of 10p each			
	Beneficial holdings 31.3.85	Family and other holdings 31.3.85	*Beneficial holdings 31.3.84*	*Family and other holdings 31.3.84*
T.I. Perkins	504,519	488,002	*603,519*	*383,002*
C.R. Carr	365,962	158,085	*325,275*	*67,039*
D.C.W. Perkins	515,704	474,002	*600,704*	*383,002*
E.C. Adams	50,800	4,000	*45,800*	*2,000*
J.H. Carr	391,295	124,355	*265,531*	*71,772*
J.S. Faulder	3,185	3,000	*3,185*	*3,000*
R.J. Marshall	66,600	—	*66,600*	—
J.R. Rolph	5,000	—	*5,000*	—

Under the Company's Executive Share Option Scheme dated October 1984 certain directors were granted options as disclosed below. The scheme has been drawn up in accordance with the provisions contained in the 1984 Finance Act and once it has been approved by the Inland Revenue the participants will be able to exercise their options after a minimum of 3 and a maximum of 10 years from date of grant.

	Number of shares	*Exercise price*	*Date of grant*
D.C.W. Perkins	100,000	65p	1.11.84
E.C. Adams	100,000	65p	1.11.84
J.R. Rolph	50,000	65p	1.11.84

In accordance with the Company's Articles of Association, E.C. Adams and J.H. Carr retire by rotation and, being eligible, offer themselves for re-election.

Donations

During the year the Group donated £4,714 for charitable purposes, and £750 to the Conservative Party.

Employees

The maintenance of a skilled workforce is a key to the future of the business. Health and safety matters are given special attention by the directors and it is their policy to ensure that continued employment is offered to employees who become temporarily or permanently disabled, and that full and fair consideration is given to applications for employment made by disabled persons having regard to their particular aptitude and abilities.

The Company recognises the benefits of keeping employees informed of the progress of the business and of involving them in the Company's performance. During the year employees were provided with information regarding the financial and economic factors affecting the performance of the Company and on other matters of concern to them as employees. Additionally, consultations took place with employee representatives so that the views of employees could be taken into account in making decisions which were likely to affect their interests.

Review of Developments and Future Prospects

These subjects are dealt with as part of the chairman's statement.

Fixed Assets

A revaluation of the Group's freehold and leasehold property was carried out as at 31st March 1985. In view of the fact that this did not show any material overall difference compared to present book value, it has not been incorporated in these financial statements.

Close Company Status

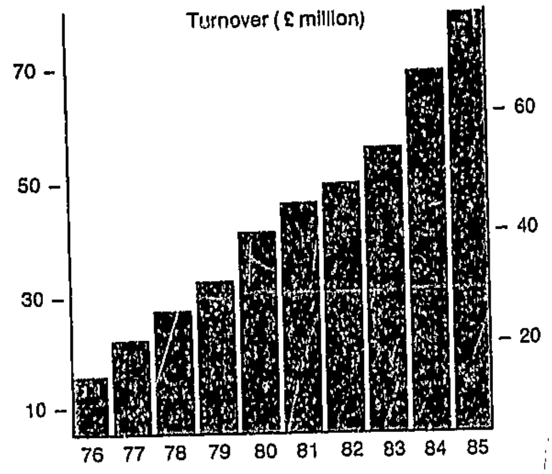
So far as the directors are aware, the Company is not a close company for taxation purposes.

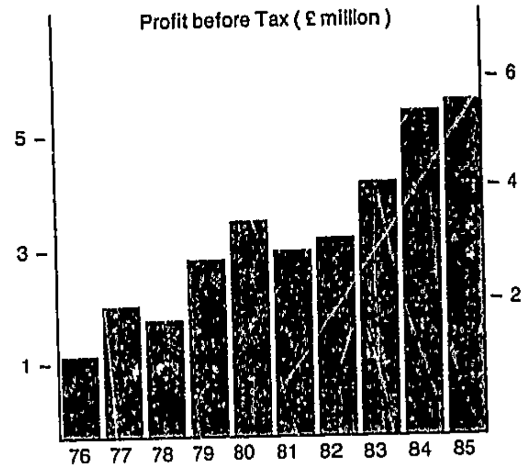
25th July 1985

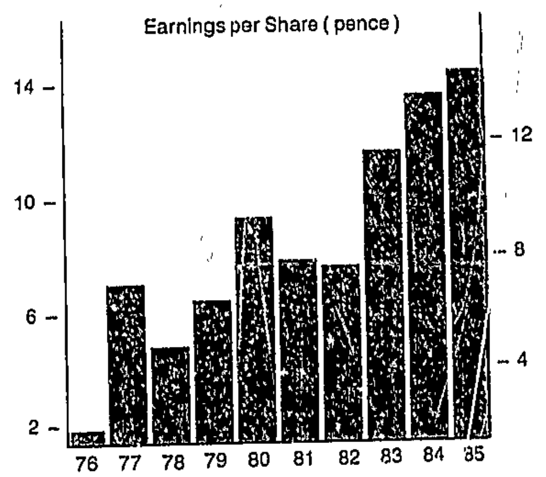
A.L. Gurney

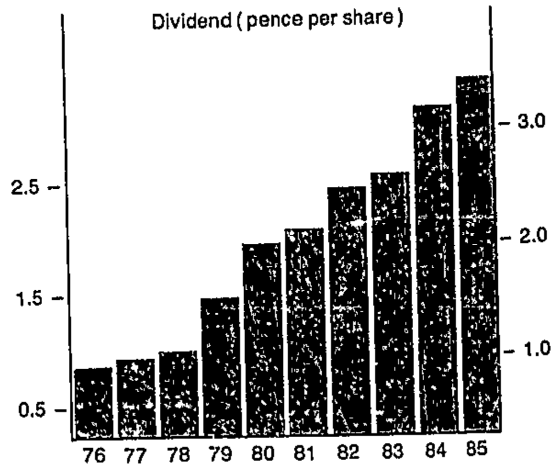
By order of the Board
A.L. GURNEY
Secretary

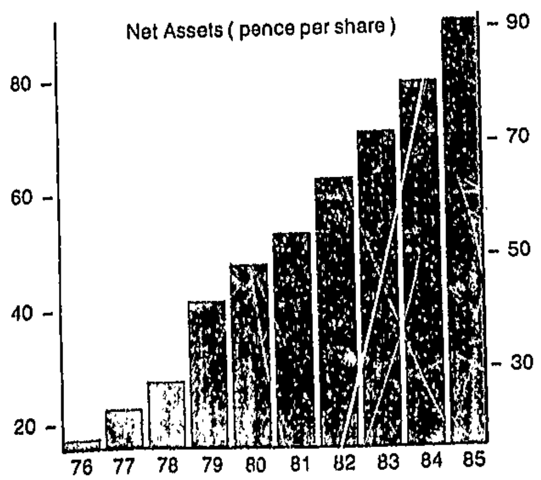
Financial Highlights

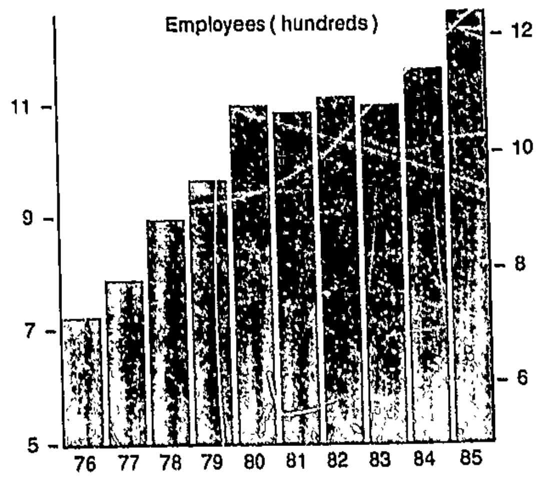






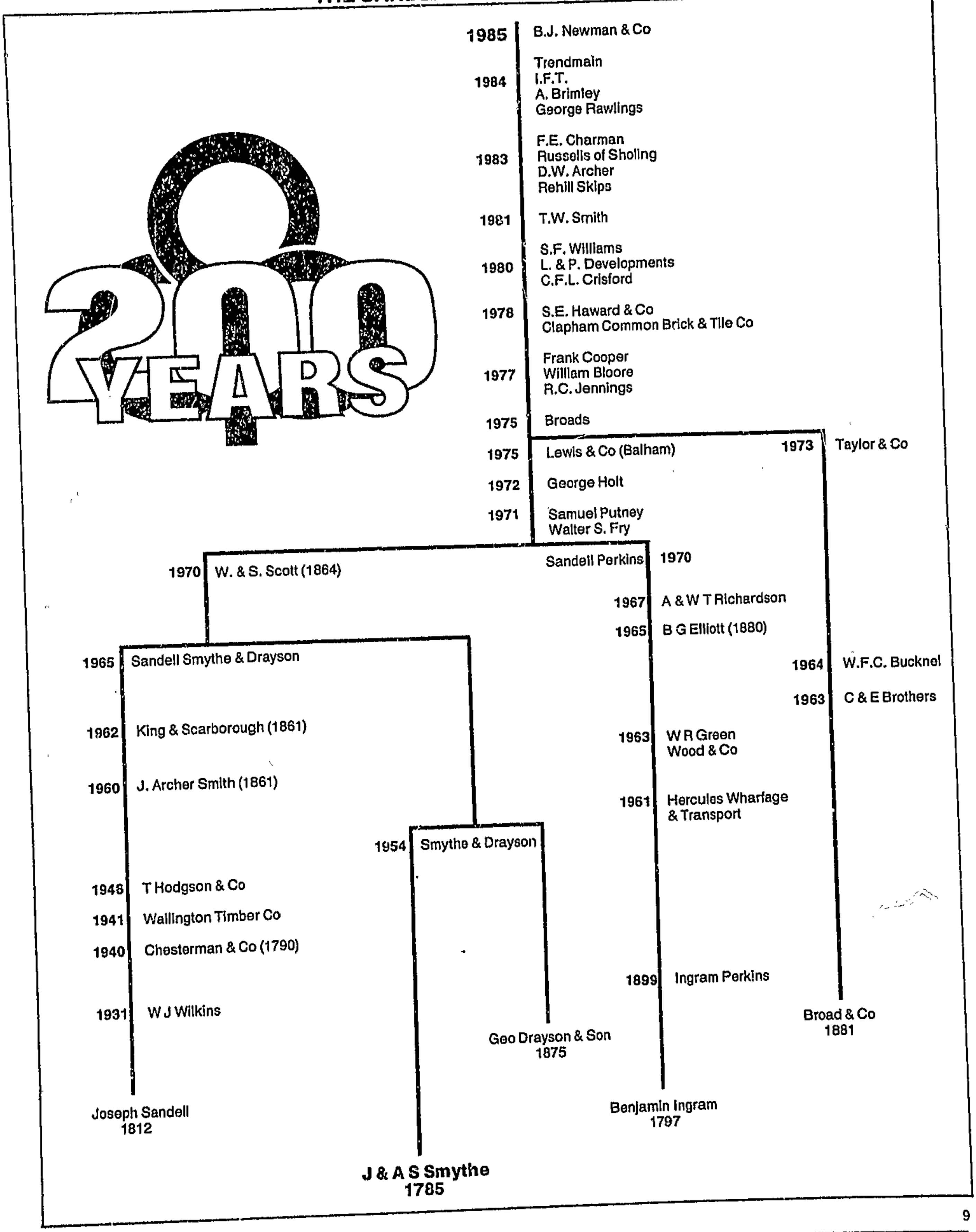






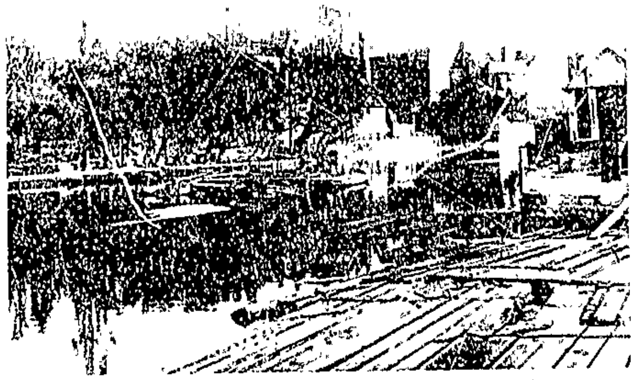
Sandell Perkins plc

THE SANDELL PERKINS GROUP

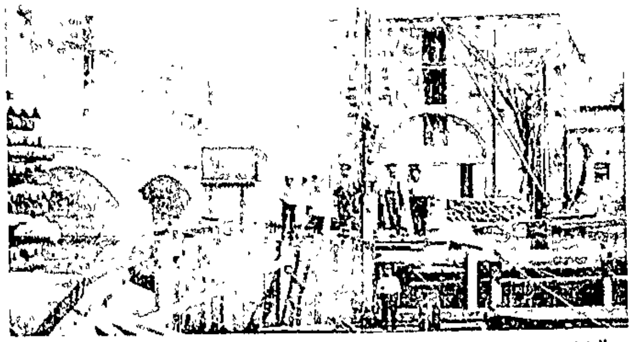


A recent photograph of brothers Percy & Sydney Smythe with Jim Drayson (centre)

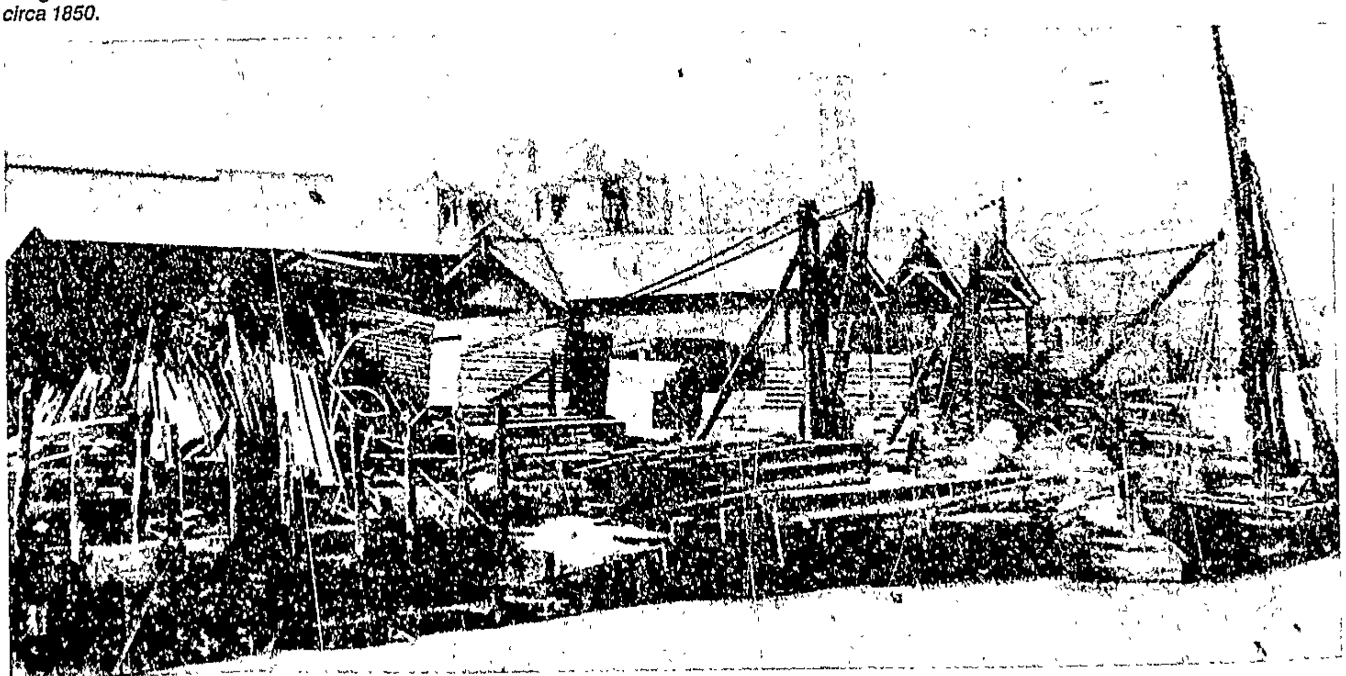
George Drayson & Son Ltd was founded in 1875 and merged with J & A S Smythe Ltd in 1954



A familiar view of the Bishop's Palace across the Medway from Bridge Wharf. In the foreground timber destined for the Sawmill — circa 1850.



Pile driving in progress during construction of J & A S Smythe Ltd's Bridge Wharf — circa 1875



Bridge Wharf as it was in 1900 positioned close to the Medway Bridge. It remained one of the best known local landmarks until its demolition in the 1970's.

Sandell Perkins plc

Auditors' Report to the Members of Sandell Perkins plc

We have audited the financial statements on pages 12 to 22 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group at 31st March 1985 and of the profit and source and application of funds of the Group for the year then ended and comply with the Companies Act 1985.

Touche Ross & Co. Touche Ross & Co

Touche Ross & Co.
Chartered Accountants
London

25th July 1985

Consolidated Profit and Loss Account

For the year ended 31st March 1985

	Notes	1985 £000	1984 £000
Turnover	2	78,300	67,439
Cost of sales		63,546	55,194
Gross profit		14,754	12,245
Distribution costs		3,413	2,227
Administration expenses		5,380	4,317
Other operating income		(6)	(31)
		8,787	6,513
		5,967	5,732
Other interest receivable and similar income	4	162	135
Interest payable and similar charges	5	(562)	(451)
Profit on ordinary activities before taxation	6	5,567	5,416
Tax on profit on ordinary activities	7	1,979	1,927
Profit on ordinary activities after taxation		3,588	3,489
Minority interests		2	12
Profit on ordinary activities attributable to the members of Sandell Perkins plc		3,590	3,501
Extraordinary items — taxation		—	(422)
Profit for the financial year	8	3,590	3,079
Dividends paid and proposed	9	(963)	(836)
Amounts transferred (to)/from reserves			
Amount equivalent to additional depreciation on revalued assets		41	40
Goodwill on acquisition of subsidiaries		(151)	(71)
Purchase of own shares		—	(35)
Profit and loss account brought forward		14,501	12,324
Profit and loss account carried forward		17,018	14,501
Earnings per ordinary share	10		
Before extraordinary items		14.2p	13.8p
After extraordinary items		14.2p	12.1p

Sandell Perkins plc

Consolidated Balance Sheet

31st March 1985

	Notes	1985 £000	*1984 £000*
Fixed assets			
Tangible assets	11	15,425	*13,494*
Current assets			
Stocks		13,567	*11,791*
Debtors	13	13,493	*12,380*
Investments	14	105	*84*
Cash at bank and in hand		19	*15*
		27,184	*24,270*
Creditors — amounts falling due within one year			
Bank overdrafts and acceptances		3,503	*2,401*
Trade creditors		8,889	*7,197*
Other creditors including taxation and social security	15	4,739	*5,287*
Dividend	9	659	*583*
		17,790	*15,468*
Net current assets		9,394	*8,802*
Total assets less current liabilities		24,819	*22,296*
Creditors — amounts falling due after more than one year	16	(1,250)	*(1,250)*
Provisions for liabilities and charges	17	(473)	*(422)*
Minority interests		(71)	*(68)*
		23,025	*20,556*
Capital and reserves			
Called up share capital	18	2,534	*2,534*
Share premium account	18	176	*176*
Capital redemption reserve fund		6	*6*
Investment revaluation reserve	19	981	*981*
Revaluation reserve	19	2,310	*2,358*
Profit and loss account	19	17,018	*14,501*
		23,025	*20,556*

These financial statements were approved by the Board of Directors on 25th July 1985

T.I. Perkins C.R. Carr Directors

Parent Company Balance Sheet

31st March 1985

	Notes	1985	1984
		£000	£000
Fixed assets			
Tangible assets	11	15,067	13,449
Investments	12	5,116	3,548
		20,183	16,997
Current assets			
Stocks		12,596	11,606
Debtors	13	12,135	12,100
Investments	14	101	84
Amount due from subsidiary		20	4
Cash at bank and in hand		18	15
		24,870	23,809
Creditors — amounts falling due within one year			
Bank overdrafts and acceptances		3,192	2,401
Trade creditors		8,174	6,970
Other creditors including taxation and social security	15	4,209	5,279
Amount due to subsidiaries		606	—
Dividend	9	659	583
		16,840	15,233
Net current assets		8,030	8,576
Total assets less current liabilities		28,213	25,573
Creditors — amounts falling due after more than one year	16	(6,549)	(6,549)
Provisions for liabilities and charges	17	(454)	(422)
		21,210	18,602
Capital and reserves			
Called up share capital	18	2,534	2,534
Share premium account	18	176	176
Capital redemption reserve fund		6	6
Investment revaluation reserve	19	981	981
Revaluation reserve	19	2,260	2,308
Profit and loss account	19	15,253	12,597
		21,210	18,602

T.I. Perkins C.R. Carr Directors

Sandell Perkins plc

Consolidated Statement of Source and Application of Funds

For the year ended 31st March 1985

	1985 £000	*1984 £000*
Source of funds		
Profit on ordinary activities before taxation	5,567	*5,416*
Adjustment for items not involving the movement of funds:		
Revaluation surplus realised on disposal	7	—
Depreciation	1,451	*989*
Total generated from operations	7,025	*6,405*
Decrease in investments	—	*553*
Disposal of fixed assets	269	*114*
Increase in creditors	993	*2,019*
Minority interest acquired	5	*80*
	8,292	*9,171*
Application of funds		
Purchase of fixed assets	3,651	*2,647*
Dividends paid	887	*736*
Tax paid	1,821	*1,398*
Increase in investments	21	—
Increase in stocks	1,776	*2,588*
Increase in debtors	1,083	*2,617*
Goodwill on acquisition of subsidiaries*	151	*71*
Purchase of own shares	—	*35*
	9,390	*10,092*
Movement in net liquid funds	(1,098)	*(921)*

Net liquid funds comprise cash balances less bank overdrafts and acceptances.

*Summary of the effects of the acquisitions of subsidiaries:

Net assets acquired	
Fixed assets	183
Current assets	1,568
Overdrafts	(39)
Creditors	(560)
	1,152
Discharged by cash paid	1,303
Excess representing goodwill	151

Notes to the Financial Statements

For the year ended 31st March 1985

1 Accounting policies

(a) Accounting convention
The financial statements are prepared under the historical cost convention as modified by the revaluation of land and buildings.

(b) Basis of consolidation
The Group financial statements consolidate the financial statements of the Company and all subsidiaries for financial periods ended 31st March 1985. At the date of acquisition the fair values of the net assets, excluding goodwill, of the subsidiary are determined and these values are incorporated in the consolidated financial statements. Any excess of the cost of investment over the net assets of the subsidiary that remains after this valuation is taken to the profit and loss account in the year of acquisition.

Shares in subsidiary companies are stated at cost less amounts written off. In respect of acquisitions by exchange of shares, cost is determined by reference to the market value of the Company's shares on the day the offer becomes unconditional.

(c) Depreciation
Depreciation is not provided on freehold land or investment properties. On other assets it is provided on cost or revalued amounts in equal annual instalments over the estimated useful lives of the assets. These are as follows:

Freehold and long leasehold buildings	Estimated useful life
Short leasehold properties	Period of lease
Tools and plant for hire	3 years
Motor cars and transits	4 years
Office machinery and shop equipment	4 years
Lorries	5 years
Side-loaders, fork trucks, mobile cranes and small electric plant	6 years
Fixed cranes, mill plant and all other plant	10 years

(d) Stocks
Stocks are stated at the lower of cost and net realisable value. Cost represents the invoiced price plus transportation and storage charge where applicable.

(e) Deferred taxation
Deferred taxation is provided at the current tax rate on differences arising from the inclusion of income and expenditure in taxation computations in periods differing from those in which they are included in the financial statements except where the tax reduction is expected to continue for the foreseeable future.

(f) Pension cost
Retirement benefits to employees are funded by contributions from the Group companies and employees. Payments are made to pension trusts which are financially separate from the Group. These payments, which are made in accordance with periodic calculations by consulting actuaries, are charged against the profits of the year in which they become payable. Provision is made in the financial statements for any deficits disclosed by the latest actuarial valuations of self-administered pension funds.

(g) Leases
Operating lease commitments are provided for in the balance sheet at the time the rental payments fall due. Such rental costs are charged to profit and loss as incurred.

2 Turnover

Turnover, which is all within the United Kingdom, represents Group sales to third parties excluding VAT.

3 Information regarding directors and employees

	1985 £000	*1984 £000*
Directors' emoluments		
Remuneration	270	*246*
Pension fund contributions	28	*25*
	298	*271*
Remuneration of the Chairman		
For the year to 31st March 1985	43	
For the 9 months to 31st December 1983		*24*
For the 3 months to 31st March 1984		*10*
Remuneration of the highest paid director	44	*41*

Notes to the Financial Statements continued

For the year ended 31st March 1985

		1985	1984
	Scale of directors' remuneration	No.	No.
	£ £		
	0 — 5,000	1	1
	25,001 — 30,000	1	1
	30,001 — 35,000	2	3
	35,001 — 40,000	1	2
	40,001 — 45,000	3	1
	Scale of employees' remuneration		
	30,001 — 35,000	2	—
	Employees costs during the year	£000	£000
	Wages and salaries	9,372	7,648
	Social security costs	815	719
	Other pension costs	586	564
	Average number of persons employed	No.	No.
	Product handling	809	758
	Selling	54	52
	Distribution	209	155
	Administration	201	176
4 Other interest receivable and similar income		£000	£000
	This consists of		
	Interest receivable	9	13
	Rent receivable	146	112
	Investment income	7	10
		162	135
5 Interest payable and similar charges	This consists of		
	Interest on short term loans and overdrafts	425	326
	Interest on long term loans	137	125
		562	451
6 Profit on ordinary activities before taxation	Profit on ordinary activities before taxation is after charging		
	Hire of plant and machinery	92	90
	Other leasing charges	20	15
		112	105
	Depreciation	1,451	989
	Auditors' remuneration	38	29
7 Tax on profit on ordinary activities	Corporation tax at 45% (1984 — 50%) based on the profit of the year	2,270	1,932
	Deferred taxation	54	(9)
		2,324	1,923
	Adjustment to prior years' tax provisions	(345)	4
		1,979	1,927

The taxation charge for the year has been reduced by the availability of capital allowances which are not provided for in deferred taxation.

Notes to the Financial Statements continued

For the year ended 31st March 1985

8 Profit of parent company

The consolidated profit and loss account includes £3,612,000 (1984 — £3,048,000) which is dealt with in the financial statements of the parent company. As permitted by Section 228(7) of the Companies Act 1985 the profit and loss account of the parent company is not presented as part of these financial statements.

9 Dividends

	1985		*1984*	
	Per share	£000	*Per share*	*£000*
Interim	1.2p	304	*1.0p*	*253*
Proposed final	2.6p	659	*2.3p*	*583*
	3.8p	963	*3.3p*	*836*

10 Earnings per ordinary share

The calculation of earnings per ordinary share before extraordinary items is based on profits of £3,590,000 (1984 — £3,501,000) and on the average of 25,337,000 (1984 — 25,367,000) ordinary shares in issue during the year.

11 Tangible assets

The Group	Investment property £000	Freehold property £000	Long leasehold property £000	Short leasehold property £000	Plant vehicles and equipment £000	Total £000
Cost or valuation						
At 1st April 1984	1,339	7,496	427	1,474	5,801	16,537
Reclassifications	—	109	—	(109)	—	—
Transfers to current assets	—	(55)	—	—	—	(55)
Additions from subsidiaries acquired at cost	—	50	—	45	304	399
Capital expenditure	59	791	—	434	2,184	3,468
Disposals	—	—	—	(40)	(727)	(767)
At 31st March 1985	1,398	8,391	427	1,804	7,562	19,582
At 1982 valuation	—	6,227	425	912	—	7,564
At open market value	1,398	—	—	—	—	1,398
At cost	—	2,164	2	892	7,562	10,620
	1,398	8,391	427	1,804	7,562	19,582
Accumulated depreciation						
At 1st April 1984	—	216	17	139	2,671	3,043
Transfers to current assets	—	(4)	—	—	—	(4)
From subsidiaries acquired	—	—	—	—	216	216
Provisions	—	126	8	94	1,223	1,451
Eliminated on disposals	—	—	—	(10)	(539)	(549)
At 31st March 1985	—	338	25	223	3,571	4,157
Net book value						
At 31st March 1985	1,398	8,053	402	1,581	3,991	15,425
At 31st March 1984	1,339	7,280	410	1,335	3,130	13,494
Comparable amounts on the historical cost basis						
Cost	417	6,862	428	1,669	7,562	16,938
Accumulated depreciation	—	781	44	408	3,571	4,804
Net book value						
At 31st March 1985	417	6,081	384	1,261	3,991	12,134
At 31st March 1984	358	5,290	392	985	3,130	10,155

Notes to the Financial Statements continued

For the year ended 31st March 1985

The Company	Investment property £000	Freehold property £000	Long leasehold property £000	Short leasehold property £000	Plant vehicles and equipment £000	Total £000
Cost or valuation						
At 1st April 1984	1,339	7,496	427	1,474	5,739	16,475
Reclassifications	—	109	—	(109)	—	—
Transfers to subsidiaries	—	—	—	—	(22)	(22)
Transfers to current assets	—	(55)	—	—	—	(55)
Capital expenditure	59	791	—	434	1,998	3,282
Disposals	—	—	—	(40)	(722)	(762)
At 31st March 1985	1,398	8,341	427	1,759	6,993	18,918
At 1982 valuation	—	6,227	425	912	—	7,564
At open market value	1,398	—	—	—	—	1,398
At cost	—	2,114	2	847	6,993	9,956
	1,398	8,341	427	1,759	6,993	18,918
Accumulated depreciation						
At 1st April 1984	—	216	17	139	2,654	3,026
Transfers to subsidiaries	—	—	—	—	(22)	(22)
Transfers to current assets	—	(4)	—	—	—	(4)
Provisions	—	126	8	93	1,171	1,398
Eliminated on disposals	—	—	—	(10)	(537)	(547)
At 31st March 1985	—	338	25	222	3,266	3,851
Net book value						
At 31st March 1985	1,398	8,003	402	1,537	3,727	15,067
At 31st March 1984	1,339	7,280	410	1,335	3,085	13,449
Comparable amounts on the historical cost basis						
Cost	417	6,862	428	1,624	6,993	16,324
Accumulated depreciation	—	781	44	407	3,266	4,498
Net book value						
At 31st March 1985	417	6,081	384	1,217	3,727	11,826
At 31st March 1984	358	5,290	392	985	3,085	10,1[illegible]

To enable the financial statements to give a true and fair view under section 228(3) of the Companies Act 1985, and in accordance with Statement of Standard Accounting Practice No. 19, depreciation has not been provided on investment properties contrary to statutory accounting principles.

The amount of depreciation for the year not provided is £28,000

The cumulative value of the depreciation not provided is £79,000

Notes to the Financial Statements continued

For the year ended 31st March 1985

12 Investments held as fixed assets

	1985 £000	1984 £000
Investments in subsidiaries		
Shares in group companies at cost less amounts written off	4,481	3,198
Convertible loans to group companies	285	—
Debenture loans to group companies	350	350
	5,116	3,548

The convertible loans to group companies consist of £285,000 of Convertible Unsecured Loan Stock issued by D.W. Archer Limited. Five years after date of issue Sandell Perkins plc has the option to convert this into 285,000 fully paid ordinary shares of £1. If this option is exercised then no interest is receivable on the loan during the five years. If it is not exercised then interest will be receivable at National Westminster Bank base rate for the entire period of issue. No interest has been reflected in these financial statements.

During the year the Company acquired the following subsidiaries:-

Company	*% Equity acquired*	*Country of Incorporation*
Trendmain Limited	100	England
Bernard J. Newman & Company Limited	100	England

The Company owns 75% of the equity of D.W. Archer Limited, a company incorporated in England.

The other subsidiaries, all of which are wholly owned and incorporated in Great Britain, are all dormant companies and did not trade during the year.

13 Debtors

	The Group 1985 £000	The Group 1984 £000	The Company 1985 £000	The Company 1984 £000
Trade debtors	12,546	11,687	11,362	11,418
Other debtors	240	124	75	113
Prepayments and accrued income	417	309	408	309
Deferred taxation (note 17)	290	260	290	260
	13,493	12,380	12,135	12,100

14 Investments held as current assets

	The Group 1985 £000	The Group 1984 £000	The Company 1985 £000	The Company 1984 £000
Other investments				
Trade investments	21	—	17	—
Tax deposit certificates	84	84	84	84
	105	84	101	84

15 Other creditors including taxation and social security

	The Group 1985 £000	The Group 1984 £000	The Company 1985 £000	The Company 1984 £000
Corporation tax	2,366	2,215	2,285	2,215
Other taxation	841	1,073	779	1,073
Social security	328	241	244	233
Other creditors	1,204	1,758	901	1,758
	4,739	5,287	4,209	5,279

Notes to the Financial Statements continued

For the year ended 31st March 1985

16 Creditors — amounts falling due after more than one year

	The Group 1985	The Group *1984*	The Company 1985	The Company *1984*
	£000	*£000*	£000	*£000*
Bank loans	1,250	*1,250*	1,250	*1,250*
Amounts due to subsidiaries	—	—	5,299	*5,299*
	1,250	*1,250*	6,549	*6,549*
Analysis of loan repayments				
Between one and two years	—	*250*	—	*250*
Between two and five years	750	*750*	750	*750*
After five years	500	*250*	500	*250*
	1,250	*1,250*	1,250	*1,250*

The bank loans bear interest at 0.69% above the London Inter Bank Offered Rate.

17 Deferred taxation

The 1984 Finance Act proposed major reductions in tax allowances on capital investment. These changes are expected to give rise to reversals of timing differences in future years. In accordance with the accounting policy stated in Note 1(e), provision has been made for the anticipated reversals at the tax rates expected to be applicable at the time of those reversals.

No deferred taxation is provided on the surplus on revaluation of properties and gains deferred by roll-over relief, in view of the anticipated replacement and continued use of assets in the Group's operations. The potential amounts of deferred taxation and the portions thereof provided in the financial statements are:

	1985 Amount provided	1985 Total potential tax	*1984 Amount provided*	*1984 Total potential tax*
	£000	£000	*£000*	*£000*
The Group				
Unrealised surplus on revaluation of property	—	430	—	*850*
Capital allowances in excess of depreciation	473	1,800	*422*	*1,980*
Gains deferred by roll-over relief	—	472	—	*360*
Balance included in provisions for liabilities and charges	473	2,702	*422*	*3,190*
Advance corporation tax recoverable	(282)	(282)	*(250)*	*(250)*
Other timing differences	(8)	(8)	*(10)*	*(10)*
Balance included in debtors (note 13)	(290)	(290)	*(260)*	*(260)*
	183	2,412	*162*	*2,930*
The Company				
Unrealised surplus on revaluation of property	—	400	—	*850*
Capital allowances in excess of depreciation	454	1,744	*422*	*1,980*
Gains deferred by roll-over relief	—	363	—	*360*
Balance included in provisions for liabilities and charges	454	2,507	*422*	*3,190*
Advance corporation tax recoverable	(282)	(282)	*(250)*	*(250)*
Other timing differences	(8)	(8)	*(10)*	*(10)*
Balance included in debtors (note 13)	(290)	(290)	*(260)*	*(260)*
	164	2,217	*162*	*2,930*

Notes to the Financial Statements continued

For the year ended 31st March 1985

18 Called up share capital and share premium account

	Share capital £000	Share premium account £000
Authorised 30,000,000 ordinary shares of 10p	3,000	
Allotted and fully paid 25,337,469 ordinary shares of 10p	2,534	176

19 Reserves

	The Group		The Company		
	Investment revaluation reserve £000	Revaluation reserve £000	Investment revaluation reserve £000	Revaluation reserve £000	Profit and loss account £000
Balance at 1st April 1984	981	2,358	981	2,308	12,597
Profit retained for the year	—	—	—	—	2,615
Transfer to profit and loss account:					
Amount equivalent to additional depreciation on revalued assets	—	(41)	—	(41)	41
Amount realised on disposal of revalued assets	—	(7)	—	(7)	—
	981	2,310	981	2,260	15,253

At 31st March 1985 the distributable profits of the Group and of the Company are those shown in the profit and loss account.

20 Capital commitments

	The Group		The Company	
	1985 £000	*1984 £000*	1985 £000	*1984 £000*
Contracted for but not provided in the financial statements	91	*422*	35	*420*
Authorised but not yet contracted for	854	*909*	787	*909*
	945	*1,331*	822	*1,329*

21 Contingent liabilities

The Company has guaranteed an overdraft facility made to its subsidiary D.W. Archer Limited for £300,000. It has also guaranteed rentals payable under property leases entered into by D.W. Archer Limited totalling £117,000 per annum.

22 Lease commitments

Minimum rental commitments at 31st March 1985 were as follows in respect of operating leases.

Year ending 31st March	The Group 1985	*1984*	The Company 1985	*1984*
1986	46	*37*	20	*30*
1987	46	*20*	19	*13*
Later years	77	*44*	34	*27*

23 Post balance sheet events

1. In order to rationalise the operating structure of the Group the trading activities of the parent company have now been transferred to a wholly owned subsidiary company.

   On 1st April 1985 all the trading assets and liabilities of Sandell Perkins plc were transferred to Sandell Perkins Trading Company Limited (formerly Bernard J. Newman & Company Limited) at their book values in exchange for an intercompany loan.

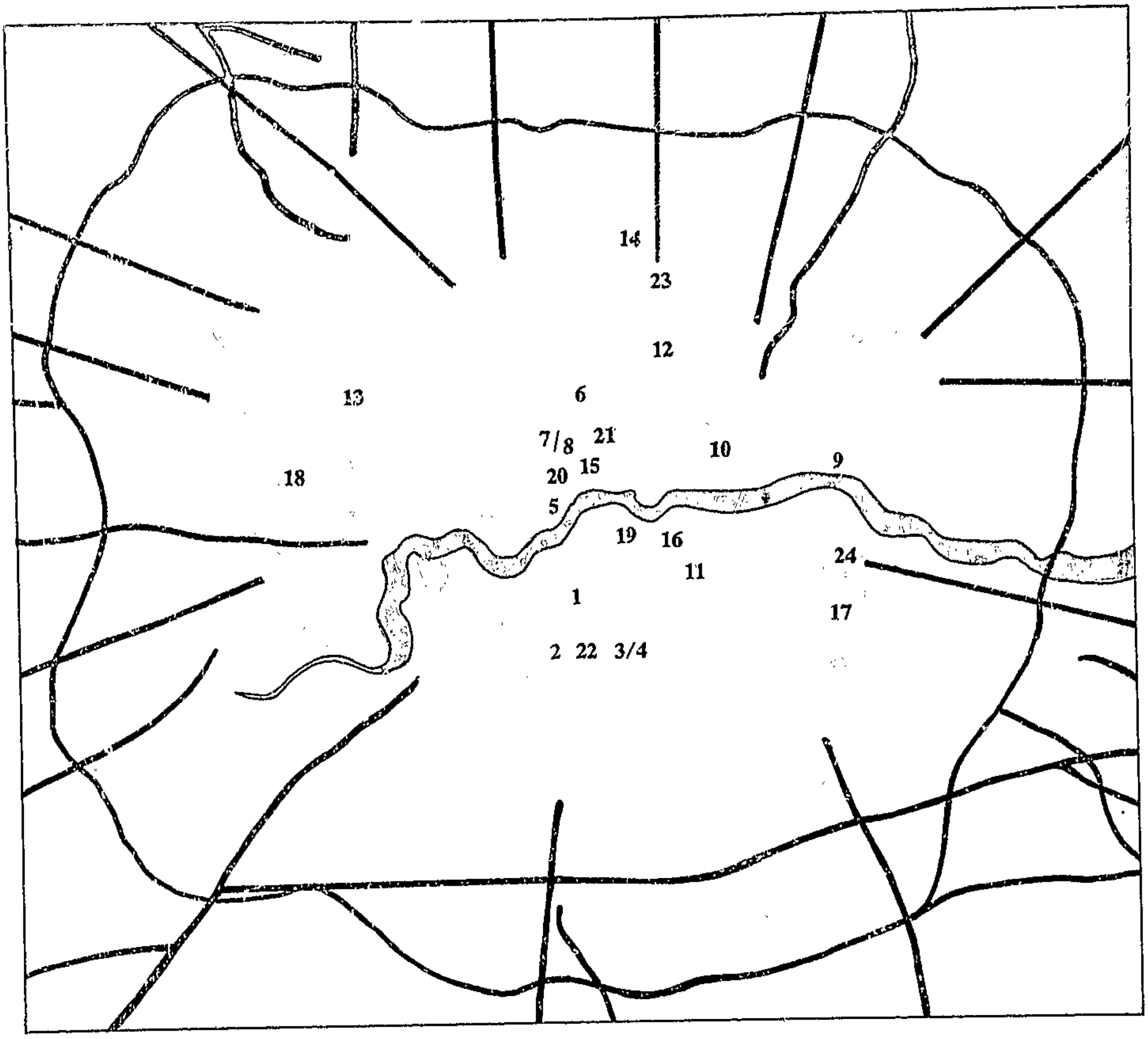
2. On 1st July 1985 the Company subscribed for a further £255,000 of Convertible Unsecured Loan Stock issued by D.W. Archer Limited in order to satisfy additional working capital requirements. The terms and conditions are the same as those set out in note 12.

Ten Year Statistical Record

Results (£000)	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Sales	15,246	21,588	26,457	31,487	40,125	45,519	48,500	54,774	67,439	78,300
Profit on ordinary activities	1,195	2,009	1,849	2,751	3,524	3,002	3,203	4,055	5,416	5,567
Profit after taxation and minority interests	496	1,630	1,166	1,570	2,195	1,753	1,712	2,753	3,501	3,590
Extraordinary items	294	—	—	—	—	104	—	—	(422)	—
Dividends	227	253	283	377	505	557	622	686	836	963

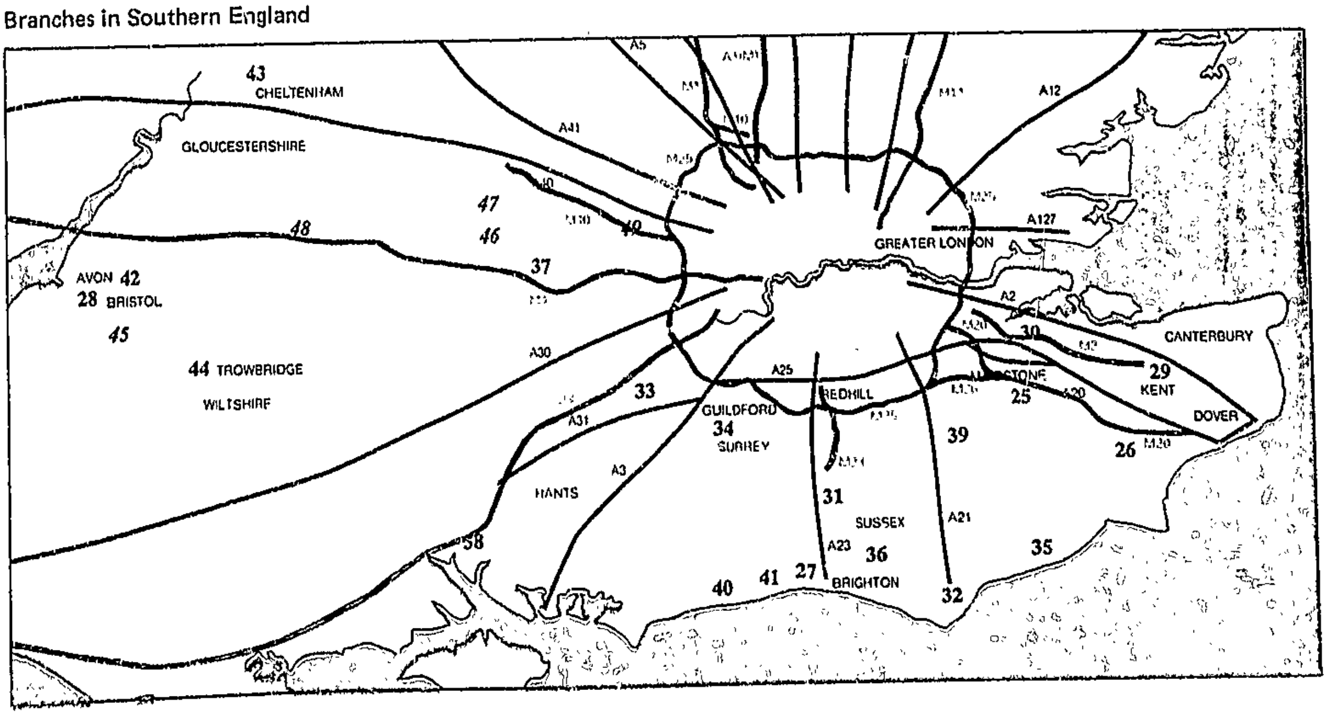
Ratios & Statistics	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Earnings per share before extraordinary items	2.0p	6.5p	4.6p	6.2p	8.7p	6.9p	6.3p	10.8p	13.8p	14.2p
Net book value per 10p share	12.5p	24.0p	28.6p	43.0p	49.7p	54.6p	64.6p	72.5p	81.1p	90.9p
Dividend — Pence per share	0.9p	1.0p	1.1p	1.5p	2.0p	2.2p	2.5p	2.7p	3.3p	3.8p
Profit on ordinary activities										
% of sales	7.8%	9.3%	7.0%	8.7%	8.8%	6.6%	6.6%	7.4%	8.0%	7.1%
per employee	£1,690	£2,520	£2,075	£2,890	[illegible]	[illegible]	£2,933	£3,744	£4,747	£4,373

Sandell Perkins plc



Branches in the Greater London Area

Branches in Southern England



Sandell Perkins plc

Head Office
Forstal Road, Aylesford, Maidstone, Kent ME20 7AG Tel: Maidstone (0622) 70111 Telex: 965056

London Region

Branches:

1 38/51 Old Devonshire Road, Balham, *
SW12 8PQ Tel: 01-673 1212
2 Ewell Road, Cheam, SM3 8AP
Tel: 01-642 6695
3 Hampton Road, Croydon, CR0 2XG
Tel: 01-689 4311/01-686 2281
4 8 Lansdowne Road, East Croydon CR0 2BD
Tel: 01-686 7919
5 Imperial Road, Fulham SW6 2AG *
Tel: 01-352 3591 and 4407
Tool Hire Tel: 01-731 4772
6 156 West End Lane, NW6 1SD *
Tel: 01-794 8151
7 149 Harrow Road, W2 6NA
Tel: 01-402 9311
8 121/137 Harrow Road, W2 1JP
Tel: 01-258 0257
9 Hercules Wharf, Leamouth Road,
E14 0JG Tel: 01-987 3508
10 305a Kingsland Road, E8 4DL
Tel: 01-254 1442
11 91/95 Stanstead Road, Lewisham *
SE23 1HF Tel: 01-699 0881
12 51 Mayes Road, N22 6TN
Tel: 01-888 7216
13 Metropolitan Goods Yard *
Neptune Road, Harrow HA1 4ER
Tel: 01-863 8521
14 Railway Yard, Station Road,
New Southgate N11 1QJ
Tel: 01-368 6467
15 22 Praed Street W2 1NH *
Tel: 01-723 7061
16 46 Redcross Way, SE1 1LE
Tel: 01-407 3511
17 2 Hurst Road, Sidcup, DA15 9AB *
Tel: 01-300 9341
18 Park Avenue, Southall, UB1 3AB
Tel: 01-571 0914
19 57 South Lambeth Road, SW8 1RJ *
Tel: 01-582 4255
Hardwood Dept. Tel: 01-735 7171
Door & Joinery Centre
Tel: 01-735 2124
20 4 South Wharf Road, W2 1NZ
Tel: 01-723 8476/8808
21 11-13 St. Pancras Way, NW1 0PT *
Tel: 01-387 6079
Door and Joinery Centre
Tel: 01-387 6104
Tool Hire Tel: 01-387 6157
22 Ross Parade, Wallington SM6 8QF
Tel: 01-647 1403/01-699 1654
23 699 Green Lanes, Winchmore Hill,
N21 3RS Tel: 01-360 5206
24 653 Woolwich Road, Charlton,
SE7 8LH Tel: 01-858 6323

South Region

Branches:

25 Forstal Road, Aylesford, *
Maidstone, Kent ME20 7AG
Tel: Maidstone (0622) 70111
Sandell Home Centre
Forstal Road, Aylesford,
Maidstone, Kent ME20 7AG
Tel: Maidstone (0622) 70111
26 Victoria Crescent, Ashford, Kent TN23 1HP
Tel: Ashford (0233) 25935
27 60 Beaconsfield Road
Brighton Sussex BN1 4QJ
Tel: Brighton (0273) 692427
28 Sandell Home Centre
Lodge Causeway, Fishponds,
Bristol, Avon BS16 3JJ
Tel: Bristol (0272) 653643
29 Lime Kiln Road, Canterbury, Kent
CT1 3QH
Tel: Canterbury (0227) 66322
30 Jenkins Dale, Chatham, Kent
ME4 5RT
Tel: Medway (0634) 43696/7 and 815021/2
31 Holmbush Potteries, Crawley Road, Faygate
RH12 4SF
Tel: Faygate (029383) 355
32 Railway Goods Yard, Whitley Road,
Eastbourne BN22 8LT
Tel: Eastbourne (0323) 643381/20228
33 153 Fleet Road, Fleet, Hants GU13 8PD *
Tel: Fleet (025 14) 3681
34 Woodbridge Road, Guildford, *
Surrey GU1 1EH
Tel: Guildford (0483) 62821
Sandell Home Centre
Woodbridge Road, Guildford,
Surrey GU1 1EH
Tel: Guildford (0483) 502059
35 Springfield Valley Road, Hastings,
Sussex TN38 0RP
Tel: Hastings (0424) 424300
36 Old Railway Goods Yard,
Cliffe High Street, Lewes BN7 2BW
Tel: Brighton (0273) 476511
37 132 City Road, Tilehurst,
Reading, Berks RG3 5SD
Tel: Reading (0734) 27437/28654
38 1-3 Bay Road, Sholing, Southampton,
Hants SO2 8EZ
Tel: Southampton (0703) 433944/5
39 Tunnel Road, Tunbridge Wells
Kent TN1 2BT
Tel: Tunbridge Wells (0892) 45249
Sandell Home Centre
Goods Station Road, Tunbridge Wells,
Kent TN1 2DE
Tel: Tunbridge Wells (0892) 22224
40 Long Furlong Road, Clapham Common,
Worthing, Sussex BN13 3UR
Tel: Patching (090 674) 224/226 & 317
41 Railway Goods Yard, St Dunstan's Road,
West Worthing BN13 1AD
Tel: Worthing (0903) 206731

West Region

Branches:

42 269a Ridgeway Road, Fishponds, *
Bristol, Avon BS16 3JR
Tel: Bristol (0272) 651402
43 Mead Road, Leckhampton, *
Cheltenham, Glos GL53 7EB
Tel: Cheltenham (0242) 30971
Tool Hire Tel: Cheltenham (0242) 570096
44 Wicker Hill, Trowbridge, Wilts
BA14 8JS Tel: Trowbridge (022 14) 65937

D.W. Archer Ltd

45 Albert Road, St Phillips, Bristol BS2 0YA
Tel: Bristol (0272) 710294
46 12 Station Road, Didcot, Oxfordshire
OX11 7LX
Tel: Didcot (0235) 819262
47 61 Westway, Botley, Oxford OX2 0QD
Tel: Oxford (0865) 240401
48 Unit 43, Okus Trading Estate
Okus Road, Swindon, Wilts SN1 4JH
Tel: Swindon (0793) 615861-5
49 Wycombe Lane, Wooburn Green,
High Wycombe, Bucks HP10 0HH
Tel: Bourne End (628) 530192

* Tool Hire Service