LATHAM public limited company

65619/188

Contents

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eighty-fourth Annual General Meeting of the Company will be held at the Registered Office, Leeside Wharf, Clapton, E5 9NG, on Thursday, 25th August 1983, at 2.30 p.m., for the following purposes:

1. To receive and adopt the Directors' Report and Accounts for the year ended 31st March, 1983 together with the Auditors' Report thereon.

2. To declare a dividend.

3. To re-appoint the Auditors and to authorise the Directors to fix their remuneration.

4. To transact any other ordinary business of the Company.

By Order of the Board,
T. G. KEMP,
Secretary.

Registered Office
Leeside Wharf,
Clapton, E5 9NG
29th July, 1983.

Holders of Preference Stock are not entitled to be present, either personally or by proxy, or to vote at any General Meeting so long as the dividends on such Stock are regularly paid.

A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company.

Copies of Directors' contracts of service will be available for inspection at the Registered Office during normal business hours from the date of the above notice until the close of the meeting.

HONORARY PRESIDENT
J. Douglas Latham, T.D.

DIRECTORS
E. Michael Locks Latham, M. A. *(Executive Chairman)*
Christopher G. A. Latham, M.A., F.C.A. *(Deputy Chairman and Managing Director)*
David R. Latham *(Managing Director)*
James M. Latham *(Managing Director)*
Roger J. Latham *(Executive Director)*
B. A. Rose *(Executive Director)*
D. E. Cleaver *(Executive Director)*

ASSOCIATE DIRECTOR
P. D. L. Latham

SECRETARY AND REGISTERED OFFICE
T. G. Kemp, F.C.A.
Leeside Wharf, Clapton, E5 9NG

AUDITORS
Rowland, Nevill & Co.
53 New Broad Street, London EC2M 1PQ

REGISTRARS
National Westminster Bank PLC
37 Broad Street, Bristol BS99 7NH

STOCKBROKERS
Laing and Cruickshank
7 Copthall Avenue, London EC2R 7BE

Chairman's Statement

APPOINTMENTS

Mr. Donald Scott relinquished his appointment as Associate Director on December 16th 1982 when he reached normal retirement age, after 49 years of service to the company.

In the post war years he played a leading role in the development of the company's business in the London area, and latterly became our main expert on the furniture industry by whose members he was well respected. We extend to Donald and to his wife Gladys our warmest wishes for a happy retirement.

Subsequently Mr. Peter Latham has been appointed an Associate Director, having previously served as an Executive Director at Richard Graefe Ltd. He is well known in trade circles and is the elder son of our Honorary President, Mr. J. Douglas Latham.

ACCOUNTS

Group turnover amounted to £28,853,000. A trading profit before taxation was made of £687,000. Attributable profit after tax amounted to £565,000. Your Directors recommend a final dividend of 6.65p per share, making a total for the year of 10p, compared with 8p last year.

TRADING REVIEW

The performance of your Company during the year can best be described like the Curate's egg—good in parts.

In the earlier part of the year we began to achieve a higher level of sales, although price levels and gross margins remained depressed. The upward movement in turnover produced benefits in terms of improved overhead recovery given the relative success we have shown in keeping down expenses.

In the second half turnover continued to progress and in the final months of the year gross margins earned were distinctly better, and thus the prospect for our wholesale trading departments began to improve. One disappointing element which marred the recovery was a rash of bad debts during the winter. A number of manufacturing businesses with whom we had traded, often for many years, finally collapsed after these recent years of trauma and recession.

During the year under review the Company's borrowings were at a moderate level, which was just as well as interest rates stayed high both in actual and real terms.

The Board have now completed a thorough review of the asset structure of the Company. The objective has been to determine where fixed assets in land, buildings and plant might be reduced in order to liberate capital to finance additional trading without recourse to extra borrowings. For example, although during the year we have invested quite heavily in new machine tools, vehicles and computer hardware virtually all these items are leased rather than purchased outright.

In 1982 the acute depression in the industrial property market prevented us from realising surplus land and buildings, as we had no intention of selling at sacrificial prices. However, we have some plans to carry out as and when the opportunity presents itself over the next year or so. Shareholders will, of course, be kept informed of developments.

Reviewing the year in respect of our regional companies I am pleased to say that our Northern Company achieved consistently profitable results throughout the year, as indeed it has throughout the recession. We have in Yorkshire an efficient, lowcost operation, purposefully managed—in all a happy result for a well-timed investment made some twelve years ago.

In the Midlands the recession persisted throughout the year with the result that sales remained sluggish, although margins were better in the last quarter. Low operating costs there bode well as soon as sales can be improved.

Chairman's Statement *continued*

In our Western trading area the recession has been deep and prolonged. However, in the last quarter sales and margins have improved noticeably, although the nett result was spoiled by bad debt provisions.

Turnover in our six wholly owned Timber Centres has advanced and the joint venture which we created a year ago in Portsmouth with G. A. Day Ltd. is making satisfactory progress and we are very happy about the working relationship with our partners—an old established private company who are a leading builders merchant in the Southern Counties.

To complement this partnership geographically I am pleased to announce the formation of a joint company with Roberts Adlard PLC to be known as Adlard Latham.

This new company will trade in timber at centres to be installed at builders merchants branches operated by Roberts Adlard and conversely in building materials from timber yards operated by James Latham.

Together with colleagues at Roberts Adlard we have been planning this joint venture over the past year and Adlard Latham is preparing to commence trading during the Autumn.

Shareholders will therefore discern that your Board has laid foundations in these two jointly owned companies which could ultimately lead to a progressive development of businesses strategically located throughout Southern England in which the builders merchant partners contribute their expertise and we provide ours to service the growing small builder and tradesmen market on a so-called "one stop" basis.

Completing the review with a look at our investments in manufacturing businesses I am pleased to say that Richard Graefe have had a record year both in sales and profit. That this result has been achieved in a depressed construction market is a cause for congratulation to our local management team.

In the North Consett Laminators is proving what a new business, soundly financed and well managed can achieve in an area hitherto mauled by industrial disintegration. This is a company which the Government could well cite as a good example of industrial re-birth, and we are happy to be associated with it.

Looking forward to the current year we are budgeting for the recent improvement in profitability to be maintained. However, I would sound two cautionary notes drawing shareholders attention to the difficulties which are now apparently facing banks and building societies in providing an adequate level of finance to sustain the currently buoyant level of housebuilding.

One also notes that interest rates remain obstinately high in the face of what appears to be a worldwide shortage of capital.

Last year I stressed the importance of having good staff in a company like yours, orientated increasingly towards the service industries. Recently completing our annual review of personal performance we have been impressed as a Board with the calibre and effectiveness of our employees. Teamwork has really come to the fore and this in itself has improved flexibility in working and has thereby shown savings in costs.

Extra and varied jobs have been cheerfully shouldered and I am glad for our staff that the result of all this effort to improve the performance of the Company is now becoming visible. Last year we recruited some able young people who are making excellent progress and we shall be doing the same this year.

Our employees at all levels deserve Shareholders appreciation and recognition of their efforts and on your behalf I wish to acknowledge this.

E. Michael Latham,
Chairman.

Michael Latham

JAMES LATHAM public limited company

Report of the Directors to be presented to the Members at the Eighty-fourth Annual General Meeting of the Company to be held on 25th August 1983

The Directors have pleasure in submitting the Annual Report and Accounts for the year ended 31st March, 1983.

Principal Activities of the Company and its Subsidiaries

James Latham public limited company trades from Clapton, East London and is engaged as Hardwood and Softwood Timber Importers, Plywood and Board importers, Sawmillers and Kiln Operators and Homegrown Timber Merchants. Details of the Subsidiary Companies and their activities are shown in note 10 on page 16.

Results

The Group trading profit for the year before taxation was £687,000. The charge for Taxation is £122,000. The dividends on the 8% Cumulative Preference Shares were paid on the due dates which absorbed £79,000. On 14th February 1983 an interim dividend of 3.35p per share was paid on the Ordinary shares which absorbed £84,000. The Directors now recommend that a final dividend of 6.65p should be paid which will absorb £168,000.

Directors

The Directors throughout the year to 31st March, 1983 and to date are as stated on page 3. In addition, Mr. Reginald H. Bridle was a director until his death on 1st June, 1982. Their interests, including those of their wives and infant children where appropriate, in the shares of the Company were as follows:—

	13th July, 1983		*31st March, 1983*		*1st April, 1982*	
	Beneficial	*As Trustee*	*Beneficial*	*As Trustee*	*Beneficial*	*As Trustee*
E. M. L. Latham						
Ordinary	53,255	126,048	53,255	124,865	53,255	124,865
Preference	2,239	416	2,239	416	2,239	416
C. G. A. Latham						
Ordinary	138,447	204,097	137,264	183,011	140,264	184,261
Preference	1,498	2,000	1,498	42,450	4,967	42,866
D. R. Latham						
Ordinary	208,632	156,151	187,546	179,237	187,546	179,237
Preference	—	—	40,950	—	40,950	—
J. M. Latham						
Ordinary	77,836	—	76,836	—	76,836	—
Preference	15,704	—	15,704	—	15,704	—
R. H. Bridle						
Ordinary	—	—	—	—	6,250	—
R. J. Latham						
Ordinary	65,200	—	65,200	—	68,800	—
Preference	15,704	—	15,704	—	15,704	—
B. A. Rose						
Ordinary	3,583	—	3,583	—	3,583	—
D. E. Cleaver						
Ordinary	1,350	—	1,350	—	1,350	—
Preference	250	—	250	—	250	—

Other than their service contracts, no Director had a material interest in a contract with the Company.

Report of the Directors *continued*

Other Interests

According to the Register, the only reported shareholdings, apart from Directors', of more than 5% of the ordinary share capital at 13th July 1983 were the following:—

The Prudential Assurance Company p.l.c.	157,500
Mr. D. L. Combridge (As Trustee)	145,925
Mr. C. R. L. Coubrough (Including 348,900 as Trustee)	350,406

Shareholdings of other members of the Latham Family not included under the Directors or the above Trustee holdings totalled:—

Ordinary Shares	578,601

Fixed Assets

Details of the changes are shown in note 9 on page 15. A professional valuation of the Freehold property was last made in March 1977. Whilst in the opinion of the directors, the market value of the property is in excess of book value, they do not consider that the cost of obtaining a further valuation would be justifiable at the present time.

Employees

The average number of employees under contracts of service of the Group (excluding Directors) in each week during the year amounted to 470.

Their aggregate remuneration was £3,059,000.

The Company recognises its obligations towards disabled persons and gives full and fair consideration both to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities, and to the needs of employees currently disabled.

Charitable Donations

The total of the Group's charitable donations for the year amounted to £2,985 (1982 £1,150).

Income and Corporation Taxes Act, 1970

The close company provisions of this Act do not apply to the Company.

Auditors

The Auditors, Rowland, Nevill & Co. are willing to continue in office.

On behalf of the Board,
E. M. L. LATHAM,
Chairman.
29th July, 1983.

Report of the Auditors to the Members of James Latham public limited company

We have audited the financial statements on pages 9 to 17 in accordance with approved Auditing Standards.

In our opinion, based on our audit and the reports of the auditors of certain subsidiary and associated companies not audited by us, the financial statements, which have been prepared under the historical cost convention as modified by the revaluation of certain freehold property, give a true and fair view of the state of affairs of the Company and the Group at 31st March, 1983 and of the profit and source and application of funds of the Group for the year then ended and comply with the Companies Acts 1948 to 1981, in so far as the provisions of those Acts apply to these financial statements.

We have not audited and do not express an opinion on the abridged supplementary current cost accounts set out on pages 18 and 19.

ROWLAND, NEVILL & CO.,
Chartered Accountants.

53 New Broad Street
London EC2M 1PQ.
29th July, 1983.

Consolidated Profit and Loss Account for the Year ended 31st March 1983

	Notes	1983 £'000	1983 £'000	1982 £'000	1982 £'000
Group Turnover	1(a)		28,853		24,502
Operating Profit of the Group before Taxation			685		249
After charging:					
Directors' Emoluments	2	233		238	
Pensions to former Directors and Widows of Directors		21		20	
Depreciation		245		249	
Bank Interest		508		435	
Other Short Term Interest		17		22	
Auditors' Remuneration, including expenses		30		31	
Loss on activity now terminated and redundancy payments		—		22	
and after crediting					
Unrealised profit on valuation of listed investments		12		—	
Profit on land disposals		—		15	
Share of Profit (Loss) of Associated Companies			2		(20)
			687		229
Taxation	3		122		105
Group Profit after Taxation			565		124
Less: Dividends for the Year	4		331		281
			234		(157)
Balance brought forward from last year		6,271		6,468	
Add: Adjustment for former subsidiary		—		44	
Adjustment re associated company		3		1	
		6,274		6,513	
Less: Prior year stock adjustment		—		85	
			6,274		6,428
Balance carried forward:					
James Latham public limited company.		4,446		4,544	
Subsidiary Companies		2,013		1,681	
Associated Companies		49		46	
	7		6,508		6,271
Earnings per share	5		19.3p		1.8p

For Notes see pages 13 to 17

Consolidated Balance Sheet 31st March 1983

	Notes	1983 £'000	1983 £'000	1982 £'000	1982 £'000
Capital Employed:					
SHARE CAPITAL	6		3,507		3,507
RESERVES	7		6,855		6,619
			10,362		10,126
DEFERRED TAXATION	1(d) & 8		353		389
			10,715		10,515
Represented by:					
FIXED ASSETS	9				
Freehold Property			3,510		3,615
Leasehold Property			212		92
Plant, Equipment and Vehicles			814		887
			4,536		4,594
ASSOCIATED COMPANIES	11		217		171
LISTED INVESTMENTS	12		113		72
			4,866		4,837
CURRENT ASSETS					
Stock	1(c)	7,460		7,331	
Debtors and Prepayments		6,838		5,867	
Bills Receivable		152		16	
Cash at Bank and in Hand		56		45	
		14,506		13,259	
Less: CURRENT LIABILITIES					
Bank Overdrafts		3,094		1,938	
Acceptance Credits		2,050		1,900	
Creditors and Accrued Expenses		3,120		3,486	
Bills Payable		—		17	
Current Taxation		225		122	
Proposed Final Ordinary Dividend	4	168		118	
		8,657		7,581	
NET CURRENT ASSETS			5,849		5,678
			10,715		10,515

Approved at a meeting held on 29th July 1983

E. M. L. LATHAM
C. G. A. LATHAM } *Directors*

For Notes see pages 13 to 17

JAMES LATHAM public limited company

Balance Sheet 31st March 1983

	Notes	1983 £'000	1983 £'000	1982 £'000	1982 £'000
Capital Employed:					
SHARE CAPITAL	6		3,507		3,507
RESERVES	7		4,446		4,544
			7,953		8,051
DEFERRED TAXATION	1(d) & 8		115		127
			8,068		8,178
Represented by:					
FIXED ASSETS	9				
Freehold Property			2,079		2,092
Plant, Equipment and Vehicles			244		312
			2,323		2,404
SUBSIDIARY COMPANIES	10		2,855		2,154
ASSOCIATED COMPANIES	11		134		83
			5,312		4,641
CURRENT ASSETS					
Stock	1(c)	4,598		4,551	
Debtors and Prepayments		3,383		2,570	
Bills Receivable		41		10	
Cash in Hand		1		1	
		8,023		7,132	
Less: CURRENT LIABILITIES					
Bank Overdraft		1,142		382	
Acceptance Credits		2,050		1,100	
Creditors and Accrued Expenses		1,715		1,882	
Bills Payable		—		10	
Current Taxation		192		103	
Proposed Final Ordinary Dividend	4	168		118	
		5,267		3,595	
NETT CURRENT ASSETS			2,756		3,537
			8,068		8,178

Approved at a meeting held on 29th July 1983

E. M. L. LATHAM } *Directors*
C. G. A. LATHAM }

For Notes see pages 13 to 17

Source and Application of Group Funds

	1983 £'000	1983 £'000	1982 £'000	1982 £'000
Source of Funds				
Profit before Taxation	687		229	
Depreciation	245		249	
Profit on Sale of Fixed Assets	(5)		(18)	
Prior year Stock adjustment	—		(85)	
		927		375
Proceeds of Sale of Fixed Assets		63		47
		990		422
Application of funds				
Dividends paid	281		281	
Purchase of Fixed Assets	245		402	
Tax paid	53		133	
Investment in Associated Companies	46		(6)	
		625		810
Increase in Working Capital (1982 Decrease)		365		(388)
Represented by				
Increase in Stock		129		562
Increase in Debtors		971		1,078
Increase in Bills Receivable (1982 Decrease)		136		(44)
Decrease in Creditors (1982 Increase)		366		(1,337)
Decrease in Bills Payable		17		3
		1,619		262
Increase in Investments	41		6	
Increase in net Bank Borrowings (1982 Decrease)	(1,145)		444	
Increase in Acceptance Credits	(150)		(1,100)	
		(1,254)		(650)
		365		(388)

Notes on Accounts for Year ended 31st March 1983

1. Accounting Policies

(a) Turnover

Turnover is based on net invoiced sales to external customers.

(b) Fixed Assets

Depreciation is provided to write off the cost or valuation over the estimated life of the assets, being 5-12 years except for Freehold Buildings and long Leasehold Property which are written off over 50-100 years. No depreciation is provided on Freehold Land.

(c) Stock

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

(d) Deferred Taxation

Provision is made at current rates for taxation deferred by capital allowances and other timing differences. This provision is only made where it is probable that a material liability could arise in the foreseeable future.

(e) Consolidation

The year end of each of the subsidiaries is co-terminous with that of the Parent Company. That of the Associated Companies is 28th February, 1983.

These accounts have been prepared in compliance with section 152A of and Schedule 8A to the Companies Act 1948.

2. Directors' Emoluments

	1983	1982
	£'000	£'000
Management Remuneration	205	212
Pension Contributions	28	26
	233	238
Chairman's Emoluments	31	29

Number of other Directors whose emoluments (excluding pension contributions) were within the scale:—

	1983	1982
£ 5,001—£10,000	One	
£20,001—£25,000	Two	Three
£25,001—£30,000	One	Four
£30,001—£35,000	Three	

3. Taxation

	£'000	£'000
UK Corporation Tax at 22% (see note below)	18	-
Transfer (from)/to Deferred Taxation Account at 52%	(36)	39
Advance Corporation Tax payable for the year	142	62
Overseas taxation	3	4
Associated Company—attributable to the Group	1	--
Adjustments for prior year	(6)	
	122	105

The charge for UK Corporation Tax is calculated after taking relief for Advance Corporation Tax at 30% paid in previous years.

Notes on Accounts for Year ended 31st March 1983

	1983		1982	
4. Dividends paid or proposed				
Preference Dividends	£'000	£'000	£'000	£'000
8% Cumulative Preference Shares		79		79
Ordinary Dividends				
Interim of 3.35p per share paid 14th February 1983 (1982: 3.35p)	84		84	
Final of 6.65 per share (1982: 4.65p)	168		118	
		252		202
		331		281

5. Earnings per share

Based on profit after taxation attributable to the ordinary share capital at 31st March, 1983.

6. Share Capital	*Authorised*	*Issued*	*Authorised*	*Issued*
	£'000	£'000	£'000	£'000
Preference:				
8% Cumulative Preference Shares of £1 each	1,500	987	1,500	987
Ordinary:				
Ordinary Shares of £1 each	4,000	2,520	4,000	2,520
	5,500	3,507	5,500	3,507

7. Reserves	*The Group*	*The Parent Company*
	£'000	£'000
Profit and Loss Account		
Balance, 1st April, 1982	6,271	4,544
Increase in Investment in Associated Company	3	–
	6,274	
Retained in year		
Parent Company	(80)	(98)
Subsidiary Companies	312	–
Associated Companies	2	–
Balance carried forward at 31st March, 1983	6,508	4,446
Capital	347	–
	6,855	4,446

	The Group		*The Parent Company*	
	1983	1982	1983	1982
8. Deferred Taxation Account (See Note 1(d))	£'000	£'000	£'000	£'000
Accelerated Capital Allowances	355	391	103	127
Other timing differences	(2)	(2)	12	–
	353	389	115	127

Notes on Accounts for Year ended 31st March 1983

8. Deferred Taxation Account (continued)

If full provision had been made for deferred taxation, the position would be as follows:	*The Group* 1983	1982	*The Parent Company* 1983	1982
	£'000	£'000	£'000	£'000
Accelerated capital allowances	792	804	232	254
Unrealised surpluses on valuation of property	274	258	207	192
Other timing differences	(2)	(2)	12	–
Loss relief	(754)	(945)	(451)	(446)
	310	115	–	–

Advance Corporation Tax of £799,000 is available for relief in a future year.

9. Fixed Assets

	The Group Freehold Property	Leasehold Property Long	Leasehold Property Short	Plant, Equipment and vehicles	*The Parent Company* Freehold Property	Plant, Equipment and vehicles
	£'000	£'000	£'000	£'000	£'000	£'000
At Cost or Valuation, 1st April, 1982	3,818	52	48	2,361	2,194	1,279
Disposals during year	–	–	4	254	–	155
Reclassification	(96)	96	–	–	–	–
	3,722	148	44	2,107	2,194	1,124
Additions during year	16	27	7	195	1	46
At Cost or Valuation, 31st March, 1983	3,738	175	51	2,302	2,1[illegible]	1,170
At Valuation, 25th March, 1977	3,155	–	–	–	2,059	–
At Cost	583	175	51	2,302	136	1,170
Depreciation						
At 1st April, 1982	203	3	5	1,474	102	967
Disposals during year	–	–	–	203	–	129
Reclassification	(1)	1	–	–	–	–
	202	4	5	1,271	102	838
Provided during year	26	2	3	217	14	88
At 31st March, 1983	228	6	8	1,488	116	926
Cost or Valuation less depreciation						
At 31st March, 1983	3,510	169	43	814	2,079	244
At 31st March, 1982	3,615	49	43	887	2,092	312

The Valuation was made on 25th March 1977, by professional valuers on a going concern basis.

Notes on Accounts for Year ended 31st March 1983

10. Subsidiary Companies

	1983	1982
	£'000	£'000
The Parent Company		
Shares at cost	166	166
Amount owing by subsidiaries	2,594	1,878
Amount owing to subsidiaries	(24)	—
Dividends receivable from subsidiaries	119	110
	2,855	2,154

Companies operating depots for the distribution of panel products, hardwood, softwood and other products, together with associated processing activities:

James Latham (Northern) Ltd., Ossett and Glasgow.
James Latham (Midland and Western) Ltd., Wigston and Yate.
J. A. Murphy (Timber) Ltd., Braintree.

Companies operating as merchants marketing softwood, panel products, hardwood and related products:
Latham Timber Centres (Holdings) Ltd., Milton Keynes, Luton, Amersham and Peterborough.
Latham Timber Centres Ltd., London and Shoreham-by-Sea.

Company manufacturing and marketing high quality wood-veneered panels and laminated plastic, flush doors and acoustic panelling:

Richard Graefe Ltd., High Wycombe.

Companies providing facilities for members of the group:

James Latham (Warehousing) Ltd.
Leeside Services (Guernsey) Ltd., (incorporated in Guernsey)

Dormant Companies
James Latham (Midland) Ltd.,
Latham Timber Centres (Luton) Ltd.,
James Latham (Scotland) Ltd., (incorporated in Scotland)

The Equity share capital of all the Companies is wholly-owned through James Latham public limited company, except for Latham Timber Centres (Luton) Ltd., and James Latham (Warehousing) Ltd. which are wholly-owned through Subsidiaries.
Unless otherwise indicated against their name, all the Companies are incorporated in England. They also all operate in England except Leeside Services (Guernsey) Ltd. which operates in Guernsey and the Glasgow office of James Latham (Northern) Ltd. which operates in Scotland.

Notes on Accounts for Year ended 31st March 1983

11. Associated Companies

	The Group 1983 £'000	The Group 1982 £'000	The Parent Company 1983 £'000	The Parent Company 1982 £'000
Shares at cost	94	92	85	83
Share of post acquisition profit	49	46	—	–
Loan Account	74	33	49	–
	217	171	134	83

Name	Country of incorporation and operation	Share Capital Class	Share Capital Issued	Share Capital Percentage of Ownership	Loan Capital £'000 Issued	Loan Capital Percentage of Ownership
G. A. Day Timber Centres Ltd.	England	£1 "A" Ordinary	51	Nil		
		£1 "B" Ordinary	49	100%	100	49%
Consett Laminators Ltd.	England	£1 Ordinary	20,000	45%	33	64%
Singer Plywood Co. Ltd.	England	£1 "A" Ordinary	99,000	4%		
		£1 "B" Ordinary	81,000	100%	–	—

The Directors estimate the value of the Group's investment to be £211,000 based on the net asset value of the companies at 28th February 1983.

12. Listed Investments

	The Group 1983 £'000	The Group 1982 £'000
At Market Value (cost £101,000 1982 £72,500)	113	72

13. Future Capital Expenditure

	The Group £'000	The Parent Company £'000
Estimated amounts of capital expenditure approved by the Directors but not provided for in these accounts are:		
Contracts placed	80	56
31st March, 1982	22	10
Contracts not placed	94	–
31st March, 1982	17	–

14. **Contingent Liabilities**

Guarantees have been given by the Company in respect of borrowing by subsidiary and associated companies amounting to £1,977,223 at 31st March, 1983 (1982 £2,356,000).

Current Cost Consolidated Profit and Loss Account for the Year ended 31st March 1983

	Notes	1983 £'000	1983 £'000	1982 £'000	1982 £'000
Group Turnover			28,853		24,502
Historic Cost Operating Profit of the Group before Interest and Taxation			1,212		686
Current cost operating adjustments:					
Depreciation	2	234		243	
Cost of Sales	3	515		257	
Monetary Working Capital	4	312	1,061	157	657
CURRENT COST OPERATING PROFIT			151		29
Gearing adjustment	5	(320)		(186)	
Interest payable		525	205	457	271
CURRENT COST LOSS BEFORE TAXATION			(54)		(242)
Taxation			122		105
CURRENT COST LOSS ATTRIBUTABLE TO SHAREHOLDERS			(176)		(347)
Dividends			331		281
RETAINED CURRENT COST LOSS OF THE YEAR			(507)		(628)
Current cost earnings per share			(10.1p)		(16.9p)

Current Cost Consolidated Balance Sheet 31st March 1983

	Notes	1983 £'000	1983 £'000	1982 £'000	1982 £'000
Capital Employed:					
SHARE CAPITAL			3,507		3,507
CURRENT COST RESERVE		2,287		1,539	
OTHER RESERVES		5,226	7,513	5,731	7,270
			11,020		10,777
DEFERRED TAXATION			353		389
			11,373		11,166
Represented by:					
FIXED ASSETS	2		5,049		5,156
INVESTMENTS			330		243
CURRENT ASSETS					
Stock	3	7,605		7,420	
Monetary working capital (net)	4	7,046		5,928	
		14,651		13,348	
Less: CURRENT LIABILITIES					
Proposed dividend		168		118	
Other Current Liabilities (net)		8,489		7,463	
		8,657		7,581	
NET CURRENT ASSETS			5,994		5,767
			11,373		11,166

For Notes see page 19

Notes on Current Cost Accounts for Year ended 31st March 1983

1. Accounting policies
The Group's Current Cost Consolidated Profit and Loss Account and Balance Sheet have been prepared in accordance with Statement of Standard Accounting Practice No. 16 (SSAP 16).
The accounting policies adopted in the historical cost accounts set out on page 13 apply also to the Current Cost Accounts, except for modifications required to comply with SSAP 16.

2. Fixed Assets and Depreciation
The gross current replacement cost of plant, equipment and vehicles has been computed by applying the appropriate government indices to the historical cost. In the case of land and buildings, the professional valuation on 25th March 1977 or subsequent cost has been used as equivalent to the current cost. The depreciation adjustment represents the excess of the depreciation charge based on the values to the business of fixed assets over the amount provided in the historical cost accounts. Where assets have been fully depreciated on the historic cost basis but are still in use, it is assumed for current cost purposes that they will have an estimated life of one further year beyond 31st March 1983.

Current Replacement Costs	Gross	Depreciation	Net
	£'000	£'000	£'000
Land and buildings	3,964	242	3,722
Plant, equipment and vehicles	4,587	3,260	1,327
	8,551	3,502	5,049

3. Stocks and Cost of Sales Adjustment
The Cost of Sales Adjustment represents the difference between the actual cost of goods sold and the estimated replacement cost of those goods at the date of the sale. Such replacement cost has been calculated on a company by company basis using the appropriate trade indices.

4. Monetary Working Capital
The Monetary Working Capital Adjustment reflects the effect of price changes on trade debtors and creditors during the year. It has been calculated on the same basis as the Cost of Sales Adjustment. One half of net group indebtedness is included as Monetary Working Capital.

5. Gearing Adjustment
The Gearing Adjustment recognises the benefit accruing to shareholders because the operating assets of the Group are partly financed by borrowings which are fixed in monetary terms. It has been calculated by applying a gearing ratio to the Current Cost Adjustments. This gearing ratio represents the proportion of net borrowings to the sum of the net borrowings and shareholders interest at 31st March 1983.

Group Results

Year Ended	Sales £'000	Profit (Loss) Before Taxation £'000	Profit After Taxation £'000	Ordinary Dividends* £'000	Ordinary Shareholders' Funds £'000
31st March, 1983 . .	28,853	687	565	360	9,375
31st March, 1982 . .	24,502	229	124	288	9,139
31st March, 1981 . .	23,155	(211)	1,098	288	9,379
31st March, 1980 . .	29,609	982	750	328	8,562
31st March, 1979 . .	27,984	1,660	1,129	316	8,305
31st March, 1978 . .	25,840	961	566	286	8,258
31st March, 1977 . .	27,368	1,321	599	252	7,073
31st March, 1976 . .	20,444	948	471	232	6,208
31st March, 1975 . .	17,379	1,036	423	212	5,872
31st March, 1974 . .	20,583	1,867	806	193	5,641

*The dividend shown is the amount payable to shareholders plus the related tax credit.

Analysis of Group Sales

Year Ended	Total £'000	Panel and other board products £'000	Hardwoods £'000	Softwoods £'000
31st March, 1983 . .	28,853 100%	14,836 51%	7,717 27%	6,300 22%
31st March, 1982 . .	24,502 100%	13,148 54%	6,085 25%	5,269 21%
31st March, 1981 . .	23,155 100%	12,960 56%	4,796 21%	5,399 23%
31st March, 1980 . .	29,609 100%	17,661 60%	5,662 19%	6,286 21%
31st March, 1979 . .	27,984 100%	18,093 65%	4,713 17%	5,178 18%
31st March, 1978 . .	25,840 100%	17,743 69%	4,296 16%	3,801 15%
31st March, 1977 . .	27,368 100%	19,208 70%	4,181 15%	3,979 15%
31st March, 1976 . .	20,444 100%	14,703 72%	3,462 17%	2,279 11%
31st March, 1975 . .	17,379 100%	12,306 71%	3,041 17%	2,032 12%
31st March, 1974 . .	20,583 100%	14,507 70%	3,855 19%	2,221 11%