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JAMES
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Annual Report 1986
James Latham
public limited company

JAMES LATHAM public limited company

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JAMES LATHAM public limited company

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eighty-Seventh Annual General Meeting of the Company will be held at the Registered Office, Leeside Wharf, Clapton, E5 9NG, on Tuesday, 9th September 1986 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, 1986 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. As Special Business, to authorise the Directors generally and unconditionally for the purposes of Section 80 of the Companies Act 1985 during the period of five years expiring on 8th September 1991, to exercise all or any of the powers conferred upon them by the Articles of Association to allot relevant securities (as defined in the said Section) at any time or times during such period up to an amount of relevant Securities equal to the amount of the authorised but unissued share capital of the Company and the foregoing authority shall allow the Company to make an offer or agreement before the expiry of such authority which would or might require relevant securities to be allotted after the expiry of such authority.

5. 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
24th July, 1986

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.

JAMES LATHAM public limited company

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)*
Peter D. L. Latham *(Executive Director)*

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

AUDITORS
Moores & Rowland
Cliffords Inn, Fetter Lane, London EC4A 1AS

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

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

Chairman's Statement

Trading Review

The benefits of falling raw material prices to British Industry have been frequently a source of comment over the past few months. For us, as suppliers to industry, this was scarcely a beneficial background against which to trade. The fall in timber prices in the UK of around 10% during the year under review meant that we had to sell higher volumes even to maintain turnover levels.

Ultimately, although indirectly, our fortunes are linked to a great extent to the construction industry, which did not progress last year as well as at one time seemed probable. A depressing factor was undoubtedly the persistence of high interest rates.

In the face of these rather adverse market factors we continued our quest for improved efficiency and cost reductions. The balance sheet this year highlights the results. For example, stocks have been reduced and external borrowings are down from £5.6 million to £3.4 million – now a rather satisfactory ratio of 25% of shareholders' funds.

Capital was redeployed as a result of the reorganisation and reduction of the site at Clapton, where we managed to maintain the level of throughput as a result of creating more efficient storage and handling facilities.

During the year our regional companies performed consistently well, notwithstanding that in some parts of the country the level of customer demand was very restrained.

Turnover and profits at Latham Timber Centres continued their advance. New building and renovation in areas served by our centres appeared to recover quickly after the cold winter and we derived benefit from reconstruction and reorganisation carried out in earlier years.

Richard Graefe experienced a temporary shortage of orders which reduced sales and profitability. Our confidence in the future of that company is now confirmed by the considerable investment now being carried out, which has involved the enlargement of the High Wycombe factory and the acquistion of new machinery.

Our partnership with G. A. Day Ltd. goes from strength to strength and a second depot has now been opened at Poole.

I have to inform shareholders that following the takeover of Roberts Adlard Plc by another public company, the new owners indicated their unwillingness to continue with Adlard Latham as a joint venture. It has therefore been mutually agreed to dissolve Adlard Latham. Thus in September we will acquire the builders merchants businesses trading on our sites at Clapton and Milton Keynes, whilst Roberts Adlard will take over the timber centres on their premises at Dartford, Canterbury and Crawley. Both companies have stressed to the employees that the division of Adlard Latham will be carried out in a spirit of co-operation and goodwill and that it is the intention of both parties to continue the development and expansion of these businesses.

I can report that our other associated companies have continued to expand in turnover and profits during the period.

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The Current Year

In some areas the demand from industrial customers was not that brisk in the opening weeks of the year. However, those of our activities directly connected with house-building have recorded an advance in business. We shall receive some benefit as the year progresses from the tendency for timber prices to stabilise and firm up. Meanwhile influences on the economy of the oil factor and the forthcoming general election create uncertainties, although it is said that the construction industry provides a good hedge with the alternatives of either a private sector property upsurge or a public sector construction expansion. Either way, particularly noting our heavy involvement in London and the South of England we should benefit from the general prosperity level and the many major projects now coming into view. Overall we are looking forward to improved trading results.

I end this review with my customary, but nonetheless sincere, thanks to our staff, thinking particularly this time of those most involved in the reorganisation of the Clapton site, who worked out of doors throughout a long cold and wet winter engaged in the tasks of moving stocks and buildings amid the dust and chaos of the ever burgeoning building site.

E. Michael Latham,
Chairman.

JAMES LATHAM public limited company

Report of the Directors to be presented to the Members at the Eighty-Seventh Annual General Meeting of the Company to be held on 9th September 1986

The Directors have pleasure in submitting the Annual Report and Accounts for the year ended 31st March, 1986.

Principal Activities of the Company and its Subsidiaries
The Company and its Subsidiaries operate as Timber Importers, Merchants and Veneer Panel Manufacturers. Further details are given in note 16 on page 18 and on the inside back cover of these Accounts.
A review of the development of the business of the group during the year appears in the Chairman's Statement on pages 4 and 5.

Results
The Group profit on ordinary activities before taxation amounted to £1,908,000. After taxation the net profit available is £1,313,000. The dividends on the 8% Cumulative Preference Shares were paid on the due dates which absorbed £79,000. On 14th February 1986 an interim dividend of 5.00p per share was paid on the Ordinary shares which absorbed £126,000. The Directors now recommend that a final dividend of 9.25p should be paid which will absorb £233,100.

Directors
The Directors are as stated on page 3. All served throughout the year except for Mr. P. D. L. Latham who was appointed to the Board on 21st June 1985. In addition, Mr. D. E. Cleaver was a director until his retirement on 13th June 1985. Their interests, including those of their wives and infant children where appropriate, in the shares of the Company were as follows:—

	30th June, 1986		*31st March, 1986*		*1st April, 1985*	
	Beneficial	*As Trustee*	*Beneficial*	*As Trustee*	*Beneficial*	*As Trustee*
E. M. L. Latham						
Ordinary	86,255	102,156	53,255	102,156	53,255	111,922
Preference	2,239	—	2,239	—	2,239	—
C. G. A. Latham						
Ordinary	118,824	213,252	85,824	213,252	83,174	223,018
Preference	—	—	—	—	—	2,000
D. R. Latham						
Ordinary	208,632	111,151	208,632	111,151	208,632	155,151
Preference	—	—	—	—	—	—
J. M. Latham						
Ordinary	78,550	—	78,550	—	78,550	—
Preference	15,704	—	15,704	—	15,704	—
R. J. Latham						
Ordinary	65,200	—	65,200	—	65,200	—
Preference	15,704	—	15,704	—	15,704	—
P. D. L. Latham						
Ordinary	62,935	29,250	62,935	29,250	62,935	29,250
Preference	—	—	—	—	—	—

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

JAMES LATHAM public limited 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 30th June 1986 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 303,359 as Trustee)	304,865

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

Ordinary Shares	648,736

Fixed Assets

Details of the changes are shown in notes 12 and 13. Just over 5 acres of the site at Leeside Wharf, Clapton, was sold for redevelopment for residential purposes. The surplus on disposal before taxation amounted to £1,447,000. The remainder of the site at Clapton was professionally valued in October 1985 and the surplus on revaluation of £453,000 has been taken to reserves. The remainder of the freehold property of the Company and its subsidiaries was last professionally valued in March 1977. In the opinion of the directors the market value of this property is not substantially greater than the book value.

Employees

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

The Group also seeks to encourage employees to take a positive interest and involvement in all aspects of the business and has continued its previous practice of keeping them informed on matters affecting them as employees and on various factors affecting the performance of the Group by means of a magazine and regular bulletins.

The Group recognises the need to train its employees and employs a training officer to assist in implementing this policy.

Charitable Donations

The total of the Group's charitable donations for the year amounted to £3,787 (1985 £3,721).

Income and Corporation Taxes Act, 1970

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

Auditors

The auditors, Moores & Rowland are willing to continue in office.

On behalf of the Board,
E. M. L. LATHAM,
Chairman,
24th July, 1986

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

We have audited the financial statements on pages 9 to 19 in accordance with approved Auditing Standards.

In our opinion, 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, 1986 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.

Moores . Rowland

MOORES & ROWLAND
Chartered Accountants.

Clifford's Inn
Fetter Lane
London, EC4A 1AS.

24th July 1986

JAMES LATHAM public limited company

Consolidated Profit and Loss Account for the Year ended 31st March 1986

	Notes	1986 £'000	1986 £'000	1985 £'000	1985 £'000
TURNOVER	1(a) and 2		37,019		35,335
Cost of sales			30,900		28,788
GROSS PROFIT FOR THE YEAR			6,119		6,547
Distribution costs		1,723		1,561	
Administrative expenses		2,714		2,514	
		4,437		4,075	
Other operating income		106		86	
			4,331		3,989
OPERATING PROFIT FOR THE YEAR			1,788		2,558
Interest receivable and similar income			52		50
Share of profits less losses of related companies			47		31
Surplus on disposal of property			1,447		—
			3,334		2,639
Interest payable	2	663		611	
Other financial charges		278		371	
Provision for unfunded pensions	5	400		—	
Provision for reorganisation	5	85	1,426	—	982
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2		1,908		1,657
Tax on profit on ordinary activities	6		595		371
PROFIT FOR THE FINANCIAL YEAR			1,313		1,286
Dividends	7		438		413
RETAINED PROFIT TRANSFERRED TO RESERVES			875		873
Earnings per share	8		49.0p		47.9p

Pages 13 to 19 form part of these accounts.

JAMES LATHAM public limited company

Consolidated Balance Sheet 31st March 1986

	Notes	1986 £'000	1986 £'000	1985 £'000	1985 £'000
FIXED ASSETS					
Tangible assets	12		5,726		4,839
Investments	13		883		756
			6,609		5,595
CURRENT ASSETS					
Stocks – goods for resale	1c	7,737		9,302	
Debtors	14	7,683		7,127	
Cash at bank and in hand		19		22	
		15,439		16,451	
CREDITORS					
Amounts falling due within one year	15	7,786		9,424	
NET CURRENT ASSETS			7,653		7,027
TOTAL ASSETS LESS CURRENT LIABILITIES			14,262		12,622
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	11		176		289
Other provisions	5		425		—
NET ASSETS			13,661		12,333
Represented by:					
CAPITAL AND RESERVES					
Called up share capital, allotted issued and fully paid	9		3,507		3,507
Capital reserve	10		347		347
Revaluation reserve	10		453		—
Profit and loss account	10		9,354		8,479
SHAREHOLDERS' FUNDS			13,661		12,333

Approved by directors at a meeting held on 24th July 1986

Director: E. M. L. LATHAM

Director: C. G. A. LATHAM CGA Latham

Pages 13 to 19 form part of these accounts.

JAMES LATHAM public limited company

Balance Sheet 31st March 1986

	Notes	1986 £'000	1986 £'000	1985 £'000	1985 £'000
FIXED ASSETS					
Tangible assets	12		2,972		2,472
Investments	13		1,990		2,288
			4,962		4,760
CURRENT ASSETS					
Stocks – goods for resale	1c	4,579		5,819	
Debtors	14	4,672		4,347	
Cash at bank and in hand		1		1	
		9,252		10,167	
CREDITORS					
Amounts falling due within one year	15	3,955		5,841	
NET CURRENT ASSETS			5,297		4,326
TOTAL ASSETS LESS CURRENT LIABILITIES			10,259		9,086
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	11		—		122
Other provisions	5		425		—
NET ASSETS			9,834		8,964
Represented by:					
CAPITAL AND RESERVES					
Called up share capital, allotted issued and fully paid	9		3,507		3,507
Revaluation reserve	10		453		—
Profit and loss account	10		5,874		5,457
SHAREHOLDERS' FUNDS			9,834		8,964

Approved by directors at a meeting held on 24th July 1986

Director: E. M. L. LATHAM

Director: C. G. A. LATHAM

Pages 13 to 19 form part of these accounts.

1985 £'000	1985 £'000
	4,839
	756
	5,595
9,302	
7,127	
22	
16,451	
9,424	
	7,027
	12,622
	289
	—
	12,333
	3,507
	347
	—
	8,479
	12,333

JAMES LATHAM public limited company

Source and Application of Group Funds
For the year ended 31st March 1986

	1986		1985	
	£'000	£'000	£'000	£'000
Source of Funds				
Profit on ordinary activities before taxation	1,908		1,657	
Depreciation	315		244	
Profit retained by Related Companies	(20)		(6)	
Transfer to provisions (net)	425		—	
Profit on Sale of Fixed Assets	(1,458)		(21)	
		1,170		1,874
Proceeds of Sale of Fixed Assets		2,049		141
		3,219		2,015
Application of funds				
Dividends paid	413		394	
Purchase of Fixed Assets	1,340		624	
Tax paid	430		214	
Investment in Related Companies	75		193	
		2,258		1,425
Increase in Working Capital		961		590
Represented by				
Decrease in Stock (1985 Increase)		(1,565)		422
Increase in Debtors (1985 Decrease)		577		(362)
Decrease in Bills Receivable		(23)		(82)
Increase in Creditors (1985 Decrease)		(161)		359
		(1,172)		337
Increase in Investments	32		43	
Decrease in net Bank Borrowings (1985 Increase)	1,251		(1,540)	
Decrease in Acceptance Credits	850		1,750	
		2,133		253
		961		590

1985	
£'000	£'000
1,657	
244	
(6)	
—	
(21)	
	1,874
	141
	2,015
394	
624	
214	
193	
	1,425
	590
	422
	(362)
	(82)
	359
	337
43	
(1,540)	
1,750	
	253
	590

Notes on Accounts for Year ended 31st March 1986

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 the appropriate rate 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 Related Companies is as shown in Note 17.
The Company does not present its own profit and loss account as permitted by Section 228(7) of the Companies Act 1985.

2. Turnover and profit on ordinary activities before taxation

(a) An analysis by activity is as follows:

	1986 Turnover	1986 Profit	1985 Turnover	1985 Profit
	£'000	£'000	£'000	£'000
Importing and distribution	27,145	782	25,862	955
Manufacturing and processing	3,483	31	3,881	526
Merchanting	6,391	133	5,592	176
Surplus on disposal of property	—	1,447	—	—
Provision for unfunded pensions	—	(400)	—	—
Provision for reorganisation	—	(85)	—	—
	37,019	1,908	35,335	1,657

(b) Profit on ordinary activities before taxation is stated after charging:

	1986	1985
	£'000	£,000
Depreciation of tangible assets less profit on sales	305	223
Hire of plant, equipment and vehicles	269	160
Auditors' remuneration	37	34
Pensions to widows of Directors	19	19
Interest payable on bank and other borrowings repayable within five years	663	611
and after crediting:		
Income from listed investments	(16)	(13)
Unrealised profit on valuation of listed investments (1985 Loss)	(4)	2

Notes on Accounts for Year ended 31st March 1986

	1986 £'000	1985 £'000
3. Directors Emoluments	293	257
Chairman's Emoluments	43	39
Number of other Directors whose emoluments (excluding pension contributions) were within the scale:—		
£ 5,001–£10,000	One	—
£30,001–£35,000	—	One
£35,001–£40,000	One	Four
£40,001–£45,000	Four	—
4. Employees		
The average number of persons employed by the group during the year (including Directors) was as follows:		
Management and Administration	183	182
Warehousing and Production	214	230
Selling	42	41
Transport	36	32
	475	485
	£'000	£'000
The aggregate payroll costs of these people was as follows:		
Wages and salaries	4,084	4,017
Social Security costs	316	314
Pension costs	229	222
	4,629	4,553
Number of Employees whose emoluments (excluding pension contributions) were within the scale:—		
£30,001–£35,000	—	One

5. Provisions	Reorganisation	Unfunded pensions (See note 13)	Total	
	£'000	£'000	£'000	£'000
Transfer from Profit and Loss account	85	400	485	—
Expenditure in year	—	60	60	—
Balance, 31st March 1986	85	340	425	—

6. Taxation on profit on ordinary activities	£'000	£'000
UK Corporation Tax at 30% on gain on disposal of property	452	—
UK Corporation Tax at 10% on trading and other income (see note below)	63	180
Transfer from Deferred Taxation	(113)	(11)
Advance Corporation Tax payable for the year	183	177
Overseas taxation	3	2
Related Companies – attributable to the Group	24	26
Adjustments for prior years	(17)	(3)
	595	371

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

Notes on Accounts for Year ended 31st March 1986

7. Dividends paid or proposed

	1986		1985	
	£'000	£'000	£'000	£'000
Preference dividends – 8% Cumulative Preference Shares		79		79
Ordinary dividends				
Interim of 5p per share paid 14th February 1986 (1985 5p)	126		126	
Final of 9.25p per share proposed (1985 8.25p)	233		208	
		359		334
		438		413

8. Earnings per share
Based on profit on ordinary activities after taxation attributable to the ordinary share capital at 31st March 1986

9. Share Capital

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

10. Reserves

	The Group	*The Parent Company*
	£'000	£'000
Profit and Loss Account		
Balance, 1st April, 1985	8,479	5,457
Retained in year:		
Parent Company	529	529
Subsidiary Companies	326	—
Related Companies	20	—
	9,354	5,986
Less provision against investment in related company	—	112
Balance carried forward at 31st March, 1986	9,354	5,874
Capital	347	—
Revaluation	453	453
	10,154	6,327

11. Provision for deferred taxation at 35% (See Note 1(d))

	The Group		*The Parent Company*	
	1986	1985	1986	1985
	£'000	£'000	£'000	£'000
Accelerated capital allowances	252	228	71	52
Unrealised surplus on valuation of property	—	70	—	70
Other timing differences	(76)	(9)	(71)	—
	176	289	—	122
If full provision had been made for deferred taxation, the position would be as follows:				
Accelerated capital allowances	625	433	270	127
Unrealised surpluses on valuation of property	301	287	230	216
Other timing differences	(154)	(9)	(149)	—
Loss relief	(176)	(151)	(159)	(134)
	596	560	192	209

Advance Corporation Tax of £596,000 is available for relief in a future year. (1985 £692,000)

Notes on Accounts for Year ended 31st March 1986

12. Tangible Assets

	The Group				The Parent Company		
	Freehold Property	*Leasehold Property Long*	*Leasehold Property Short*	*Plant, Equipment & vehicles*	*Freehold Property*	*Short Leasehold Property*	*Plant, Equipment & vehicles*
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At Cost or Valuation, 1st April, 1985	4,041	170	61	2,149	2,450	—	755
Disposals during year	576	—	—	236	576	—	125
	3,465	170	61	1,913	1,874	—	630
Additions during year	638	1	44	659	385	40	284
Surplus on revaluation	362	—	—	—	362	—	—
At Cost or Valuation, 31st March, 1986	4,465	171	105	2,572	2,621	40	914
At Valuation, 25th March, 1977	1,263	—	—	—	166	—	—
At Valuation, 4th October, 1985	1,800	—	—	—	1,800	—	—
At Cost	1,402	171	105	2,572	655	40	914
Depreciation							
At 1st April, 1985	282	11	21	1,268	145	—	588
Disposals during year	35	—	—	184	36	—	96
	247	11	21	1,084	109	—	492
Provided during year	30	1	9	275	17	2	74
Released on revaluation	(91)	—	—	—	(91)	—	—
At 31st March, 1986	186	12	30	1,359	35	2	566
Cost or Valuation less depreciation at 31st March, 1986	4,279	159	75	1,213	2,586	38	348
Total		5,726				2,972	
At 31st March, 1985	3,759	159	40	881	2,305	—	167
Total		4,839				2,472	

The valuations were by professional valuers on a going concern basis.

If certain properties had not been revalued, the freehold property would have been included as follows:

	The Group		The Parent Company	
	1986	1985	1986	1985
	£'000	£'000	£'000	£'000
Cost	2,426	2,332	885	1,046
Aggregate depreciation	242	264	112	145
	2,184	2 068	773	901

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The Parent Company		
ehold perty	*Short Leasehold Property*	*Plant, Equipment & vehicles*
£'000	£'000	£'000
2,450	—	755
576	—	125
1,874	—	630
385	40	284
362	—	—
2,621	40	914
166	—	—
1,800	—	—
655	40	914
145	—	588
36	—	96
109	—	492
17	2	74
(91)	—	—
35	2	566
2,586	38	348
	2,972	
.305	—	167
	2,472	

	The Parent Company	
1985	1986	1985
£'000	£'000	£'000
.332	885	1,046
264	112	145
.068	773	901

JAMES LATHAM public limited company

Notes on Accounts for Year ended 31st March 1986

13. Investments

	The Group Related Companies	Listed Investments	*The Parent Company* Subsidiary Companies	Related Companies
	£'000	£'000	£'000	£'000
Shares:				
At 1st April 1985				
Cost	107	—	166	97
Market Value (Cost £153,000)	—	159	—	—
Share of results retained	114	—	—	—
	221	159	166	97
Additions during year	—	28	—	—
Appreciation in value	—	4	—	—
Provision	—	—	—	(12)
Results retained for the year (see note 10)	20	—	—	—
At 31st March 1986	241	191	166	85
Cost	107	—	166	97
Market Value (Cost £181,000)	—	191	—	—
Provision	—	—	—	(12)
Share of results retained	134	—	—	—
	241	191	166	85
Loans:				
At 1st April 1985	376	—	1,649	376
Additions during year	100	—	60	100
	476	—	1,709	476
Repaid during year	(25)	—	(321)	(25)
Provision	—	—	—	(100)
At 31st March 1986	451	—	1,388	351
Total: At 31st March 1986	883		1,990	
At 31st March 1985	756		2,288	

14. Debtors

	The Group 1986	1985	*The Parent Company* 1986	1985
Amounts falling due within one year	£'000	£'000	£'000	£'000
Trade debtors	7,387	6,725	3,080	2,799
Bills receivable	—	23	—	23
Amounts owed by Subsidiary Companies	—	—	1,446	1,258
Amounts owed by Related Companies	111	40	93	70
Other debtors	63	190	25	147
Prepayments and accrued income	122	149	28	50
	7,683	7,127	4,672	4,347

Notes on Accounts for Year ended 31st March 1986

15. Creditors

Amounts falling due within one year

	The Group		*The Parent Company*	
	1986	1985	1986	1985
	£'000	£'000	£'000	£'000
Bank overdraft	2,115	3,369	—	1,498
Acceptance credits	1,300	2,150	1,000	1,850
Trade creditors	2,102	2,212	971	1,088
Amounts owed to Subsidiary companies	—	—	175	243
Corporation Tax	778	498	728	287
Other taxation and social security	584	446	370	259
Other creditors	284	329	241	291
Accruals and deferred income	390	212	237	117
Proposed final ordinary dividend	233	208	233	208
	7,786	9,424	3,955	5,841

16. Subsidiary Companies

Information concerning the subsidiary companies is given on the inside back cover.

The operating companies are:
James Latham (Northern) Ltd
James Latham (Midland & Western) Ltd
J. A. Murphy (Timber) Ltd
Latham Timber Centres (Holdings) Ltd
Advanced Technical Panels Ltd
Richard Graefe Ltd

Companies providing facilities for members of the group:
James Latham (Warehousing) Ltd
Leeside Services (Guernsey) Ltd (incorporated in Guernsey)

The Equity share capital of all the Companies is wholly-owned through James Latham public limited company, except for James Latham (Warehousing) Ltd. which is wholly-owned through Subsidiaries and Advanced Technical Panels Ltd. which is partly-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.

17. Related Companies

Name	*Country of incorporation and operation*	*Accounting date*	*Share Capital* *Class*	*Issued*	*Percentage of ownership*
G. A. Day Timber Centres Ltd.	England	28th February	£1 'A' Ordinary	51	NIL
			£1 'B' Ordinary	51	100%
Consett Laminators Ltd.	England	28th February	£1 Ordinary	20,000	45%
Singer Plywood Co. Ltd.	England	28th February	£1 'A' Ordinary	99,000	4%
			£1 'B' Ordinary	81,000	100%
Adlard Latham Ltd.	England	31st December	£1 'A' Ordinary	12,500	NIL
			£1 'B' Ordinary	12,500	100%
Acell Graefe Ltd.	England	31st March	£1 'A' Ordinary	500	100%
			£1 'B' Ordinary	500	NIL

The Directors estimate the value of the Group's investment to be £360,000.
Information concerning the related companies is given on the inside back cover.

JAMES LATHAM public limited company

Notes on Accounts for Year ended 31st March 1986

18. Future Capital Expenditure

	The Group	The Parent Company
	£'000	£'000
Estimated amounts of capital expenditure approved by the Directors but not provided for in these accounts are:		
Contracts placed	415	71
31st March, 1985	—	—
Contracts not placed	371	141
31st March, 1985	912	219

19. Pension Commitments

The Group has provided £400,000 to cover the estimated total cost of pensions which had previously been charged to Profit and Loss Account.

These relate to employees and their widows who retired before becoming eligible to be members of the pension scheme.

The Group operates a contributory pension scheme to which all employees are eligible to join conditional upon their age and length of service.

The scheme funds are administered by trustees and are independent of the Group's finances. Contributions to the scheme are paid at a level recommended by actuaries in order to secure the benefits provided by the scheme. The Group's contributions are charged against profits for the year in which the contributions are made.

20. Other financial commitments

Future commitments under various leasing contracts payable by the company:

	On behalf of the company	On behalf of subsidiaries
	£'000	£'000
Payable within one year	257	86
Payable between two and five years	562	160
Payable in over five years	11	9
	830	255

21. Contingent Liabilities

Guarantees have been given by the company in respect of borrowing by subsidiary and related companies amounting to £1,961,000 at 31st March, 1986 (1985 £2,118,000)

Group Results

Year ended	Turnover £'000	Profit Before Taxation £'000	Profit After Taxation £'000	Ordinary Dividends* £'000	Ordinary Shareholders' Funds £'000
31st March 1986	37,019	1,908	1,313	513	12,674
31st March 1985	35,335	1,657	1,286	477	11,346
31st March 1984	33,629	1,654	1,426	423	10,473
31st March 1983	28,853	687	565	360	9,375
31st March 1982	24,502	229	124	288	9,139

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

Ordinary
areholders'
Funds
£'000
12,674
11,346
10,47?
9,?75
9,139

x credit.

Group Trading Points

JAMES LATHAM PLC
Leeside Wharf
Mount Pleasant Hill
CLAPTON
London E5 9NG
Tel: 01-806 3333
Telex: 265670

Hardwood Sales:	Mike Adams Peter Baskerville
Softwood Sales:	Bob Bayley Les Friery
Plywood Sales:	David Coxhead Bill Fletcher Dave Edwards
Chipboard Sales:	Steve Fletcher
Home Grown Sales:	Cliff Randall
Moulding Mill:	John Symmons

JAMES LATHAM (NORTHERN) LTD
Longlands
Flushdyke
OSSETT
W. Yorks WF5 9JE
Tel: 0924 276111
Telex: 557562

Hardwood Sales:	John Hewson
Panel Products:	Keith Hunt Allan Green

JAMES LATHAM (MIDLAND)
Chartwell Drive
off West Avenue
WIGSTON
Leics. LE8 2FN
Tel: 0533 889161
Telex: 341715

Timber Sales:	Stephen Gough
Panel Products:	Chris Sutton

JAMES LATHAM (WESTERN)
Badminton Road
Yate
BRISTOL
BS17 5JX
Tel: 0454 315421
Telex: 449418

Timber Sales:	Nigel Thompson
Panel Products:	Ray Jones Ken Wall
Local Trades:	Geoff Lane

JAMES LATHAM (SCOTTISH DIVISION)
9 Clairmont Gardens
GLASGOW
G3 7LW
Tel: 041-332 6955
Telex: 778158
Manager: Douglas Macdonald

ADVANCED TECHNICAL PANELS LTD.
Specialists in Technical Plywood & Panels
Longlands
Flushdyke
OSSETT
W. Yorks WF5 9JE
Tel: 0924 263655
Telex: 557562
Sales: Anthony Chapman

RICHARD GRAEFE LTD
Manufacturers of High-Quality Veneered Doors and Panels
Mahtal Works
Gomm Road
HIGH WYCOMBE
Bucks HP13 7DN
Tel: 0494 20791
Telex: 837037
Contacts: Brian Baker, David Fowler

LEA TIMBER
Middlesex Wharf
Southwold Road
CLAPTON
London E5 9HP
Tel: 01-806 1946
Telex: 265670

General Manager:	Tony Harrichand
Manager:	Trevor Barnard

LEA TIMBER (EDGSCOTT)
Western Wharf
Livesey Place
Peckham Park Road
London SE15 6TP
Tel: 01-639 0405

General Manager:	Tony Harrichand
Manager:	David Hoyle

LATHAM TIMBER CENTRES (HOLDINGS) LTD
Simpson Road
Bletchley
MILTON KEYNES
MK1 1BB
Tel: 0908 644222
Manager: Chris Smith

LATHAM TIMBER CENTRES (HOLDINGS) LTD
Peerless Timber
51 Dolphin Road
SHOREHAM-BY-SEA
W. Sussex BN4 6QB
Tel: 07917 4835
Manager: Ian Jordan

LATHAM TIMBER CENTRES (HOLDINGS) LTD
Farley Hill
LUTON
Beds LU1 5EE
Tel: 0582 456161
Manager: Rob Tyler

LATHAM TIMBER CENTRES (HOLDINGS) LTD
47 Chiltern Avenue
AMERSHAM
Bucks HP6 5AF
Tel: 02403 29222
Manager: Hussain Mahmoudi

LATHAM TIMBER CENTRES (HOLDINGS) LTD
Forty Acre Lane
Fengate
PETERBOROUGH
PE1 5PS
Tel: 0733 312456
Manager: Mick Sharman

J.A. MURPHY (TIMBER) LTD
Manor Street
BRAINTREE
Essex CM7 6HS
Tel: 0376 22944
Manager: Ray Searles

G.A. DAY TIMBER CENTRES LTD
The Timber Centre
PO Box 42
Burrfields Road
PORTSMOUTH
PO3 5NA
Tel: 0705 669535

General Manager:	Paul Cooper
Managers:	David Trowbridge Eddie Gauntlett

G.A. DAY TIMBER CENTRES LTD
65/67 Ringwood Road
Kinson Pottery Estate
Parkstone
POOLE
BH14 0RG
Tel: 0202 735735

General Manager:	Paul Cooper
Managers:	David Chicken Ian Stone

ADLARD LATHAM LTD
Timber Merchants
Stephenson Way
CRAWLEY
W. Sussex RH10 1TN
Tel: 0293 546375
Manager: John Halis

ADLARD LATHAM LTD
Timber Merchants
London Road
Stone
DARTFORD
Kent DA2 6AS
Tel: 0322 91515
Manager: Les McGrath

ADLARD LATHAM LTD
Timber Merchants
Riverdale Road
(off Sturry Road)
CANTERBURY
Kent CT1 1DH
Tel: 0227 450661
Manager: Gordon Clarke

ADLARD LATHAM LTD
Builders' Merchants
Leeside Wharf
Mount Pleasant Hill
CLAPTON
London E5 9NG
Tel: 01-806 1236
Manager: Tim Hewke

ADLARD LATHAM LTD
Builders' Merchants
Simpson Road
Bletchley
MILTON KEYNES
MK1 1BB
Tel: 0908 368051
Manager: John Sands

SINGER PLYWOOD CO. LTD
Suppliers of Doors and V-grooved Plywood
Middlesex Wharf
Southwold Road
CLAPTON
London E5 9NF
Tel: 01-806 3117
Contact: Sid Payne, David Singer

CONSETT LAMINATORS LTD
Specialist Fabricators of Decorative Laminates
Leadgate Industrial Estate
CONSETT
Co. Durham DH8 7RP
Tel: 0207 508124
Contacts: Alf Royal, Stephen Royal

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