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Officers & Professional Advisers

Directors	C. R. Carr T.D. (<i>Chairman</i>)
	T. I. Perkins (<i>Managing</i>)
	E. C. Adams F.C.A., F.C.T.
	J. H. Carr T.D.
	J. S. Faulder M.A.
	R. J. Marshall
	D. C. W. Perkins
Secretary	S. P. Smythe
	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 1XU
	Midland Bank P.L.C.,
Solicitors	16 High Street, Maidstone, Kent ME14 1XU
	Clifford-Turner & Co.,
	Blackfriars House, 19 New Bridge Street, London EC4V 6BY

Notice of Meeting

Notice is hereby given that the Eighteenth Annual General Meeting of Sandell Perkins plc will be held at the Strand Palace Hotel, Strand, London WC2R 0JJ on Thursday 23rd September 1982 at 11.30 a.m. for the following purposes:

- 1 To receive and adopt the financial statements for the year ended 31st March 1982, together with the reports of the directors and auditors thereon.
- 2 To declare a final dividend.
- 3 To re-elect the following Directors:
T. I. Perkins
E. C. Adams
- 4 To re-appoint Touche Ross & Co., Chartered Accountants as auditors and authorise the directors to fix their remuneration.

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

Chairman's Statement

Financial Results

Trading conditions continued to be extremely difficult throughout all last year and the recession has bitten deeper and lasted longer than any other downturn since 1945. This then was the backcloth against which we operated last year.

Many of our competitors have had an unhappy year – that Sandell Perkins has emerged from last year relatively unscathed and with its profits intact recognises that the steps taken in the previous year were entirely necessary.

In the event, our pretax profits for the year ended 31st March 1982 at £3,200,000 were 7% up on 1981, as also were our Group sales at £48,500,000. It is fair to admit that our profit improvement was helped by a greatly reduced bank interest charge, an improved rental income and some surpluses on realised property.

Dividends

With the interim dividend of 7.5% per 10p share paid during February 1982, the Directors are recommending a final dividend of 17% compared with last year's final of 15.3%. Taken together, the dividends this year are up by 11% on last year. The proposed final dividend will be paid, subject to approval at the A.G.M., on the 1st October 1982 to shareholders on the Register at the 10th September 1982.

This year's dividend cover, because of the higher tax charge, is down to 2.8 times covered compared with 3.1 times last year.

Current Cost Accounting

In order to save costs we are including a separate unaudited set of current cost accounts which we have printed in house.

Balance Sheet and Share Capital

As is our normal practice every three years, we have had our freehold and leasehold properties revalued by Jones Lang Wootton, Chartered Surveyors. This has shown a total value of £8,971,500 giving a surplus of £1,491,000 over book value at the 31st March 1982. The Group's fixed assets therefore have been adjusted to reflect this new valuation and the surplus credited to our revaluation reserve. Also because of the scrip issue last year we have adjusted all the relevant information about earnings and dividends per share to the new basis.

The Year in Retrospect

As I have already remarked, the year just past has proved to be far more difficult than we had expected. For the second year running we have not achieved our sales targets – this time by 6% although the decline in softwood sales volume, evident last year, has been arrested. These now show an increase of 2% thanks largely to the inclusion of predominantly timber sales by the T. W. Smith businesses.

Generally throughout the year all sectors of your business operated at a depressed level and below capacity. The boom years of the seventies for DIY sales have gone and we are now faced with a market suffering from slack demand and increasing competition. Similarly the repairs, maintenance and improvement market for the first year showed no growth. Softwood prices last year reduced by about 5% and even greater reductions occurred in certain species of hardwoods. Whilst the prices of other products, including Boards, Doors and B.M. items were up, the rate of increase has slowed significantly. All this meant that in efforts to maintain market share, competitors cut their profit margins which led inevitably to reduced gross profits. In addition, business was adversely affected by the unusually bad weather experienced during December, January and February. This was more of a problem outside London particularly to the west.

Further rationalisation has had to take place. Henlow closed at the end of September 1981, mainly because the landlords rescinded our lease. 240 Kingsland Road was also closed at the same time and the freehold sold. This branch has now been combined with our other nearby branch at 305 Kingsland Road, the old George Holt business, following external refurbishment of the premises.

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**Prospects for the
Coming Year**

In all, because of these closures and through limited redundancies in surplus personnel, we have cut our staff by a further 62, or a reduction of 6% on top of the 7% necessary in 1980. The apparent reduction in numbers has been masked by the inclusion during the past year of the staff of the two new branches at Cheltenham and Woolwich acquired from Hollis Bros. Ltd. in July.

Industry still complains of no apparent upturn in demand. However, as far as the building trade is concerned, although one is very wary of prophesying too much, there are the first faint glimmers of a new dawn.

New housebuilding starts for the first five months of this calendar year show an increase of 35%. Noises being made by central and local government and by the Building Societies on the money being made available are more encouraging. Not that new houses, and the public sector at that, represents a major market for Sandell Perkins. It is, however, an indicator and the optimism created usually spills over into other sectors of our industry. Already for the first quarter of the current trading year our sales are up by 14% compared with the same period last year.

Within Sandell Perkins' operations, whilst there are no fresh acquisitions to report, we continue to explore avenues to expand our business and to invest profitably in other merchanting companies. We have carried out major improvements to our new yard at Cheltenham and this already appears to have had a beneficial effect on its sales. Further improvements are also taking place at our Tunbridge Wells trade yard and our shop, S. F. Haward, is undergoing another period of rationalisation in order to reduce its overheads.

Because of the eventual loss of our leasehold yard at 6 South Wharf Road, London, required by St. Mary's Hospital, we have had to redeploy our trading operations in that part of London, which is a major contributor to our profits. We have, therefore, leased a further site in Harrow Road, opposite Paddington Green to continue our local business.

**Company
Re-organisation**

We have taken certain steps to reduce the overheads of the Group. The most significant of these is the merging of the Kent and Surrey Areas so that they now form one Area covering the South East Counties outside London. Mr. Ted Adams, who has been doubling as Finance Director and part-time Area Chief Executive, now assumes full responsibility for the combined Area with a new Management team consisting of Mr. Allen Halliday, Mr. Tim Hibberd and Mr. Tony Elliott.

We have been lucky to recruit Mr. John Rolph from our auditors to be our new Finance Director Designate. He has been actively involved in the audit of our accounts over several years and so continuity has been maintained.

Mr. Jim Carr will take over as Engineering Director of the Group from Mr. Percy Smythe who retires in September after holding the appointment for 12 years. I would like to pay tribute to Percy Smythe's valuable service to the Company and thank him for his contribution.

Staff

I hope I have shown that our performance, despite the very difficult conditions last year, was no accident. It was, in no small way, due to the efforts of all our staff. A very real responsibility for the strength of your Company rests with the managers, assistant managers, sales staff and foremen and we recognise their particular contribution. All other levels of staff have likewise performed well and deserve our thanks.

Conclusion

I started my statement on a gloomy note. I must end on an optimistic one. Much has changed in your Company over the past two difficult years; much still needs to be done. But we are ready for the upturn which must soon come. I feel our results, when this does occur, will show that we have not wasted our time.

Richard Carr
Chairman

3rd August 1982

Directors' Report

The directors have pleasure in presenting their annual report and the audited financial statements for the year ended 31st March 1982.

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

	1982 £000	1981 £000
Profit before taxation	3,200	3,002
Taxation	1,488	1,249
Profit after taxation	1,712	1,753
Extraordinary item	—	104
Profit after extraordinary item	1,712	1,857
Dividends	622	557
Profit retained	1,090	1,300

The final dividend recommended by the directors is 1.7p per ordinary share which, together with the interim dividend paid of 0.75p per ordinary share, gives a total dividend for the year of 2.45p compared to 2.2p last year after adjusting for the scrip issue referred to below.

Share Capital

At an extraordinary general meeting on 24th September 1981 the authorised share capital of the Company was increased from £900,000 to £3,000,000 and a scrip issue of two ordinary shares for every one held was made resulting in the capitalisation of £1,688,000 previously held in the profit and loss account.

During the year the Company issued 77,700 ordinary shares of 10p each for a cash consideration of £26,000 as an incentive to employees.

Acquisitions

On 30th June 1981 the businesses of T. W. Smith & Sons (Timber) Limited and T. W. Smith and Sons (Cheltenham) Limited located at Woolwich and Cheltenham respectively were purchased for a cash consideration of £678,000.

Fixed Assets

A property revaluation was carried out as at 31st March 1982. Full details are set out in Note 12 to the financial statements.

Directors' Report continued

Directors

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

	Ordinary shares of 10p each			
	Beneficial holdings	Family and other holdings	Beneficial holdings	Family and other holdings
	31.3.82	31.3.82	31.3.81	31.3.81
C. R. Carr	316,805	71,895	101,925	23,285
T. I. Perkins	606,519	380,002	201,173	125,668
E. C. Adams	39,800	4,000	14,000	—
J. H. Carr	254,201	78,153	81,057	27,708
J. S. Faulder	—	—	—	—
R. J. Marshall	60,600	—	16,700	—
D. C. W. Perkins	600,519	383,002	200,173	125,668
S. P. Smythe	244,045	207,000	122,015	69,000

In accordance with the Company's Articles of Association, T. I. Perkins and E. C. Adams retire by rotation and, being eligible, offer themselves for re-election.

Donations

During the year the Group donated £1,352 for charitable purposes.

Employment of Disabled Persons

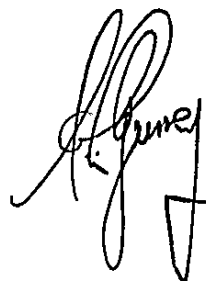
The Company and its subsidiaries have continued the policy regarding the employment of disabled persons. Full and fair consideration is given to applications for employment made by disabled persons having regard to their particular aptitude and abilities. Appropriate training is arranged for disabled persons.

Close company status

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

3rd August 1982

By order of the Board
A. L. GURNEY
Secretary



Auditors' Report to the Members of Sandell Perkins plc

We have audited the financial statements on pages 9 to 18 in accordance with approved Auditing Standards.

In our opinion the financial statements on pages 9 to 18 give, under the historical cost convention as described in note 1 (a), a true and fair view of the state of affairs of the Company and the Group at 31st March 1982 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.

The financial statements do not include current cost financial statements as required by Statement of Standard Accounting Practice No. 16.

Touche Ross & Co.
Touche Ross & Co.

Touche Ross & Co.
Chartered Accountants
London

3rd August 1982

Consolidated Profit and Loss Account

For the year ended 31st March 1982

	Notes	1982 £000	1981 £000
Turnover	2	48,500	45,519
Cost of sales		40,044	36,929
		<u>8,456</u>	<u>8,590</u>
Gross profit		1,644	1,519
Distribution costs		3,459	3,413
Administration expenses		(17)	112
Other		<u>5,086</u>	<u>5,044</u>
		3,370	3,546
Interest receivable and similar income	4	101	92
Interest payable and similar charges	5	(271)	(636)
Profit on ordinary activities before taxation	6	3,200	3,002
Taxation	7	1,488	1,249
		<u>1,712</u>	<u>1,753</u>
Profit after taxation		—	104
Extraordinary items	8	<u>1,712</u>	<u>1,857</u>
Profit for the year	9	(622)	(557)
Dividends paid and proposed	10	137	—
Amounts transferred (to)/from reserves		10,677	9,377
Amount equivalent to additional depreciation on revalued assets		(1,688)	—
Profit and loss account brought forward		<u>10,216</u>	<u>10,677</u>
Amounts capitalised in the year			
Profit and loss account carried forward			
Earnings per ordinary share	11	6.8p	6.9p
Before extraordinary items		6.8p	7.3p
After extraordinary items			

Consolidated Balance Sheet

31st March 1982

	Notes	1982 £000	1981 £000
Fixed assets	12	10,604	9,170
Current assets			
Stocks		8,895	7,985
Debtors	14	8,331	6,898
Cash at bank and in hand		12	11
		17,238	14,894
Current liabilities			
Bank overdraft and acceptances		971	1,106
Trade creditors		4,675	3,644
Other creditors including taxation and social security	15	4,791	3,957
Dividend	10	432	388
		10,869	9,095
Net current assets		6,369	5,799
Deferred liabilities	16	(750)	(1,100)
Deferred taxation	17	197	4
		16,420	13,873
Capital and reserves			
Called up share capital	18	2,540	844
Share premium account	18	176	158
Revaluation reserve	19	3,488	2,194
Profit and loss account	19	10,216	10,677
		16,420	13,873

These financial statements were approved by the Board of Directors on 3rd August 1982.


 C. R. Carr }
 T. I. Perkins } Directors

Parent Company Balance Sheet

31st March 1982

	Notes	1982 £000	1981 £000
Fixed assets	12	10,604	8,614
Interest in subsidiaries	13	(1,994)	(809)
Current assets			
Stocks		8,895	6,993
Debtors	14	8,331	6,472
Cash at bank and in hand		12	11
		<u>17,238</u>	<u>13,476</u>
Current liabilities			
Bank overdraft and acceptances		971	1,094
Trade creditors		4,675	2,998
Other creditors including taxation and social security	15	4,791	3,809
Dividend	10	432	388
		<u>10,869</u>	<u>8,289</u>
Net current assets		<u>6,369</u>	<u>5,187</u>
Deferred liabilities	16	(750)	(1,100)
Deferred taxation	17	197	4
		<u>14,426</u>	<u>11,896</u>
Capital and reserves			
Called up share capital	18	2,540	844
Share premium account	18	176	158
Revaluation reserve	19	3,438	2,144
Profit and loss account	19	8,272	8,750
		<u>14,426</u>	<u>11,896</u>

C. R. Carr

T. I. Perkins

} Directors

Consolidated Statement of Source and Application of Funds

For the year ended 31st March 1982

	1982 £000	1981 £000
Source of funds		
Profit on ordinary activities before taxation	3,200	3,002
Adjustment for items not involving the movement of funds:		
Revaluation surplus realised on disposal	(60)	—
Depreciation	706	676
Total generated from operations	3,846	3,678
Issue of shares	26	18
Disposal of fixed assets	261	379
Decrease in stocks	—	603
Increase in creditors	1,800	—
Decrease in debtors	—	74
Increase in loans	—	350
Surplus on acquisition of subsidiaries	—	104
	5,933	5,206
Application of funds		
Purchase of fixed assets	1,089	2,232
Dividends paid	579	505
Tax paid	1,436	1,220
Decrease in creditors	—	903
Increase in stocks	910	—
Increase in debtors	1,433	—
Repayment of loans	350	—
	5,797	4,860
Movement in net liquid funds	136	346

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

Notes to the Financial Statements

For the year ended 31st March 1982

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 1982. 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:

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

(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

	1982 £000	1981 £000
Directors' emoluments	178	164
Remuneration	25	23
Pension fund contributions	203	167
Chairman	25	23
Remuneration	4	4
Pension fund contributions	29	27
Highest paid director	28	25
Remuneration	5	4
Pension fund contributions	33	29
Scale of directors' remuneration	1982 No	1981 No
£ 0 - 5,000	1	2
15,001 - 20,000	3	2
20,001 - 25,000	4	3
25,001 - 30,000		2
		13

Notes to the Financial Statements continued

For the year ended 31st March 1982

		1982 £000	1981 £000
	Employee costs during the year:	6,265	5,638
	Wages and salaries	690	643
	Social security costs	474	460
	Other pensions costs		
	Average number of persons employed:	1982	1981
	Production	No	No
	Selling	738	716
	Distribution	36	32
	Administration	128	128
		189	198
		1982 £000	1981 £000
4 Interest receivable and similar income	This consists of:	14	13
	Interest receivable	87	79
	Rent receivable	101	92
5 Interest payable and similar charges	This consists of:	164	458
	Interest on short term loans and overdrafts	107	178
	Interest on long term loans	271	636
6 Profit on ordinary activities before taxation	Profit on ordinary activities before taxation less after charging:	89	120
	Hire of plant and machinery	41	41
	Other leasing charges	130	161
		706	676
	Depreciation	28	28
	Auditors' remuneration		
7 Taxation	Corporation tax at 52% (1981 - 52%) based on the profit of the year	1,490	1,243
	Deferred taxation	(13)	6
		1,477	1,249
	Adjustment to prior years' tax provisions	11	
		1,488	1,249
8 Extraordinary Items	Surplus arising on acquisition of subsidiaries in the year		104
9 Profit of Parent Company	The consolidated profit and loss account includes £1,695,000 (1981 - £1,662,000) which is dealt with in the financial statements of the parent company.		
10 Dividends		1982 Per share £000	1981 Per share £000
	Interim	0.75p 190	0.67p 169
	Proposed Final	1.70p 432	1.53p 388
		2.45p 622	2.20p 557
11 Earnings per ordinary share	Following the scrip issue during the year the 1981 figures have been restated on a comparable basis. The calculation of earnings per ordinary share before extraordinary items is based on profits of £1,712,000 (1981 - £1,753,000) and on the average of 25,339,000 (1981 - 25,300,000) ordinary shares in issue during the year, as adjusted for the scrip issue.		

Notes to the Financial Statements continued

For the year ended 31st March 1982

12 Fixed Assets

	Freehold property £000	Long leasehold property £000	Short leasehold property £000	Plant vehicles and equipment £000	Total £000
The Group					
Cost or valuation at 1st April 1981	6,526	310	1,066	3,244	11,146
Capital expenditure	355	116	98	520	1,089
Disposals	(175)	—	(12)	(277)	(464)
Adjustment arising on revaluation	890	(1)	(71)	—	818
At 31st March 1982	7,596	425	1,081	3,487	12,589
At valuation	7,595	425	1,052	—	9,072
At cost	1	—	29	3,487	3,517
	<u>7,596</u>	<u>425</u>	<u>1,081</u>	<u>3,487</u>	<u>12,589</u>
Accumulated depreciation					
At 1st April 1981	200	9	106	1,661	1,976
Provisions	128	10	53	515	706
Eliminated on disposals	(11)	—	(1)	(191)	(203)
Adjustment arising on revaluation	(317)	(19)	(158)	—	(494)
At 31st March 1982	—	—	—	1,985	1,985
Net book value					
At 31st March 1982	7,596	425	1,081	1,502	10,604
At 31st March 1981	6,326	301	960	1,583	9,170
Comparable amounts on the historical cost basis					
Cost	5,117	426	895	3,487	9,925
Accumulated depreciation	510	19	285	1,985	2,799
Net book value					
At 31st March 1982	4,607	407	610	1,502	7,126
At 31st March 1981	4,467	301	553	1,583	6,904
The Company					
Cost or valuation at 1st April 1981	6,046	310	1,064	3,075	10,495
Group transfers	481	—	2	160	643
Capital expenditure	354	116	98	493	1,061
Disposals	(175)	—	(12)	(241)	(428)
Adjustment arising on revaluation	890	(1)	(71)	—	818
At 31st March 1982	7,596	425	1,081	3,487	12,589
At valuation	7,595	425	1,052	—	9,072
At cost	1	—	29	3,487	3,517
	<u>7,596</u>	<u>425</u>	<u>1,081</u>	<u>3,487</u>	<u>12,589</u>
Accumulated depreciation					
At 1st April 1981	193	9	105	1,574	1,881
Group transfers	15	—	1	95	111
Provisions	120	10	53	488	671
Eliminated on disposals	(11)	—	(1)	(172)	(184)
Adjustment arising on revaluation	(317)	(19)	(158)	—	(494)
At 31st March 1982	—	—	—	1,985	1,985
Net book value					
At 31st March 1982	7,596	425	1,081	1,502	10,604
At 31st March 1981	5,853	301	959	1,501	8,614
Comparable amounts on the historical cost basis					
Cost	5,117	426	895	3,487	9,925
Accumulated depreciation	510	19	285	1,985	2,799
Net book value					
At 31st March 1982	4,607	407	610	1,502	7,126
At 31st March 1981	3,994	301	552	1,501	6,348

Notes to the Financial Statements continued

For the year ended 31st March 1982

12 Fixed assets continued

A revaluation of all Freehold and Leasehold property was carried out as at 31st March 1982 on the basis of its open market value for existing use, by Jones Lang Wootton, Chartered Surveyors, and has been incorporated in these financial statements.

13 Interest in subsidiaries

	1982 £000	1981 £000
Shares at cost less amounts written off	2,726	2,726
Debentures at cost	350	350
Amounts due to sub. idiarles	(5,070)	(3,885)
	<u>(1,994)</u>	<u>(809)</u>

Subsidiaries, all of which are wholly owned and incorporated in Great Britain:

Broads Builders Merchants Limited
 Cobtree Nominees Limited
 Doransel Limited
 Ingram Perkins and Company Limited
 L. & P. Developments Limited
 One Stop Home and Garden Centres Limited
 Sandell, Smythe & Drayson Limited and its subsidiaries:
 Bath Builders Merchants Limited
 Broad and Company Limited
 T. Holland and Son Limited
 Trowbridge Home Improvements Limited
 S. E. Haward and Company Limited
 S. F. Williams (Builders Merchants) Limited
 Wallboard Distributors Limited

14 Debtors

	The Group		The Company	
	1982 £000	1981 £000	1982 £000	1981 £000
Trade debtors	8,067	6,487	8,067	6,107
Other debtors	73	94	73	65
Prepayments and accrued income	191	317	191	300
	<u>8,331</u>	<u>6,898</u>	<u>8,331</u>	<u>6,472</u>

15 Other creditors including taxation and social security

	The Group		The Company	
	1982 £000	1981 £000	1982 £000	1981 £000
5% Loan notes	350	350	350	350
Taxation	1,618	1,553	1,618	1,462
Social security	179	162	179	149
Other creditors	2,644	1,892	2,644	1,848
	<u>4,791</u>	<u>3,957</u>	<u>4,791</u>	<u>3,809</u>

16 Deferred liabilities

	The Group and the Company	
	1982 £000	1981 £000
5% Loan notes	350	700
Bank loans	750	750
	<u>1,100</u>	<u>1,450</u>
Less amounts repayable within 1 year	350	350
	<u>750</u>	<u>1,100</u>
Analysis of loan repayments		
Between one and two years	—	350
Between two and five years	750	430
After five years	—	320
	<u>750</u>	<u>1,100</u>

The bank loans bear interest at 0.75% above the three month London Inter Bank offered rate.

Notes to the Financial Statements continued

For the year ended 31st March 1982

17 Deferred taxation

Under the policy stated in Note 1(e), no deferred taxation is provided on the surplus on revaluation of properties, capital allowances in excess of depreciation 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:

	1982		1981	
	Amount provided £000	Total potential tax £000	Amount provided £000	Total potential tax £000
The Group				
Unrealised surplus on revaluation of property	—	1,150	180	860
Capital allowances in excess of depreciation	—	1,007	—	1,157
Gains deferred by roll-over relief	—	300	—	256
Other timing differences	(12)	(12)	(18)	(18)
Advance corporation tax recoverable	(185)	(185)	(166)	(166)
	<u>(197)</u>	<u>2,260</u>	<u>(4)</u>	<u>2,089</u>
The Company				
Unrealised surplus on revaluation of property	—	1,150	180	750
Capital allowances in excess of depreciation	—	1,007	—	1,132
Gains deferred by roll-over relief	—	300	—	251
Other timing differences	(12)	(12)	(18)	(18)
Advance corporation tax recoverable	(185)	(185)	(166)	(166)
	<u>(197)</u>	<u>2,260</u>	<u>(4)</u>	<u>1,949</u>

18 Called up share capital and share premium account

Authorised 30,000,000 ordinary shares of 10p

Allotted and fully paid
Balance at 1st April 1981
Issued during the year
Scrip issue

	Share capital £000	Share premium account £000
Authorised 30,000,000 ordinary shares of 10p	3,000	—
Balance at 1st April 1981	844	158
Issued during the year	8	18
Scrip issue	1,688	—
	<u>2,540</u>	<u>176</u>

During the year a scrip issue of 16,879,002 fully paid ordinary shares of 10p each was made at par value (£1,688,000) to shareholders on the basis of two new shares for each share held. The issue which was for the purpose of restructuring the company's finances was made from funds previously held to the credit of profit and loss account.

Also during the year the company issued 77,700 ordinary shares of 10p each for a cash consideration of £26,000 as an incentive to employees.

19 Reserves

	The Group	The Company	Profit and loss account
	Revaluation reserve £000	Revaluation reserve £000	£000
Balance at 1st April 1981	2,194	2,144	8,750
Profit retained for the year	—	—	1,073
Amount capitalised in the year	—	—	(1,688)
Surplus on revaluation	1,491	1,491	—
Transfers from/(to) profit and loss account	(60)	(60)	—
Amount realised on disposal of revalued assets	(137)	(137)	137
Amount equivalent to additional depreciation on revalued assets	—	—	—
	<u>3,488</u>	<u>3,438</u>	<u>8,272</u>

At 31st March 1982, the distributable profits of the Group and of the Company are those shown in the profit and loss account.

Notes to the Financial Statements continued

For the year ended 31st March 1982

20 Capital commitments

		The Group and the Company	
		1982	1981
		£000	£000
Contracted for but not provided in the financial statements		82	120
Authorised but not yet contracted for		755	110
		<u>837</u>	<u>330</u>

21 Lease commitments

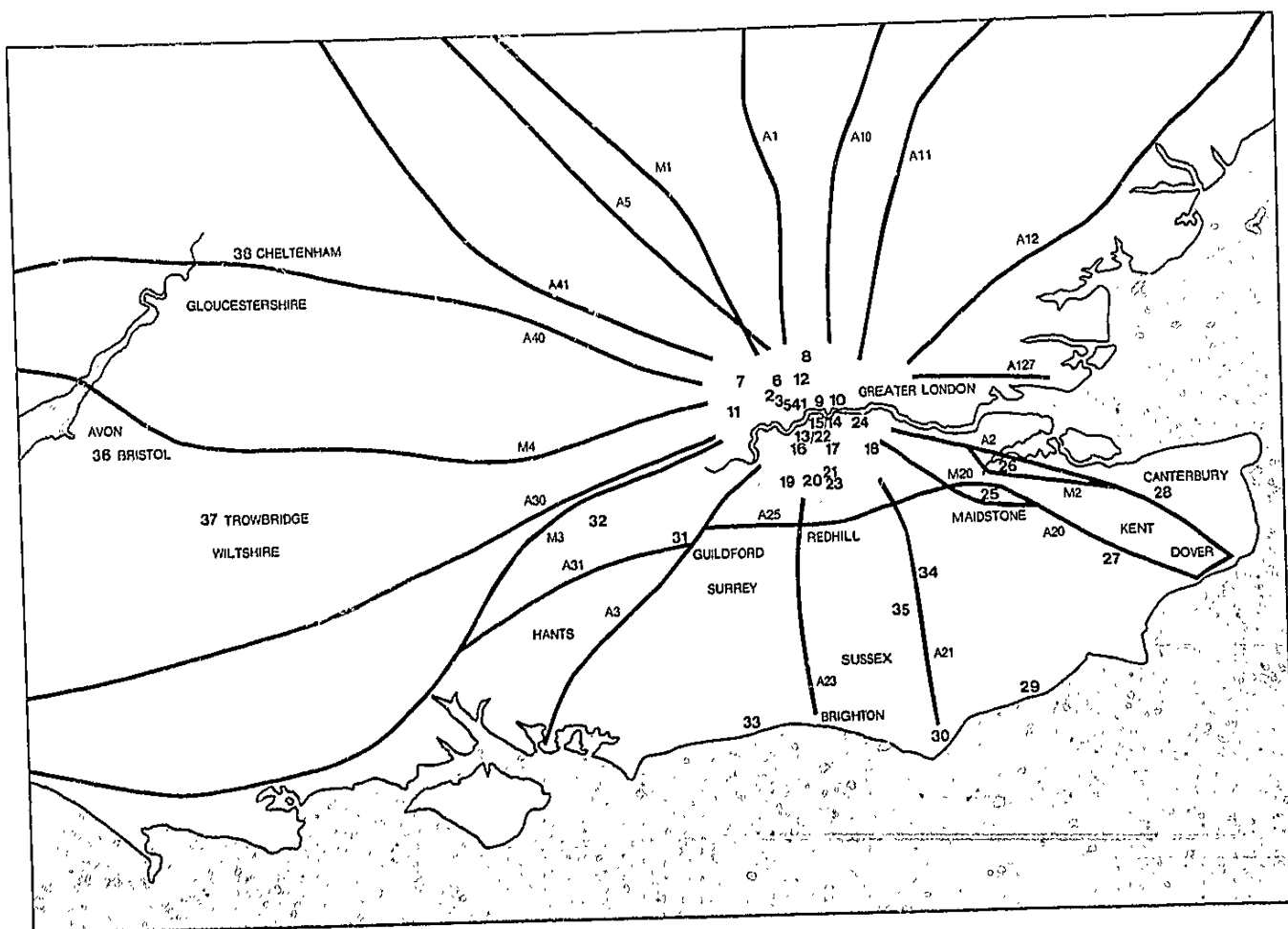
Minimum rental commitments at 31st March 1982 were as follows in respect of operating leases.

		The Group and the Company	
		1982	1981
		£000	£000
Year ending 31 March			
1983		61	41
1984		49	41
Later years		25	24

Ten Year Statistical Record

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Results (£000)										
Sales	6,643	10,036	11,099	15,246	21,588	26,457	31,487	40,125	45,519	48,500
Profit on ordinary activities	856	1,344	1,077	1,195	2,009	1,849	2,751	3,524	3,002	3,200
Profit after taxation	571	1,096	599	496	1,630	1,166	1,570	2,195	1,753	1,712
Extraordinary items	+174	+615	—	+294	—	—	—	—	+104	—
Dividends	106	151	190	227	253	283	377	505	557	622
Ratios & Statistics										
Earnings per share before extraordinary items*	2.5p	4.8p	2.6p	2.0p	6.5p	4.6p	6.2p	8.7p	6.9p	6.8p
Net book value per 10p share*	9.4p	14.3p	17.9p	18.5p	24.0p	28.6p	43.0p	49.7p	54.8p	64.6p
Dividend — Pence per share*	0.5p	0.7p	0.8p	0.9p	1.0p	1.1p	1.5p	2.0p	2.2p	2.5p
Profit on ordinary activities % of sales	12.9%	13.4%	9.7%	7.8%	9.3%	7.0%	8.7%	8.8%	6.6%	6.6%
Profit on ordinary activities per employee	£1,637	£2,506	£2,009	£1,690	£2,520	£2,075	£2,890	£3,236	£2,795	£2,933

*Adjusted for scrip issue



London Area North

- 1 Area Sales Office:
22 Praed Street, W2 1NH.
Tel: 01-723 7061.
- 2 149 Harrow Road, W2 6NA.
Tel: 01-402 9311.
- 3 119 Harrow Road, W2 6NA.
Tel: 01-723 7966.
- 4 2-3 South Wharf Road, W2 1NZ.*
Tel: 01-723 7061.
- 5 4 South Wharf Road, W2 1NZ.
Tel: 01-723 8476/8808.
- 6 156 West End Lane, NW6 1SD.
Tel: 01-794 8151.
- 7 2a Neptune Road Estate, Harrow,*
HA1 4ER. Tel: 01-863 8521.
- 8 51 Mayes Road, N22 6TN.
Tel: 01-888 7216.
- 9 305a Kingsland Road, E8 4DL.
Tel: 01-254 1442.
- 10 Hercules Wharf, Leamouth Road,
E14 0JG. Tel: 01-987 3508.
- 11 Park Avenue, Southall, UB1 3AB.
Tel: 01-571 0914.
- 12 11-13 St Pancras Way, NW1.

London Area South

- 13 Area Sales Office:
57 South Lambeth Road, SW8 1RJ.
Tel: 01-735 7171.
- 14 46 Redcross Way, SE1 1LE.
Tel: 01-407 3511.
- 15 18 Union Street, SE1 1SZ.
Tel: 01-407 3511.
- 16 38/51 Old Devonshire Road, Balham,
SW12 9PQ. Tel: 01-673 1212.
- 17 91/95 Stanstead Road, Lewisham,
SE23 2DA. Tel: 01-699 0881.
- 18 2 Hurst Road, Sidcup, DA15 9AB.
Tel: 01-300 9341.
- 19 Ewell Road, Cheam, SM3 8AP.
Tel: 01-642 6695.

- 20 Ross Parade, Wallington, SM6 8CF.
Tel: 01-647 1403/01-699 1654.
- 21 Hampton Road, Croydon, CR0 2XG
Tel: 01-689 4311.
- 22 Group Hardwood Depot
William Bloore Hardwoods,
57 South Lambeth Road, SW8 1RJ.
Tel: 01-735 7171.
- 23 L. & P. Developments
(Plumbers Merchants)
Selsdon Road, S. Croydon, CR2 0YA.
Tel: 01-686 2281.
- 24 T. W. Smith & Sons
653 Woolwich Road, Charlton,
Woolwich, SE7 8LH.
Tel: 01-858 6323.

South East Area

- 25 Area Sales Office:
Forstal Road, Aylesford,
Maidstone, Kent, ME20 7AG.
Tel: Maidstone 70111.
- 26 Jenkins Dale, Chatham, Kent, ME4 5RT
Tel: Medway 43690.
- 27 Victoria Road, Ashford, TN23 1HP.
Tel: Ashford 25935.
- 28 Lime Kiln Road, Canterbury, CT1 3QH.
Tel: Canterbury 66322.
- 29 Springfield Valley Road, Hastings,
Sussex, TN38 0RP. Tel: Hastings 424300.
- 30 Bourne Street, Eastbourne,
Tel: Eastbourne 20228.
- 31 Woodbridge Road, Guildford, GU1 1EH.
Tel: Guildford 62821.
- 32 153 Fleet Road, Fleet, Hants, GU13 8PD.
Tel: Fleet 3681.
- 33 Long Furlong Road, Clapham Common,
Nr. Worthing, Sussex.
Tel: Patching 224, 226 & 317.
- 34 Sandell Perkins + Hawards,
Goods Station Road,
Tunbridge Wells, Kent.
Tel: Tunbridge Wells 22224.
- 35 5 The Broadway, Crowborough, Sussex.
Tel: Crowborough 2647.

Sandell Perkins + Williams

- 36 269a Ridgeway Road, Fishponds,
Bristol, BS16 3JR.
Tel: Bristol 657575.
Big "S" D.I.Y. Lodge Causeway,
Fishponds Bristol.
Tel: Bristol 653643
- 37 Wicker Hill, Trowbridge, BA14 8JS.
Tel: Trowbridge 69537.

Western Area

- 38 T. W. Smith & Sons,*
Mead Road, Leckhampton,
Cheltenham, Gloucestershire, GL53 7EB.
Tel: Cheltenham 30971.



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Aylesford, Maidstone, Kent, ME20 7AG.
Tel: Maidstone 70111. Telex: 965056.

*Toolhire Service Available.