
Annual Report

Certified to be a true copy

7

..... Director

..... Secretary

1975

	Page
Group profile	1
Directors and related information	2
Notice of Annual General Meeting	3
Chairman's statement	4-5
Directors' report	6-8
Accounting policies	9
Profit and Loss account	10
Consolidated Balance Sheet	11
Company Balance Sheet	12
Notes to the accounts	13-17
Auditors' report	17
Source and application of funds	18
Five year record	19
Details of Group companies	20-25

William Mallinson & Denny Mott Limited is classified as a timber merchant. This indeed is our origin and principal activity, but the range of our activities today is widely diversified into a general industrial and commercial category, with expertise in timber and skill in buying and selling as the themes running through the pattern. We are among the world's leaders in each case as importers and distributors of hardwoods, softwoods and sheet materials, which form three separate trades within the timber industry. We own one of Europe's largest veneer cutting factories, and for nearly a hundred years Mallinson has been perhaps the leading name in the world for architectural quality in veneered panels and partitions. We manufacture plywood, and have a division engaged in the combination of plastic materials with wood based products. We are pioneers in the successful production of purpose-moulded chipboard, and are producers of flooring grade chipboard. We manufacture domestic and institutional goods in moulded plywood, being the largest producers of plywood trays in Britain. Our numerous sawmilling factories produce mainly industrial and building components, the largest ranking among Europe's biggest and most efficient. We set out to give a distributive service of timber products to all areas and levels of the U.K. market, and we have successfully entered the retail field in both timber and hardware. We pre-pack DIY wholesale requirements, produce surfaced and edged shelving in Panaboard (veneered) and Panaplas (melamine), specialise in shop and exhibition display units, and lead the market in coffin manufacture.

Overseas we are not only in the widest possible timber field but also operate on a substantial scale as long-established general traders and factory assemblers, with products ranging from tractors to detergents, from confectionery to heavy duty batteries, foundry equipment, and machine tools. These operations cover eleven overseas countries, and both support and complement U.K. activities. Altogether there is a balance between merchanting and manufacturing, between timber and non-timber interests, and between home and overseas.

The Company's philosophy is based on a very small headquarters with a high degree of effective decentralisation, encouraging each subsidiary unit to be a responsible enterprise which profits by the supporting strength of the Group but generates its own momentum with its own energy and skill. A corporate structure of product directors is designed to ensure that the benefits of co-operation permeate the whole pattern of individualism, and within operating units there is a high degree of consultation in the processes leading to decisions. We believe this to be the right pattern in creating a training ground and a career structure that will secure the future for the company and its employees.

William Mallinson & Denny Mott Limited

Honorary President

SIR STUART S. MALLINSON, C.B.E., D.S.O., M.C., D.L., J.P.

Directors

SIR FREDERICK CATHERWOOD, M.A., F.C.A.

R. T. S. MACPHERSON, C.B.E., M.C., T.D., M.A.

H. C. HINE

G. C. HUGHES

SIR MARK TURNER

T. S. MALLINSON, M.A.

J. G. DYKE, F.C.A.

I. D. McLEAN, F.C.A.

L. C. WARSHAW

Chairman

Deputy chairman—managing director

Assistant managing director softwood

Assistant managing director
plywood and boards

Non executive

Development and research

Finance

Hardwood

Executive

Secretary

A. P. HARVEY, F.C.I.S.

Registered Office

130 Hackney Road, London, E2 7QR

Telephone 01-739 7654

Telex 265519

Registered Number

Registered in England No. 126379

Registrars and Transfer Office

Kleinwort, Benson Limited,

The Lawn, Speen, Newbury, Berks, RG13 1QN

Telephone 0635 43151

Auditors

Thomson McLintock & Co.,

70 Finsbury Pavement,

London, EC2A 1SX

Bankers

National Westminster Bank Limited

The Royal Bank of Scotland Limited

Barclays Bank Limited

Solicitors

Linklaters & Paines,

Barrington House,

56-67 Gresham Street,

London, EC2V 7JA

Notice of Annual General Meeting

Notice is hereby given

that the Annual General Meeting of William Mallinson & Denny Mott Limited will be held at 130 Hackney Road, London, E2 on Thursday 24 June 1976 at 12 noon for the purpose of:

- 1 Receiving and adopting the directors' report and accounts for the year ended 31 December 1975.
- 2 Declaring a final dividend on the ordinary shares.
- 3 Re-electing Mr. G. C. Hughes a director.
- 4 Re-electing Mr. T. S. Mallinson a director.
- 5 Considering as special business and, if thought fit, passing the following resolution as an Ordinary Resolution:—"That the authorised share capital of the company be and is hereby increased from £16,000,000 to £20,000,000 by the creation of an additional 16,000,000 ordinary shares of 25p each."
- 6 Authorising the directors to fix the remuneration of the auditors.

Any member entitled to attend and vote may appoint a proxy to attend and vote on his behalf. The proxy need not be a member. The instrument appointing a proxy must be deposited at the registered office of the company not less than 48 hours before the time of the meeting.

By order of the Board
A. P. HARVEY
Secretary

1 June 1976

Notes

- 1 All shareholders are invited to attend this meeting but ordinary shareholders only are entitled to vote.
- 2 In accordance with the requirements of The Stock Exchange, copies of relevant contracts of service of directors will be available for inspection at the registered office during normal business hours on any weekday (Saturdays excepted) from 1 June 1976 until the conclusion of the meeting.
- 3 The register of directors and of their interests in the shares and debenture of the company will be available for inspection at the meeting.

Statement by the Chairman

Sir Frederick Catherwood

FINANCIAL RESULTS AND DIVIDEND

I am glad to be able to report that overall results have been achieved in 1975 in line with our best expectations. Group turnover for the year amounted to £134,755,000 and the Group's net profit before taxation was £5,165,600. Your Board recommends a dividend increased by the legal maximum to a total of 1.8756p per Ordinary Share for the year with a final payment of 1.1756p. This total dividend is covered over three times by earnings per share of 5.96p.

These figures are the result of the Group's balanced diversification and geographical spread. The hard trading conditions of the U.K. and Europe have been wholly offset by exceptionally good results from Australia and the Far East.

TRADING REPORT

1975 was a difficult year which opened with stocks still high in the United Kingdom at importer, merchant and consumer level. At the same time not only was demand slack throughout the world, but exporting countries also were overhauling the market with heavy stocks. World prices fell steadily to a third quarter low point, which might have gone still further but for a voluntary agreement among softwood supplying countries on severe production cutbacks, and a government stockholding subsidy by Sweden to their sawmills. From the last quarter onwards world demand has improved following both selective and general buying. Softwood and hardwood prices have advanced strongly and some temporary shortages have now developed. The sheet materials market is also going forward but more steadily, as there is still under-used capacity in many supplying countries.

Reduction in the U.K. of our stocks and overdrafts took place satisfactorily over the year, but initially at a slower pace than we had hoped in face of severe competition. Our objectives had, however, been achieved by the year end, and in the U.K. margins in the last quarter were showing considerable improvement. An increase in overseas borrowings and stocks reflects the high level of trading in these areas and the depreciation of sterling.

In August, 1975 your Company acquired NET Limited by public offer. We foresaw three particular advantages: first, the addition to our hardwood interests; second, the impetus to our development in the retail field, and, third and most important, a substantial increase through NET of our share in the growth market of chipboard distribution. All of these advantages are now capable of profitable development. During the last months of 1975, in close discussions with NET management, certain unprofitable activities of that company were terminated, and steps have been taken which should, in the near future, improve the profitability of others. It is, I believe, a matter of encouragement to your Company looking ahead that the profit achieved by the Group in 1975 was without significant contribution from the NET interests. The mainstream of their trading appears to fulfil our hopes, and it is reasonable, therefore, to expect a satisfactory contribution from the NET companies to the future profits of the Group.

I do not propose to make a forecast of Group profits so early in the year but, in the first four months of 1976 the Group has achieved a U.K. turnover in line with our budgeted expectations and I am reasonably optimistic for the year as a whole.

ACQUISITIONS AND DEVELOPMENTS

Apart from the major strategic acquisition of NET to which I have referred, we have continued to be very active in our declared policy of improving our geographical distribution, servicing the smaller and cash customers, and increasing our large proportion of value-added business. Investment in this further processing has continued steadily in our timber locations. Small trade and cash centres have been completed on our premises at Hull, Dunfermline and Aberdeen, and a further five are scheduled for early opening. "Knobs and Knockers" and "Uncle Bill's" D.I.Y. establishments have also spread apace, while Lawsons Timber Ltd., another D.I.Y. subsidiary, has opened sizeable new premises in Glasgow. Filling geographical gaps, we have acquired since the last annual report the companies of C. Hetherington (Timber) Ltd. of Wighton near Carlisle and William Newman (Felixstowe) Ltd., and we have taken up distribution premises in Inverness, Doncaster and in Plymouth. Similarly in Australia we have opened new depots in Coffs Harbour, New South Wales, and in Tweed Heads on the New South Wales/Queensland border. We now have eleven distribution units between Brisbane and Adelaide, to be controlled from a fine new freehold headquarters and main depot in the Melbourne suburb of Blackburn.

During the year we purchased the outstanding minority holdings of Factories Direction Ltd. (4% per cent.) and of Beverley Veneers Ltd. (25 per cent.). Both had a satisfactory year.

The Board is studying plans to add to our trading capacity by strengthening our establishments abroad in order to build up a wider range of exports from the U.K.

FINANCE

Last year my predecessor referred to the fact that careful financial control was a major preoccupation of your management. Your Board has continued to be very attentive to this. Stocks, including a considerable increase overseas to sustain very successful trading in the Far East and Australia and those arising from the addition of NET, have been held to the year-end figure of 1974. Bank overdrafts, after absorbing both the cash element of £0.7 million of the NET purchase and NET's overdraft in excess of £2.6 million on acquisition, but after deducting the proceeds of a further longer term loan of £2 million negotiated with our bankers during the year, have been reduced from £12.0 million to £9.5 million.

In order to strengthen the Group's balance sheet further and to provide a broader equity base for the future, your Board has decided to raise approximately £3.99 million by way of a rights issue on a one for three basis. The letter which I sent with the documents spelled out the reasons for this step, which I believe was both timely and advantageous. At the time of the Annual General Meeting, you are also invited to approve an increase of authorised capital. It is important for the Company to maintain its flexibility by restoring the present pool of unissued ordinary shares. I commend this resolution to you and ask your support.

BOARD AND STAFF

It is with great regret that I record Sir Mark Turner's intention to retire from the Board at the Annual General Meeting, having attained the age of 70. Sir Mark's outstanding talents are widely known and to rehearse them here would be superfluous. He is the longest serving member of our Board, having become a director in 1937—the first, I believe, of his distinguished roll of service on Boards of public companies. In all the changes that have ensued his attention has been diligent and his advice invaluable, and we are most grateful to him.

It is the Board's intention at an early date to appoint another non-executive director.

Since the acquisition of NET we have welcomed on the Board the advice and assistance of their Chairman, Mr. Leonard C. Warshaw, whose family have had so much to do with the success of that company. He has given invaluable help in the delicate and important work of integrating his company with the Group and we are grateful to him. Having made the decision some time ago, he retires at the Annual General Meeting and does not seek re-election, although happily his advice will still be available to us as required.

Our staff at all levels has faced up to another testing year, and there is no current relaxation of the pressures, particularly on middle and senior management. Like most thinking people, I am seriously concerned at the severe drop in spendable income of those who carry a major responsibility for success or failure. I admire their unstinting effort and their continued initiative and enthusiasm, and the concern which they share with the Board for the welfare and morale of employees at all levels.

Finally, I know all the staff of the Group would like me to express gratitude to my predecessor, Richard Otley, who retired at the end of the year. In his last report he said he was handing over a Company which could face the future with confidence. Subsequent results have fully borne out his words, and a great deal of the credit is due to him. He was both an inspiration and a friend to members of staff at all levels and in many places. We have much to thank him for and remember him with affection.

FREDERICK CATHERWOOD

The directors present their 63rd annual report and the accounts for the year ended 31 December 1975.

1. FINANCIAL RESULTS

The consolidated trading profit before taxation was £8,274,000. After providing for interest, taxation, minority interests and extraordinary items the net amount attributable to the members of William Mallinson & Denny Mott Limited was £2,404,000. Details of extraordinary items are shown in note 5 on page 14.

2. DIVIDENDS

An interim dividend of 0.7p per share was paid on the ordinary shares on 5 January 1976. The directors now recommend a final dividend of 1.1756p per share making a total for the year of 1.8756p per share. This compares with a total last year of 1.726p per share. Subject to the confirmation of the final dividend at the Annual General Meeting warrants will be posted on 29 June 1976 to shareholders on the register on 4 June 1976.

3. ACTIVITIES

There have been no significant changes in the activities of the group during the year. The principal activities, indicating the scale of operation and the commodities in which the group trades, are detailed in paragraph 4 below. Particulars of individual companies of the group are shown on pages 20 to 25.

4. SALES

The value of goods exported from the United Kingdom during the year was £9,258,000. The geographical spread of external sales is shown in note 1 to the accounts. The proportion in which this turnover is attributable to the different aspects of the group's business and the approximate extent to which each of these activities contributed to the trading profit for the year is:-

	Proportion of total turnover		Contribution to profit before tax	
	1975 %	1974 %	1975 £'000	1974 £'000
United Kingdom				
Sales of timber and laminated products	70.8	72.1	5,327	5,319
Overseas				
Other E.E.C. countries—Sales of timber products	5.1	4.9	(116)	65
Australia—Sales of timber products	5.4	5.5	369	251
Far East—Sales, as general import merchants (including assembled tractors) and shippers of timber products	18.4	17.5	2,671	1,676
United States of America—general traders	0.3	—	23	—
	<u>100.0</u>	<u>100.0</u>	<u>8,274</u>	<u>7,311</u>

5. FIXED ASSETS

Details of the group's fixed assets are given in note 11 to the accounts. In the opinion of the directors the market value of land and buildings is likely to be significantly higher in total than its book value. It would not be practicable to compute this difference year by year nor would it be useful to incur the cost of a valuation when it is expected that in the main the land and buildings will be used for many years in the ordinary course of business.

6. SHARE CAPITAL

Details of changes during the year in the company's share capital are given in note 7 to the accounts on page 14.

It is proposed to raise approximately £3.69 million by means of an issue to ordinary shareholders of 11,409,966 new ordinary shares of 25p each by way of rights issue on a one for three basis at 35p per share payable in full on acceptance. The new ordinary shares will rank *par passu* to all respects with the existing fully paid ordinary shares except that they will not rank for the recommended final dividend in respect of the year ended 31 December 1975.

It is proposed to increase the authorised share capital to a total of £20 million by the creation of 16,000,000 ordinary shares of 25p each and an ordinary resolution to achieve this will be put to the Annual General Meeting on 24 June. Following the proposed increase no part of the remaining unissued capital will be issued which would effectively alter the control of the company or the nature of its business without prior approval of the company in general meeting.

So far as the Board is aware at no time during the year or up to and including 1 May 1976 has any person held an interest comprising 10 per cent. or more of the issued ordinary share capital of the company. So far as is known William Mallinson & Denny Melt Limited is not a close company within the terms of the Income and Corporation Taxes Act 1970 as amended.

7. DIRECTORS

The present directors of the company are listed on page 2.

Sir Frederick Catherwood was elected Chairman of the company to succeed Mr. Richard Otley who retired on 31 December 1975. Sir Mark Turner, who attained the age of 70 years on 29 March 1976, retires at the meeting and does not seek re-election. Mr. L. C. Warshaw, who was appointed as an additional director on 26 September 1975, also retires at the meeting and does not seek re-election. Mr. G. C. Hughes and Mr. T. S. Mallinson retire by rotation and being eligible offer themselves for re-election.

The report for 1974 recorded the retirement of Mr. L. E. Price on 28 February 1975 and the appointment on 1 February 1975 of Mr. I. D. McLean.

The following table sets out the beneficial and other interests of the directors in the shares of the company.

Directors	Class of share	Interest at 31.12.1975		Interest at 1.1.1975	
		Beneficial	Other	Beneficial	Other
Sir Frederick Catherwood	—	—	—	—	—
Richard Otley	Ordinary shares	14,000	—	14,000	—
R. T. S. Macpherson	Ordinary shares	119,080	17,000	119,080	17,000
	16.8% preference shares	810	2,300	810	16,600
H. C. Hine	Ordinary shares	62,572	—	62,572	—
	4.2% preference shares	540	—	540	—
G. C. Hughes	Ordinary shares	163,896	—	163,896	—
Sir Mark Turner	4.2% preference shares	—	540	540	—
T. S. Mallinson	Ordinary shares	182,380	246,720	197,280	246,720
J. G. Dyke	Ordinary shares	28,900	—	28,900	—
	16.8% preference shares	200	—	200	—
I. D. McLean	Ordinary shares	20,000	—	20,000*	—
	16.8% preference shares	4,000	—	4,000*	—
L. C. Warshaw	Ordinary shares	377,927	—	452,927*	—
	4.2% preference shares	—	—	17,668*	—

*At date of appointment.

At 1 May 1976 Mr. I. D. McLean and Mr. L. C. Warshaw held beneficial interests in ordinary shares of 23,000 and 367,927 respectively and Mr. T. S. Mallinson's interest in ordinary shares was 171,854 and his other interest was 257,246. No other changes in the directors' interests occurred between the end of the company's financial year and 1 May 1976.

Under the terms of the offers whereby the company acquired the entire share capital of NET Limited, Mr. L. C. Warshaw acquired 527,928 ordinary shares, 17,668 4.2 per cent. preference shares and £63,351 in cash. Save as herein disclosed at no time during the year has any director had any material interest in a contract with the company, being a contract of significance in relation to the company's business.

Report of the Directors continued

8. EMPLOYEES

The average number of employees in the United Kingdom throughout the year was 3,171 and the aggregate remuneration paid to them in respect of 1975 was £8,318,000.

9. HEALTH AND SAFETY AT WORK

It is the Board's intention that the company shall remain amongst the leaders in caring for the health and safety of employees at work and of members of the public to the extent that they may be affected by its activities.

Safe working is an integral part of every production and operation programme and the maintenance of constant interest in the aspect of safety a prime consideration.

10. CHARITIES AND POLITICAL CONTRIBUTIONS

Contributions for education and charitable purposes in the United Kingdom during the year amounted to £7,314. Political donations of £355 include £250 to British United Industrialists.

11. DATES OF DIVIDEND AND INTEREST PAYMENTS

Dividend and interest payments will normally be made at the following times:—

Ordinary shares	January and June,
4.2 per cent. cumulative preference shares	1 April and 1 October,
16.8 per cent. convertible redeemable cumulative second preference shares	6 April and 6 October,
8½ per cent. debenture stock 1987/92	6 June and 6 December.

12. ANALYSIS OF ORDINARY SHAREHOLDINGS

	Number of shareholders	Nominal value of shares £
Number of shares held:		
Up to 5,000	5,801	2,067,872
5,001 to 20,000	471	1,102,754
20,001 to 100,000	134	1,625,808
Over 100,000	49	3,693,396
	<u>6,455</u>	<u>8,489,830</u>
Held by:		£
Banks and nominees	238	1,830,393
Investment and trust companies	108	962,643
Insurance companies	39	1,118,687
Individual and corporate holdings other than above	<u>6,070</u>	<u>4,578,107</u>
	<u>6,455</u>	<u>8,489,830</u>

13. CAPITAL GAINS TAX

There have been changes in the capital of the company since April 1965, as a result the effective share values for capital gains tax purposes at 6 April 1965 for shareholders in Mallinson at that date are:—

Ordinary shares	17.6875p
4.2 per cent. cumulative preference shares:	
Holders of old first preference stock	69.5p
Holders of old second preference stock	73.375p

14. AUDITORS

The auditors, Messrs. Thomson McIntock & Co., have expressed their willingness to continue in office.

By order of the Board,
A. P. HARVEY,
Secretary.

1 June 1976.

The following paragraphs describe the main accounting policies adopted by the group.

Consolidation

The consolidated profit and loss account and balance sheet include the accounts of the parent company and all its subsidiaries made up to the end of the financial year. Internal sales and profits are eliminated on consolidation so that the sales and profit figures relate to external transactions only.

The trading results of new subsidiaries are in general included from the date of acquisition if acquired for cash or equivalent consideration, or from the later of their last preceding accounting date and the previous 31 December if acquired for shares carrying entitlement to a full year's dividend.

NET Limited was acquired on 27 August 1976 for a total consideration of £3.4m of which £2.26m was satisfied by the issue of shares and £1.14m in cash. In accordance with the group's accounting policy the results of NET have been consolidated for the full year; dividends payable on the new shares and notional interest on the cash element of the purchase price have been provided for.

Depreciation

The group's general policy is to write off the book value of fixed assets by equal annual instalments over their anticipated lives making due allowance for obsolescence and the changing requirements of the group in addition to normal wear and tear. Where assets qualify for investment or development grants, depreciation is calculated on the full cost.

Extraordinary items

Items which derive from events or transactions outside the ordinary activities of the business and which are both material and expected not to recur frequently are shown as extraordinary items in the profit and loss account.

Deferred taxation

The United Kingdom tax charge is adjusted each year to remove the effect of timing differences arising from:

- (a) depreciation charged in the accounts on plant and industrial buildings compared to the corresponding allowances for taxation
- (b) material revenue expenditure charged in the accounts which is not allowed for taxation purposes until later years
- (c) corporation tax deferred due to the claiming of stock appreciation relief
- (d) capital gains tax deferred due to the claiming of roll-over relief and arising on unrealised surpluses on property revaluations.

The tax equalisation account represents tax at the current rate on the resulting net differences. Advance corporation tax on dividends paid and proposed which is expected to be offset against future corporation tax liabilities is debited in the taxation equalisation account in the balance sheet.

Investment and development grants

The grants in respect of each year's capital expenditure are being credited to the taxation charge in the profit and loss account over the anticipated lives of the assets concerned. The investment and development grant equalisation account represents the grants received, less amounts credited to profit.

Stock valuation

Stocks of timber, raw materials and stores are valued at cost, or net realisable value where this is lower. Stocks of finished and partly finished manufactured goods are valued on the basis of direct cost plus works overheads, or net realisable value where lower.

Foreign currency

Conversions into sterling are made at the average of rates ruling throughout the year for profit and loss items, and the rates ruling at 31 December for assets and liabilities. Differences in the conversion of overseas net assets arising from movements in exchange rates are treated as extraordinary items.

Associated companies

An associated company is defined as a company, not being a subsidiary, in which the group has a substantial interest and in whose commercial and financial policy decisions the group participates.

Consolidated Profit and Loss Account

For the year ended 31 December 1975	Notes	1975	1974
		£'000	£'000
EXTERNAL SALES	1	134,785	120,343
TRADING PROFIT		8,274	7,311
Deduct:			
INTEREST	2	3,109	3,618
GROUP PROFIT BEFORE TAXATION	2 and 3	5,165	3,693
Deduct:			
TAXATION	4	2,912	2,090
GROUP PROFIT AFTER TAXATION		2,253	1,603
Deduct:			
Minority Interests		76	(34)
GROUP PROFIT AFTER TAXATION ATTRIBUTABLE TO WILLIAM MALLINSON & DENNY MOTT LIMITED		2,177	1,637
EXTRAORDINARY ITEMS	5	227	217
		2,404	1,854
Deduct:			
DIVIDENDS PAID AND PROPOSED:			
4.2 per cent. Cumulative preference shares		58	51
16.8 per cent. Convertible redeemable cumulative second preference shares		102	103
Interim of 0.7p per Ordinary share (1974—0.7p)		237	191
Proposed final of 1.1756p per Ordinary share (1974—1.026p per Ordinary share)		399	279
		796	624
RETAINED PROFIT (of which £129,000 (1974—£817,000) is dealt with in the holding company's accounts)		1,608	1,230
Earnings per share	6	5.96p	5.44p
Diluted earnings per share	6	5.45p	4.90p
STATEMENT OF RETAINED PROFIT AND RESERVES			
At 31 December 1974		8,388	7,158
Retained profit for the year		1,608	1,230
At 31 December 1975		9,996	8,388

Consolidated Balance Sheet

1974	31 December 1975	Notes	1975	1974
£'000			£'000	£'000
120,343	SOURCES OF FUNDS			
	ORDINARY SHAREHOLDERS			
7,311	Ordinary shares of 25p each	7	8,499	6,840
3,318	Reserves	8	11,861	10,046
			20,291	16,886
3,693	4.2 per cent. CUMULATIVE PREFERENCE SHARES OF £1 EACH	7	1,854	1,224
2,090	16.8 per cent. CONVERTIBLE REDEEMABLE CUMULATIVE SECOND PREFERENCE SHARES OF 25p EACH	7	604	611
1,603	MINORITY SHAREHOLDERS		410	284
	DEBENTURE AND LOANS	9	11,879	9,534
(34)	DEFERRED TAXATION AND GOVERNMENT GRANTS	10	7,112	5,265
1,637			42,150	33,804
217				
1,854	EMPLOYMENT OF FUNDS			
	FIXED ASSETS	11	11,295	8,085
	INVESTMENTS	12	288	206
	NET CURRENT ASSETS			
	Stocks		32,556	33,575
	Debtors		29,653	24,969
624	Cash		259	386
			62,468	58,930
1,230	Deduct:			
5,44p	Creditors and bills payable		23,945	23,463
	Bank overdrafts		9,597	11,970
	Current taxation		1,956	365
4,90p	Final dividend proposed on ordinary shares		399	279
			35,897	36,077
7,158			26,571	22,853
1,230	GOODWILL ON CONSOLIDATION	14	3,996	3,144
8,388			42,150	33,804

The notes on pages 13 to 18 form part of these accounts.

page eleven

Company Balance Sheet

31 December 1975

Notes

1975

1974

		£'000	£'000	£'000	£'000
SOURCE OF FUNDS					
ORDINARY SHAREHOLDERS					
Ordinary shares of 25p each	7		8,490		6,840
Reserves	8		7,832		7,556
			<u>16,322</u>		<u>14,396</u>
4.2 per cent. CUMULATIVE PREFERENCE SHARES of £1 EACH	7		1,854		1,224
16.8 per cent. CONVERTIBLE REDEEMABLE CUMULATIVE SECOND PREFERENCE SHARES OF 25p EACH	7		604		611
DEBENTURE AND LOANS	9		10,829		8,728
DEFERRED TAXATION	10		(485)		(478)
			<u>29,124</u>		<u>24,481</u>
EMPLOYMENT OF FUNDS					
FIXED ASSETS	11		475		443
INVESTMENTS	12		234		172
SUBSIDIARY COMPANIES	13		30,051		27,012
NET CURRENT LIABILITIES					
Creditors and provisions		586		661	
Bank overdrafts		1,231		2,214	
Current taxation		251		164	
Final dividend proposed on ordinary shares		399		279	
		<u>2,467</u>		<u>3,318</u>	
Deduct: Debtors		831		172	
			<u>(1,636)</u>		<u>(3,146)</u>
			<u>29,124</u>		<u>24,481</u>

FREDERICK CATHERWOOD Director

R. T. S. MACPHERSON Director

Notes to the Accounts

	1975 £'000	1974 £'000
1. External sales		
Geographical spread of origin:		
United Kingdom (including £16,271,000 for NET)	95,434	86,776
Other EEC countries	6,853	5,876
Australia	7,318	6,659
Far East	24,762	21,032
United States of America	418	—
	<u>134,785</u>	<u>120,343</u>
2. Group profit before taxation		
Profit for the year before taxation is stated after charging the following:		
Interest payable		
Bank overdraft and other short term interest	2,683	2,900
On debenture and loans repayable in more than five years	376	718
Depreciation of fixed assets	1,177	874
Auditors' remuneration, including expenses	123	78
Hire of plant	96	109
and after crediting:		
Contribution of the NET group for the year (after charging notional interest of £50,000)	131	—
Dividends from quoted investments	7	6
Dividends from unquoted investments	9	11
3. Remuneration		
Directors of the company:		
Fees	5	4
Other emoluments	115	76
Pension paid to former director	5	5
	<u>125</u>	<u>85</u>

The chairman received emoluments of £3,500 (1974—£2,125).

The highest paid director received emoluments of £25,228 (1974—£19,833).

The emoluments of the other directors and of those employees earning over £10,000 per year, excluding pension contributions, fell in each £2,500 tranche as follows:

	Directors		Employees	
	1975	1974	1975	1974
£ 0—£ 2,500	2	2		
£ 2,501—£ 5,000	1	—		
£ 5,001—£ 7,500	1	1		
£ 7,501—£10,000	1	2		
£10,001—£12,500	2	—	10	8
£12,501—£15,000	—	2	8	4
£15,001—£17,500	2	—	1	—

Notes to the Accounts continued

4. Taxation	1975 £'000	1974 £'000
Taxation based on the profit for the year:		
Corporation tax at 52 per cent.	1,482	1,822
Overseas tax	1,242	628
Double tax relief	(900)	(562)
	<u>1,824</u>	<u>1,898</u>
Transfer to taxation equalisation account in respect of current year	1,049	214
Adjustment to prior years' taxation	63	—
Transfer from investment grant equalisation account	(24)	(22)
	<u>2,912</u>	<u>2,090</u>

The effect of stock appreciation relief in deferring the liability to pay corporation tax is set out in note 10.

5. Extraordinary items		
Surplus/(deficit) on exchange on converting overseas assets and liabilities	283	(79)
Profits on disposal of properties and investments less tax	—	286
Capital gains tax provision in respect of rollover relief and revaluation surpluses arising in prior years	(56)	—
	<u>227</u>	<u>217</u>

6. Earnings per share

The earnings per share for 1975 are calculated on earnings before extraordinary items of £2,177,000, less preference dividends of £160,000, and on 33,831,072 ordinary shares, the relevant shares in issue at the year end (1974—£1,482,000 earnings and 27,233,878 shares).
Diluted earnings per share are calculated on adjusted earnings before extraordinary items of £2,120,000 and on 33,917,348 shares, the maximum number which would be in issue after conversion of all the 16.8 per cent. convertible preference shares (1974—£1,587,000 earnings and 32,377,541 shares).

7. Share capital

	Ordinary shares of 25p each	4.2 per cent. cumulative preference shares of £1 each	16.8 per cent. convertible redeemable cumulative second preference shares of 25p each
	£'000	£'000	£'000
Authorised	<u>12,896</u>	<u>2,500</u>	<u>604</u>
Issued			
Total at 31 December 1974	6,840	1,224	611
Issued on acquisition of new subsidiaries	1,636	630	—
Issued to holders of 16.8 per cent. convertible redeemable cumulative second preference shares exercising their option to convert	14	—	(7)
Total at 31 December 1975	<u>8,490</u>	<u>1,854</u>	<u>604</u>

The 16.8 per cent. preference shares are convertible at the shareholders' option into two ordinary shares for every such share in any of the years 1976 to 1978. Any shares not converted into ordinary shares by 1978 may, at the company's option on giving three months' notice, be redeemed at 85p on 31 December 1978. If such notice is not given they are to be consolidated into 5.6 per cent. redeemable cumulative second preference shares of £1 each at the rate of 17 such shares for every 20 convertible shares.

Under the terms of the share incentive scheme 142,500 ordinary shares 2½% paid were outstanding at 31 December 1975.

8. Reserves	Group £'000	Company £'000
Share premium account		
Total at 31 December 1974	1,657	1,657
Arising on issue of shares to acquire new subsidiaries	155	155
Application of share premium account on capitalisation issue to preference shareholders converting to ordinary shares	(7)	(7)
	<u>1,805</u>	<u>1,805</u>
Other reserves		
Total at 31 December 1975 (from page 10)	<u>9,996</u>	<u>6,027</u>
	<u>11,801</u>	<u>7,832</u>

No account has been taken of any taxation liabilities which might arise if overseas subsidiary company reserves of £1,770,000 (1974—£1,014,000) were distributed to the parent company.

9. Debenture and loans	Group		Company	
	1975 £'000	1974 £'000	1975 £'000	1974 £'000
Repayable wholly or partly in more than five years:				
Secured 8½ per cent. debenture stock 1987/92	685	728	685	728
Unsecured bank loan at 1½ per cent. above inter bank rate	2,500	7,000	2,500	7,000
Others	—	64	—	—
	<u>3,185</u>	<u>7,792</u>	<u>3,185</u>	<u>7,728</u>
Repayable wholly within five years:				
Secured bank loans	446	—	—	—
Unsecured bank loans	8,248	1,000	7,644	1,000
Other unsecured loans	—	742	—	—
	<u>8,694</u>	<u>1,742</u>	<u>7,644</u>	<u>1,000</u>
	<u>11,879</u>	<u>9,534</u>	<u>10,829</u>	<u>8,728</u>

The interest rate on the debenture stock was increased from 7½ per cent. to 8½ per cent. on 17 April 1975.

10. Deferred taxation and government grants	Group		Company	
	1975 £'000	1974 £'000	1975 £'000	1974 £'000
Corporation tax payable 1 January 1977	761	40	—	—
Taxation equalisation:				
Stock appreciation relief	5,229	5,592	—	142
Accelerated capital allowances	1,640	807	6	6
Capital gains tax provision on revalued properties and rollover relief	206	—	—	—
Other timing differences	(478)	(697)	(148)	(62)
Advance corporation tax	(383)	(564)	(343)	(564)
Investment and development grant equalisation account	137	87	—	—
	<u>7,112</u>	<u>5,265</u>	<u>(485)</u>	<u>(478)</u>

11. Fixed assets

	Group		Company	
	Properties £'000	Plant and vehicles £'000	Properties £'000	Plant and vehicles £'000
At 31 December 1974				
Cost or valuation	5,823	6,848	497	34
Less depreciation	828	3,758	66	22
	<u>4,995</u>	<u>3,090</u>	<u>431</u>	<u>12</u>
Exchange adjustment	119	136	—	—
Net book value of assets of new subsidiaries	1,333	665	—	—
Expenditure during the year	677	1,734	30	28
Disposals at net book value	—	(277)	—	(5)
Depreciation for year	(206)	(971)	(12)	(9)
	<u>6,918</u>	<u>4,377</u>	<u>449</u>	<u>26</u>
At 31 December 1975				
Cost or valuation	8,048	9,237	529	43
Less depreciation	1,130	4,860	80	17
	<u>6,918</u>	<u>4,377</u>	<u>449</u>	<u>26</u>
Net book value	<u>11,295</u>		<u>475</u>	

Properties are stated in the above table as follows:

	Group £'000	Company £'000
At professional valuation in 1960	78	—
1964	537	—
1968	45	—
1971	147	—
1972	608	—
1974	1,045	—
At cost	<u>5,588</u>	<u>529</u>
	<u>8,048</u>	<u>529</u>

The net book values of properties were made up as follows:

	Group		Company	
	1975 £'000	1974 £'000	1975 £'000	1974 £'000
Freeholds	4,980	3,711	449	431
Leaseholds over 50 years	1,000	714	—	—
Leaseholds under 50 years	938	570	—	—
	<u>6,918</u>	<u>4,995</u>	<u>449</u>	<u>431</u>

12. Investments

	Group		Company	
	1975 £'000	1974 £'000	1975 £'000	1974 £'000
Quoted investment at cost (market value £217,000: 1974—£115,000)	234	172	234	172
Unquoted investments at cost less amounts written off	54	34	—	—
	<u>268</u>	<u>206</u>	<u>234</u>	<u>172</u>
Directors' valuation of unquoted investments	70	46	12	12

The quoted investment is a 23.5 per cent. holding in the ordinary shares of J. O. Walker & Co Limited, incorporated in England.

13. Subsidiary companies

	1975 £'000	1974 £'000
Shares at cost, less amounts written off	15,674	11,923
Amounts receivable	16,118	16,741
	<u>31,792</u>	<u>28,664</u>
Deduct: Amounts payable	1,741	1,662
	<u>30,051</u>	<u>27,012</u>

14. Goodwill on consolidation

The increase in goodwill on consolidation of £1,336,000 arises from the acquisition of new subsidiary companies during the year, principally NET Limited and its subsidiaries.

15. Capital commitments

	Group		Company	
	1975 £'000	1974 £'000	1975 £'000	1974 £'000
Commitments for capital expenditure	392	291	—	—
Expenditure authorised but not committed	324	249	—	—

16. Contingent liabilities

The company has guaranteed the borrowings of fifty-one of its subsidiary companies to the extent of £8,050,000 at 31 December 1975 (1974—£8,643,000). Bills receivable discounted amounted to £1,857,000 (1974—£1,402,000). In addition there were guarantees and contingent liabilities of a normal trading nature.

Report of the Auditors

To the Members of William Mallinson & Denny Mott Limited

We have audited the books and records of William Mallinson & Denny Mott Limited for the year ended 31 December 1975 and have examined the reports of the auditors of those subsidiaries not audited by us. The accounts on pages 9 to 18, which are stated using the historical cost convention, and the table on pages 20 to 24 have been properly prepared in accordance with the provisions of the Companies Acts, 1948 and 1967.

In our opinion, these accounts give, under the accounting convention stated above, a true and fair view of the state of affairs of the company, and of the state of affairs and profit of the group.

London 1 June 1976

THOMSON McLINTOCK & CO.
Chartered Accountants

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	1975 £000	1974 £000
Source of funds		
Group profit after taxation	2,253	1,603
Provision for depreciation	1,177	804
Temporary use of amounts set aside for taxation	1,052	4,068
Sale of assets	278	347
Extraordinary items	227	217
	<u>4,987</u>	<u>7,704</u>
Additional medium and long term loans	2,325	5,763
Shares issued to acquire new subsidiaries		
NET Limited	2,267	
Other	153	
	<u>2,420</u>	
	<u>9,732</u>	<u>13,467</u>
Funds were used		
Purchase of NET group (including goodwill)	3,192	
Purchase of fixed assets	3,188	2,285
Redemption of debentures	43	5
Movements in working capital (excluding effect of acquisition of NET group)		
Stock	(3,818)	9,405
Debtors	64	1,925
Creditors	3,625	(6,075)
Current taxation	(1,521)	4,304
	<u>(1,650)</u>	<u>9,559</u>
Dividends	796	624
	<u>5,569</u>	<u>12,473</u>
Net decrease in overdraft	4,163	994
	<u>9,732</u>	<u>13,467</u>
The net decrease in overdraft shown above is represented by:—		
Net decrease in overdraft for the year	4,163	
Less: Overdraft of NET group at 1 January 1975	1,917	
	<u>2,246</u>	
Net decrease on overdraft less cash balances shown by the group accounts		

FIVE YEAR RECORD (in thousands of pounds)

	1973	1974	1975	1976	1977
External sales	134,765	127,343	121,474	61,433	52,485
Profits					
Trading profit	8,274	7,311	9,573	4,365	2,670
Interest	3,109	3,618	1,419	692	870
Profit before taxation	5,165	3,693	3,030	2,674	1,900
Taxation	2,912	2,090	4,329	1,553	748
Profit after taxation	2,253	1,603	3,761	2,121	1,052
Minorities	(76)	34	21	2	(10)
Extraordinary items	227	217	24	229	(278)
Cost of dividends	(796)	(624)	(592)	(577)	(729)
Retained profit	1,608	1,230	3,214	1,675	35
Depreciation charged	1,177	874	829	553	416
Dividend per ordinary share including tax credit*	2.89p	2.63p	2.33p	2.13p	2.00p
Earnings per share—basic*	5.96p	5.44p	13.35p	7.44p	3.23p
—fully diluted*	5.45p	4.90p	11.53p	6.59p	3.17p
Source of funds					
Ordinary share capital	8,490	6,840	6,818	3,204	3,138
Reserves	11,801	10,046	8,827	8,566	6,782
	20,291	16,886	15,645	11,770	9,920
Preference share capital	2,458	1,835	1,846	1,887	1,913
Minority interests	410	284	193	210	190
Debenture and loans	11,879	9,534	3,777	1,443	1,189
Deferred taxation and Government grants	7,112	5,265	874	895	531
	42,150	33,804	22,325	16,205	13,743
Employment of funds					
Fixed assets	11,295	8,085	7,151	5,023	4,385
Investments	288	206	45	151	124
Net current assets	26,571	22,853	12,436	8,781	7,002
Goodwill	3,996	2,660	2,693	2,250	2,232
	42,150	33,804	22,325	16,205	13,743
Net tangible assets per ordinary share*	48p	52p	48p	37p	31p

*Adjusted for the capitalisation issue of 1 for 1 in June 1973.

Extraordinary items for the years 1971 to 1973 include figures shown as special items and reserve movements in the accounts for those years.

The Mallinson Denny Group of Companies

PARENT COMPANY

William Mallinson & Denny Mott Limited

London

PRINCIPAL SUBSIDIARY COMPANIES AND SENIOR EXECUTIVES

UNITED KINGDOM AND EUROPE

INCORPORATED IN THE UNITED KINGDOM

Abstracta Construction Ltd., London.
Shopfitting and display units.

Managing—M. Crossick

Beverley Veneers Ltd., and subsidiaries, Beverley.
Manufacturers of coffins and melamine faced shelving.

Managing—G. A. Warburton.

Brandhill Ltd., Bideford.
Vacuum packers and manufacturers of wrought iron work.

Managing—M. P. White.

The Bushboard Co. Ltd., Gateshead, Manchester and Wellingborough.
Laminated plastic fabricators, W.C. cubicles, laminates.

Production—A. J. Veitch *Sales*—A. Royal

Charles, Dowson & Co. Ltd., Leeds.
Distributors of timber products and hardware to the retail trade.

Managing—F. Dowson

Denny Mott & Dickson Ltd., London.
Holding company and international trading.

Managing—H. C. Hine

D.I.Y. Enterprises (Northern) Ltd., Liverpool.
D.I.Y. Enterprises (Western) Ltd., Bristol.
Wholesalers of D.I.Y. trade supplies.

Managing—A. C. Warshaw

Factories Direction Ltd., Lydney.
Manufacturers of plywood and veneer.

Managing—C. K. Foster

Fitchett & Woollacott Ltd., Nottingham.
Hardwood, plywood, specialist suppliers of timber to schools, flooring contractors, wood machinists, kiln drying.

Managing—J. W. Gardner *Sales*—A. V. Morrell

Formwood Ltd., Coleford.
Moulded wood-chip products.

Managing—D. J. H. Stearn

The Fyfe Douglas Co. Ltd., Glasgow.
Coffin distributors.

Managing—G. A. Warburton

Gore-Smith International Agencies Ltd., London.
Timber and sheet materials.

Managing—R. S. Redgrove

Joseph Green (Timber Importers) Ltd., Keighley, Bradford, Rotherham and Halifax.
Softwood, plywood and boards, sawmilling.

Managing—A. Young

M. Harrison (Kingston) Ltd., Chertsey.
Softwood, plywood and boards, sawmilling.

Managing—M. B. Allingham

C. Hetherington (Timber) Ltd., Wigton, Cumbria.
Softwood, sheet materials.

Managing—J. Proudlock

George Hooper & Co. Ltd., Bridgwater and Weston-super-Mare.
George Hooper & Co. (Bath) Ltd., Bath.
Softwood, plywood and boards, hardwood, sawmilling and roof trusses.

Managing—S. C. Meads

Edward Hughes & Co. (Timber) Ltd., Liverpool.
Edward Hughes & Co. (Sheet Materials) Ltd., Liverpool.
Hardwood and sheet materials, kiln drying.

Managing—P. Tattersall Hardwood—J. B. Tattersall Sheet materials—B. Tattersall

Janningbury Products Ltd., Waltham Abbey.
Sheet materials.

Managing—G. C. Howard

Jennings, Monk Ltd., London.
Retailers trading as "Knobs and Knockers" and the "Louvre Centre".

Managing—M. C. Warshaw

W. E. Jones & Denny Mott Ltd., Wolverhampton.
Softwood, plywood and boards, sawmilling.

Managing—D. P. F. Barber

Lawsons Timber Ltd., Edinburgh, Glasgow and Newcastle.
Wholesale merchanting, retail and trade, D.I.Y. retailing

Managing—H. L. McKill

Mallinson-Denny (North Western) Ltd., (incorporating Bloomer-Holt Ltd.)
Manchester and Liverpool.
Softwood, plywood and boards, sawmilling.

Managing—G. C. Hughes Softwood—C. A. Ralphs Plywood—W. A. Jackson

Mallinson-Denny (South Eastern) Ltd., Gravesend.
Softwood, plywood and boards, sawmilling.

Managing—H. C. Hine Softwood—W. Hannaford Plywood—S. J. Fraser

The Mallinson Denny Group of Companies continued

Mallinson-Denny (Western) Ltd., Cardiff, Bristol and Southampton.
Softwood, plywood and boards, hardwood, sawmilling.

Managing and softwood—C. S. A. Shere Plywood—D. Stoddart Southampton—A. J. Freeman

William Mallinson & Sons (Manufacturing) Ltd., Dartford.
Manufacture and distribution of the 'Mallod' range of office and domestic woodware, gift ware and catering trays.

Managing—D. M. Foulds

William Mallinson & Sons (Overseas) Ltd., London.
Agents and suppliers of timber, veneers and plywood throughout the world.

Managing—R. Dand

William Mallinson & Sons (Sales) Ltd., London.
Hardwood, veneers and plywood, kiln drying.
Architectural panelling, office partitioning, 'Armourply' metal faced panels and doors, W.C. cubicles, building panels.

Managing—P. G. Kemp Plywood—R. Geyman

Hardwood—R. A. Knight Veneers—J. L. Robertson

Nelson, Paterson, Anderson & Co. Ltd., Arbroath, Dunfermline and Aberdeen.
Leatherfloor Ltd.
Plywood and boards, flooring, laminates.

Managing—J. A. Robertson Sales—K. Norrie

NET Ltd., London.
Holding company.

Managing—L. C. Warshaw

William Newman (Felixstowe) Ltd., Felixstowe.
Builders suppliers, joinery, trade and retail sales.

Managing—W. Nowman

North Eastern Timber Ltd., London.
Sheet materials and hardwood.

Managing—M. C. Warshaw

North Eastern Timber (Special Products) Ltd., London.
Specialist suppliers to container and transportation industries.

Managing—R. H. Green

The Panawall Co. Ltd., King's Lynn.
Decorative panelling, 'Panaboard' and 'Panaplas' shelving.

Managing—R. S. H. Guy Marketing—W. F. P. Waymouth

Scottish Veneers & Sales Ltd., Leeds.
Veneers.

Managing—S. Seymour

J. T. Stanton & Co. Ltd., King's Lynn and Letchworth.
Softwood merchanting and processing, plywood and boards.

Managing—R. S. H. Guy *Sales*—D. H. Allen *Letchworth*—H. Finney

J. T. Stanton (Bedford) Ltd., Bedford.
Softwood, plywood and boards, sawmilling.

Managing—B. M. Timmis

J. & A. Stewart Ltd., Glasgow.
Hardwood, plywood and boards, softwood, kiln drying and sawmilling.

Managing—D. W. Mitchell

Thompson Eyres & Denny Mott Ltd., South Shields, Leeds, Hull and Grimsby.
Plywood and boards, softwood, sawmilling, roof trusses and chipboard manufacture.

Managing—W. J. Holland

South Shields—R. Ling *Leeds*—S. Birks *Grimsby and Hull*—J. B. Bell, K. Burley and J. Deas

R. M. Turner & Hunters Ltd., London.
Hardwood, kiln drying.

Managing—M. O. Shelbourne.

Ulster Timber Co. Ltd., Belfast.
Softwood, plywood and boards, hardwood, sawmilling and roof trusses

Managing—J. Anderson *Sales*—W. A. McMurtry

Warsaw (Building Materials) Ltd., London.
Warsaw (Safety & Security) Ltd., London.
Suppliers of builders' ironmongery and of security materials and systems.

Managing—C. F. Sandler

Whitmore's Timber Co. (Claybrooke) Ltd., Claybrooke Magna, nr. Lutterworth.
Home grown hardwoods, sawmilling.

Managing—E. M. Gibbs

World Timbers Ltd., London.
Timber and plywood agents, home and overseas.

Managing—A. N. Earle

INCORPORATED IN THE NETHERLANDS AND BELGIUM

William Mallinson en Zonen, Rotterdam, The Netherlands.
Société Belge des Etablissements William Mallinson S.A., Brussels, Belgium.
Hardwood, wood machining, sheet materials and veneers.

Managing—H. B. van der Goot

INCORPORATED IN FRANCE

Société Nouvelle des Bois Contreplaqués & Comprimés, Montaigu, nr. Nantes.
Manufacturers and decorative printers of specialist plywood and boards.

Managing—J. C. Breliere

INCORPORATED IN THE REPUBLIC OF IRELAND

Mallinson Wood Products Ltd., Swords, Dublin.
Hardwood, plywood and boards, sawmilling, kiln drying.

Managing—T. P. Brady

10

The Mallinson Denny Group of Companies continued

NORTH AND SOUTH AMERICA

INCORPORATED IN THE UNITED STATES OF AMERICA

North Eastern Timber (U.S.A.) Inc., Philadelphia.

General traders and exporters.

Managing—J. J. Greenberg

INCORPORATED IN BRASIL

Mallinson Denny do Brasil (Industria e Comercio) Ltda., Rio de Janeiro.

Holding and Management Company.

Managing—T. S. Mallinson

ASIA AND AUSTRALIA

INCORPORATED IN UNITED KINGDOM

Louis T. Leonowens Ltd., Bangkok, Thailand.

General import and export merchants and distributors.

Managing—J. E. Henderson Bangkok—D. G. Frazer

Louis T. Leonowens (South East Asia) Ltd., Malaysia, Singapore and Indonesia.

Timber, plywood and constructional veneer shippers and agents, and general import and export merchants.

Managing—J. E. Henderson South East Asia—J. B. Whittaker

Singapore and Jakarta—C. C. Pepper

INCORPORATED IN THAILAND

Louis T. Leonowens (Tractors) Ltd., Bangkok, Thailand.

Tractor assembly.

Managing—C. H. P. Edmonds.

INCORPORATED IN HONGKONG

Kincraig Malden Ltd.,

General import and export.

Managing—J. G. Dyke

INCORPORATED IN AUSTRALIA

William Mallinson & Sons (Australasia) Pty., Melbourne.
Holding company.

Chairman—G. N. Crawford-Fish, F.C.A. Managing—P. Webster

William Mallinson & Sons (Victoria) Pty. Ltd., Melbourne.

Importers and merchants of plywood and boards, timber and doors.

Managing—R. J. Holah

William Mallinson & Sons (Veneers) Pty. Ltd., Melbourne.

Veneers.

Managing—R. M. Thomas

William Mallinson & Sons (N.S.W.) Pty. Ltd., Sydney, Newcastle, Coffs Harbour, Gosford, Port Macquarie and Wollongong.

Importers and merchants of plywood and boards, timber and doors.

Managing—W. E. Collins

William Mallinson & Sons (S.A.) Pty. Ltd., Adelaide.

Importers and merchants of veneers, plywood and boards, timber and doors.

Managing—T. Neal Timber agency—J. R. Stanhope

Mallinson Stanley Trade Supplies Pty. Ltd., Surfers Paradise and Brisbane, Queensland, and Tweed Heads, N.S.W.

Importers and merchants of plywood, boards, doors and building supplies.

Managing—T. F. Stanley Brisbane—A. Allison

The equity of these subsidiaries is wholly owned except in the case of Jennings, Monk Ltd., where the proportion held is 76 per cent. North Eastern Timber (U.S.A.) Inc., 51 per cent. and Mallinson Stanley Trade Supplies Pty. Ltd., 51 per cent.

The holding company and all subsidiaries incorporated in the United Kingdom are registered in England, with the exception of Lawsons Timber Ltd., Nelson, Paterson, Anderson & Co. Ltd., and J. & A. Stewart Ltd. which are registered in Scotland, and Ulster Timber Co. Ltd. which is registered in Northern Ireland.

The details above are of principal subsidiary companies only, minor subsidiaries are not included.

OVERSEAS

EUROPE:

Netherlands — Rotterdam
Belgium — Brussels
France — Nantes

ASIA:

Thailand — Bangkok
Malaysia — Kuala Lumpur
Indonesia — Jakarta
Singapore
Hongkong

AUSTRALASIA:

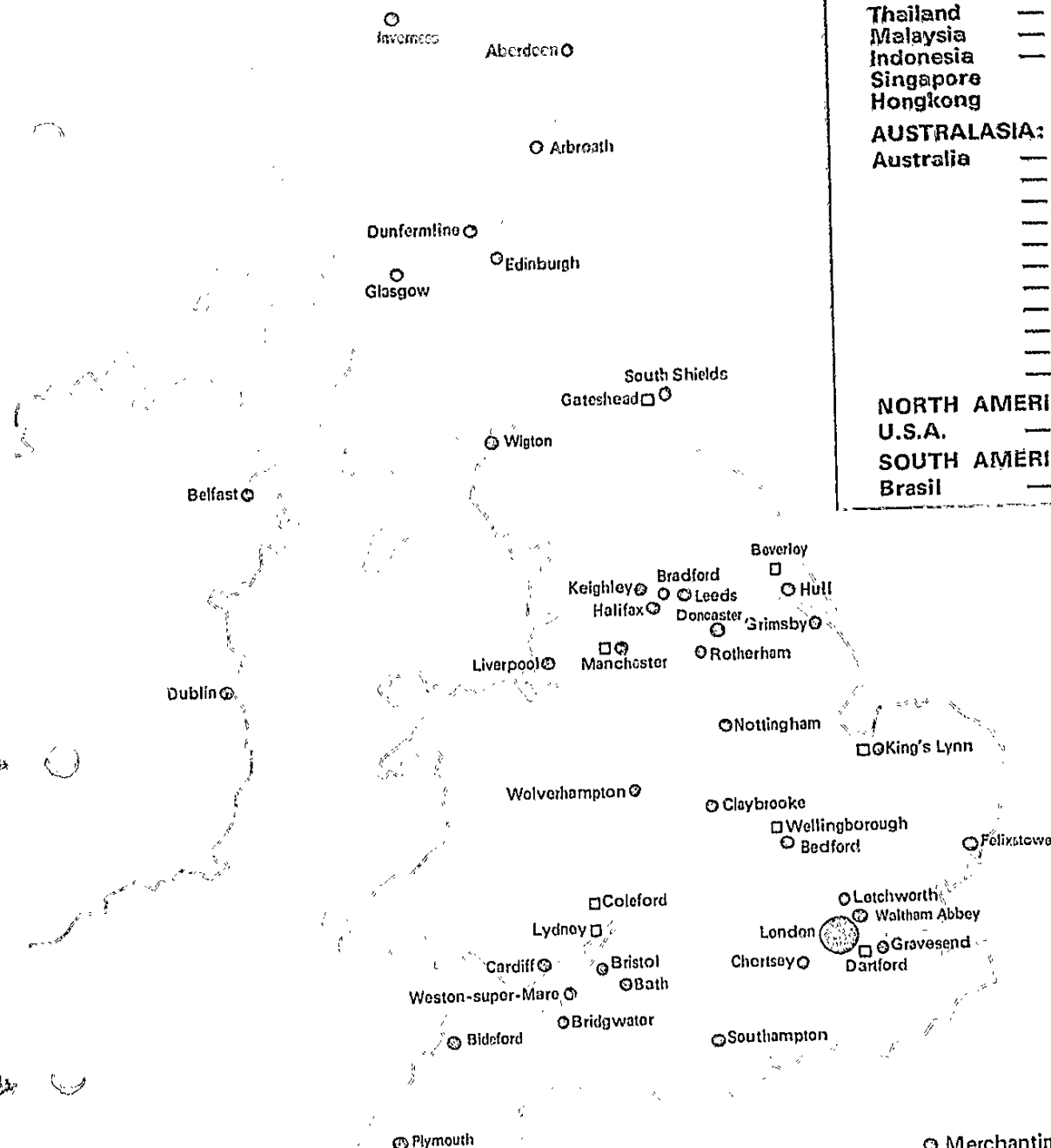
Australia — Melbourne
— Adelaide
— Sydney
— Newcastle
— Port Macquarie
— Wollongong
— Gosford
— Coffs Harbour
— Surfers Paradise
— Brisbane
— Tweed Heads

NORTH AMERICA:

U.S.A. — Philadelphia

SOUTH AMERICA:

Brasil — Rio de Janeiro



○ Merchanting Units
□ Manufacturing Units