

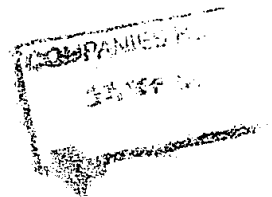
65619

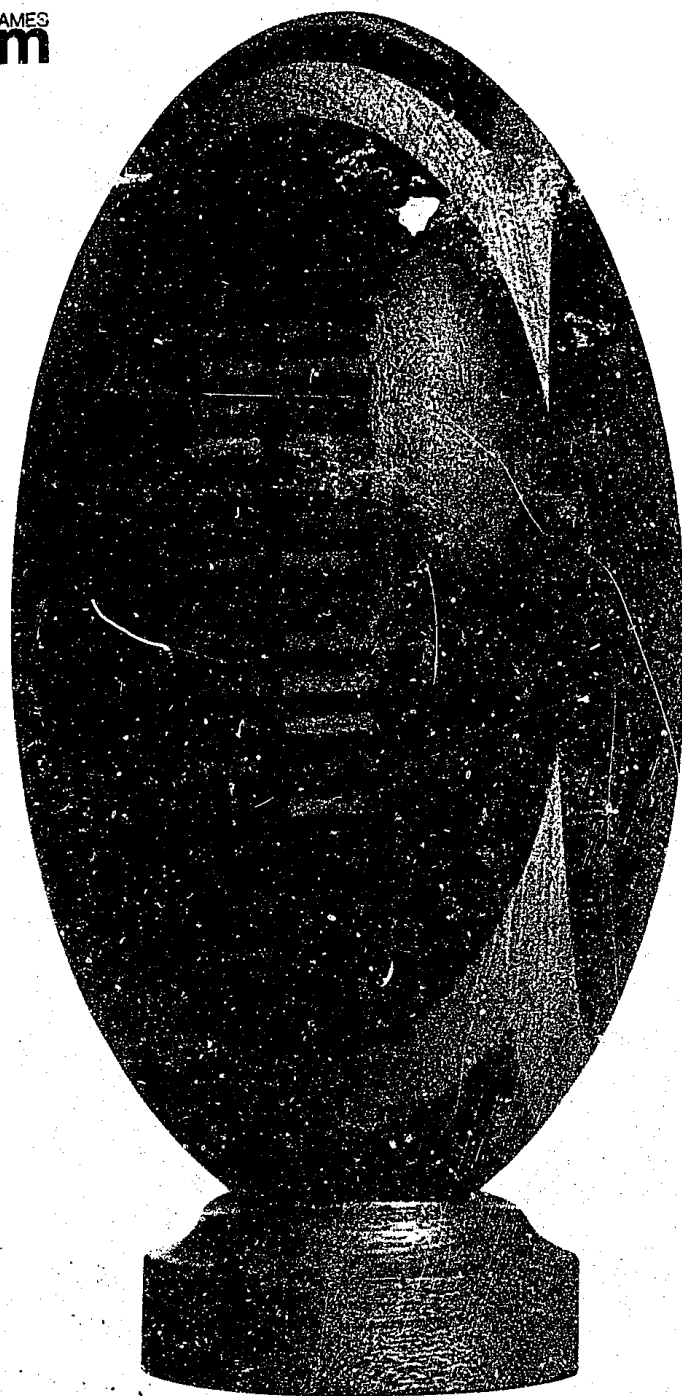


---

Annual Report 1992  
James Latham  
public limited company

---





*The natural choice for all your wood products*

A rugby football made by L'Etacq Woodcrafts, showing a wide variety of hardwoods supplied by James Latham (Southern): Cherry, American Black Walnut, Beech, Padauk, Mahogany, Rosewood and Satinwood.

## *Contents*

---

Directors and Advisers	2
Group Results (5 year record)	3
Chairman's Statement	4-6
Trading Review	7-9
Directors' Report	10-11
Consolidated Profit and Loss Account	12
Consolidated Balance Sheet	13
Parent Company Balance Sheet	14
Consolidated Cash Flow Statement	15
Notes to the Accounts	16-26
Auditors' Report	26
Notice of Annual General Meeting	27
Points of Contact	28

## *Financial Diary*

---

Annual General Meeting	18th August 1992
Payment of Final Dividend	19th August 1992
Announcement of Interim Results	3rd December 1992
Payment of Interim Dividend	February 1993
Announcement of 1992/93 Annual Results	June 1993



## *Directors and Advisers*

---

**Directors**     **Christopher G.A. Latham, M.A., F.C.A.**  
*Group Executive Chairman.*  
Joint Vice President of the Commonwealth Forestry Association.  
Director of CILNTEC Development Limited.

**David R. Latham**  
*Group Deputy Chairman.*  
*Group Joint Managing Director (Sales).*  
Chairman of James Latham (Midland & Western).  
Former Chairman of the Importers' Section of the Timber  
Trade Federation.

**James M. Latham**  
*Group Joint Managing Director.*  
Chairman and Managing Director of James Latham (Southern).  
Former Chairman of the Panel Products' Section of the Timber  
Trade Federation.

**Peter D. L. Latham, B.A.**  
*Executive Director.*  
Executive Chairman and Managing Director of  
Latham Timber Centres (Holdings).  
Vice President of the Institute of Wood Science.

**Roger J. Latham**  
*Executive Director.*  
Chairman and Managing Director of James Latham (Northern).

**Terence G. Kemp, F.C.A.**  
*Group Financial Director and Company Secretary.*

**Associate  
Director**     **Roderick S. Martin**  
*Associate Director.*  
Managing Director of James Latham (Midland & Western).

**Auditors**     Moores Rowland  
Clifford's Inn,  
Fetter Lane,  
London, EC4A 1AS

**Registrars**     National Westminster Bank Plc  
Caxton House,  
Redcliffe Way,  
Bristol, BS99 7YA

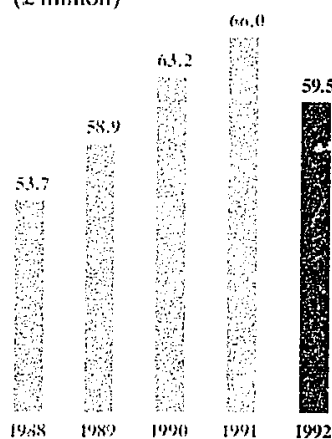
**Stockbrokers** Credit Lyonnais Laing  
Broadwalk House,  
5 Appold Street,  
London, EC2A 2DA

## Group Results

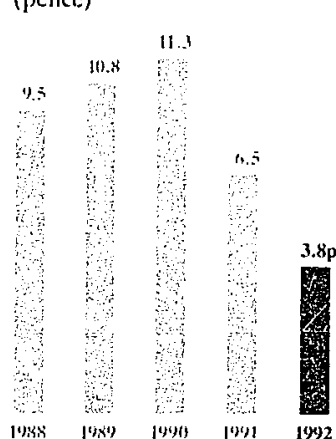
Year ended	Turnover £'000	(Loss)/profit before taxation £'000	Ordinary dividend* £'000	Ordinary shareholders' funds £'000	(Loss)/ earnings per share pence	Dividend per share (net) pence
31st March 1992	59,592	(612)	252	16,401	(8.7)	3.75
31st March 1991	66,037	(383)	437	17,054	(7.1)	6.5
31st March 1990	63,202	2,427	756	18,429	29.1	11.25
31st March 1989	58,866	2,993	723	17,528	38.8	10.75
31st March 1988	53,710	2,558	645	16,189	39.4	9.5

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

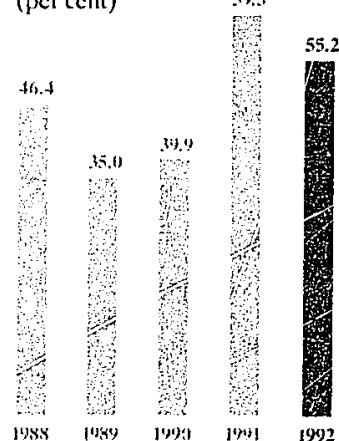
Turnover  
(£ million)



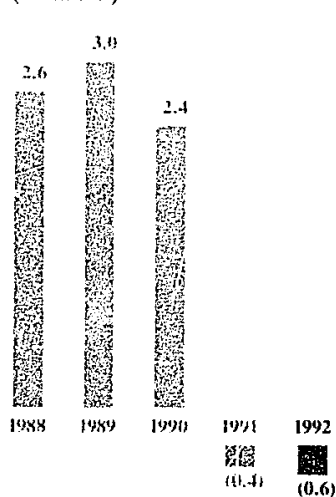
Dividend per share  
(pence)



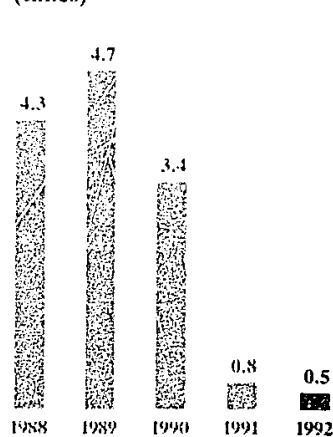
Gearing ratio  
(per cent)



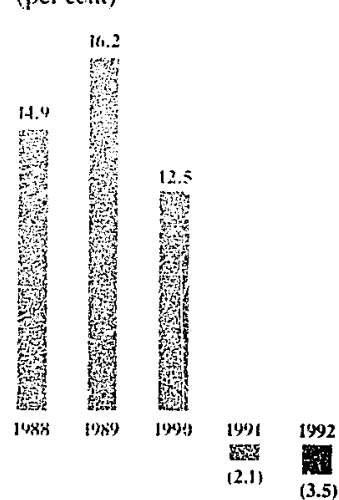
(Loss)/profit before taxation  
(£ million)



Interest cover  
(times)



Return on shareholders' funds  
(per cent)



## *Chairman's Statement*

---



*Christopher G. A. Latham*

### **The Trading Year**

On balance we have had a miserable year. The "green shoots of recovery" emerged twice, only to be frosted as the economy stumbled yet again.

The root of our problems remains poor sales. New housing, commercial work and repairs and maintenance were particularly hard hit. The national total of construction work was 8.9% down on a year on year basis.

The timber trade statistics were even more depressing with timber imports some 22% down and with panel products about 11% down. This is the background to our trading.

Turning to our own activities and looking at the constituent parts of the Group, a clear divide has emerged between the importing and merchanting activities.

At importing the panel products trading has remained comfortably in profit, but our timber trading has produced a mixed performance overall. The Southern, Northern and Midland activities have performed well in their product ranges. Western has had a difficult year compounded by staff reorganisation, but it has traded successfully in panel products.

At Southern the decreasing supply of tropical hardwoods has made the kilning facilities uneconomical and these have been closed.

The merchanting activities have had a very difficult time and heavy losses have been incurred. Langham Interiors have problems collecting their debts and this has pulled the Nevill Long Group into loss. Both Timber Centres and Nevill Long had much reduced sales.

All our associated companies have operated at a profit with Singer Plywood Company Limited withstanding the recession well and improving on their position last year.

Turning to the Group as a whole, bad debts averaging 1½% of sales have been incurred. This is some four times the normal level, and it gives us little satisfaction that these figures are in line with those incurred by other distributors serving the construction industry.

On the positive side benefits have flowed through from lower interest rates and from staff savings made during the year. Our staff numbers are much reduced and payroll costs have fallen by 11%.

Although the figures make bad reading, I am particularly encouraged by the performance of the importing companies. Elsewhere action taken to regroup some of our trading operations has in the short term been expensive, but this will clear the way for the future.

## *Chairman's Statement (continued)*

---

### **Group Developments**

This has very much been a year of consolidation. The sites at Southall and Brighton have been sold and the resulting surplus credited to the profit and loss account.

Nevill Long have moved their Western operations to the Latham site at Yate and Latham Timber Engineering's operation at Crowborough has been transferred to our Timber Centre site at Oxford.

These moves have made leased premises at Bristol and Crowborough surplus to our requirements.

We continue to give active thought as to the investment potential of our three acre site at High Wycombe.

Malcolm Turner is now a fully owned subsidiary and trading has continued albeit at a reduced level.

### **Finance**

Bank borrowings have been well reduced. We have taken advantage of some attractively priced trade bills to help finance our purchases.

We have now received court approval to issue the Cumulative Redeemable Preference Shares.

### **The Board**

It was with particular pleasure that I announced during the year that David Latham had been appointed Deputy Chairman. He has a wealth

of experience and is spearheading our marketing. He has a particular understanding of the forestry issues currently besetting our trade.

I am delighted to tell you that David Bonner has been appointed as Executive Sales Director of the Nevill Long distribution companies. He has well earned this elevation.

The Timber Centres Board has been slimmed down with Peter Latham now both Executive Chairman and Managing Director.

In all during the year, four subsidiary company directors have left the Group. They had all given long service and we wish them well.

### **The Staff**

The staff have had another difficult year, which included the postponement of their salary review.

In spite of these problems they have worked purposefully and have been appreciative of our situation. They are our major asset and will help lead us out of the recession.

### **Health, Safety and Training**

These activities continue to be on the Board agenda.

Our Health and Safety Officer carefully monitors both new legislation and the ever increasing guidelines of good practice.



*David Bonner*

## Chairman's Statement *(continued)*

---

Training has continued to have a high priority throughout the Group. During the year we held training programmes for all our sales representatives and many of our internal sales staff. The bi-annual Directors' Training Conference launched Business Plans for each company and the annual Finance Conference reviewed Group policies on credit insurance and debt collection.

### **Environmental Policy**

The Group has a clear environmental policy and a clear environmental purchasing policy for wood and wood products. These policies have been jointly drafted by the World Wide Fund For Nature and the Forests Forever campaign and commit the Group to supporting sustainable forest management.

We continue to liaise with all our suppliers to assess the sustainability of their operating policies and our staff and customers are kept regularly informed.

Where relevant, investment decisions are taken with due consideration for the environment both locally and in the widest sense.

### **Quality Assurance BS5750**

It is with considerable satisfaction that I can tell the shareholders that our Clapton, Wigston and Milton

Keynes branches are now registered under BS5750, which reflects the quality of their systems. Other depots are seeking registration.

### **Future Trading**

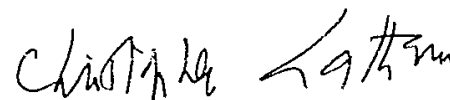
On the importing side progress has continued albeit in a subdued manner: margins remain encouraging.

At Timber Centres we still await the upturn in housing demand, but as yet sales have not picked up.

Nevill Long sales progress, particularly outside the London area.

To sum up there is still a lack of demand from our customers, who are badly affected by the recession.

Therefore your Board is positioning itself to face up to the measures necessary to return the Group to profitability.



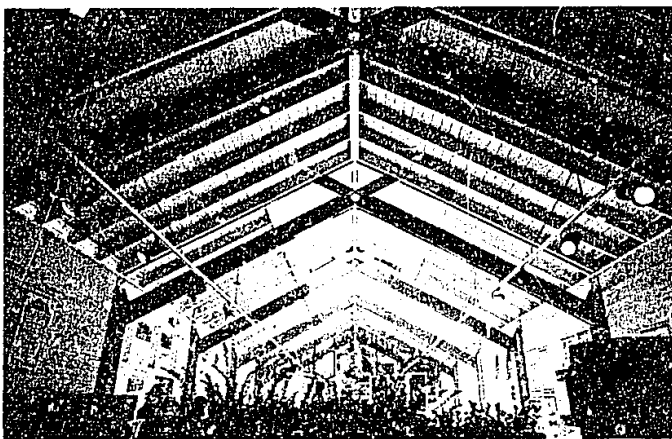
Christopher G. A. Latham,  
*Chairman*



David Latham



## Trading Review



*Willow supplied by James Latham (Northern) for a National Trust Centre at Brodick Castle, Isle of Arran.*

### Importing Activities

**Sales: £37,936,000**

**Profit before tax: £558,000**

The year was one in which conditions remained difficult and in which great care and attention to detail was necessary to maximise the potential return. Sales during the year remained steady with signs of a modest improvement commencing in November 1991. Sales in certain of our commodities showed a small increase over the previous year, but across the board there was a decrease in the total turnover. The companies all had a very positive fourth quarter.

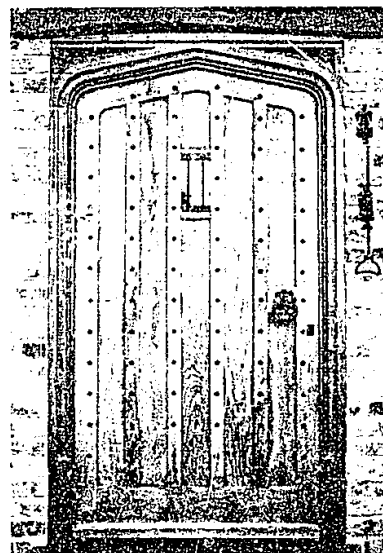
During the year the decision was taken to phase out kilning at our headquarters' site in London. This was achieved in an orderly manner with minimal disruption. A steady flow of kiln dried timber will continue to be available to customers.

In a period when improved efficiency and reductions in overhead costs have been imperative, we have given priority to maintaining our service to our customers. We have preserved the variety and sufficiency of stocks and maintained our vehicle fleet. We are encouraged to believe that

our standard of service has never been higher.

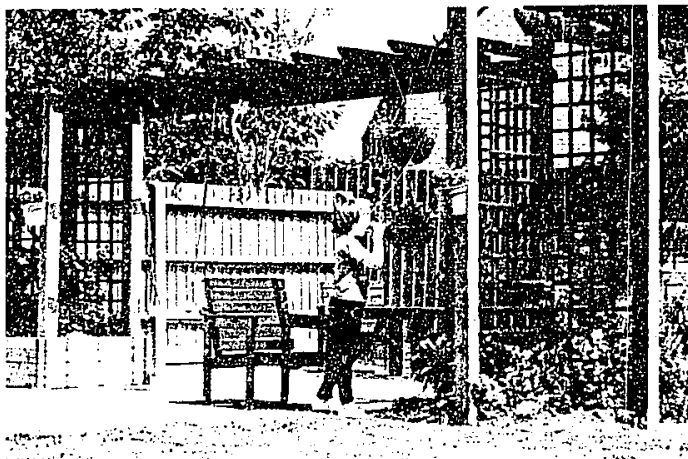
Sales have been given a high profile, but there are sadly many instances where our efforts have been frustrated due to the severe financial difficulties many timber users are facing. Even efficient businesses with sufficient work to be successful are suffering from the inability of their customers to pay. Prudence dictates credit limits which sorely restrict the additional business we are striving to obtain.

Taking a regional look at the companies, Northern put in a particularly strong performance. Southern benefited from purposeful cost cutting and substantial overhead savings were achieved. Midland traded successfully in panel products. Western has reviewed its softwood trading policy and reduced stocks accordingly: this has had cost implications.



*Mock Jacobean door built from well seasoned English Oak supplied by James Latham (Southern).*

## Trading Review



*Garden pergola constructed using standard materials supplied by L.T.B.S.*

A drive to increase panel products sales started to produce results in the fourth quarter. Advanced Technical Panels found trading with the vehicle body building industry particularly difficult. The company is continually researching new products and markets with some success.

The sourcing of timber and sheet materials from our traditional world-wide suppliers has proved in general free from major difficulty and prices have stayed within manageable bands. New controls and environmental sensibilities may well put a premium on supplies from the more substantial and well organised companies. The relationships established with these companies over a period of years should put us in good stead for the future.

### Timber Centres

**Latham Timber & Building Supplies**

**Sales: £13,537,000**

**Profit on disposal of Brighton site: £45,000**

**Loss before tax: £1,014,000**

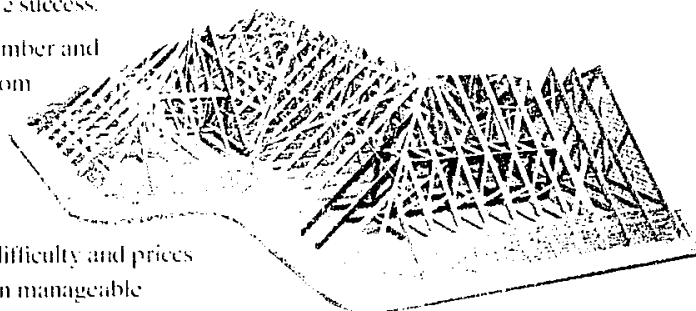
Sales were 7% lower than the previous year with the fall particularly

applicable to our small customers. Our expertise in supplying house-builders has resulted in our dealing with more companies in a very flat market.

Margins have been under pressure due to excessive capacity in the industry and many products have fallen in price during the year.

Steps taken to cut overheads resulted in a 9% reduction in expenses. This was achieved in spite of a higher bad debt provision. A further saving will result from the transfer of our roof truss plant from Crowborough to occupy surplus space at our Oxford site. The site of the former timber centre at Brighton was sold at a profit of £45,000.

Overall, the loss of sales and reduced margin resulted disappointingly in a higher loss for the year.



*Model illustrates the use of softwood trusses designed and supplied by Latham Timber Engineering.*

We have made senior management changes during the year and strengthened our purchasing and marketing efforts. This has helped us to overcome the perception that while we offer quality products, we are also expensive.

There are small signs that business is improving in the house-building sector and we continue to attract new business in this area, but we have yet to see proof of a sustained recovery.

## Trading Review *(continued)*

### **Nevill Long Group**

**Salts: £8,119,000**

**Loss: £38,000**

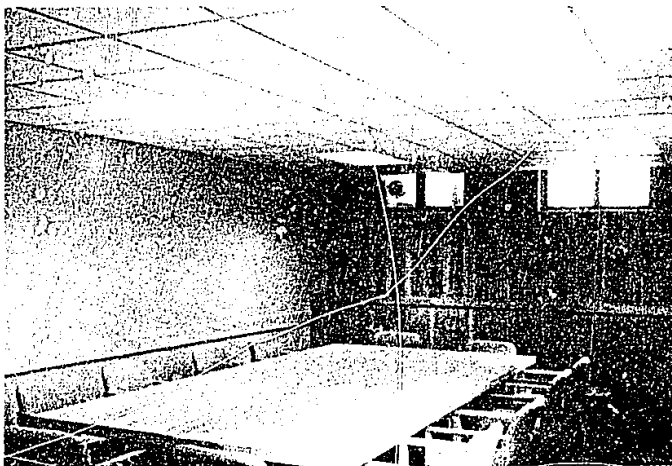
**Profit on disposal of Southall property: £273,000**

**Profit before tax: £235,000**

**Group interest charge: £499,000**

**Attributable loss: £264,000**

The distribution activity continued to have disappointing sales. Margins, however, held up. The profit on this activity was slightly up on last year, although at a disappointing level.



*The conference room at James Latham (Southern) refurbished with Ash, and fitted with a suspended ceiling supplied by the Nevill Long Group.*

Noteworthy during the year was the move out of Southall to a smaller and more compact site at Heston. Effective sale proceeds from the Southall property amounted to £1,373,000 after taking account of the acquisition of the Heston site at a valuation of £900,000 and this resulted in a positive cash flow of £473,000 and a profit on disposal of £273,000. The opportunity was also taken to move the Bristol activity on to the Latham site at Yate. Both these moves have proved to be beneficial and at Yate we look to promote more joint group sales.

A positive product development has been to establish drylining centres at all the depots; we have had very real support from British Gypsum.

The contracting activity has been grievously affected on certain contracts by the inability to get main contractors to settle outstanding accounts. A very large provision has had to be made for bad debts. Consequently the acceptable level of profits achieved last year has been turned into a substantial loss. This operation has now been drastically scaled down.

### **Associated Undertakings**

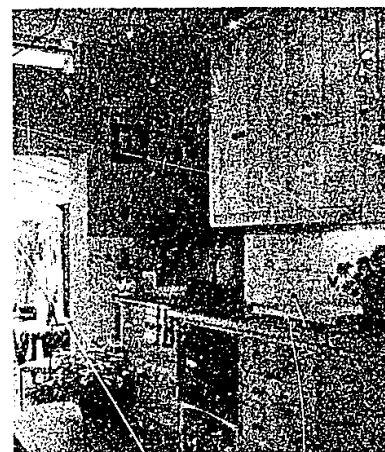
**Profit attributable to the Group of £108,000**

These companies have all traded at a profit during the year.

**Singer Plywood** continued to widen and upgrade its range of doors and achieved a noteworthy level of profit.

**Consett Laminators**, following the disruption of the factory move last year, has gone from strength to strength as the months progress and currently has a record order book.

**G.A. Day Timber Centres** at its Portsmouth branch has continued to brush aside the downturn of the economy. Parkstone, however, has still to find enough custom to cover its overheads.



*English Sycamore supplied by James Latham (Southern) for a custom designed kitchen in a London town house.*

## Directors' Report

---

The Directors have pleasure in submitting their annual report and the audited accounts for the year ended 31st March 1992.

### Principal Activities of the Group

The Company and its subsidiary undertakings operate as timber importers and distributors; as merchants of general building materials; and as distributors of suspended ceiling components within the U.K.

A review of the development of the business of the Group during the year appears within the Trading Review on pages 7 to 9.

### Results and Dividends

The Group profit on ordinary activities before interest and taxation amounted to £585,000. After net interest charged of £1,197,000, the Group incurred a loss before taxation of £612,000. The loss attributable to the Group after taxation and extraordinary items is £385,000. The dividends on the 8% Cumulative Preference Shares were paid on the due dates and absorbed £79,000.

On 11th February 1992 an interim dividend of 1.5p per share was paid on the Ordinary Shares which absorbed £76,000. The Directors now recommend that a final dividend of 2.25p net per share should be paid which will absorb £113,000. The loss for the financial year to be transferred from reserves amounts to £653,000.

### Directors

The Directors during the year are as stated on page 2. In addition, Mr. E. M. L. Latham was a Director until his retirement on 30th June 1991. Their interests, including those of their wives and infant children where appropriate, in the shares of the Company are shown in note 4.

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

### Substantial Interests

According to the Register, the only reported shareholdings, apart from Directors', of more than 3% of the Ordinary Share capital as at 30th June 1992 were the following:

The Prudential Assurance Company plc	315,000
Ninegrade Limited	358,000
Mr. C.R.L. Coubrough (As Trustee for the Latham family)	344,105
Imperial Group Pension Trust Limited	250,000
Clydesdale Bank (London) Nominees Limited	218,500

Certain of the Trustee shareholdings noted above include holdings also shown under Directors' Trustee shareholdings.

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

Ordinary Shares	1,514,026
-----------------	-----------

### Fixed Assets

In the Balance Sheets of the Group and the Company, freehold and leasehold properties are principally shown at a combination of professional valuations on the basis of open market values for existing use and cost. Details of valuations and changes are shown in note 16.

### Share Capital

At General Meetings of the Ordinary and 8% Cumulative Preference Shareholders held on 6th December 1988, resolutions were passed authorising the issue of up to 5,000,000 Cumulative Redeemable Preference Shares 2013 of £1 each. The Directors have power to issue such shares at such times and on such terms as they think fit up to 5th December 1993.

## *Directors' Report* (continued)

---

On the same date, shareholders approved an alteration to the Company's Articles of Association, giving the Company permission to buy its own shares as and when the Directors consider it appropriate. Shareholders will be approached for authority to make a specific purchase of the Company's shares.

On 21st May 1991, a Scheme of Arrangement was approved by separate Class meetings of the holders of Preference and Ordinary Shares respectively, the purpose of which was to amend Clause 6 of the Memorandum of Association so as to make it clearer and more easily workable and to facilitate the future issue of Preference Shares. The Scheme was given court approval on 15th July 1991.

A Special Resolution, also passed on 21st May 1991, provided that, subject to the Scheme becoming effective, in the event of the issue of any of the Company's Cumulative Redeemable Preference Shares 2013 (none of which has yet been issued) the rate of dividend on the existing Cumulative Preference Shares shall be raised from 8% to 8.5%, rather than to 8.25% as previously proposed.

In order to enable the Directors to continue to exercise their power under the Articles of Association to allot unissued shares in the capital of the Company, an Ordinary Resolution giving the necessary authority for five years expiring on 14th August 1996 was adopted on 15th August 1991. No issue of shares is contemplated at the present time and none will be made which would effectively alter control of the Company without prior approval of Ordinary Shareholders in General Meeting.

### **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 to the needs of employees currently disabled.

The Company's newsletter is published yearly and keeps customers as well as employees informed of the Group's activities.

### **Charitable Donations**

The total of the Group's charitable donations for the year amounted to £1,000.

### **Income and Corporation Taxes Act, 1988**

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

### **Capital Gains Tax**

To allow shareholders to calculate their liability to capital gains tax from gains realised in the 1991-92 tax year, the 31st March 1982 price of the ordinary shares was 54.5p and of the 8% preference shares 60.5p

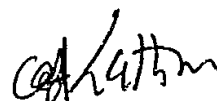
The prices have been adjusted for scrip issues since April 1982.

### **Auditors**

A resolution will be proposed at the Annual General Meeting that Moores Rowland be re-appointed auditors for the ensuing year.

On behalf of the Board

Christopher G. A. Latham  
Chairman



21st July 1992

# Consolidated Profit and Loss Account

For the year ended 31st March 1992

£000's	Notes	1992	1991
<b>Turnover</b>	2(a)		
Continuing businesses		59,592	63,875
Discontinued business		—	2,162
		<b>59,592</b>	<b>66,037</b>
Cost of sales		<b>50,021</b>	<b>54,961</b>
<b>Gross profit for the year</b>		<b>9,571</b>	<b>11,076</b>
Distribution costs		3,302	3,437
Administrative expenses		6,037	6,588
		<b>9,339</b>	<b>10,025</b>
Other operating income		162	162
Profit on disposal of freehold property		318	186
		<b>8,859</b>	<b>9,677</b>
<b>Operating profit for the year</b>		<b>712</b>	<b>1,399</b>
Exceptional charges	2(b)	(235)	(185)
Share of profits of associated undertakings		108	140
		<b>585</b>	<b>1,354</b>
Interest payable	7	1,351	1,923
Interest receivable and similar income		154	186
		<b>1,197</b>	<b>1,737</b>
<b>Loss on ordinary activities before taxation</b>	2(b)	<b>(612)</b>	<b>(383)</b>
Taxation credit	9	251	105
<b>Loss on ordinary activities after taxation and before extraordinary items</b>		<b>(361)</b>	<b>(278)</b>
Extraordinary charges	3	24	528
<b>Loss for the financial year</b>		<b>(385)</b>	<b>(806)</b>
Dividends	10	268	407
<b>Loss transferred to reserves</b>		<b>(653)</b>	<b>(1,213)</b>
<b>Loss per ordinary share</b>	11	<b>(8.7p)</b>	<b>(7.1p)</b>

Movements on reserves are shown in note 13 on page 20.

Pages 16 to 26 form part of these accounts.

# Consolidated Balance Sheet

As at 31st March 1992

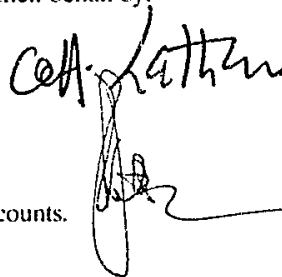
£000's	Notes	1992	1991
<b>Fixed assets</b>			
Tangible assets	16	9,619	10,475
Investments	17	886	842
		<b>10,505</b>	<b>11,317</b>
<b>Current assets</b>			
Stocks—Goods for resale	1(d)	10,609	11,609
Debtors	19	13,945	12,951
Investments	18	301	369
Cash at bank and in hand		313	123
		<b>25,168</b>	<b>25,052</b>
<b>Creditors: amounts falling due within one year</b>	20	<b>14,466</b>	<b>14,253</b>
<b>Net current assets</b>		<b>10,702</b>	<b>10,799</b>
<b>Total assets less current liabilities</b>		<b>21,207</b>	<b>22,116</b>
<b>Creditors: amounts falling due after one year</b>	21	<b>3,354</b>	<b>3,539</b>
<b>Provision for liabilities and charges</b>			
Deferred taxation	14	25	98
Other provisions	8	440	438
<b>Net assets</b>		<b>17,388</b>	<b>18,041</b>
<b>Capital and reserves</b>			
Called up share capital, allotted issued and fully paid	12	6,027	6,027
Capital reserve	13	149	149
Revaluation reserve	13	353	353
Profit and loss account	13	10,859	11,512
<b>Shareholders' funds</b>		<b>17,388</b>	<b>18,041</b>

The audited accounts on pages 12 to 26 were approved by the Board of Directors on 21st July 1992 and are signed on their behalf by:

C. G. A. Latham

D. R. Latham

} Directors



Pages 16 to 26 form part of these accounts.

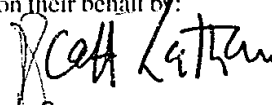
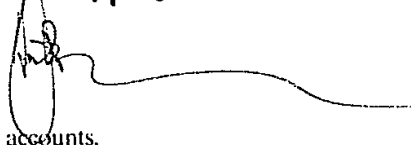
# Parent Company Balance Sheet

As at 31st March 1992

£(000)'s	Notes	1992	1991
<b>Fixed assets</b>			
Tangible assets	16	3,767	3,880
Investments	17	9,078	9,193
		<b>12,845</b>	<b>13,073</b>
<b>Current assets</b>			
Stocks—Goods for resale	1(d)	4,419	4,819
Debtors	19	5,112	5,062
Cash at bank and in hand		140	9
		<b>9,671</b>	<b>9,890</b>
<b>Creditors: amounts falling due within one year</b>	20	<b>6,525</b>	<b>7,244</b>
<b>Net current assets</b>		<b>3,146</b>	<b>2,646</b>
<b>Total assets less current liabilities</b>		<b>15,991</b>	<b>15,719</b>
<b>Creditors: amounts falling due after one year</b>	21	<b>3,405</b>	<b>3,063</b>
<b>Provisions for liabilities and charges</b>			
Other provisions	8	231	226
<b>Net assets</b>		<b>12,355</b>	<b>12,430</b>
<b>Capital and reserves</b>			
Called up share capital, allotted issued and fully paid	12	6,027	6,027
Profit and loss account	13	6,328	6,403
<b>Shareholders' funds</b>		<b>12,355</b>	<b>12,430</b>

The audited accounts on pages 12 to 26 were approved by the Board of Directors on 21st July 1992 and are signed on their behalf by:

C. G. A. Latham }  
D. R. Latham } Directors

Pages 16 to 26 form part of these accounts.



# Consolidated Cash Flow Statement

For the year ended 31st March 1992

£000's	Notes	1992	1991
<b>Net cash inflow from operating activities</b>	22	<b>2,701</b>	4,689
<b>Return on investments and servicing of finance</b>			
Interest received and similar income	154	186	
Interest paid	(1,289)	(1,840)	
Interest element of finance lease rentals	(81)	(83)	
Dividend received from associated undertaking	39	80	
Dividends paid	(382)	(533)	
Costs of amendments to Memorandum and Articles of Association	—	(63)	
<b>Net cash outflow from returns on investments and servicing of finance</b>		<b>(1,559)</b>	(2,253)
<b>Taxation</b>			
Advance Corporation Tax paid	(214)	(204)	
UK Corporation Tax repaid/(paid)	224	(649)	
Overseas tax paid	(10)	(11)	
<b>Tax paid (net of receipts)</b>		<b>—</b>	(864)
<b>Investing activities</b>			
Purchase of tangible fixed assets	(1,271)	(1,339)	
Purchase of subsidiary undertakings	—	(4,790)	
Proceeds of sale of plant and machinery and freehold property	1,760	811	
Sale of business	(24)	1,337	
Net cash outflows in respect of costs of disposal	—	(143)	
<b>Net cash inflow/(outflow) from investing activities</b>		<b>465</b>	(4,124)
		<b>1,607</b>	(2,552)
<b>Financing</b>			
Bank loans repaid during year		50	—
Unsecured bank loan		—	(3,000)
Capital element of finance lease rental payments	24	325	459
<b>Net cash outflow/(inflow) from financing</b>		<b>375</b>	(2,541)
<b>Increase/(decrease) in cash and cash equivalents</b>	23	<b>1,232</b>	(11)
		<b>1,607</b>	(2,552)

## Notes to the Accounts

---

### 1. Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important Group accounting policies, which have been applied consistently, is set out below.

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost convention modified to include the revaluation of certain freehold and leasehold property.

#### (b) Basis of consolidation

The consolidated accounts include the Company and all its subsidiary undertakings (from the date of acquisition or to the date of sale where applicable). Intra group sales and profits are eliminated on consolidation. The accounts of all subsidiary undertakings are made up to 31st March. The year end of the associated undertakings is 28th February. Goodwill on consolidation, being the excess of the purchase price over the value of the net assets of subsidiary undertakings at the date of acquisition, is written off to the profit and loss account reserve in the year of acquisition.

The Company does not present its own profit and loss account as permitted by Section 230 of the Companies Act 1985.

#### (c) Fixed assets

Depreciation is provided to write off the cost or valuation over the estimated lives 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.

#### (d) Stock

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

#### (e) Deferred taxation

Provision is made at the appropriate rate for taxation deferred by capital allowances and short term timing differences. No provision is made in

respect of deferred taxation arising from industrial buildings allowances and property revaluations as it is not anticipated that a material liability will arise in the foreseeable future.

#### (f) Foreign currencies

Transactions in foreign currencies are translated at the agreed settlement rate or at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Any gain or loss arising from the transactions are taken to the profit and loss account.

#### (g) Finance leases

In accordance with the requirement of Statement of Standard Accounting Practice No. 21, assets acquired under finance leases are recorded in the balance sheets as fixed tangible assets at their equivalent capital value and are depreciated over the useful lives of the assets concerned or the anticipated lease term if shorter. The corresponding liability has been recorded as a creditor. The interest element is charged to the profit and loss account at a constant rate over the term of the agreement.

#### (h) Operating leases

Operating lease rentals are charged to the profit and loss account as they fall due in respect of the period.

#### (i) Turnover

Turnover is based on net invoiced sales to external customers exclusive of value added tax.

#### (j) Pension scheme costs

Pension scheme contributions in respect of the James Latham PLC pension schemes are charged to the profit and loss account so as to spread the charge for pensions evenly over the employees' working lives with the Company. In respect of the Nevill Long group of companies, which have a defined contributions pension scheme, pension scheme contributions made are charged to the profit and loss account.

## Notes to the Accounts

### 2. Turnover and loss on ordinary activities

(a) Turnover, (loss)/profit and net assets by class of business are analysed below:

	Turnover		(Loss)/profit on ordinary activities before taxation		Net assets	
	1992	1991	1992	1991	1992	1991
	£'000	£'000	£'000	£'000	£'000	£'000
Importing	37,936	39,920	558	1,014	10,885	12,872
Timber centres	13,537	14,590	(1,014)	(1,025)	1,613	430
Manufacturing (sold October 1990)	—	2,162	—	(14)	—	—
Suspended ceilings	8,119	9,365	235	125	4,218	4,449
	<u>59,592</u>	<u>66,037</u>	<u>(221)</u>	<u>100</u>	<u>16,716</u>	<u>17,751</u>
Group share of profit and net assets of associated undertakings			108	140	886	842
Unallocated liabilities (net)			—	—	(214)	(552)
Group interest charge relating to acquisition of Nevill Long (suspended ceilings)			(499)	(623)	—	—
			<u>(612)</u>	<u>(383)</u>	<u>17,388</u>	<u>18,041</u>

Unallocated liabilities consist of taxation, dividends and provisions.

(b) Loss on ordinary activities before taxation is stated after taking into account the following:	1992	1991
	£'000	£'000
Depreciation of owned assets	424	601
Depreciation of finance lease assets	254	249
Operating lease rentals: vehicles	352	315
property	415	335
Auditors' remuneration	75	72
Unrealised profit on valuation of listed investments	(4)	(40)
Income from listed investments	(46)	(33)
Loss/(profit) on the sale of fixed assets	15	(22)
Exceptional charges		
— Costs of amendments to the Memorandum and Articles of Association	—	63
— Closure costs including provisions	357	122
— Provision no longer required	(122)	—
	<u>235</u>	<u>185</u>

### 3. Extraordinary charges

Additional costs on disposal of subsidiary undertaking	1992	1991
	£'000	£'000
Loss on disposal of subsidiary undertaking	24	—
	<u>—</u>	<u>528</u>
	<u>24</u>	<u>528</u>

In line with current accounting practice, the comparative figures have been re-stated for closure costs of £122,000 previously shown as an extraordinary charge now shown as an exceptional charge.

### 4. Directors' interests

There were no contracts with the Company or its subsidiaries during the year in which any of the Directors had a material interest, other than their service contracts. The Directors' interests in the share capital at the end of the financial year were as follows.

Beneficial ownership including family interests:		31st March 1992		31st March 1991	
		Ordinary shares	Preference shares	Ordinary shares	Preference shares
<i>Directors:</i>					
C. G. A. Latham	Beneficial owner	212,073	Nil	216,073	Nil
	Trustee	315,495	Nil	392,940	Nil
D. R. Latham	Beneficial owner	137,922	Nil	137,922	Nil
	Trustee	201,776	Nil	222,302	Nil

## Notes to the Accounts

### 4. Directors' interests (continued)

		31st March 1992		31st March 1991	
		Ordinary shares	Preference shares	Ordinary shares	Preference shares
<i>Directors:</i>					
J. M. Latham	Beneficial owner	123,912	Nil	151,570	4,000
	Trustee	Nil	Nil	Nil	Nil
P. D. L. Latham	Beneficial owner	310,796	Nil	178,746	Nil
	Trustee	59,500	Nil	58,500	Nil
R. J. Latham	Beneficial owner	157,800	4,000	157,800	4,000
	Trustee	Nil	Nil	Nil	Nil
T. G. Kemp	Beneficial owner	3,000	Nil	3,000	Nil
	Trustee	Nil	Nil	Nil	Nil

Directors' shareholdings at 31st March 1992 include duplications in respect of 206,750 ordinary shares.

Changes in the above shareholdings during the year reflected intra-family share transfers. The only changes between 31st March 1992 and 30th June 1992 were a decrease of 4,000 ordinary shares in the beneficial holding of C. G. A. Latham due to a family transfer, and a decrease of 10,526 ordinary shares in the trustee holding of D. R. Latham.

Under the provisions of the Savings Related Share Option Scheme, each of the above Directors, with the exception of Mr T. G. Kemp, had at 31st March 1992 applied for 6,696 ordinary shares exercisable between January 1996 and June 1996 at £1.68 per share. Mr T. G. Kemp had at 31st March 1992 applied for 5,133 ordinary shares exercisable on the same terms.

### 5. Information regarding Directors' emoluments—management remuneration

	1992 £'000	1991 £'000
Total—management remuneration	454	475
The emoluments of the Chairman (excluding pension contributions)	70	67
The emoluments of the highest paid Director (excluding pension contributions)	73	75
Number of other Directors whose emoluments (excluding pension contributions) were within the scale:	Number	Number
£5,001—£10,000	1	—
£10,001—£15,000	—	1
£15,001—£20,000	—	1
£20,001—£25,000	1	—
£25,001—£30,000	—	1
£30,001—£35,000	2	2
£35,001—£40,000	1	—

Pensions paid to widows of former Directors £17,000 (1991 £16,000).

### 6. Information regarding employees

The average number of persons including Directors, employed by the Group during the year was as follows:

	1992 Number	1991 Number
Management and Administration	119	134
Warehousing and Production	163	192
Selling	123	149
Distribution	54	60
	459	535

The aggregate payroll costs of these employees were as follows:

	1992 £'000	1991 £'000
Wages and salaries	6,208	6,860
National Insurance contributions	504	588
Pension costs	178	301
	6,890	7,749

### 7. Interest payable

	1992 £'000	1991 £'000
On bank loans and overdrafts, and other loans repayable within 5 years	1,270	1,840
Finance charges under finance leases	81	83
	1,351	1,923

## Notes to the Accounts

### 8. Provisions for liabilities and charges

	Group			Parent Company	
	General claims £'000	Closure costs £'000	Unfunded pension £'000	Closure costs £'000	Unfunded pension £'000
Balance at 1st April 1991	90	122	226	—	226
Provision no longer required	—	(122)	—	—	—
Provision utilised	(90)	—	—	—	—
New provision	—	229	—	20	—
Expenditure	—	—	(49)	—	(49)
Taxation relief	—	—	34	—	34
Balance at 31st March 1992	—	229	211	20	211
Totals		440		231	

### 9. Taxation

	1992 £'000	1991 £'000
Taxation credit on loss on ordinary activities:		
UK corporation tax at 33% (1991 34%)	(182)	(126)
Transfer from deferred taxation	(73)	(5)
Overseas taxation	(9)	11
Associated undertakings—attributable to Group	25	28
Adjustments for prior years (including deferred taxation £ Nil) (1991 £6,000)	(12)	(13)
	(251)	(105)

### 10. Dividends

	1992		1991	
	£'000	£'000	£'000	£'000
Preference dividends: 8% Cumulative Preference Shares		79		79
Ordinary dividends:				
Interim 1.5p net per share paid 11th February 1992 (1991 2p)	76		101	
Final 2.25p net per share proposed (1991 4.5p)	113		227	
		189		328
		268		407

### 11. Loss per Ordinary Share

Loss per Ordinary Share is calculated on a net basis by dividing the loss on ordinary activities after taxation and after deducting preference dividends being £440,000 (1991 loss £357,000) by 5,040,000 Ordinary Shares being the average number of Ordinary Shares in issue during the year.

### 12. Share Capital—Group and Parent Company

	1992		1991	
	Authorised £'000	Issued £'000	Authorised £'000	Issued £'000
8% Cumulative Preference Shares of £1 each	1,500	987	1,500	987
Cumulative Redeemable Preference Shares 2013 of £1 each	5,000	—	5,000	—
Ordinary Shares of £1 each	7,000	5,040	7,000	5,040
	13,500	6,027	13,500	6,027

On 21st May 1991 a Scheme of Arrangement was approved by separate Class meetings of the holders of Preference and Ordinary Shares respectively, the purpose of which was to amend Clause 6 of the Memorandum of Association so as to make it clearer and more easily workable and to facilitate the future issue of Preference Shares. The scheme was given court approval on 15th July 1991.

A Special Resolution, also passed on 21st May 1991, provided that, subject to the scheme becoming effective, in the event of the issue of any of the Company's Cumulative Redeemable Preference Shares 2013 (none of which has yet been issued), the rate of dividend on the existing Cumulative Preference Shares shall be raised from 8% to 8.5%, rather than to 8.25% as previously proposed.

## Notes to the Accounts

### 13. Reserves

	Group			Parent Company
	Capital reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Profit and loss account £'000
Balance at 1st April 1991	149	353	11,512	6,403
Loss for year	—	—	(653)	(75)
Balance at 31st March 1992	<u>149</u>	<u>353</u>	<u>10,859</u>	<u>6,328</u>

The Group profit and loss account at 31st March 1992 includes £773,000 retained by associated undertakings.

### 14. Provision for deferred taxation at 33% (1991 33%)

	Group		Parent Company	
	1992 £'000	1991 £'000	1992 £'000	1991 £'000
Balance at 1st April 1991	98	109	—	—
Release for the year	(73)	(11)	—	—
Balance at 31st March 1992	<u>25</u>	<u>98</u>	<u>—</u>	<u>—</u>
The provision for deferred taxation comprises:				
Accelerated capital allowances	75	68	16	23
Capital gains rolled over	—	38	—	—
Other timing differences	(50)	(8)	(16)	(25)
	<u>25</u>	<u>98</u>	<u>—</u>	<u>—</u>
If full provision had been made for deferred taxation the position would be as follows:				
Accelerated capital allowances	652	589	256	329
Capital gains rolled over	151	295	28	114
Other timing differences	(115)	(8)	(63)	(23)
	<u>688</u>	<u>876</u>	<u>221</u>	<u>420</u>

### 15. Intangible assets

	Group
	Consolidated goodwill £'000
Cost:	
At 1st April 1991 and 31st March 1992	<u>183</u>
Amounts written off:	
At 1st April 1991 and 31st March 1992	<u>183</u>
Net book value:	
At 31st March 1991 and 31st March 1992	<u>—</u>

## Notes to the Accounts

### 16. Tangible assets

	Group				Parent Company	
	Freehold property £'000	Leasehold property Long Short £'000 £'000	Plant, equipment & vehicles £'000		Freehold property £'000	Plant, equipment & vehicles £'000
Cost or Valuation:						
At 1st April 1991	7,841	478	192	5,500	3,414	1,669
Disposals during the year	(1,372)	—	—	(680)	(6)	(247)
	6,469	478	192	4,820	3,408	1,422
Additions during the year	1,055	6	—	210	54	55
At 31st March 1992	<u>7,524</u>	<u>484</u>	<u>192</u>	<u>5,030</u>	<u>3,462</u>	<u>1,477</u>
Total		13,230 (1991 14,011)			4,939 (1991 5,083)	
At valuation, 25th March 1977	166	—	—	—	—	—
At valuation, 4th October 1985	1,800	—	—	—	1,800	—
At valuation, 31st March 1988	2,345	75	—	—	—	—
At valuation, 31st January 1990	350	—	—	—	—	—
At valuation, 28th June 1991	900	—	—	—	—	—
At cost	<u>1,963</u>	<u>409</u>	<u>192</u>	<u>5,030</u>	<u>1,562</u>	<u>1,477</u>
Depreciation:						
At 1st April 1991	181	26	85	3,244	94	1,109
Disposals during the year	(13)	—	—	(590)	—	(213)
	168	26	85	2,654	94	896
Provided during the year	37	6	15	620	19	163
At 31st March 1992	<u>205</u>	<u>32</u>	<u>100</u>	<u>3,274</u>	<u>113</u>	<u>1,059</u>
Total		3,611 (1991 3,536)			1,172 (1991 1,203)	
Cost or valuation less depreciation						
At 31st March 1992	<u>7,319</u>	<u>452</u>	<u>92</u>	<u>1,756</u>	<u>3,349</u>	<u>418</u>
Total		9,619			3,767	
At 31st March 1991	<u>7,660</u>	<u>452</u>	<u>107</u>	<u>2,256</u>	<u>3,320</u>	<u>560</u>
Total		10,475			3,880	

The valuations were by professional valuers on the basis of open market value for existing use. That at 28th June 1991 was carried out by Messrs. Clifford Tee & Gale, Consultant Surveyors.

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

	Group		Parent Company	
	1992 £'000	1991 £'000	1992 £'000	1991 £'000
Cost	5,983	6,291	1,862	1,814
Aggregate depreciation	479	429	156	137
	<u>5,504</u>	<u>5,862</u>	<u>1,706</u>	<u>1,677</u>

The net book value of plant, equipment and vehicles acquired under finance leases at 31st March 1992 is as follows:

	1992	1991	1992	1991
Cost	1,798	1,839	644	732
Aggregate depreciation	1,128	979	539	529
	<u>670</u>	<u>860</u>	<u>105</u>	<u>203</u>

## Notes to the Accounts

### 17. Fixed asset investments

	Group	Parent Company	
	Associated undertakings £'000	Subsidiary undertakings £'000	Associated undertakings £'000
Shares			
At 1st April 1991			
Cost	93	4,595	83
Share of results retained	729	—	—
	<u>822</u>	<u>4,595</u>	<u>83</u>
Movements during the year:			
Acquisitions during the year	—	2,000	—
Results retained for the year	41	—	—
	<u>866</u>	<u>6,595</u>	<u>83</u>
At 31st March 1992			
Loans			
At 1st April 1991			
Amounts outstanding	20	4,495	20
Reclassification	—	385	—
Loans capitalised	—	(2,000)	—
Repaid during the year	—	(500)	—
	<u>20</u>	<u>2,380</u>	<u>20</u>
At 31st March 1992			
	<u>886</u>	<u>9,078</u>	
Total: at 31st March 1992			
	<u>842</u>	<u>9,193</u>	
at 31st March 1991			

### 18. Current assets investments

	Group		Parent Company	
	1992 £'000	1991 £'000	1992 £'000	1991 £'000
UK listed investments at market value (cost £282,000; 1991 £357,000)	<u>301</u>	<u>369</u>	<u>—</u>	<u>—</u>

### 19. Debtors

	Group		Parent Company	
	1992 £'000	1991 £'000	1992 £'000	1991 £'000
Amounts falling due within one year:				
Trade debtors	12,682	11,506	3,555	3,017
Bills receivable	182	199	48	32
Amounts owed by subsidiary undertakings	—	—	1,278	1,529
Amounts owed by associated undertakings	131	86	83	70
Taxation recoverable	393	306	26	1
Other debtors	46	352	33	304
Prepayments and accrued income	473	426	51	33
	<u>13,907</u>	<u>12,875</u>	<u>5,074</u>	<u>4,986</u>
Amounts falling due after one year:				
Advance corporation tax recoverable	38	76	38	76
	<u>13,945</u>	<u>12,951</u>	<u>5,112</u>	<u>5,062</u>



## Notes to the Accounts

### 20. Creditors

	Group		Parent Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Bank overdrafts	4,603	3,695	285	282
Acceptance credits	2,000	3,950	2,000	2,950
Trade creditors	5,351	3,513	1,344	828
Bills payable	41	96	—	—
Obligations under finance leases	201	319	19	110
Amounts owed to subsidiary undertakings	—	—	1,359	1,476
Amounts owed to associated undertakings	2	95	—	—
Corporation tax	67	197	50	122
Other taxation and social security	909	982	498	447
Other creditors	551	507	481	405
Accruals and deferred income	628	672	376	397
Proposed dividend	113	227	113	227
	<u>14,466</u>	<u>14,253</u>	<u>6,525</u>	<u>7,244</u>

### 21. Creditors

	Group		Parent Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Amounts falling due after one year:				
Bank loans	3,000	3,050	3,000	3,000
Obligations under finance lease	354	489	20	63
Amounts owed to subsidiary undertakings	—	—	385	—
	<u>3,354</u>	<u>3,539</u>	<u>3,405</u>	<u>3,063</u>
Finance leases are analysed as follows:				
Obligations within one year	201	319	19	110
Obligations within two to five years	337	489	20	63
Obligations after five years	17	—	—	—
	<u>555</u>	<u>808</u>	<u>39</u>	<u>173</u>
Bank loans repayable by instalments are analysed as follows:				
Due within one to two years	—	50	—	—
Due within two to five years	1,000	500	1,000	500
Due after five years	2,000	2,500	2,000	2,500
	<u>3,000</u>	<u>3,050</u>	<u>3,000</u>	<u>3,000</u>

Interest chargeable on the loans fluctuates with the LIBOR but is currently at 11<sup>1</sup>/<sub>2</sub>% p.a.

### 22. Reconciliation of operating profit to net cash inflow from operating activities

	1992	1991
	£'000	£'000
Operating profit	712	1,399
Depreciation	678	850
Profit on disposal of freehold property	(318)	(186)
Loss/(profit) on disposal of other fixed assets	15	(22)
Expenditure charged to unfunded pension provision	(49)	(49)
Closure costs	(98)	—
Decrease/(increase) in investments	68	(124)
Decrease in stocks	1,000	1,526
(Increase)/decrease in debtors	(962)	1,906
Decrease/(increase) in bills receivable	17	(100)
Increase/(decrease) in creditors	1,693	(607)
(Decrease)/increase in bills payable	(55)	96
	<u>2,701</u>	<u>4,689</u>

## Notes to the Accounts

### 23. Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1992	1991	Change in year
	£'000	£'000	£'000
Cash at bank and in hand	313	123	190
Bank overdrafts	(4,603)	(3,695)	(908)
Acceptance credits	(2,000)	(3,950)	1,950
	<u>(6,290)</u>	<u>(7,522)</u>	<u>1,232</u>

### 24. Analysis of changes in financing during the year

	Finance lease obligations £'000
Balance at 1st April 1991	808
Cash outflow from financing	(325)
Inception of finance lease contracts	72
Balance at 31st March 1992	<u>555</u>

During the year the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £57,000 (1991: £391,000).

### 25. Subsidiary undertakings

Information concerning the subsidiary undertakings is given within the Points of Contact shown on page 28.

The operating companies are:

James Latham (Northern) Ltd.	Malcolm Turner Building Supplies Ltd.
James Latham (Midland & Western) Ltd.	Nevill Long & Co. (Boards) Ltd.
Latham Timber Centres (Holdings) Ltd.	Langham Interiors Ltd.
Advanced Technical Panels Ltd.	

Companies providing facilities for members of the Group are James Latham (Warehousing) Ltd. and Leaside Services (Guernsey) Ltd. (incorporated in Guernsey).

Other than the following, the equity share capital of all the Companies is wholly-owned through James Latham public limited company. James Latham (Warehousing) Ltd. is wholly-owned through subsidiary undertakings. Advanced Technical Panels Ltd. is partly-owned through subsidiary undertakings, the balance being held by James Latham public limited company. Nevill Long & Co. (Boards) Ltd. and Langham Interiors Ltd. are both wholly-owned by H J Meek (Investments) Ltd. which is itself wholly-owned by James Latham public limited company. Unless otherwise indicated against their name, all the Companies are incorporated in England. They also all operate in England except Leaside Services (Guernsey) Ltd. which operates in Guernsey.

Following the acquisition of the minority interest in Malcolm Turner Building Supplies Ltd, that company changed its name on the 1st April 1992 to Latham Timber Centres (Bridgwater) Ltd.

### 26. Associated undertakings

Name	Country of incorporation and operation	Accounting date	Class	Share capital 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	7%
			£1 'B' Ordinary	81,000	100%

Information concerning the associated undertakings is given within the Points of Contact shown on page 28.

## Notes to the Accounts

### 27. Future capital expenditure

	Group		Parent Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Estimated amounts of capital expenditure approved by the Directors but not provided for in these accounts are:				
Contracts placed:	7	4	4	—
Contract not placed:	52	118	10	25

### 28. Group pension schemes

James Latham public limited company operates a Group contributory pension scheme which employees of the Company are eligible to join conditional upon their age and length of service. Benefits are provided based on earnings in the last twelve months before retirement. The assets of the scheme are held separately from those of the Company being invested in managed funds and cash deposits operated by Scottish Widows Fund and Life Assurance Society.

The pension charge for the year was £166,000 (1991 £288,000).

The contributions are determined by a qualified actuary on the basis of triennial valuations using the attained age valuation method. The most recent valuation was as at 1st April 1990. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment return would be 8.5% per annum, that the salary increases would average 7% per annum and that the present and future pensions would increase at the rate of 3% per annum in respect of service to 1st January 1991 and thereafter at 4% per annum.

The actuarial valuation at 1st April 1990 showed that the market value of the scheme's assets was £7,617,374 and that the actuarial value of these assets represented 120% of the benefits that had accrued to members after allowing for expected future increases in earnings. Such surplus is being taken into account in the annual pension costs charge.

Following actuarial advice, and on the basis of using a more appropriate actuarial method (the projected unit method) for accounting purposes in the year ended 31st March 1992, the Directors consider that the level of company contributions paid in the year ended 31st March 1992 is not materially different from the pension cost charge as computed on the above basis, taking into account the surplus in the scheme and reductions in numbers of employees.

With the exception of employees in the Nevill Long group of companies, all employees of the subsidiary undertakings are eligible to join the Group pension scheme. The Nevill Long group of companies operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge for the year was £12,000 (1991 £13,000).

It is not possible to predict future costs of pensions.

The cost of pensions to employees and the widows of former employees who retired before becoming eligible to be members of the Group pension scheme is being met out of the provision for unfunded pensions (note 8).

### 29. Lease commitments

Lease commitments under various operating leasing contracts for vehicles and property payable by the Group and the Parent Company.

	Group		Parent Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Vehicles:				
Leases expiring within one year	90	87	38	47
Leases expiring between two and five years	197	147	52	42
	287	234	90	89
Property:				
Leases expiring within one year	20	—	—	—
Leases expiring in over five years	458	345	—	—
	478	345	—	—

## *Notes to the Accounts*

---

### **30. Contingent Liabilities**

Guarantees have been given by the Company in respect of overdrafts of subsidiary companies amounting to £861,000 (1991 £1,595,000) at 31st March 1992.

The Company has guaranteed certain of the finance lease liabilities of Richard Graefe Limited, the amount outstanding at 31st March 1992 being £45,000 (1991 £107,000).

### **31. Savings related share option scheme**

In accordance with the terms of the savings related share option scheme adopted on 19th August 1987, applications for shares in the Company have been received as follows: for 17,097 (1991 21,093) shares which are exercisable between October 1992 and March 1993 at £3.24 per share, and for 161,751 (1991 178,932) shares which are exercisable between January 1996 and June 1996 at £1.68 per share.

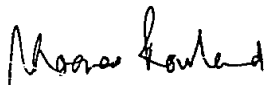
## *Auditors' Report*

---

### **Auditors' report to the members of James Latham public limited company**

We have audited the financial statements on pages 12 to 26 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group at 31st March 1992 and of the loss and cashflows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Moors Rowland

*Chartered Accountants*

*Registered Auditor*

Cliffords Inn,  
Fetter Lane,  
London EC4A 1AS

21st July 1992

## *Notice of Annual General Meeting*

---

Notice is hereby given that the ninety-third Annual General Meeting of the Company will be held at the Registered Office of James Latham public limited company, Leaside Wharf, Clapton, London, E5 9NG on Thursday, 18th August 1992 at 12.30 p.m. for the following purposes:

1. To receive and adopt the Directors' Report and Accounts for the year ended 31st March 1992 together with the Auditors' report thereon.
2. To declare a dividend.
3. To re-appoint Moores Rowland, Chartered Accountants, as Auditors and to authorise the Directors to fix their remuneration.
4. To transact any other ordinary business of the Company.

By Order of the Board

T.G. Kemp  
Secretary



*Registered Office*  
Leaside Wharf  
Clapton  
London E5 9NG

21st July 1992

The report and accounts are sent to all members of the Company.

Holders of Preference Shares 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 Preference Shares are regularly paid or unless a resolution is to be proposed for winding up the Company, reducing its capital or selling its undertaking or adversely affecting the rights of the holders of Preference Shares.

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 on his/her behalf. A proxy need not be a member of the Company.

Any instrument appointing a proxy, to be valid, must be lodged with the Company's Registrars at National Westminster Bank Plc. Registrars Department, P.O. Box 82, Caxton House, Redcliffe Way, Bristol, BS99 7YA, not later than forty-eight hours before the time fixed for the meeting.

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.

## Points of Contact

Head Office: James Latham plc,  
Leaside Wharf, Mount Pleasant Hill,  
Clapton, London E5 9NG.  
Tel: 081 806 3333. Fax: 081 806 7249.

### IMPORTING, STOCKHOLDING AND DISTRIBUTION POINTS

**JAMES LATHAM (SOUTHERN)**  
Leaside Wharf, Mount Pleasant Hill,  
Clapton, London E5 9NG.  
Tel: 081 806 3333. Fax: 081 806 7249.  
*Panel Products:*  
Steve Fletcher, Howard Hayes,  
John Jeffries, Steve New, Paul Fletcher.  
*Hardwood Sales:*  
John May, Ron Costin, Steve Berry.  
*Softwood Sales:*  
Les Friery, Phil Langley, Mark Sanz.  
*British Timbers:*  
Cliff Randall, Martin Cohen.  
*Moulding Mill:*  
Terry Cromwell, Jamie Currie.

**JAMES LATHAM (NORTHERN)**  
Longlands, Flushdyke,  
Ossett, West Yorks. WF5 9JE.  
Tel: 0924 276111. Fax: 0924 280193.  
*Panel Products:* Allan Green,  
Keith Hunt, Geoff Turner,  
Wayne Wilson.  
*Hardwood/Softwood Sales:*  
John Hewson, Alison Cowley,  
Alan Spurr.

**JAMES LATHAM (MIDLAND)**  
Chartwell Drive, Off West Avenue,  
Wigston, Leicestershire LE8 2FN.  
Tel: 0533 889161. Fax: 0533 813805.  
*Panel Products:*  
Chris Sutton, Lee Cramp,  
Joanne Pollard, Andrew Duncombe.  
*Timber Sales:*  
Ian Milne, Jonathan Dawson.

**JAMES LATHAM (WESTERN)**  
Badminton Road, Yate,  
Bristol BS17 6JX.  
Tel: 0454 315421. Fax: 0454 323488.  
*Panel Products:*  
Chris Sutton, Ken Wall,  
David Nickless.  
*Timber Manager:* Nick Hornsby.  
*Timber Sales:*  
Josephine Hinde, Ian Gregg.  
*Local Trades:*  
Jeff Lane 0454 273501.

**JAMES LATHAM (SCOTLAND)**  
Tel: 0360 60877.  
*Contact:* Bill Ewing or via  
**JAMES LATHAM (NORTHERN)**  
Tel: 0924 276111.

### TIMBER AND BUILDING SUPPLIES

**LATHAM TIMBER AND  
BUILDING SUPPLIES**  
14-16 Lexham Gardens,  
Amersham, Bucks HP6 5JR.  
Tel: 0494 729222. Fax: 0494 721151.  
*Manager:* Brian Matthews.

**LATHAM TIMBER AND  
BUILDING SUPPLIES**  
Manor Street, Braintree,  
Essex CM7 6HS.  
Tel: 0376 32944. Fax: 0376 550046.  
*Manager:* Colin C. Ford.

**LATHAM TIMBER AND  
BUILDING SUPPLIES**  
Leaside Wharf, Mount Pleasant Hill,  
Clapton, London E5 9NG.  
Tel: 081 806 1236. Fax: 081 880 0121.  
*Manager:* Trevor Barnard.

**LATHAM TIMBER AND  
BUILDING SUPPLIES**  
Units 5 & 6, Nightingale Road  
Industrial Estate,  
Horsham, Sussex RH12 2NS.  
Tel: 0403 55346. Fax: 0403 64719  
*Manager:* Colin Gritton.

**LATHAM TIMBER AND  
BUILDING SUPPLIES**  
Farley Hill, Luton,  
Bedfordshire LU1 5EE.  
Tel: 0582 456161. Fax: 0582 451026.  
*Manager:* Nick Holmes.

**LATHAM TIMBER AND  
BUILDING SUPPLIES**  
Simpson Road, Bletchley,  
Milton Keynes MK1 1BB.  
Tel: 0908 644222. Fax: 0908 270243.  
*Manager:* Andy Tarrant.

**LATHAM TIMBER AND  
BUILDING SUPPLIES**  
Ferry Hinksey Road, Osney Mead,  
Oxford OX2 0ES.  
Tel: 0865 791111. Fax: 0865 793070.  
*Manager:* Steve Johnson.

**LATHAM TIMBER AND  
BUILDING SUPPLIES**  
Forty Acre Road, Fengeate,  
Peterborough, Cambs PE1 5PS.  
Tel: 0733 312456. Fax: 0733 675556.  
*Manager:* Mick Sharman.

**LATHAM TIMBER AND  
BUILDING SUPPLIES**  
51 Dolphin Road, Shoreham-by-Sea,  
West Sussex BN4 6QB.  
Tel: 0273 454835. Fax: 0273 455405.  
*Manager:* Hussain Mahmoudi.

**LATHAM TIMBER AND  
BUILDING SUPPLIES  
(BRIDGWATER) LTD.**  
Wylds Road, Castlefields,  
Bridgwater, Somerset TA6 4DH.  
Tel: 0278 450066. Fax: 0278 445768.  
*Manager:* Terry Russell.

**LATHAM TIMBER  
ENGINEERING**  
Ferry Hinksey Road, Osney Mead,  
Oxford OX2 0ES.  
Tel: 0865 791111. Fax: 0865 204151.  
*Manager:* Andrew Poynter.

**G. A. DAY  
TIMBER CENTRES LTD.**  
65/67 Hingwood Road,  
Kinson Pottery Estate,  
Parkstone, Poole, Dorset BH14 0RG.  
Tel: 0202 735735.  
*Director:* Paul Cooper.  
*Manager:* John Page.

**G. A. DAY  
TIMBER CENTRES LTD.**  
The Timber Centre, Burrfields Road,  
Portsmouth, Hants PO3 5NA.  
Tel: 0705 669535. Fax: 0705 666497.  
*Director:* Paul Cooper.  
*Manager:* Grahame Clark.

### SPECIALIST COMPANIES

**ADVANCED TECHNICAL  
PANELS LTD.**  
(Specialists in Technical Plywood  
and Panels)  
Longlands, Flushdyke,  
Ossett, West Yorkshire WF5 9JE.  
Tel: 0924 263655. Fax: 0924 280193.  
*Sales:* Anthony Chapman,  
David Briggs.

**LANGHAM INTERIORS LTD.**  
(Specialist Interior Systems  
Contractors)  
Centre House,  
Victory Way, Southall Lane,  
Heston, Middlesex TW5 9NS.  
Tel: 081 573 9595.  
*Manager:* Andy Hamilton Smith.

**CONSETT LAMINATORS LTD.**  
(Specialist Fabricators of Decorative  
Laminates)  
Unit 45, No. 1 Industrial Estate,  
Consett, Co. Durham DH5 6TW.  
Tel: 0207 508124. Fax: 0207 580890.  
*Managing Director:* Alf Royal.  
*Sales:* Steve Royal, Peter Conroy.

**SINGER PLYWOOD CO. LTD.**  
(Suppliers of Doors and V-Grooved  
plywood)  
Leaside Wharf, Mount Pleasant Hill,  
Clapton, London E5 9NG.  
Tel: 081 806 3117. Fax: 081 806 6504.  
*Managing Director:* Gerry Singer.  
*Sales:* David Singer, Sid Hirsch.

### NEVILL LONG

CEILING SYSTEMS, TILES,  
LIGHTING, FIXINGS, DRY  
LINING, INSULATION, STUD  
AND TRACK, PARTITIONS,  
TOOLS, ACOUSTIC &  
DECORATIVE PANELS,  
CUBICLES, LASER LEVELLING  
EQUIPMENT.

Centre House,  
Victory Way, Southall Lane,  
Heston, Middlesex TW5 9NS.  
Sales Tel: 081 573 9898.  
*Manager:* Roy Sirett.  
Administration Tel: 081 573 8282.

Unit 5, Sterling Industrial Estate,  
Rainham Road South,  
Dagenham RM10 8TX.  
Tel: 081 593 7121. Fax: 081 593 0406.  
*Manager:* Allan Smith

Badminton Road, Yate,  
Bristol BS17 6JX.  
Tel: 0454 326622. Fax: 0454 325800.  
*Contact:* Elliott Roberts.

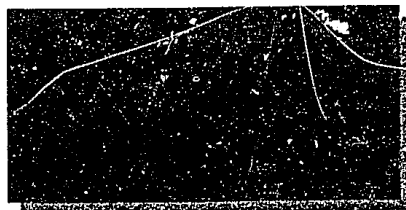
21/23 Brunel Close,  
Drayton Fields,  
Daventry NN11 5RB.  
Tel: 0327 300330. Fax: 0327 300122.  
*Manager:* Peter Thompson.



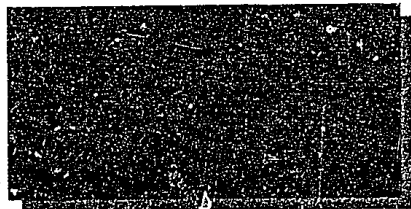
*The natural choice for all your  
wood products*



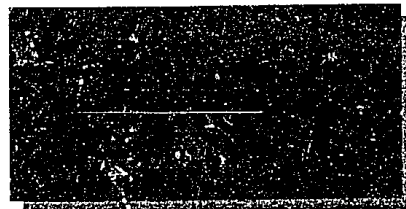
English Ash



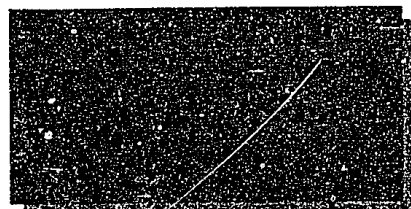
English Oak



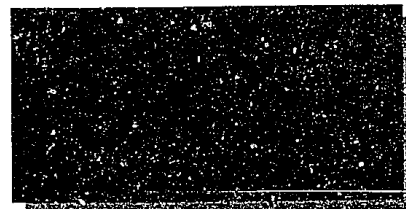
Chestnut



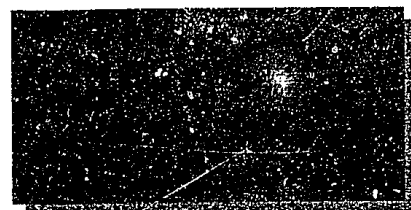
English Elm



Lime



Yew



Cedar of Lebanon



Sycamore

*Part of our wide range of speciality British timbers*

## **NOTICE OF ILLEGIBLE DOCUMENT ON THE MICROFICHE RECORD**

**Companies House regrets that the microfiche record for this company contains some data which is illegible.**

**The poor quality has been noted but unfortunately the steps taken to improve the quality have been unsuccessful.**

**Companies House would like to apologise for any inconvenience this may cause.**