

APPENDIX 1

(referred to in paragraphs 1.4 and 7.13)

List of witnesses

1. In addition to the material provided by the two main parties the Commission received evidence from the witnesses listed below.

Members of Parliament

Scottish Group of Labour MPs
Dr Jeremy Bray, MP
Sir Russell Fairgrieve CBE, TD, MP
Norman Hogg, MP
David Marshall, MP

Official bodies

Department of Employment
Scottish Development Agency
Scottish Economic Planning Department

Local authorities

Fife Regional Council
Strathclyde Regional Council
City of Glasgow District Council
Clydesdale District Council
East Kilbride District Council
Kirkcaldy District Council
Monklands District Council
Motherwell District Council
Strathkelvin District Council

Trade unions

Amalgamated Union of Engineering Workers (Engineering Section and
Technical Administrative and Supervisory Section)
Association of Scientific, Technical and Managerial Staffs
Association of Professional, Technical, Clerical and Computer Staffs
Scottish Trades Union Congress

Employees of Anderson Strathclyde

Joint Shop Stewards Committee, on behalf of all trade union members in
Anderson Strathclyde's Scottish factories
AUEW (Engineering Section) members, Hoy Division, Saunderton
Managers of Hoy Division, Saunderton
Management Committee, Hoy Division, Princes Risborough
Non-unionised staff, Motherwell
Senior management group, Glenrothes
Sheffield workforce

Suppliers

A F W Engineering Ltd
Giddings & Lewis Fraser Ltd
Gordon H Barclay & Associates Ltd
Hurstwell Engineering Co Ltd
J Martin Engineers (Wishaw) Ltd
North British Steel Group Ltd
Northern Tool & Gear Co Ltd
W McCrindle & Son Ltd

Customers

National Coal Board

Mining equipment companies

Dosco Overseas Engineering Ltd
Dowty Group PLC
Eickhoff (GB) Ltd
Gullick Dobson Ltd

Trade associations

British Longwall Mining Association
Glasgow Chamber of Commerce

Other witnesses

Bank of Scotland
Church of Scotland Committee on Church and Industry
Hamilton Presbytery Church and Industry Committee
Professor Neil Hood
Sir Ian Morrow
Scottish Council (Development and Industry)

APPENDIX 2
(referred to in paragraph 3.14)

Charter Consolidated PLC: principal interests

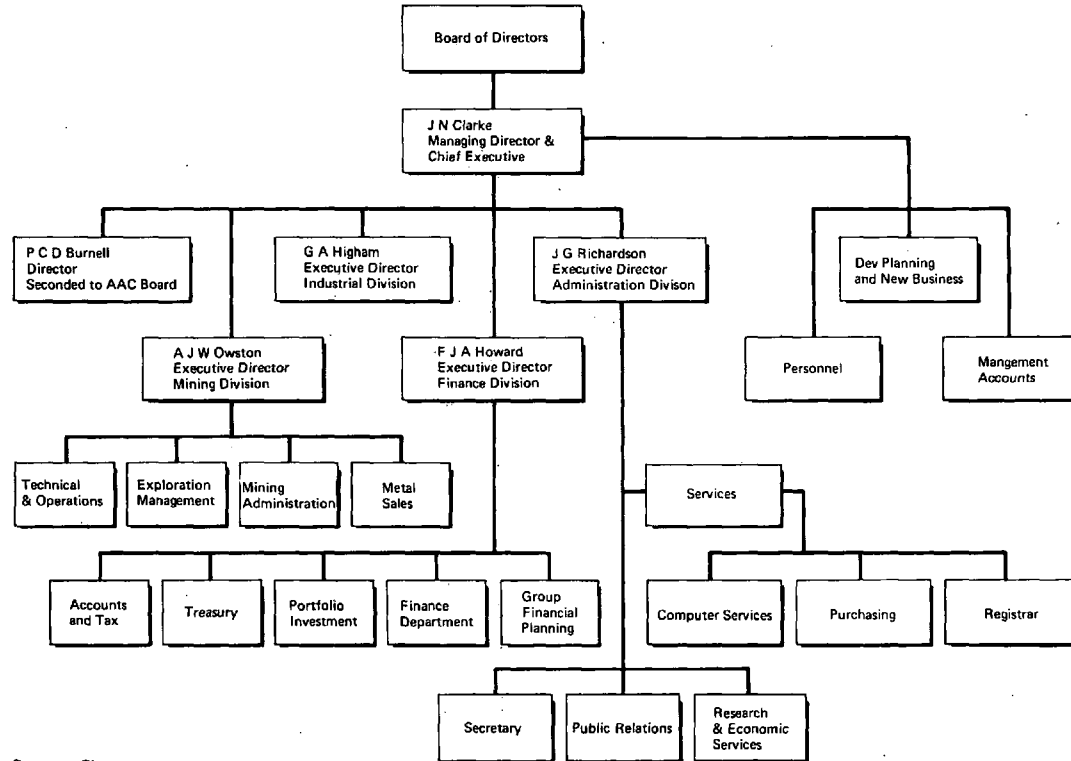
<i>Company</i>	<i>Country of incorporation or registration</i>	<i>Group interest in equity capital %</i>	<i>Nature of business</i>
Industrial			
Anderson Strathclyde PLC	Scotland	28.4	Mining equipment
Cape Industries PLC (a subsidiary holds 100 per cent of the 3½ per cent cumulative preference shares)	England	67.3	Insulation products, friction materials, automotive components, insulation contracting and fire protection
Heatrae-Sadia Holdings Limited	England	100	Electrical water heating, catering and refrigeration equipment
Johnson Matthey PLC	England	28	Metal refining and industrial
MKR Holdings Limited	England	100	Bar cooling and drink dispensing equipment
Pandrol International Limited	England	100	Railway track equipment and services
Perard Torque Tension Limited	England	100	Mining equipment
Mining			
Alexander Shand (Holdings) Limited	England	100	Coal mining and civil engineering
Anmercosa Sales Limited	England	75	Marketing of metals
Beralt Tin and Wolfram Limited	England	75	Wolfram mining in Portugal
Botswana RST Limited	Botswana	4.5	Nickel and copper mining
Charter Consolidated (Malaysia) Sendirian Berhad	Malaysia	100	Investment and management
Charter Consolidated Metals and Ores Limited	England	100	Metal trading
Charter Consolidated (UK Offshore Oil Explorations) Limited	England	100	Oil exploration
Cleveland Potash Limited	England	50	Potash mining
Malaysia Mining Corporation Berhad	Malaysia	13.8	Tin mining, marketing, and smelting; plantation interests
Société Minière d'Anglade	France	40	Wolfram mining
Tara Exploration and Development Company Limited	Canada	14.1	Zinc and lead mining in the Republic of Ireland
Other investments			
Anglo American Corporation Zimbabwe Limited	Zimbabwe	33.5	Mining and industrial finance and investment
The Argus Printing and Publishing Company Limited	South Africa	10	Printing and publishing
Covenant Industries Limited	England	33.9	Marketing and manufacture of chemicals in Africa
Euranglo Limited	South Africa	25	Investment
Minerals and Resources Corporation Limited	Bermuda	9.8	International mining finance and investment
The Rio Tinto-Zinc Corporation PLC	England	4.0	International mining and industrial

<i>Company</i>	<i>Country of incorporation or registration</i>	<i>Group interest in equity capital %</i>	<i>Nature of business</i>
Finance and investment subsidiaries (which also hold directly and indirectly the interests listed above)			
The British South Africa Company	England	100	Investment
Central Mining Finance Limited	England	100	Finance and investment
The Central Mining & Investment Corporation Limited	England	100	Investment
Charter Consolidated Finance Limited	England	100	Finance
Charter Consolidated Investments PLC	England	100	Investment
Services			
Charter Consolidated Services Limited	England	100	Administration and technical

APPENDIX 3

(referred to in paragraph 3.34)

Charter Consolidated PLC: head office management



Source: Charter.

APPENDIX 4
(referred to in paragraph 3.42)

**Charter Consolidated PLC: group historic profit before taxation
and earnings per share for the five years to 31 March 1982**

	1978	1979	1980	1981	£'000 1982
Earnings (year to 31 March)					
Profit before taxation	43,087	44,547	52,349	52,791	59,227
Taxation	14,387	17,965	20,752	18,721	19,502
	<u>28,700</u>	<u>26,582</u>	<u>31,597</u>	<u>34,070</u>	<u>39,725</u>
Outside shareholders' interests (1982 includes profit sharing)	3,265	3,591	3,659	1,476	2,098
Earnings attributable to shareholders	<u>25,435</u>	<u>22,991</u>	<u>27,938</u>	<u>32,594</u>	<u>37,627</u>
Dividends paid	8,703	9,043	8,760	10,497	11,558
	<u>16,732</u>	<u>13,948</u>	<u>19,178</u>	<u>22,097</u>	<u>26,069</u>
Earnings per share	<u>24.26p</u>	<u>21.93p</u>	<u>26.63p</u>	<u>31.05p</u>	<u>35.81p</u>
Dividends per share (net of imputed tax credit)	8.30p	8.62p	8.35p	10.00p	11.00p

Source: Charter.

APPENDIX 5
(referred to in paragraph 3.43)

**Charter Consolidated PLC: group net assets and net assets
per share for the five years to 31 March 1982**

	1978	1979	1980	1981	£'000 1982
Net assets (at 31 March) including investments at market or directors' valuation					
Investments					
At book amount	182,616	158,306	142,711	186,227	186,206
Appreciation of investments	80,242	123,933	99,464	206,244	127,382
Market or directors' valuation	262,858	282,239	242,175	392,471	313,588
Assets under finance leases to third parties	—	—	—	278	13,484
Fixed assets and exploration and development expenditure	63,897	75,027	68,449	86,080	120,549
Alexander Shand group of companies	—	—	—	24,926	—
Net current assets	39,608	52,480	54,246	32,755	57,641
	366,363	409,746	364,870	536,510	505,262
Long-term indebtedness, minority interest, capital expenditure grants and deferred taxation	78,759	69,093	40,597	39,499	58,137
Net assets	287,604	340,653	324,273	497,011	447,125
Net assets per share	274p	325p	309p	473p	426p
Net assets per share before appreciation of investments	198p	207p	214p	277p	305p
Represented by:					
Issued share capital	26,212	26,215	2,103	2,103	2,105
Share premium	30,683	30,695	12,064	12,125	12,351
Reserves	150,467	159,810	210,642	276,539	305,287
	207,362	216,720	224,809	290,767	319,743
Appreciation of investments	80,242	123,933	99,464	206,244	127,382
	287,604	340,653	324,273	497,011	447,125

Source: Charter.

Notes:

(1) In 1980 major changes in Charter investments together with a capital reduction of £53.3 million took place under a scheme of arrangement, as a result of which Charter shareholders received one quarter of a share in Minerals and Resources Corporation Limited worth 55p at the time for each Charter share held.

(2) No account has been taken of taxation on appreciation of investments.

APPENDIX 6
(referred to in paragraph 3.44)

**Charter Consolidated PLC: summarised group consolidated
current cost balance sheet for year ended 31 March 1982**

	<i>£ million</i> 1982
Fixed assets	182.6
Exploration and development expenditure	0.3
Investments	313.6
Assets under finance leases to third parties	13.5
Net current assets	
Stocks and work in progress	83.9
Creditors less debtors	(9.5)
Liquid funds (net)	15.0
Taxation	(22.8)
Proposed final dividend	(7.6)
	59.0
	569.0
Financed by:	
Share capital and share premium	14.4
Reserves	484.0
	498.4
Capital expenditure grants	3.2
Interest of outside shareholders in subsidiaries	43.1
Long-term indebtedness	21.6
Deferred taxation	2.7
	569.0

Source: Charter.

APPENDIX 7
(referred to in paragraph 3.45)

**Charter Consolidated PLC: group investments on historic cost basis
and consolidated current cost balance sheet basis**

	<i>At cost or valuation less amounts written off 1982</i>	<i>At market value or directors' valuation</i>
<i>£'000</i>		
Associated companies		
Listed in Great Britain	54,552	109,547
Listed outside Great Britain	89	298
Group share of retained profits less losses of listed associated companies	19,823	—
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	74,464	109,845
Unlisted	13,268	7,872
Group share of losses less retained profits of unlisted associated companies	(8,139)	—
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	5,129	7,872
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	79,593	117,717
Other investments		
Listed in Great Britain	93,441	180,489
Listed outside Great Britain	4,434	4,561
Unlisted	8,738	10,821
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	106,613	195,871
Total investments		
Listed in Great Britain	167,660	290,036
Listed outside Great Britain	4,679	4,859
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	172,339	294,895
Unlisted	13,867	18,693
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	186,206	313,588

Source: Charter.

Notes:

(1) Other investments listed in Great Britain at 31 March 1982 include United Kingdom Government securities of £29,994,000 at cost (market value—£28,975,000).

(2) The greater part of the investments is of a long-term nature but in the event of their realisation at market or directors' valuation there would be a taxation liability of approximately £46 million.

APPENDIX 8
(referred to in paragraph 3.46)

**Charter Consolidated PLC: group summarised consolidated current
cost profit and loss account for year ended 31 March 1982**

	<i>£ million</i> <i>1982</i>
Profit before interest and taxation on an historical cost basis	58.6
<i>Deduct:</i> Current cost operating adjustments relating to:	
Operating profit of industrial and mining subsidiaries	11.9
Share of retained profit of associated companies	5.2
Surplus on realisation of investments	2.4
Administration and technical expenditure	0.9
	<hr style="width: 100%; border: 0.5px solid black;"/> 20.4
Current cost operating profit	38.2
Interest receivable (net)	0.6
Gearing	2.0
	<hr style="width: 100%; border: 0.5px solid black;"/>
Current cost profit before taxation	40.8
Taxation	19.5
	<hr style="width: 100%; border: 0.5px solid black;"/>
Interests of outside shareholders in profits of subsidiaries	0.2
	<hr style="width: 100%; border: 0.5px solid black;"/>
Current cost profit attributable to Charter	21.1
Earnings per share 20.1p	
Dividends paid and proposed	11.5
	<hr style="width: 100%; border: 0.5px solid black;"/>
	9.6
Extraordinary items:	
As shown in the historical cost accounts	(5.6)
Current cost adjustment	(0.2)
	<hr style="width: 100%; border: 0.5px solid black;"/>
	(5.8)
	<hr style="width: 100%; border: 0.5px solid black;"/>
Retained current cost profit transferred to reserves	3.8

Source: Charter.

APPENDIX 9
(referred to in paragraph 3.47)

Charter Consolidated: group summarised source and application of funds for five years ended 31 March 1982

	1978	1979	1980	1981	£'000 1982
Source of funds:					
Profit before taxation	43,087	44,547	52,349	52,791	59,227
Dividends from associated companies	—	—	—	—	2,889
Extraordinary items:					
As a result of restructuring of the group and before taxation of £24,192,000	—	—	78,421	—	—
Other items before interest of outside shareholders and adjusted for taxation relief	(24,720)*	(22,241)†	(9,420)	75,803‡	(7,736)
Adjustments for items not involving movements of funds					
Depreciation	6,030	7,248	8,073	8,798	14,750
Provision against mining projects and investments	15,638	16,288	5,756	5,813	3,649
Other provisions	12,161	12,730	481	—	—
Share of retained profits less losses of associated companies	(6,335)	1,295	(8,678)	(20,803)	(17,059)
Funds generated	45,861	59,867	126,982	122,402	55,720
Investments	(4,182)	(381)	9,893	(30,867)	7,135
Proceeds of rights issue by Cape from outside shareholders	—	—	—	3,006	—
Increase in interests of outside shareholders	—	—	—	(1,178)	6,697
	<u>41,679</u>	<u>59,486</u>	<u>136,875</u>	<u>93,363</u>	<u>69,552</u>
Application of funds:					
Purchase of fixed assets (less grants and disposals)	17,976	18,130	227	26,596	48,477
Transfer of investments and cash as part of the scheme of arrangement	—	—	53,347	—	—
Investments acquired in 1981 consolidated in 1982 as subsidiaries	—	—	—	29,156	(35,863)
Goodwill on acquisition of subsidiaries	4,294	(94)	334	1,726	4,399
Taxation paid	7,037	9,903	8,375	23,801	19,451
(Increase)/decrease in long-term indebtedness§	(1,991)	(287)	13,332	20,970	(2,766)
Increase in assets under finance leases	—	—	—	278	13,206
Increase in working capital and other items	11,675	7,019	5,504	222	27,176
Dividends paid	8,154	8,704	9,384	8,816	10,868
	<u>47,145</u>	<u>43,375</u>	<u>108,503</u>	<u>111,565</u>	<u>84,912</u>
Increase/(decrease) in liquid funds	(5,466)	16,111	28,372	(18,202)	(15,360)
Increase in short-term loans, deposits and cash	(5,583)	25,378	19,465	(5,918)	(24,189)
Increase in associated companies and other deposit accounts	213	(1,441)	(5,788)	1,126	2,446
Decrease in bank loans and overdrafts	(96)	(7,826)	14,695	(13,410)	6,383
	<u>(5,466)</u>	<u>16,111</u>	<u>28,372</u>	<u>(18,202)</u>	<u>(15,360)</u>

Source: Charter.

* The extraordinary items in 1978 include £6.0 million related to the Botswana RST/BCL provision and £7.5 million related to Cleveland Potash Ltd.

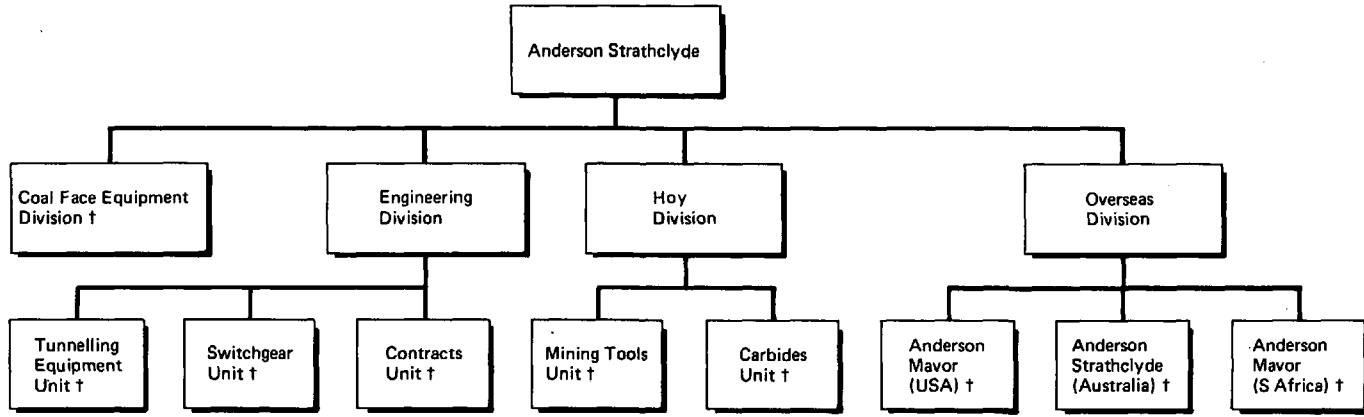
† In 1979 Cleveland Potash provision was £25.7 million.

‡ In 1981 a profit of £79.9 million is included in extraordinary items and £24.2 million is included under investments in relation to the sale of Charter's 25.7 per cent interest in Selection Trust to British Petroleum Ltd.

§ In 1980 and 1981 £27.8 million of 6.5 per cent DM Loans Bonds were repaid.

APPENDIX 10
(referred to in paragraph 4.8)

Anderson Strathclyde PLC: trading structure

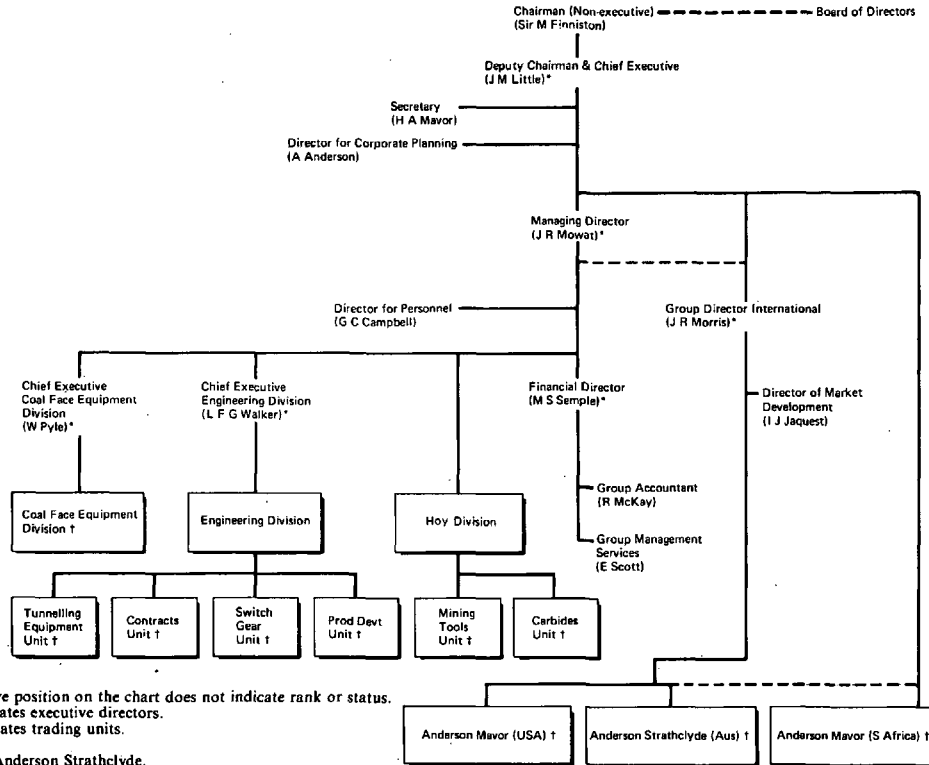


Note: † indicates trading units

Source: Anderson Strathclyde.

APPENDIX 11
 (referred to in paragraph 4.17)

Anderson Strathclyde PLC: management structure



Notes:

- (1) Relative position on the chart does not indicate rank or status.
- (2) * indicates executive directors.
- (3) † indicates trading units.

Source: Anderson Strathclyde.

APPENDIX 12

(referred to in paragraph 4.17)

**Anderson Strathclyde PLC: functions of
Chief Executive and Managing Director**

<i>Title</i>	<u>Deputy Chairman & Chief Executive</u>
<i>Location</i>	Bridgeton
<i>Responsible to</i>	Non-executive Chairman
<i>Responsible to you</i>	Managing Director Group Director—International Director for Corporate Planning Secretary
<i>Main Role</i>	To secure and allocate the resources designed to achieve the objectives of the Group and to control performance against plans.
<i>Main Activities</i>	<ol style="list-style-type: none">1. To recommend to the Board of Directors corporate profit, growth and return-on-investment criteria.2. To formulate, in conjunction with the Chairman and the Managing Director, the necessary strategy and policies and conduct corporate planning so as to enable the agreed objectives to be met.3. To act as chairman at meetings of the Executive Committee and, with it, to determine courses of action and plans designed to achieve the objectives within the framework of the policies laid down.4. To monitor regularly performance against plans.5. To ensure that the Group's financial resources are adequate and compatible with the Group's objectives.6. To co-ordinate the UK and International activities of the Group.7. To act as Chairman of Anderson Mavor (South Africa) (Pty) Limited.8. To be a member of the Chairman's Committee.9. To maintain the company's contacts with outside agencies at senior level.10. To deputise for the Chairman as required.

II.

Title

Managing Director

Location

Bridgeton

Responsible to

Deputy Chairman & Chief Executive

Responsible to you

Financial Director
Chief Executive — Coal Face Equipment Division
Chief Executive — Engineering Division
Director for Personnel
Divisional Director & General Manager — Mining
Tools Unit:
 Hoy Division
Divisional Director & General Manager
 Carbides Unit:
 Hoy Division

Main Role

To manage the company so as to achieve the agreed objectives within the framework of its strategy and policies.

Main Activities

1. To assist the Chairman and the Deputy Chairman & Chief Executive in formulating the company's strategy and policies.
2. To propose and agree with the Executive Committee courses of action and plans designed to achieve the objectives within the framework of the policies laid down.
3. To assess and appraise regularly performance against plans and targets and to initiate action where necessary to improve or maintain performance.
4. To be particularly concerned with the direction and co-ordination of UK activities and to act as Chairman of the UK Trading divisions.
5. To maintain personal contact with major customers.
6. To report to the Board on personnel matters and industrial relations.
7. To be a member of the Chairman's Committee.
8. To deputise for the Deputy Chairman & Chief Executive as required.

APPENDIX 13

(referred to in paragraph 4.26)

Anderson Strathclyde PLC: productivity ratios/sales value per employee

		1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Total sales	£'000	20,780	23,084	31,133	37,522	40,254	46,769	53,340	72,298	84,229	99,963
Average no of employees	UK	4,086	4,099	4,338	4,360	4,267	4,269	4,257	4,308	4,338	3,956
	SA	177	176	202	259	315	306	263	243	238	244
	USA	—	1	3	4	6	11	15	21	28	37
	Aus	—	—	—	—	—	—	—	46	108	133
Sales value per employee	£	4,263	4,276	4,543	4,623	4,588	4,586	4,535	4,618	4,712	4,370
Retail Price Index at March		4,875	5,399	6,853	8,116	8,774	10,198	11,762	15,656	17,875	22,875
Sales value per employee at 1982 price levels	£	90.4	102.6	124.3	150.6	175.8	191.8	210.6	252.2	284.0	313.4
	£	16,901	16,492	17,279	16,890	15,641	16,663	17,503	19,455	19,725	22,875

Source: Anderson Strathclyde.

APPENDIX 14
(referred to in paragraph 4.35)

Anderson Strathclyde PLC: group profit and loss accounts on historic cost basis for the ten years 1972-73 to 1981-82

	1973	1974	1975	1976	1977	1978	1979	1980	1981	£'000 1982
Sales turnover	20,780	23,084	31,133	37,522	40,254	46,769	53,340	72,298	84,229	99,963
Trading profit	2,048	2,475	3,270	3,938	3,674	4,609	5,226	8,000	8,216	11,779
Exceptional items:										
Redundancy and re-organisation costs	—	—	—	—	—	—	—	—	840	499
Trading profit after exceptional item	2,048	2,475	3,270	3,938	3,674	4,609	5,226	8,000	7,376	11,280
Interest	100	40	629	412	408	635	1,142	2,132	1,050	123
Profit before taxation	1,948	2,435	2,641	3,526	3,266	3,974	4,084	5,868	6,326	11,157
Taxation	611	1,267	1,626	795	942	667	633	1,250	1,597	3,076
Profit after taxation	1,337	1,168	1,015	2,731	2,324	3,307	3,451	4,618	4,729	8,081
Extraordinary items:										
pension schemes	500	—	—	—	—	—	(500)	—	—	—
Profit after extraordinary item	837	1,168	1,015	2,731	2,324	3,307	3,951	4,618	4,729	8,081
Dividends	456	467	503	729	801	895	1,138	1,517	1,897	2,845
Minority interest	—	—	(4)	7	15	1	—	—	—	—
Profit retained	381	701	516	1,995	1,508	2,411	2,813	3,101	2,832	5,236

Source: Anderson Strathclyde.

APPENDIX 15
(referred to in paragraph 4.35)

Anderson Strathclyde PLC: group balance sheets on historic cost basis for the ten years 1973-74 to 1981-82

	1973	1974	1975	1976	1977	1978	1979	1980	1981	£'000 1982
Current assets:										
Stock and work in progress	7,806	12,653	16,017	17,861	20,186	23,579	27,995	31,614	34,112	29,934
Debtors	5,582	5,875	8,950	8,636	9,109	12,790	18,181	18,202	17,033	25,068
Short-term deposits	3,131	1,914	46	660	54	77	—	—	787	5,666
Cash and bank balance	185	73	43	59	133	141	110	238	318	180
	<u>16,704</u>	<u>20,515</u>	<u>25,056</u>	<u>27,216</u>	<u>29,482</u>	<u>36,587</u>	<u>46,286</u>	<u>50,054</u>	<u>52,250</u>	<u>60,848</u>
Current liabilities:										
Creditors	2,854	4,934	7,049	6,889	7,691	9,299	13,546	16,535	14,155	19,536
Provision for pensions	676	658	500	500	500	500	—	—	—	—
Tax payable	1,046	1,307	244	684	795	541	522	1,167	1,657	3,052
Bank overdrafts	857	2,253	3,087	854	1,082	2,779	4,819	2,710	1,028	1,761
Dividends payable	1,049	274	296	452	485	579	759	1,138	1,423	2,323
	<u>6,482</u>	<u>9,426</u>	<u>11,176</u>	<u>9,379</u>	<u>10,553</u>	<u>13,698</u>	<u>19,646</u>	<u>21,550</u>	<u>18,263</u>	<u>26,672</u>
Net current assets	<u>10,222</u>	<u>11,089</u>	<u>13,880</u>	<u>17,837</u>	<u>18,929</u>	<u>22,889</u>	<u>26,640</u>	<u>28,504</u>	<u>33,987</u>	<u>34,176</u>
Fixed assets	<u>3,884</u>	<u>6,268</u>	<u>6,488</u>	<u>6,748</u>	<u>7,654</u>	<u>8,535</u>	<u>9,278</u>	<u>10,529</u>	<u>13,716</u>	<u>17,173</u>
	<u>14,106</u>	<u>17,357</u>	<u>20,368</u>	<u>24,585</u>	<u>26,583</u>	<u>31,424</u>	<u>35,918</u>	<u>39,033</u>	<u>47,703</u>	<u>51,349</u>
Share capital	<u>5,927</u>	<u>5,927</u>	<u>5,927</u>	<u>7,903</u>	<u>7,903</u>	<u>7,903</u>	<u>9,484</u>	<u>9,484</u>	<u>11,854</u>	<u>11,854</u>
Reserves	<u>5,261</u>	<u>7,988</u>	<u>8,481</u>	<u>13,701</u>	<u>15,356</u>	<u>17,585</u>	<u>18,596</u>	<u>21,930</u>	<u>38,237</u>	<u>33,758</u>
	<u>11,188</u>	<u>13,915</u>	<u>14,408</u>	<u>21,604</u>	<u>23,259</u>	<u>25,488</u>	<u>28,080</u>	<u>31,414</u>	<u>40,091</u>	<u>45,612</u>
Loan capital	<u>2,696</u>	<u>2,651</u>	<u>2,588</u>	<u>2,607</u>	<u>2,742</u>	<u>5,251</u>	<u>6,985</u>	<u>6,985</u>	<u>6,333</u>	<u>3,900</u>
Minority interest in subsidiary	—	—	30	37	52	—	—	—	—	—
Deferred taxation	(92)	468	3,022	5	10	29	32	140	42	41
Investment and development grants	314	323	320	332	520	656	821	943	1,237	1,796
	<u>14,106</u>	<u>17,357</u>	<u>20,368</u>	<u>24,585</u>	<u>26,583</u>	<u>31,424</u>	<u>35,918</u>	<u>39,033</u>	<u>47,703</u>	<u>51,349</u>

Source: Anderson Strathclyde.

APPENDIX 16
(referred to in paragraph 4.35)

Anderson Strathclyde PLC: group source and application of funds

	1973	1974	1975	1976	1977	1978	1979	1980	1981	£'000 1982
Funds generated from operations:										
Profit after extraordinary item	837	1,168	1,015	2,731	2,324	3,307	3,951	4,618	4,729	8,081
Depreciation shared	420	443	515	555	670	803	929	1,033	1,412	1,959
Disposal of fixed assets	74	57	36	52	100	137	20	246	83	222
	<u>1,331</u>	<u>1,668</u>	<u>1,566</u>	<u>3,338</u>	<u>3,094</u>	<u>4,247</u>	<u>4,900</u>	<u>5,897</u>	<u>6,224</u>	<u>10,262</u>
Funds from other sources:										
Proceeds of rights issue				2,091					5,938	
Capital reserve/(goodwill written-off) on acquisition and subsidiary			(23)					228		
Total Funds	<u>1,331</u>	<u>1,668</u>	<u>1,543</u>	<u>5,429</u>	<u>3,094</u>	<u>4,247</u>	<u>4,900</u>	<u>6,125</u>	<u>12,162</u>	<u>10,262</u>
Application of funds:										
Fixed assets (net of grants)	370	684	774	845	1,430	1,726	1,632	2,402	4,381	4,846
Effect of exchange rate fluctuations	(2)	(2)	—	(44)	(89)	141	116	1	100	(52)
Dividends paid	—	1,242	481	573	768	801	958	1,138	1,612	1,945
Minority interest	—	—	(4)	7	15	1				
	<u>368</u>	<u>1,924</u>	<u>1,251</u>	<u>1,381</u>	<u>2,124</u>	<u>2,669</u>	<u>2,706</u>	<u>3,541</u>	<u>6,093</u>	<u>6,739</u>
Increase/(decrease) in working capital:										
Stock and work in progress	(146)	4,847	3,364	1,844	2,325	3,393	4,416	3,619	2,498	(4,178)
Debtors	582	293	3,075	(314)	473	3,681	5,391	21	(1,169)	8,035
Creditors	(1,067)	(2,716)	(3,478)	(326)	(933)	(1,321)	(3,731)	(3,742)	1,988	(6,775)
	<u>(631)</u>	<u>2,424</u>	<u>2,961</u>	<u>1,204</u>	<u>1,865</u>	<u>5,753</u>	<u>6,076</u>	<u>(102)</u>	<u>3,317</u>	<u>(2,918)</u>
Total funds applied	<u>(263)</u>	<u>4,348</u>	<u>4,212</u>	<u>2,585</u>	<u>3,989</u>	<u>8,422</u>	<u>8,782</u>	<u>3,439</u>	<u>9,410</u>	<u>3,821</u>
Net inflow/(outflow) of funds	<u>1,594</u>	<u>(2,680)</u>	<u>(2,669)</u>	<u>2,844</u>	<u>(895)</u>	<u>(4,175)</u>	<u>(3,882)</u>	<u>2,686</u>	<u>2,752</u>	<u>6,441</u>
Represented by:										
(Increase)/decrease in loan capital*	(25)	45	63	(19)	(135)	(2,509)	(1,734)	449	203	2,433
(Increase)/decrease in bank overdrafts	(227)	(1,396)	(834)	2,233	(228)	(1,697)	(2,040)	2,109	1,682	(733)
Increase/(decrease) in short-term deposits	1,675	(1,217)	(1,868)	614	(606)	23	(77)	—	787	4,879
Increase/(decrease) in cash and bank balances	171	(112)	(30)	16	74	8	(31)	128	80	(138)
Net inflow/(outflow) of funds	<u>1,594</u>	<u>(2,680)</u>	<u>(2,669)</u>	<u>2,844</u>	<u>(895)</u>	<u>(4,175)</u>	<u>(3,882)</u>	<u>2,686</u>	<u>2,752</u>	<u>6,441</u>
<i>Source: Anderson Strathclyde.</i>										

*Note: * It is normal practice for movements in loan capital to be stated as other sources or applications of funds. If treated in this manner the net inflow (outflow) of funds would be as follows:*

	1,619	(2,725)	(2,732)	2,863	(760)	(1,666)	(2,148)	2,237	2,549	4,008
--	-------	---------	---------	-------	-------	---------	---------	-------	-------	-------

APPENDIX 17
(referred to in paragraph 4.35)

**Anderson Strathclyde PLC: group summarised current cost
accounts, profit and loss account for the year ended 31 March 1982**

	<i>1982</i> <i>£'000</i>
Sales	99,963
Trading profit in historical cost accounts	11,280
Current cost adjustments:	
Depreciation	1,541
Cost of sales	3,139
Monetary working capital	806
	5,486
Current cost trading profit	5,794
Interest	123
Gearing adjustment	(620)
	(497)
Current cost profit before taxation	6,291
Taxation	3,076
	3,215
Current cost profit after taxation	3,215
Dividends	2,845
	370
Current cost profit/(loss) after dividends	370
Current cost earnings per share (net basis)	6.8p

Balance sheet at 31 March 1982

Employment of capital:	
Stock and work in progress	33,723
Other working capital	4,242
Fixed assets	27,328
	65,293
Capital employed:	
Share capital	11,854
Reserves	47,065
Other capital employed	6,374
	65,293

Source: Anderson Strathclyde.

APPENDIX 18
(referred to in paragraph 4.35)

Anderson Strathclyde PLC: group financial ratios

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
1 Return on assets (capital employed)	15.4%	16.8%	15.2%	16.7%	13.9%	14.9%	13.2%	18.8%	18.9%	24.2%
2 Return on shareholders' funds	17.7%	19.4%	18.6%	19.6%	14.6%	16.3%	15.2%	19.7%	20.0%	27.2%
3 Profit margin	9.9%	10.7%	10.5%	10.5%	9.1%	9.9%	9.8%	11.1%	9.8%	11.8%
4 Stock turnover	2.6	2.3	2.2	2.2	2.1	2.1	2.1	2.4	2.6	3.1
5 Debtor turnover	3.9	4.0	4.2	4.3	4.5	4.3	3.4	4.0	4.8	4.7
6 Net debt/shareholders' funds	2.1%	21.0%	38.8%	12.7%	15.6%	30.6%	41.6%	28.7%	15.6%	(0.4%)
7 Interest cover	10.2	12.7	12.3	16.3	12.4	12.8	11.9	5.9	8.1	35.0
8 Dividend cover	1.8	2.5	2.0	3.7	2.9	3.7	3.5	3.0	2.5	2.8
9 Current ratio	2.6	2.2	2.2	2.9	2.8	2.7	2.4	2.3	2.9	2.3
10 Acid test	1.4	0.8	0.8	1.0	0.9	0.9	0.9	0.9	1.0	1.2

Definition

- 1 (Pre-tax profits and loan interest)/average capital employed
- 2 Pre-tax profits/average shareholders' funds
- 3 Trading profit/turnover
- 4 Turnover/average stocks
- 5 Turnover/average debtors
- 6 Borrowings net of liquid funds/shareholders' funds
- 7 (Pre-tax profits and loan interest)/loan interest
- 8 Net profits/dividends
- 9 Current assets/current liabilities
- 10 (Current assets-stocks)/current liabilities

Source: Anderson Strathclyde.

Note: Pre-tax profits exclude exceptional items.

APPENDIX 19
(referred to in paragraphs 4.35 and 4.40)

Anderson Strathclyde PLC : group borrowing as a percentage of shareholders' funds

	1973	1974	1975	1976	1977	1978	1979	1980	1981	£'000 1982
Loan capital	2,696	2,651	2,588	2,607	2,742	5,251	6,985	6,536	6,333	3,900
Bank overdrafts	857	2,253	3,087	854	1,082	2,779	4,819	2,710	1,028	1,761
Short-term deposits	(3,131)	(1,914)	(46)	(660)	(54)	(77)	—	—	(787)	(5,666)
Cash and bank balances	(185)	(73)	(43)	(59)	(133)	(141)	(110)	(238)	(318)	(180)
	<u>237</u>	<u>2,917</u>	<u>5,586</u>	<u>2,742</u>	<u>3,637</u>	<u>7,812</u>	<u>11,694</u>	<u>9,008</u>	<u>6,256</u>	<u>(185)</u>
Group borrowing as a percentage of shareholders' funds	2.1	21.0	38.8	12.7	15.6	30.6	41.6	28.7	15.6	(0.4)

Source: Anderson Strathclyde.