

FILE NAME: Cape Asbestos (CAPE)

DATE: 1968 Mar 31

DOC#: CAPE118

DOCUMENT DESCRIPTION: Charter Consolidated Ltd - Annual Report & Accounts [Legal - Tibbs Case Exhibit 16]

Charter Consolidated Limited

annual report and accounts

31 march 1968

Charter Consolidated Limited

Incorporated in England

Charter is a finance and investment company with assets having a current value of approximately £275 million. The greater proportion of its world wide investments is in mining and allied operations, which include the mining of gold and uranium, copper, iron ore, tin, vanadium, and wolfram. The company is extending its management responsibilities in new mining ventures.

Charter continues to seek new business in a variety of fields and, in the sphere of mining, conducts on its own account and in association with others a programme of mineral exploration in many countries.

Charter works in a close and special association with Anglo American Corporation of South Africa Limited—one of the largest mining finance organizations in the world—which provides Charter with technical services. The Charter group provides for Anglo American Corporation a wide range of services in London.

Offices

UNITED KINGDOM

40 Holborn Viaduct, London EC1 (*registered*)
7 Rolls Buildings, Fetter Lane, London EC4
Kent House, Station Road, Ashford, Kent

SOUTH AFRICA

44 Main Street, Johannesburg

RHODESIA

70 Jameson Avenue Central, Salisbury C4

CANADA

28th Floor, Toronto-Dominion Centre, Toronto 1

AUSTRALIA

13th Floor, 60 Market Street, Melbourne

FRANCE

34 rue du Rocher, Paris 8e

Registrars

UNITED KINGDOM

Consolidated Share Registrars Limited
Kent House, Station Road, Ashford, Kent

SOUTH AFRICA

Consolidated Share Registrars Limited
62 Marshall Street, Johannesburg

RHODESIA

Anglo American Corporation of South Africa Limited
70 Jameson Avenue Central, Salisbury C4

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A statement by the chairman is enclosed with this report

Notice of annual general meeting

NOTICE IS HEREBY GIVEN that the third annual general meeting of members of Charter Consolidated Limited will be held at The Chartered Insurance Institute, 20 Aldermanbury, London EC2, on Tuesday 9 July 1968 at 12 noon for the following purposes:—

- 1 To consider the balance sheets and consolidated profit and loss account for the year ended 31 March 1968 and the reports of the directors and auditors.
- 2 To declare a dividend.
- 3 To elect directors.
- 4 To fix the remuneration of the auditors.

The transfer books and registers of members in the United Kingdom, Republic of South Africa, and Rhodesia will be closed from 6 to 9 July 1968, both days inclusive.

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the company.

Holders of share warrants to bearer who desire to attend in person or by proxy or to vote at any general meeting of the company must comply with the relevant conditions governing share warrants to bearer*.

BY ORDER OF THE BOARD R. V. PRITCHARD *manager and secretary*

40 Holborn Viaduct, London EC1 13 June 1968

* *see inside back cover*

Directorate

Chairman

H. F. Oppenheimer*

Deputy chairmen

S. D. H. Pollen, MBE, TD*

The Hon. H. V. Smith*

W. D. Wilson* *managing director*

Directors

Sir Keith Acutt, KBE (*alternate: L. G. Stopford Sackville*)

O. B. Bennett, CBE

A. Chester Beatty

Comte T. de Feuilhade de Chauvin (*alternate: Sir Jim S. Holland, Bt, TD*)

J. E. H. Collins, MBE, DSC

Sir Frederick Crawford, GCMG, OBE (*alternate: H. R. Fraser*)

C. W. Engelhard (*alternate: G. W. Flint*)

H. St. L. Grenfell, OBE, MC*

J. O. Hambro, MC

N. K. Kinkead-Weekes

P. J. Oppenheimer* (*alternate: The Hon. R. B. Loder*)

B. W. Pain

Evelyn R. A. de Rothschild

M. W. Rush (*alternate: J. G. Richardson*)

T. P. Stratten (*alternate: R. H. MacWilliam*)

**executive committee of the board of directors*



*The offices at Ashford, Kent, which house
Charter's computer and share registration division.*

Administration

Managers

G. W. Flint

H. R. Fraser

Sir Jim S. Holland, Bt, TD

N. K. Kinkead-Weekes

The Hon. R. B. Loder

B. W. Pain

R. V. Pritchard

J. G. Richardson

L. G. Stopford Sackville

Secretary

R. V. Pritchard

Auditors

Cooper Brothers & Co.

Deloitte, Plender, Griffiths & Co.

Bankers

Barclays Bank D.C.O.

Hambros Bank Limited

National Provincial Bank Limited

Westminster Bank Limited

Solicitors

Coward, Chance & Co.

Linklaters & Paines

Features from the consolidated accounts

	1968 £000's	1967 £000's
Profit after taxation	9,703	8,737*
Dividends gross per share	1s. 4d.	1s. 2d.
Total dividends	6,522	5,707
Investments quoted and unquoted		
a) At book value	123,723	106,111
b) At stock exchange and directors' valuation	268,929	163,286
Revenue reserves	60,779	54,381
Capital reserves	44,362	36,033
Issued capital	24,458	24,458

*excluding special non-recurring tax relief amounting to £1,279,000.

The detailed accounts will be found on pages 15 to 22 of this report

FINANCE ACT 1965

1. CAPITAL GAINS TAX

The market price of the company's shares on 6 April 1965 was: Registered shares 19s. 9d.
Shares represented by renounceable letters of allotment 20s. 0d. Share warrants to bearer 20s. 0d.

2. The company is not a close company within the provisions of the Finance Act 1965.

Report of the directors

The directors have pleasure in submitting their third annual report together with the audited accounts for the year ended 31 March 1968.

Consolidated profit and loss account

	£000's
The consolidated profit before taxation for the year ended 31 March 1968 was	11,352
Taxation amounted to	1,649
Leaving a consolidated profit after taxation of	9,703
Out of which there has been appropriated:	
Interim dividend of 6d. per share, paid on 15 December 1967	2,446
Recommended final dividend of 10d. per share payable on 10 July 1968	4,076
Transfer to investment and exploration reserve	1,000
	7,522
Leaving an unappropriated profit for the year of	£2,181

Dividends

The board recommends to members the declaration of a final dividend of 10d. per share which together with the interim dividend of 6d. per share paid on 15 December 1967 will cost the company £6,522,000. This compares with total dividends last year of 1s. 2d. per share, which cost the company £5,707,000.

Reserves

Movements on reserves during the year are shown on page 22 in note 14 on the accounts.

The following amounts have been charged to investment and exploration reserve:

Investment in exploration companies and exploration expenditure written off	£360,000
Amount written off unquoted investments	£574,000
	£934,000

After the transfer of £1,000,000 to investment and exploration reserve that reserve stands at £10,741,000.

Fixed assets

The book value of the group's fixed assets increased from £2,664,000 to £3,015,000 during the year. Further details are shown on page 20 in note 8 on the accounts.

Share capital

The authorized share capital remains unchanged; no shares or debentures were issued during the year.

Directors

A list of the current directors of the company is to be found on page 5 and constitutes part of this directors' report. The Hon. J. Christopher Loder was a director throughout the year under review but resigned from the board on 30 April 1968.

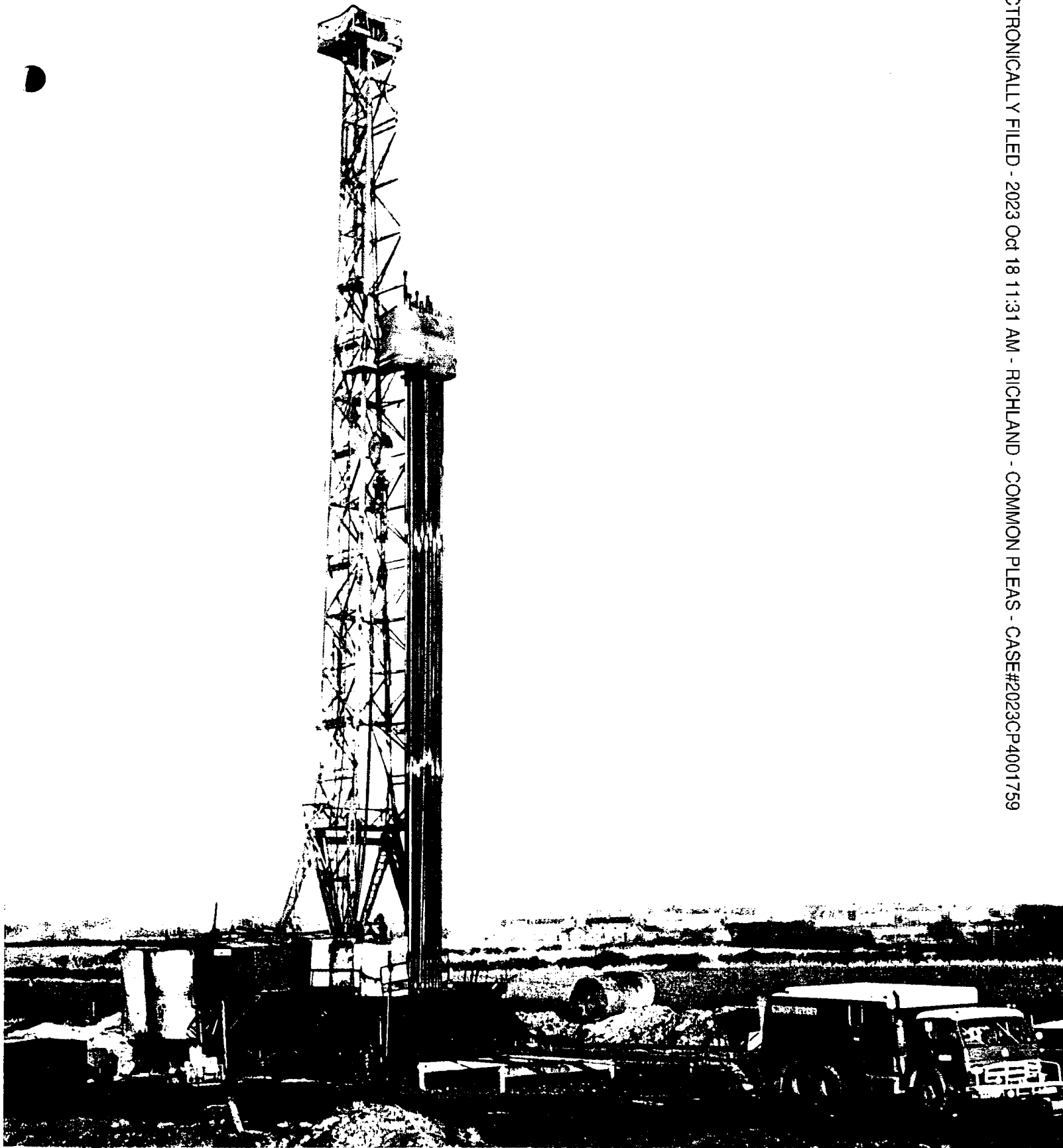
Mr Evelyn R. A. de Rothschild, Mr T. P. Stratten, Sir Keith Acutt, KBE, Mr A. Chester Beatty, and Comte T. de Feuilhade de Chauvin retire by rotation in accordance with the provisions of article 99(1) of the articles of association and offer themselves for re-election.

There were, during the year, no contracts with the company in which any director has an interest as defined in the Companies Act 1967, nor are there any arrangements to which the company is a party whose object is to enable directors to benefit from the acquisition of shares or debentures in any company.

The following are the interests in the company of the directors who held office during the year, as notified to the company in terms of the Companies Act 1967:

DIRECTORS	INTEREST IN SHARES OF 5s EACH OF THE COMPANY	
	27 OCTOBER 1967	31 MARCH 1968
H. F. Oppenheimer	5,004,600	5,004,600
S. D. H. Pollen	3,162	3,162
The Hon. H. V. Smith	1,200	1,200
W. D. Wilson	2,100	100
Sir Keith Acutt	100	100
O. B. Bennett	100	100
A. Chester Beatty	287	287
Comte T. de Feuilhade de Chauvin	574	574
J. E. H. Collins	100	100
Sir Frederick Crawford	100	100
C. W. Engelhard	14,950	14,950
H. St. L. Grenfell	200	200
J. O. Hambro	5,345	5,345
N. K. Kinkead-Weekes	1,600	100
The Hon. J. Christopher Loder	100	100
P. J. Oppenheimer	13,373	13,373
B. W. Pain	100	100
Evelyn R. A. de Rothschild	180,828	150,985
M. W. Rush	100	100
T. P. Stratten	1,200	1,200
ALTERNATE DIRECTORS		
G. W. Flint	1,000	1,000
H. R. Fraser	nil	nil
Sir Jim S. Holland, Bt	nil	nil
The Hon. R. B. Loder	nil	nil
R. H. MacWilliam	1,500	1,500
J. G. Richardson	750	nil
L. G. Stopford Sackville	4,750	4,750

No director had any notifiable interest in any of the company's subsidiary companies.



Drilling on the north Yorkshire moors where Charter and Imperial Chemical Industries are to develop a potash deposit

Principal activities and interests

The company's principal activities, which are unchanged from last year, are finance and investment, particularly in mining and mineral exploration, and also include interests in a number of industrial companies. The review of the group's activities on pages 25 to 32, the lists of subsidiary companies and principal interests on pages 33 to 35, and the analysis of net assets and investment income (geographical and by category) on page 36 form part of this directors' report.

Political and charitable contributions

Neither the company nor its subsidiaries made any contribution for political purposes during the year.

The company and its subsidiaries made charitable contributions during the year totalling £32,841.

Other information

The information on turnover, exports, and the number and remuneration of employees shown on page 23 constitutes part of this directors' report.

Auditors

Messrs Cooper Brothers & Co. and Messrs Deloitte, Plender, Griffiths & Co. are willing to continue in office as joint auditors to the company.

BY ORDER OF THE BOARD R. V. PRITCHARD *manager and secretary*
28 May 1968

CHARTER CONSOLIDATED LIMITED

Accounts for the year to 31 march 1968



CHARTER CONSOLIDATED LIMITED

Report of the auditors to the members

In our opinion, based on our examination and the reports of the auditors of certain subsidiary companies not audited by us, the accounts set out on pages 15 to 22 together give, so far as concerns members of the holding company, a true and fair view of the state of affairs at 31 March 1968 and of the profits for the year ended on that date and comply with the Companies Acts 1948 and 1967.

COOPER BROTHERS & CO.
DELOITTE, PLENDER, GRIFFITHS & CO.
Chartered Accountants

London 28 May 1968

CHARTER CONSOLIDATED LIMITED AND ITS SUBSIDIARY COMPANIES

Consolidated profit and loss account for the year ended 31 march 1968

	1968		1967	
	£000's	£000's	£000's	£000's
Income from investments (note 1)		8,972		8,211
Profits less losses on realization of investments by dealing subsidiaries, and underwriting commission		2,253		1,611
Interest received		748		888
Trading profit and sundry revenue (note 2)		871		831
		<u>12,844</u>		<u>11,561</u>
<i>Deduct:</i>				
Administration and technical expenditure	1,151		1,005	
Directors' emoluments (note 4)	118		117	
Interest paid (note 6)	209		112	
Auditors' remuneration (parent company £2,100)	14		13	
		<u>1,492</u>		<u>1,247</u>
Consolidated profit before taxation		11,352		10,314
Taxation (note 7)		<u>1,649</u>		<u>1,579</u>
Consolidated profit after taxation		9,703		8,735
<i>Add:</i>				
Transitional relief under the Finance Act 1965 in respect of dividends deemed to be paid out of income previously taxed		<u>—</u>		<u>1,279</u>
		9,703		10,014
Appropriated as follows:				
Dividend of 6d. per share gross (1967—6d. per share) paid 15 December 1967	2,446		2,446	
Proposed dividend of 10d. per share gross (1967—8d. per share) payable 10 July 1968	<u>4,076</u>		<u>3,261</u>	
		<u>6,522</u>		<u>5,707</u>
		3,181		4,309
Transfer to investment and exploration reserve (note 14):				
Company	<u>—</u>		2,207	
Subsidiaries	<u>1,000</u>		<u>293</u>	
		1,000		2,500
Unappropriated profit for the year		<u>2,181</u>		<u>1,809</u>

For notes on the accounts see pages 18 to 22

CHARTER CONSOLIDATED LIMITED AND ITS SUBSIDIARY COMPANIES

Consolidated balance sheet — 31 march 1968

	1968	1967
	£000's	£000's
Fixed assets (note 8)	3,015	2,664
Investments (note 9)	123,723	106,111
Current assets		
Stocks and work in progress (note 11)	1,083	1,403
Debtors	5,680	3,541
United Kingdom tax repayable	482	1,444
British Government securities (stock exchange value £1,000,000: 1967—£446,000)	999	431
Short term loans and deposits	8,911	7,615
Bank and cash balances	338	510
	<u>17,493</u>	<u>14,944</u>
Current liabilities		
Associated companies and other deposit accounts	1,262	3,168
Unclaimed dividends	10	270
Bank overdrafts	—	185
Creditors	4,846	1,981
Taxation (including United Kingdom corporation tax due 1 January 1969 £2,977,000: 1967—£874,000)	3,313	2,163
Proposed final dividend (gross)	4,076	—
	<u>13,507</u>	<u>7,767</u>
NET CURRENT ASSETS	<u>3,986</u>	<u>7,177</u>
TOTAL NET ASSETS	<u>130,724</u>	<u>115,952</u>
FINANCED BY:		
Issued capital (note 12)	24,458	24,458
Capital reserves (note 14)	44,362	36,033
Revenue reserves (note 14)	60,779	54,381
TOTAL CAPITAL AND RESERVES	<u>129,599</u>	<u>114,872</u>
Investment grants (note 8)	38	—
Minority interest	87	80
Debenture stocks (note 13)	1,000	1,000
	<u>130,724</u>	<u>115,952</u>

W. D. WILSON }
S. D. H. POLLEN } *Directors*
S. W. PARKS *Accountant*

For notes on the accounts see pages 18 to 22

CHARTER CONSOLIDATED LIMITED

Balance sheet — 31 march 1968

	1968 £000's	£000's	1967 £000's	£000's
Subsidiary companies				
Shares at cost	85,313		24,458	
Add: Amounts due from subsidiaries	6,724		4,381	
	<u>92,037</u>		<u>28,839</u>	
Less: Amounts due to subsidiaries	61,643		796	
		30,394		28,043
Current assets				
Debtors	317		70	
Short term loans	275		2,300	
Bank balances	22		3	
		614		2,373
		<u>31,008</u>		<u>30,416</u>
FINANCED BY:				
Issued capital (note 12)		24,458		24,458
Revenue reserves				
Investment and exploration reserve	2,207		2,207	
Unappropriated profits (note 14)	171		1,621	
		2,378		3,828
TOTAL CAPITAL AND RESERVES		26,836		28,286
Current liabilities				
Associated companies' deposit accounts	45		2,045	
Unclaimed dividends	10		82	
Creditors	41		3	
Proposed final dividend (gross)	4,076		—	
		4,172		2,130
		<u>31,008</u>		<u>30,416</u>

W. D. WILSON }
S. D. H. POLLEN } *Directors*
S. W. PARKS *Accountant*

For notes on the accounts see pages 18 to 22

Notes on the accounts — 31 march 1968

1 Income from investments.

(a) Includes franked investment income of £3,130,000.

(b) Arises from:

	1968 £000's	1967 £000's
Quoted investments	7,316	6,778
Unquoted investments	1,656	1,440
	<u>8,972</u>	<u>8,218</u>

Dividends from overseas investments are included at the gross amount declared except for dividends from Malaysian and Zambian companies which have been included after deduction of taxation levied in those countries.

2 Trading profit and sundry revenue.

(i) In order to facilitate administration, the financial year of all manufacturing subsidiaries terminates on 31 January.

(ii) The turnover of the manufacturing subsidiaries amounted to £4,564,968 based on the invoiced value of goods sold.

	1968 £000's	1967 £000's
(iii) Investment grants credited in these accounts.	<u>12</u>	<u>—</u>
(iv) Depreciation of fixed assets charged in these accounts (including amount set aside for increased cost of plant replacement £25,000:1967—£29,000)	<u>136</u>	<u>191</u>
(v) Rents paid in respect of hire of plant, machinery and equipment charged in these accounts	<u>55</u>	<u>1</u>

3 The profits of overseas subsidiaries have been converted at rates of exchange ruling on 31 March 1968. The resulting increase in net profits after taxation for the year earned prior to sterling devaluation is estimated at £60,000.

4 Directors' emoluments.

Directors of the parent company—

	1968 £	1967 £
Fees	24,000	23,000
Salaries and other remuneration including pension contributions	120,000	116,000
Pension to former director	7,000	—
	<u>151,000</u>	<u>139,000</u>
Less: Fees received from other companies and refunded to the group	<u>33,000</u>	<u>22,000</u>
	<u>118,000</u>	<u>117,000</u>

4 Directors' emoluments (continued).

	1968 £	1967 £
Amounts paid to directors		
Chairman: Mr H. F. Oppenheimer	2,000	500
The late Mr P. V. Emrys-Evans	—	17,672
Highest paid director	17,115	17,000
Others:		
£12,501—£15,000	3	3
£10,001—£12,500	4	—
£7,501—£10,000	—	2
£5,001—£7,500	—	—
£2,501—£5,000	—	1
up to £2,500	11	13

5 Remuneration of employees of the group.

The number of employees, other than directors of the parent company, whose total emoluments receivable from the company and its subsidiaries exceeded £10,000 were:

Exceeding £10,000 but not exceeding £12,500	3	employees
Exceeding £12,500 but not exceeding £15,000	1	employee

	1968 £'000's	1967 £'000's
6 Interest paid on:		
Loans repayable within five years	88	25
Amounts deposited with the group	78	44
Debenture stocks—Charter Consolidated Investments Limited	43	43
	<u>209</u>	<u>112</u>

7 Taxation:

On profit for the year

United Kingdom—corporation tax	3,902	3,984
—income tax	—	136
—profits tax	—	1

	3,902	4,121
Less: Double taxation relief	2,414	2,808

	1,488	1,313
Overseas taxation	381	336

	1,869	1,649
Less: Adjustments in respect of previous year	—	73

	1,869	1,576
Less: Estimated overspill relief in respect of 1968	220	—

	<u>1,649</u>	<u>1,576</u>
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Notes

- (i) Corporation tax for 1968 has been calculated at 42.5 per cent (1967—40 per cent).
- (ii) In the event of certain overseas subsidiaries distributing reserves or profits, additional liability to United Kingdom taxation would arise.

Notes on the accounts—31 march 1968 (*continued*)

8 Fixed assets.

	FREEHOLD PROPERTY	LONG LEASEHOLD PROPERTY (note iii)	PLANT, FURNITURE AND FITTINGS	TOTAL
	£000's	£000's	£000's	£000's
Cost at 31 March 1967	683	1,275	1,407	3,365
Additions at cost	85	290	237	612
Cost of items sold and scrapped	—	—	(163)	(163)
Sale of subsidiary company	(59)	—	(95)	(154)
Adjustments on currency conversion	19	—	42	61
Balance at 31 March 1968	728	1,565	1,428	3,721
Depreciation				
At 31 March 1967 on assets at cost	103	54	544	701
Charge to profit and loss account	10	48	51	109
On items sold and scrapped	—	—	(25)	(25)
Sale of subsidiary company	(16)	—	(69)	(85)
Adjustments on currency conversion	5	—	1	6
Balance at 31 March 1968	102	102	502	706
Net book value				
At 31 March 1968	626	1,463	926	3,015
At 31 March 1967	580	1,221	863	2,664

Notes

- (i) In addition to the above the group owns estates, buildings and citrus groves in Rhodesia which cost £230,000 and are fully depreciated.
- (ii) No depreciation has been provided on freehold land.
- (iii) Includes expenditure during year on short leasehold property amounting to £66,000 on which depreciation of £7,000 has been provided.
- (iv) Investment grants in respect of each year's capital expenditure are now being credited to profit and loss account over a period of ten years, the estimated average life of the relevant fixed assets. Grants shown in the consolidated balance sheet represent total grants received to date less the amount credited to profits this year in respect of both 1967 and 1968.
- (v) Commitments for capital expenditure of subsidiaries amount to £134,000 (1967—£314,000). Investment grants £4,000 (1967—nil).
- (vi) Estimated capital expenditure of subsidiaries authorized but not committed amounts to £88,000 (1967—nil). Investment grants £12,000 (1967—nil).

9 Investments.

	AT COST, LESS AMOUNTS WRITTEN OFF		MARKET VALUE OR DIRECTORS' VALUATION	
	1968 £000's	1967 £000's	1968 £000's	1967 £000's
QUOTED ON STOCK EXCHANGES				
In Great Britain	71,427	59,899	200,621	105,267
Outside Great Britain	20,038	20,756	30,164	29,108
	<u>91,465</u>	<u>80,655</u>	<u>230,785</u>	<u>134,375</u>
UNQUOTED	32,258	25,456	38,144	28,911
	<u>123,723</u>	<u>106,111</u>	<u>268,929</u>	<u>163,286</u>

Notes:

- (i) In the case of quoted South African securities London stock exchange prices have been taken where the securities are held in the United Kingdom, and Johannesburg stock exchange prices where the securities are held in South Africa.
- (ii) Commitments by the company in respect of subscriptions for shares and loan facilities amount to £3,297,000 (1967—£3,922,000)
- (iii) A subsidiary company has entered into contracts for exploration expenditure to be incurred after 31 March 1968.
- (iv) A liability to corporation tax would arise in the event of the realisation of investments.
- (v) The Stock Exchange value of investments includes 75 per cent (1967—75 per cent) of the investment currency premium where applicable, which amounts to £4,788,000.

10 Contingent liabilities.

	1968 £000's	1967 £000's
For amounts not called on investments	313	360
In respect of guarantees (company £102,000; 1967—nil)	537	449
In respect of underwriting participations	47	25
As acceptors of bills (company)	1,500	—
	<u>2,397</u>	<u>834</u>

11 Stocks and work in progress have been valued at the lowest of cost, net realizable value and replacement price.

12 Share capital.

	1968 £	1967 £
Authorized: 120,000,000 shares of 5s. each	30,000,000	30,000,000
Issued: 97,832,866 shares of 5s. each fully paid	<u>24,458,216</u>	<u>24,458,216</u>

13 Debenture stocks (secured).

	1968 £000's	1967 £000's
Issued by Charter Consolidated Investments Limited (formerly The Rhodesia Railways Trust Limited)		
4½ per cent first debenture stock 1978/83	500	500
4 per cent second debenture stock 1978/83	500	500
	<u>1,000</u>	<u>1,000</u>

Notes on the accounts—31 march 1968 (*continued*)

14 Movements on reserves during the year.

	SHARE PREMIUM ACCOUNT GROUP £000's	OTHER CAPITAL RESERVES GROUP £000's	INVESTMENT AND EXPLORATION RESERVE GROUP £000's	UNAPPROPRIATED PROFITS GROUP £000's	COMPANY £000's
Balances at 31 March 1967	11,996	24,037	10,863	43,518	1,621
<i>Add:</i>					
Appropriated from profits		25	1,000	2,181	(1,450)
Exchange surpluses due to devaluation (note 15)		1,272		510	
Loss on sale of subsidiary company		(272)		63	
Surplus realized on sales of investments by holding subsidiaries less United Kingdom tax thereon		7,340			
Surplus on realization of shares in connection with inter-group transactions in previous years			(457)	2,198	
Surplus taxation provisions, including overspill relief for 1967				1,568	
Sundry surpluses and adjustments		(36)	269		
	<u>11,996</u>	<u>32,366</u>	<u>11,675</u>	<u>50,038</u>	<u>171</u>
<i>Deduct:</i>					
Amount written off unquoted investments			574		
Investments in exploration companies and exploration expenditure written off			360		
	<u>11,996</u>	<u>32,366</u>	<u>10,741</u>	<u>50,038</u>	<u>171</u>
Balances at 31 March 1968	<u>44,362</u>		<u>60,779</u>		<u>171</u>

15 Assets and liabilities in commonwealth and foreign currencies have been converted into sterling at the rates of exchange ruling on 31 March 1968. The resulting increase in the group's net assets following the devaluation of sterling on 18 November 1967 has been credited to reserves.

16 Exchange control.

The transfer of assets held by the group in Rhodesia and from the Republic of South Africa would be subject to restriction under the exchange control regulations of those countries.

17 A list of the major subsidiary companies, interests of ten per cent or more in quoted companies and other principal investments are included on pages 33 to 35.

Other information

TURNOVER

The following is the proportion of the turnover shown in note 2 and the amount of profit attributable to each different class of business undertaken by the group's United Kingdom manufacturing subsidiaries:

	PROPORTION OF TURNOVER	CONTRIBUTION TO GROUP PROFIT BEFORE TAXATION £
	%	
Railway track fastenings, galvanizing etc.	33	336,000
Heaters and heating equipment	53	349,000
Components for the television and telecommunications industries	14	70,000
	<u>100</u>	<u>755,000</u>

EXPORTS

The aggregate value of goods exported by the group's United Kingdom manufacturing subsidiaries during the year totalled £523,168.

NUMBER AND REMUNERATION OF EMPLOYEES

The average number of employees per week of the company and its subsidiaries working wholly or mainly in the United Kingdom was 1,833 during the year.

The aggregate amount of the remuneration paid to employees working wholly or mainly in the United Kingdom during the year was £2,121,375.

CHARTER CONSOLIDATED LIMITED AND ITS SUBSIDIARY COMPANIES

Three year financial record 1966-8

	1966		1967		1968	
	£000's	£000's	£000's	£000's	£000's	£000's
EARNINGS						
Income:						
Investment income	8,717		8,218		8,972	
Profits on realization of investments	1,200		1,619		2,253	
Interest received	1,338		889		748	
Trading profit and sundry revenue	518		834		871	
		11,773		11,560		12,844
EXPENSES						
Administration	1,216		1,135		1,283	
Interest paid	122		112		209	
		1,338		1,247		1,492
PROFIT BEFORE TAXATION		10,435		10,313		11,352
Taxation		2,656		1,576		1,649
GROUP NET PROFIT		7,779		8,737		9,703
Allocation of profit:						
Dividends paid*		4,784		5,707		6,522
Retained		2,995		3,030		3,181
<i>*Dividends paid in 1966 shown net; thereafter gross.</i>						
Dividends per ordinary share		1s. 4d.		1s. 2d.		1s. 4d.
Charged against investment and exploration reserve		1,890		1,772		934
CAPITAL EMPLOYED						
Net assets:						
Fixed assets		2,030		2,664		3,015
Investments at book value	†(155,688)	92,326	†(163,286)	106,111	†(268,929)	123,723
Net Current assets		15,163		7,177		3,986
		109,519		115,952		130,724
Minority interest		145		80		87
		109,374		115,872		130,637
Share capital, etc:						
Capital		24,431		24,458		24,458
Capital reserves		32,442		36,033		44,362
Revenue reserves		51,406		54,381		60,779
Debenture stocks		1,095		1,000		1,000
Investment grants		—		—		38
		109,374		115,872		130,637

†Market value and directors' valuation of investments

Review of activities during the year

Income from investments amounted to £8,972,000 and was £754,000 higher than last year. Part of this increase was due to the devaluation of sterling in November 1967, which had the effect of increasing by 16½ per cent the value of overseas dividends received after that date in terms of United Kingdom sterling. The increase also reflects the fact that Charter was more fully invested, and as a result, although interest rates have been generally higher, the net amount received from interest was lower.

Substantial changes were made in investments to bring more overseas holdings up to 10 per cent of the equity of the companies concerned in order to qualify for double tax relief in respect of underlying taxes suffered abroad. This limitation was introduced by the government with the corporation tax system. Details of holdings of 10 per cent or more of the equity in quoted overseas companies are included in the list of principal interests given on page 34 of this report. A number of holdings not large enough to qualify for double tax relief were disposed of, including those in Johannesburg Consolidated Investment Company Limited, Orange Free State Investment Trust Limited, West Rand Investment Trust Limited, Western Holdings Limited, and also Consolidated Gold Fields Limited. Charter's holdings in Rhokana Corporation Limited, Nchanga Consolidated Copper Mines Limited, and Mufulira Copper Mines Limited were replaced by additional shares in Zambian Anglo American Limited.

Advantage was taken of favourable stock market conditions to realize investments of substantial value and at the same time to carry out an extensive programme of rationalization and concentration of those remaining into a smaller number of holdings. These operations resulted in profits of £2.2 million accruing to companies classified as sharedealers for tax purposes and have accordingly been credited to the profit and loss account. In addition capital profits of £7.3 million after tax accrued to holding companies and this has been added to capital reserves. These figures are considerably higher than the comparable figures for the two previous years.

In addition to qualifying for a greater measure of double tax relief by more of our holdings amounting to 10 per cent, the tax burden has also been mitigated through a greater proportion of our income being in the form of dividends from United Kingdom companies and thus 'franked'.

The consolidated profit before tax for the year was £11.3 million and the tax charge £1.6 million. This left £9.7 million, compared with £8.7 million last year to which was added special non-recurring tax relief under the transitional provisions of the Finance Act 1965 of £1,279,000.

In addition to investments in associated companies considerable funds are employed in investments of a portfolio nature with a wide spread of interests and a high degree of marketability. These investments have appreciated substantially in line with the general rise in stock exchange prices—particularly so far as North American securities are concerned on account of sterling devaluation and the rise in the investment dollar premium. Although the division between portfolio and non-portfolio must to some extent be arbitrary, the total book value of investments regarded as portfolio was £29 million at the end of the year and the market value £45 million, including North American securities having a book value of £15 million and a market value of £22 million.

Important investments were made during the year, in particular, in the Mauritanian copper mining company Société Minière de Mauritanie (SOMIMA), Engelhard Hanovia, Ferranti Limited, Highveld Steel and Vanadium Corporation Limited, Covenant Industries Limited, and in Malayan tin companies. A number of the new enterprises in which Charter has recently invested have not yet reached the dividend paying stage but it is expected that increasing revenue will be received from them in due course.

United Kingdom

Charter has joined with Imperial Chemical Industries Limited to establish a major potash mine near Staithes, in north Yorkshire, and has a 50 per cent interest in the operating company, Cleveland Potash Limited.

Detailed drilling, seismic surveys, and development studies have already indicated onshore ore reserves of potash to sustain an annual output of between 1 million and 1½ million tons of potash products from the early 1970's—sufficient to meet the full requirements of the United Kingdom, which are at present imported, and to provide a substantial surplus for export. The ore grade is high, being comparable with that of the Saskatchewan mines in Canada, and on present values an annual output of one million tons would improve the United Kingdom balance of payments by about £14 million a year.

In November 1967 Charter acquired 500,000 shares in Ferranti Limited at a cost of £2.78 million. This holding is equivalent to 12½ per cent of the issued ordinary capital of Ferranti.

Anmercosa Sales Limited, which has now been appointed sales agent for SOMIMA, has had a successful year in spite of the many difficulties which have beset the various branches of the metal trade. A subsidiary company, Anmercosa Sales Italia S.p.A., has been formed to handle selling operations in Italy.

The serious disturbances which affected the copper market during the past year, and in particular the long strike in the United States, created very active



*Subsurface geochemical sampling in the Kalgoorlie area
of Western Australia*

trading conditions in this metal. Consequently The Anglo Chemical & Ore Co. Limited maintained a high level of business throughout the year. A trading company, Anamet Inc., has been formed in New York by Charter and Anglo American Corporation of South Africa (North America) Limited to operate in the North American market in close association with Anglo Chemical.

On 1 February 1968 A. & P. Steven Limited, the lift manufacturing company previously wholly owned within the group, merged with E. Pollard & Co. Limited, a larger lift manufacturing organization, in which Charter has acquired 600,000 ordinary shares, equivalent to 25 per cent of the issued share capital.

In spite of difficult trading conditions the manufacturing subsidiaries, Elastic Rail Spike Company Limited, Heatrae Limited, and Rathdown Industries Limited, increased their profits by 5 per cent over the previous year.

In January 1968 Heatrae, which has been identified hitherto almost entirely with electrical products, introduced to the United Kingdom market the first central heating boiler specifically designed to burn natural gas. The reception of this new product has been most encouraging.

Europe

In July 1967 Charter bought an additional large block of shares in Beralt Tin and Wolfram Limited, which mines the most important wolfram and tin deposit in Portugal, bringing its holding in that company's issued capital up to 41 per cent. The high wolfram prices which prevailed during 1967 enabled the company to earn a profit before taxation of £1,097,000, a figure only once previously exceeded, and to declare dividends totalling 7s. per unit of stock. Beralt, with the assistance of Charter, is pursuing an active prospecting programme in Portugal.

Charter has recently taken up a 40 per cent interest in a French company, Société Minière d'Anglade, which has been formed by Omnimines (of the Banque de Paris et des Pays-Bas group), Compagnie Métallurgique et Minière, and Bureau de Recherches Géologiques et Minières to exploit a scheelite deposit near Salau in the French Pyrenees. On present indicated reserves, the estimated annual mining rate of 75,000 tons of ore to produce 870 tons of tungsten oxide in concentrates will give a mine life of nine years. It is planned that production will start in the middle of 1970. A satisfactory long term sales contract for a substantial proportion of the company's production has already been arranged.

North America

Charter holds an interest of 24.4 per cent in Anglo American Corporation of Canada Limited (AMCAN), whose consolidated net income for 1967 amounted to C\$3,906,359 (which did not include exceptional capital gains of C\$1,340,659 realized on the sale of investment holdings), out of which dividends totalling C\$3,161,080 were paid. Since the enlargement of the company was not

completed until the second half of 1966 no meaningful comparison can be made with the previous year's results.

In June 1967 Charter's holding of shares in McIntyre Porcupine Mines Limited was sold simultaneously with AMCAN's holding in that company. This sale by AMCAN resulted in a considerable increase in its cash resources.

AMCAN's major asset continued to be its holding of approximately 25 per cent of the shares of Hudson Bay Mining and Smelting Co. Limited, which company in 1967 had net earnings per share of C\$5.93, compared with C\$6.93 in 1966. For the first quarter of 1968 Hudson Bay Mining had net earnings of C\$1.97 per share, compared with C\$1.37 the previous year.

During 1967 Hudson Bay Mining took a 60 per cent interest in Hudcana Development Corporation Limited, a new company formed to acquire the non-oil and non-gas interests of Francana Oil and Gas Limited. The most important of these interests was an 85 per cent holding in Sylvite of Canada Limited, which owns the sylvite potash property near Rocanville, Saskatchewan, to be brought into production by 1971 at an annual rate of one million tons of potash product. Hudcana also holds a 60 per cent interest in Francana Minerals Limited, formed in 1967 to develop sodium sulphate deposits near Cabri, Saskatchewan.

Apart from its indirect interest in these companies through Hudson Bay Mining, AMCAN holds 10 per cent of Hudcana Development and 40 per cent of Francana Development Limited, which owns the remaining 30 per cent of Hudcana Development. The remaining 60 per cent of Francana Development is held by Crédit Foncier Franco-Canadien.

AMCAN acquired in early 1968 a 10 per cent interest in Agnew Lake Mines Limited from Quebec Mattagami Minerals Limited in terms of an agreement which commits AMCAN to guaranteeing 20 per cent of the financing required to bring the Agnew Lake uranium property to production by 1971. The estimated capital cost of this enterprise is C\$33 million. Preliminary estimates of Agnew Lake's ore reserves total some 7.75 million tons averaging 1.8 lb. uranium oxide per ton.

The arrangements referred to in last year's report for the acquisition of a substantial minority holding in Engelhard Hanovia by the Charter and Anglo American Corporation groups have been completed. Engelhard Industries merged with Minerals and Chemicals Philipps Corporation during the year to form Engelhard Minerals and Chemicals, in which Engelhard Hanovia holds some 42 per cent. The after tax profits for the year ended 31 December 1967 for the combined company amounted to US \$28,231,000. The merger brought together two companies which were closely associated in the past and whose operations are broadly complementary.

Since the end of the year arrangements have been made with Selco Holdings Limited, a subsidiary of Selection Trust Limited, for the purchase of their holding of Western Decalta Petroleum Limited shares, thus increasing Charter's investment in the equity of Western Decalta from 30 per cent to 45½ per cent.

Africa

ZAMBIA

Charter has rationalized its interests in the Zambian copper mining industry by selling its holdings in a number of mining companies to Zambian Anglo American Limited for a cash consideration of £3,525,139, which was then used to subscribe for 1,379,027 shares in Zambian Anglo American.

The effect of these transactions was to replace holdings which individually were not large enough to qualify for double taxation relief by additional shares in Zambian Anglo American which, together with the substantial interest already held, would be eligible for this relief.

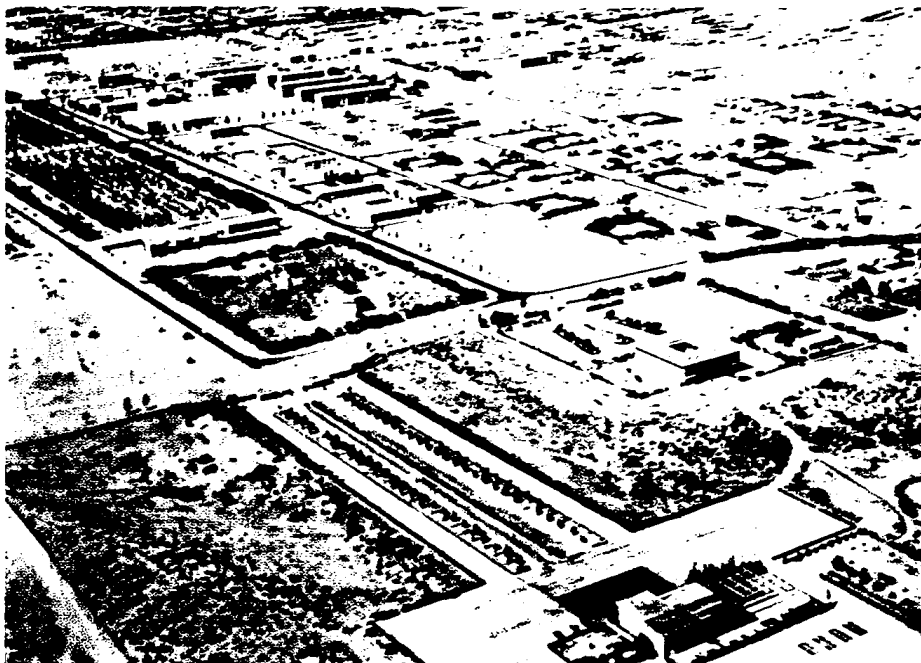
MAURITANIA

Negotiations were concluded during the year for raising the necessary finance to bring into production the copper deposit at Akjoujt in Mauritania. Charter and associates will have a 44.6 per cent interest in the operating company, Société Minière de Mauritanie (SOMIMA), the equity capital of which will be \$23 million. The balance of expenditure will be financed by loans which have been arranged amounting to some \$35 million. Of this, \$16.55 million will be provided by International Finance Corporation, a division of the World Bank group, for whom its total participation amounting to \$20 million, including 15 per cent of the equity, will represent the largest single investment it has ever made. European Investment Bank will subscribe \$11 million and the balance will be made available by Crédit Lyonnais and Banque Internationale pour l'Afrique Occidentale.

The other shareholders in SOMIMA are the government of the Islamic Republic of Mauritania, with 22 per cent, and a French group having a total of 18.4 per cent composed of Société Minière et Métallurgique de Penarroya, Bureau de Recherches Géologiques et Minières, Banque de Paris et des Pays-Bas, and Compagnie Financière pour l'Outre-Mer.

The deposit has estimated reserves of 7.7 million tons of oxide ore with an average grade of 2.7 per cent copper overlying 15 million tons of sulphide ore with an average grade of 1.7 per cent copper. Mining will be by opencast methods, and production, which is planned to begin by mid-1970, will be at an annual rate of approximately 25,000 tons of copper in concentrates. The oxide ore will be treated by the TORCO (treatment of refractory copper ores) patented process which has been developed by the Anglo American Corporation group.

An Establishment Convention has been signed between SOMIMA and the government of the Islamic Republic of Mauritania defining the terms under which SOMIMA will exploit the deposit; a management agreement has been drawn up between SOMIMA and Charter France, a subsidiary of Charter, and, as reported at the bottom of page 26, a metal sales agreement has been signed with Anmercosa Sales.



Nouakchott, the capital of Mauritania, where Charter is heading a consortium formed to develop the Akjoujt copper deposit

Engineering design work is well advanced and construction activity on site will increase during 1968 and 1969.

GENERAL

Charter and associates own half the shares of Covenant Industries Limited, a company formed for the purpose of developing trade and industry in chemical and allied products in eastern, central and western Africa. Imperial Chemical Industries owns the other half of the shares. Covenant Industries has wholly owned trading subsidiaries in east Africa and Nigeria, and in partnership with Albatros Superfosfaatfabrieken N.V., a leading Dutch fertilizer company, and the Development Finance Company of Kenya is establishing a factory at Mombasa to manufacture nitrogenous fertilizers from imported ammonia. The major proportion of the cost of the project will be financed by export credits and bank loans. Covenant Industries is also participating in a project with Industrial Development Corporation of Zambia and African Explosives and Chemical Industries Limited to manufacture explosives in Zambia to supply the needs of that country's copper mining industry.

Malaysia

Charter has a 26 per cent shareholding in Tronoh Mines Limited which, with its subsidiary companies, produced 1,265 tons of tin in concentrates during 1967 compared with 1,530 tons the previous year. This reduction followed the phased transfer of certain dredges from depleted to new mining areas.

Work continued on the new Bidor composite area, jointly owned by Tronoh Mines and Charter, which should have its full complement of four dredges by the beginning of 1969. In another new area, the Ayer Kuning section of Tronoh, the first dredge is already in production, and work is going ahead on a second dredge which should come into operation about the middle of next year.

Other producing companies administered by Associated Mines (Malaya) Sendirian Berhad, a management company owned jointly by Charter and the Tronoh group, include Sungei Besi Mines Limited, Ayer Hitam Tin Dredging Limited, and Sungei Way Dredging Berhad. Sungei Besi has recently acquired the assets of a small operating mine, Abdul Aziz Shah Mining Sendirian Berhad, adjacent to its own property, and a detailed review of the mining potential of the combined lease areas of Sungei Besi is being undertaken. At Ayer Hitam, following final modifications to a third dredge, production after improving significantly has unfortunately been curtailed on account of damage to no. 2 dredge by a face fall.

The financial results of the group as a whole were affected by rising costs, reduction in output, and a lower price for tin. A number of companies are involved in substantial capital expenditure programmes which should result in increasing production and profits during 1969.

In conjunction with Jardine Waugh and Muda Development Corporation, Charter has promoted a small opencast mining operation in Kedah and is also prospecting in that state.

Australasia

On its own account and in association with other mining companies, Charter continues its prospecting activities which include drilling for gold at Kalgoorlie and in the Victoria gold fields, and base metals exploration in the Fraser Range. A number of new ventures have been taken up during the year, amongst which are prospecting for nickel in the Kalgoorlie area, for uranium in Western Australia, and for tin and base metals in north-west Tasmania. An exploration programme is also being undertaken in Fiji.

Charter Consolidated Investments (Australia) Limited, a wholly owned subsidiary of Charter, has a 30 per cent interest in International Pacific Corporation Limited, a merchant bank established in Australia by Charter, N. M. Rothschild & Sons, and the Sydney stockbroking firm Hordern, Utz and Bode. The new company has an issued capital of A\$750,000.

Group subsidiary companies

In the opinion of the directors the number of Charter's subsidiary companies at 31 March 1968 is such that a complete list would not only be excessively long but also would neither be meaningful nor accurately reflect the relative importance of such companies. Accordingly the list below is confined to the major companies of the group and includes all those whose activities materially affected the profit or assets of the Charter group during the year. Each of these companies is wholly owned except where otherwise stated, and all the shares or stock held are either unclassified or classified as ordinary.

COMPANY AND COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITY
England	
*The British South Africa Company	<i>investment holding</i>
*The British South Africa Company Investments Limited	<i>investment dealing</i>
Central Mining Finance Limited	<i>investment dealing</i>
*The Central Mining & Investment Corporation Limited	<i>investment holding</i>
Centramic Properties Limited (51%)	<i>property development</i>
Centramic U.K. Limited	<i>industrial holding</i>
*Charter Consolidated Investments Limited (formerly The Rhodesia Railways Trust Limited)	<i>investment holding</i>
*Charter Consolidated Services Limited	<i>provision of services</i>
A. Moir & Co. Limited	<i>provision of services</i>
Elastic Rail Spike Company Limited	<i>manufacture of railway track fastenings</i>
Heatrac Limited	<i>manufacture of heaters and heating equipment</i>
Rathdown Industries Limited	<i>manufacture of components for the television and telecommunications industries</i>
Australia	
Charter Consolidated Investments (Australia) Limited	<i>investment holding</i>
Charter Consolidated Prospecting (Australia) Limited	<i>prospecting</i>
Bermuda	
Greenpoint Company Limited	<i>investment holding</i>
Canada	
Interlink Investments Limited	<i>investment holding</i>
France	
Charter France	<i>provision of services</i>
Luxemburg	
Charter European Holdings	<i>investment holding</i>
Malaysia	
Charter Consolidated (Malaysia) Sendirian Berhad	<i>investment holding</i>
South Africa	
Centramic (South Africa) Limited	<i>investment dealing</i>
The Consolidated Mines Selection (Johannesburg) Limited	<i>investment holding</i>
Equinox Investments Limited	<i>investment holding</i>
Swaziland	
Swaziland Collieries Limited (63.4%)	<i>coal mining</i>

* Shares in these companies are held directly by Charter Consolidated; the shares in the remaining companies are held through subsidiaries

Principal interests of the group at 31 march 1968

Interests of ten per cent or more in quoted companies

COMPANY AND COUNTRY OF INCORPORATION	GROUP INTEREST (APPROX.) IN EQUITY CAPITAL	PRINCIPAL ACTIVITY
England		
Beralt Tin and Wolfram Limited	41	wolfram mining
The Cape Asbestos Company Limited	19½	mining and manufacture of asbestos
Pillar Holdings Limited	14½	aluminium fabrication
E. Pollard & Co. Limited	25	lift manufacture
Selection Trust Limited	27	mining finance
Tronoh Mines Limited	26	tin mining
Canada		
Western Decalta Petroleum Limited	30	oil production
South Africa		
Anglo American Corporation of South Africa Limited	10	mining finance
Blyvooruitzicht Gold Mining Company Limited	10	gold mining
Harmony Gold Mining Company Limited	10½	gold mining
Hume Limited	15	manufacture of steel and concrete pipes
Northern Lime Company Limited	12	lime quarrying
Pretoria Portland Cement Company Limited	10	cement manufacture
Rand Mines Limited	16	mining finance
South African Coal Estates (Witbank) Limited	10	coal mining
Transvaal Consolidated Land and Exploration Company Limited	23	mining finance
Union Corporation Limited	10	mining finance
Witbank Colliery Limited	21½	coal mining
Zambia		
Zambian Anglo American Limited	23	copper mining

Other principal investments

QUOTED

England

*The Rio Tinto-Zinc Corporation Limited	mining finance
The 'Shell' Transport and Trading Company Limited	production, refining, and distribution of oil

France

Société Minière et Métallurgique de Penarroya	mining finance and metallurgy
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Switzerland

Société Internationale Pirelli	investment holding
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*Charter's percentage interest in Rio Tinto-Zinc was reduced during the year through the issue by Rio Tinto-Zinc of new shares for Borax (Holdings) Limited and Capper Pass & Son Limited.

COMPANY AND COUNTRY OF INCORPORATION

PRINCIPAL ACTIVITY

South Africa

Anglo American Investment Trust Limited
 De Beers Consolidated Mines Limited
 Rand Selection Corporation Limited
 Western Deep Levels Limited

diamond mining
diamond mining
mining finance
gold mining

UNQUOTED

England

The Anglo Chemical & Ore Co. Limited
 Ammercusa Sales Limited
 Barlow Myers Limited

dealing in metals
selling of metals
selling of hydraulic lifting equipment
manufacture of chemicals
manufacture of electrical and electronic equipment
tar distilling
retail fashion trading

Covenant Industries Limited
 Ferranti Limited

Lancashire Tar Distillers Limited
 Werff Bros Limited

Australia

International Pacific Corporation Limited

merchant banking

Canada

Anglo American Corporation of Canada Limited

mining finance

Malaysia

Associated Mines (Malaya) Sendirian Berhad
 Bidor Malaya Tin Limited

mine management
tin mining

Mauritania

Société Minière de Mauritanie

copper mining

Rhodesia

Anglo American Corporation Rhodesia Limited

industrial finance

South Africa

The Argus Printing and Publishing Company Limited
 Boart and Hard Metal Products S.A. Limited

printing and publishing
manufacture of diamond drilling tools
platinum mining
investment holding
steel manufacture
ferro alloy manufacture
gold mining

Brakspruit Platinum (Pty) Limited
 Euranglo (Pty) Limited
 Highveld Steel and Vanadium Corporation Limited
 R.M.B. Alloys (Pty) Limited
 Virginia-Merriespruit Investments (Pty) Limited

United States

Engelhard Hanovia Inc.

manufacture of precious metal and chemical products

Zambia

National Milling Company Limited
 Zambian government loans—housing
 —Kariba hydro-electric scheme

flour milling

Analysis of net assets and investment income

Geographical analysis

	VALUATION		PER CENT OF NET ASSETS		PER CENT OF INVESTMENT INCOME	
	1968 £'000's	1967 £'000's	1968	1967	1968	1967
UNITED KINGDOM	40,911	21,294	15.2	15.6	19.8	8.0
CONTINENTAL EUROPE	5,345	3,385	2.0	2.0	1.1	1.1
CANADA	23,374	17,584	8.6	10.3	6.0	4.6
UNITED STATES	39,702	25,633	15.5	16.0	8.2	6.3
SOUTH AFRICA	101,576	62,743	37.4	37.5	37.4	42.3
ZAMBIA	17,535	13,847	6.4	7.6	20.0	26.8
REST OF AFRICA	12,967	7,647	4.8	4.5	2.5	6.3
MALAYSIA	3,898	3,492	1.4	2.0	0.4	2.5
AUSTRALIA	23,621	7,661	8.7	4.5	4.6	2.1
	268,929	163,286	100.0	100.0	100.0	100.0

Investment category

	VALUATION		PER CENT OF NET ASSETS		PER CENT OF INVESTMENT INCOME	
	1968 £'000's	1967 £'000's	1968	1967	1968	1967
MINING—FINANCE	145,895	72,980	53.1	42.4	34.2	32.1
DIAMONDS	10,653	6,494	3.9	3.8	2.5	3.9
GOLD	9,900	8,214	3.6	4.8	10.6	11.4
TIN	5,289	3,757	1.9	2.3	3.2	0.5
COPPER AND OTHER	16,275	13,252	5.9	7.7	20.2	28.0
INDUSTRIAL, COMMERCIAL, OIL, ETC.	76,975	55,086	28.0	31.9	26.5	21.1
LONG TERM LOANS	3,942	3,503	1.4	2.0	2.8	3.0
	268,929	163,286	97.8	94.9	100.0	100.0
FIXED ASSETS, LESS MINORITY INTERESTS AND DEBENTURE STOCKS	1,928	1,584	0.7	0.9		
NET CURRENT ASSETS	3,986	7,177	1.5	4.2		
	274,843	172,047	100.0	100.0	100.0	100.0

Notes:

1. The analysis of assets (geographical and by category) is based on the stock exchange value of quoted investments and the directors' valuation of unquoted investments at 31 March 1968.

2. The geographical analysis takes into consideration direct interests and where possible major indirect interests in the areas concerned and is therefore only approximate.

EXTRACT FROM CONDITIONS GOVERNING SHARE WARRANTS TO BEARER

11. No person shall as holder of a Share Warrant be entitled to attend or to exercise any privilege as a Member at a meeting unless he shall three clear normal business days at least before the day fixed for the meeting have deposited:

- (i) at the Transfer Office of the Company, Kent House, Station Road, Ashford, Kent, or
- (ii) at the offices of Crédit Lyonnais, S.A. 19, Boulevard des Italiens, Paris, 2e, and Messrs. de Rothschild Freres, 21 rue Laffitte, Paris 9e,

the Share Warrant in respect of which he claims to act as aforesaid, and unless the Warrant shall remain so deposited until the close of the meeting and any adjournment thereof. The Directors may in lieu of the deposit of a Share Warrant as aforesaid accept the deposit of a Certificate of an "Authorised Depositary" (as defined by the Exchange Control Act, 1947) or of some Banker or other person to be approved of by the Directors to the effect that the Warrant has been deposited with him and an undertaking by such Authorised Depositary, Banker or other person that he will not surrender the possession of such Warrant, except against the return to him of such Certificate of Deposit and Undertaking. Every such Certificate of Deposit and Undertaking shall specify the number of the Share Warrant so deposited, the name and address of the person so depositing the same and the number of shares represented by such Warrant and the lodgement of such Certificate of Deposit and Undertaking shall, if accepted by the Directors, be for all the purposes of these conditions equivalent to the deposit of the Share Warrant to which it relates.

12. The Company shall deliver to the person so depositing a Share Warrant, or Certificate of Deposit and Undertaking, a certificate stating his name and address and the number of shares represented by the relative Warrant, and such certificate shall entitle him to attend and vote in person or by proxy at a meeting in respect of the shares specified therein in the same manner and subject to the same provisions and restrictions as if he were a registered member provided that no form of proxy deposited with the Company shall be effective unless the relative certificate is deposited therewith and remains so deposited until after the meeting at which such form of proxy is used. Upon surrender of such certificate to the Company the Warrant or Certificate of Deposit in respect whereof it shall have been given shall be returned.

EXTRAIT DES CONDITIONS REGISSANT LES CERTIFICATS D'ACTIONS AU PORTEUR

11. Aucun détenteur de certificat d'actions au porteur ne sera admis à assister à une Assemblée Générale ou à y exercer ses droits d'associé s'il n'a pas, trois jours ouvrables francs au moins avant la date de cette Assemblée, déposé:

- (i) Au Bureau des Transferts de la Société—Kent House, Station Road, Ashford, Kent, ou
- (ii) Au Crédit Lyonnais, 19 boulevard des Italiens, Paris 2e, ou chez Messieurs de Rothschild Frères, 21 rue Laffitte, Paris 9e,

le certificat d'actions dont il se réclame; et à condition également que ledit certificat demeure en dépôt jusqu'à la clôture de l'Assemblée Générale, même en cas de renvoi de celle-ci. Les Administrateurs pourront accepter qu'à la place du certificat d'actions soit déposée une attestation délivrée par un "Dépositaire Autorisé" (tel que défini par la loi de 1947 sur le contrôle des changes), un Banquier ou toute autre personne agréée par eux. Par cette attestation le Dépositaire Autorisé, le Banquier ou toute personne déclarera avoir reçu le dépôt du certificat et s'engagera à ne s'en dessaisir que contre remise de cette attestation de dépôt et d'engagement. Chaque attestation de dépôt et d'engagement devra mentionner le numéro du certificat d'actions déposé, le nom et l'adresse du déposant et le nombre d'actions représentées par ce certificat. S'il est accepté par les Administrateurs, le dépôt de cette attestation aura, aux termes de ces conditions, les mêmes effets que le dépôt du certificat d'actions qu'il représente.

12. La Société délivrera au déposant d'un certificat d'actions, ou d'une attestation de dépôt et d'engagement, une formule portant ses nom et adresse et le nombre d'actions représentées par le certificat correspondant; cette formule lui permettra d'assister et de voter en personne ou par mandataire à une Assemblée Générale, en vertu des actions qui y sont mentionnées, de la même manière et sous les mêmes conditions et limitations que s'il était titulaire de titres nominatifs; étant bien entendu qu'aucune procuration déposée auprès de la Société ne sera valable que si la formule correspondante y est jointe et demeure en dépôt jusqu'à la fin de l'Assemblée pour laquelle cette procuration a été donnée.

Lors de la remise de cette formule à la Société, l'attestation de dépôt ou le certificat d'actions, en contre-partie duquel il aura été délivré, sera rendu au déposant.

MM. les actionnaires sont informés qu'ils peuvent se procurer un exemplaire en français de ce rapport et de l'allocation du Président, en s'adressant soit au Secrétaire

CHARTER CONSOLIDATED LIMITED 40 Holborn Viaduct London EC 1

soit au

CREDIT LYONNAIS S.A.

19 boulevard des Italiens Paris 2e

soit chez

BANQUE ROTHSCHILD

21 rue Laffitte Paris 9e

Charter Consolidated Limited

annual report and accounts

31 march 1968