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Charter Consolidated Limited

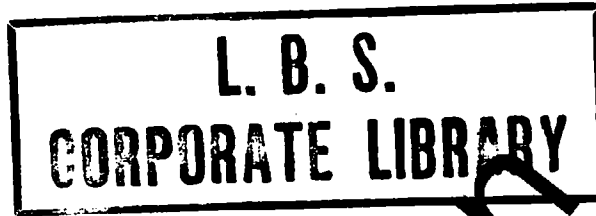
ANNUAL REPORT 1973

EVALUATION: Envision OCR
ICHLAND - COMMON PLEAS - CASE - 023CP4001759

COVER

*The casting of copper wirebars at the Rokana division of
Nchanga Consolidated Copper Mines in Zambia*

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CHARTER CONSOLIDATED LIMITED

Annual report and accounts
for the year ended 31 march 1973

Express Evaluation

Notice of meeting

NOTICE IS HEREBY GIVEN that the eighth annual general meeting of members of Charter Consolidated Limited will be held at Winchester House, 100 Old Broad Street, London EC2N 1BE, on Tuesday 17 July 1973 at 12 noon for the purpose of considering and, if thought fit, passing the following ordinary resolutions:-

1. 'That the consolidated profit and loss account for the year ended 31 March 1973 and the balance sheet of the company and the consolidated balance sheet at that date, together with the annexed report of the directors, be and are hereby approved and adopted'
2. 'That the final dividend of 3.85p per share for the year ended 31 March 1973 recommended by the board of directors be and is hereby approved for payment to shareholders registered at the close of business on 15 June 1973 and to persons presenting coupon no. 10 detached from share warrants to bearer'

3. 'That the following be and are hereby reappointed directors of the company:

Mr G. A. Carey-Smith
Mr M. B. Hofmeyr
Mr J. N. Clarke
Mr R. H. Dent
Mr J. O. Hambro
Mr Evelyn de Rothschild
Mr A. Chester Beatty'

These appointments will be dealt with in one resolution unless any member present or represented at the meeting requires otherwise.

4. 'That the remuneration of the joint auditors for the period until the next annual general meeting be fixed by the board of directors'

The transfer books and registers of members in the United Kingdom, the Republic of South Africa, and Rhodesia will be closed from 14 to 17 July 1973, 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.

A formal proxy accompanies this notice.

Holders of share warrants to bearer who wish 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 (*see page 48*).

by order of the board
D. S. BOOTH
secretary

40 Holborn Viaduct, London EC1P 1AJ
21 June 1973

NOTES

1. Holders of loan stock are reminded that only share holders are entitled to attend and vote at the meeting.
2. To be valid the form of proxy must reach the company at Kent House, Station Road, Ashford, Kent TN23 2BR, not less than 48 hours before the meeting.
3. A copy of a contract of service between a director of the company and a sub-

sidary company is available for inspection at the registered office of the company during usual business hours until the date of the meeting and may be inspected at the place of the meeting for at least 15 minutes prior to and during the meeting.

INTRODUCTION.

Charter Consolidated is a United Kingdom-based mining finance company operating internationally and having assets valued, on 31 March 1973, at £330 million.

Its mining investments include interests in gold, copper, diamonds, platinum, potash, coal, iron ore, lead, nickel, silver, tin, uranium, wolfram, and zinc. Many of these interests arise indirectly from holdings in other mining finance companies, such as Anglo American Corporation of South Africa, Anglo American Investment Trust, The Rio Tinto-Zinc Corporation, Selection Trust, and Union Corporation. Charter also provides administrative, technical, and other services to a number of mining operations, including Cleveland Potash in the United Kingdom, the SOMIMA copper mine in Mauritania, a group of tin mines in Malaysia, and Beralt Tin and Wolfram in Portugal.

Charter's principal industrial activity is the manufacture of products for the building and automotive industries through its subsidiary The Cape Asbestos Company. Other industrial subsidiaries manufacture rail fastening clips for railways throughout the world, domestic and industrial heating appliances, and components for television and telecommunications.

Charter Consolidated was formed in 1965 through the merger of three companies with a long background of mining finance – The British South Africa Company, The Central Mining & Investment Corporation, and The Consolidated Mines Selection Company.

Charter has a close association with the Anglo American Corporation group. The services of a single technical organization are shared by both groups, and the two operate in partnership in the development of mining and other ventures in various parts of the world.

Directorate and administration

Chairman

S. Spiro, M C*

Deputy chairman

Sir Philip Oppenheimer*

Managing director

M. B. Hofmeyr*

Directors

A. Chester Beatty
G. A. Carey-Smith*
J. N. Clarke
J. E. H. Collins, MBE, DSC
R. H. Dent
H. R. Fraser
J. O. Hambro, M C
N. K. Kinhead-Weekes*
H. F. Oppenheimer
B. W. Pain*
G. W. H. Relly
J. G. Richardson*
Evelyn de Rothschild
The Hon. H. V. Smith
M. W. Stephenson
L. G. Stopford Sackville*
W. D. Wilson

**members of executive committee*

Alternate directors

R. J. Armitage
P. C. D. Burnell
M. W. B. Heald
A. E. Oppenheimer
A. J. W. Owston

Managers

R. J. Armitage
P. C. D. Burnell
J. N. Clarke
M. W. B. Heald
A. J. W. Owston

Secretary

D. S. Booth

Treasurer

S. V. Parks

Chief economist

L. L. C. Smets

Personnel consultant

H. Holmes, MBE

Public relations consultant

L. J. Burke

Director responsible for technical services

M. W. Stephenson

Consulting engineers

K. C. G. Heath
T. Lee-Jones
T. L. Pretorius
H. J. Stucke

Consulting mechanical and electrical engineers

A. H. W. Purkiss
S. Sheer

Consulting metallurgist

A. L. Guise Brown

Consulting geologists

Dr F. W. D. Cornwall
Dr J. F. Osten

REPORT OF THE DIRECTORS

Express Evaluation



Express

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Inspecting progress on the new office building for Charter at Ashford, Kent, the chairman, Mr S. Spiro (centre), with Mr I. A. Milner of architects Ley Colbeck & Partners (right) and Mr J. E. Dexter of Charter Consolidated Services, Ashford

Report of the directors

The directors have pleasure in submitting their eighth annual report, together with the audited accounts, for the year ended 31 March 1973.

Accounts and finance

CONSOLIDATED PROFIT AND LOSS ACCOUNT

The following are the salient features from the consolidated profit and loss account for the year ended 31 March 1973 to be found on page 20.

	1973 £000s	1972 £000s
Consolidated profit before taxation	17,378	17,669
Deduct:		
Taxation	3,832	3,036
Interest of outside shareholders	1,063	673
Pre-acquisition profits	40	
	<u>4,935</u>	<u>3,709</u>
Earnings attributable	12,443	13,936
Appropriations		
Dividends:		
Interim of 2.5p per share paid on 3 April 1973	2,620	2,620
Recommended final of 3.5p per share payable on or about 30 July 1973	*4,034	5,763
	<u>6,654</u>	<u>8,383</u>
Profit of the year retained	5,789	5,553
Extraordinary items	5,890	(677)
Transfer to reserves	<u>11,679</u>	<u>4,876</u>

*not directly comparable with previous year owing to introduction of imputation system of corporation tax

Charter's earnings, after taxation and excluding extraordinary items, amounted to £12,443,000 representing 11.87p per share, compared with £13,936,000 last year representing 13.30p per share. The reduction arises from the overall loss sustained by associated companies, of which the proportion attributable to Charter was £1,137,000, the comparative figure for associated companies last year being a profit of £774,000. This year's figures reflect continuing operating losses at the SOMIMA copper mine and the loss by Beralt Tin and Wolfram Limited due to the marked deterioration in the wolfram market. The taxation charge was higher at £3,832,000, compared with £3,036,000, because Charter's United Kingdom income was greater and the associated companies' losses do not qualify for tax relief.

Excluding the losses of associated companies, Charter's earnings show a small improvement compared with last year:

	1973	1972
Charter earnings per share	13.33p	13.20p
Share of the losses, less retained profits, of associated companies	(1.46p)	0.10p
	<u>11.87p</u>	<u>13.30p</u>

Investment income was maintained at £10,440,000, although no dividends were received from Beralt Tin and Wolfram and a smaller amount was paid by the reorganized platinum interests. The fall in the value of sterling against most of the world's leading currencies gave rise to higher income in terms of sterling from many overseas investments.

Conditions prevailing in stock markets enabled an active policy of dealing in portfolio investments to be pursued. Net profit on realizations amounted to £4,034,000, compared with £3,445,000 last year.

Trading profit showed a further substantial improvement at £5,716,000, compared with £4,442,000. The Cape Asbestos Company Limited had a very successful year, and Charter's wholly owned industrial subsidiaries achieved a significant increase in profit.

A surplus of £5,890,000 arose on extraordinary items; this reflects mainly the net profit on the sale of shares in Transvaal Consolidated Land and Exploration Company Limited and De Beers Consolidated Mines Limited and on the reorganization of the platinum interests, after having written off in full, as a matter of prudence, our investment in SOMIMA.

The value of Charter's net assets, taking quoted investments at market value and unquoted investments at directors' valuation, amounted to £330,305,000, equivalent to 315p per share (1972: 281p).

Movements on reserves are shown on page 28 in note 12 on the accounts.

DIVIDENDS

The board has recommended a final dividend of 3.85p per share. In terms of the imputation system of corporation tax effective from April 1973 this dividend is not subject to deduction of United Kingdom income tax by the company and will carry a tax credit of 1.65p per share (representing three sevenths of the dividend), the amount for which the company will be accountable in respect of advance corporation tax.

The total of the dividend and the tax credit is 5.5p, compared with a final dividend declared last year of 5.5p before tax. When added to the interim dividend of 2.5p paid on 3 April 1972, this makes a total for the year of 8p, compared with 8p paid for the year to 31 March 1972.

FIXED ASSETS

The book value of the group's fixed assets increased from £22,000,000 to £23,640,000 during the year. Details are shown on page 26 in note 9 on the accounts.

Good progress is being made on construction of the company's new office block at Ashford, Kent, and at 31 March 1973 work to a value of £1,222,000 had

been completed. The building is scheduled to be ready for occupation by October 1974, at a total estimated cost of approximately £5.3 million.

Major investment changes

In April 1972 Charter completed the sale of its interest in Transvaal Consolidated Land and Exploration Company, along with the greater portion of its direct holding in De Beers Consolidated Mines and certain other shares, to companies in the Anglo American Corporation group. These investments and the interest in Barlows Rand Limited sold in March 1972 have been replaced by additional shares in Anglo American Investment Trust Limited, bringing Charter's interest in that company to 10 per cent, which thus qualifies for double taxation relief on dividends received in the United Kingdom. Anglo American Investment Trust is the principal diamond investment holding company of the Anglo American Corporation group, having important interests in De Beers Consolidated Mines and the diamond marketing companies.

Also in April 1972 agreement was reached between Rustenburg Platinum Mines Limited and members of a platinum consortium, together with Charter, whereby the former took over all the mining rights, assets, and obligations of the consortium and Charter's interest in certain unquoted platinum companies in exchange for an entitlement to a 24 per cent equity interest in an enlarged Rustenburg Platinum Mines. In consideration for the exchange, Rustenburg issued new shares to Union Platinum Mining Company Limited, which in turn issued new shares to the consortium and Charter. Charter's interest in Union Platinum Mining Company amounts to 11.5 per cent, representing a 4.2 per cent indirect interest in Rustenburg.

In accordance with the policy of the government of Zambia, its industrial holding company, Indeco Limited, has acquired a 51 per cent interest in National Milling Company Limited and a 100 per cent interest in its associated companies from the joint shareholders, Spillers Limited and Charter. Charter's share of the total consideration was £520,000.

In August 1972 Union Corporation Limited, in which Charter had a 10 per cent interest, acquired the 66 per cent interest in Bay Hall Trust which the corporation did not already own, in exchange for 8,100,000 new shares. Charter acquired further Union Corporation shares during the year in order to maintain its 10 per cent interest.

Mining

CLEVELAND POTASH

The establishment in Yorkshire of the first British potash mine by Cleveland Potash Limited, a company jointly owned by Charter and associates and by Imperial Chemical Industries Limited, is nearing completion, and initial production is expected to commence in the third quarter of this year. This is slightly later than originally planned because of delays in treatment plant construction and in sinking one of the two shafts through the lower sections of the burner sandstone.

The withdrawal of investment grants in 1970 deprived Cleveland Potash of £6 million of finance, but this loss has to some extent been offset by the introduction of regional development grants, which are expected to benefit the project to the extent of about £4 million, and by a loan of £3 million from the Department of Trade and Industry.

Cleveland Potash has secured additional external finance under an agreement with a leasing company which will purchase up to £5.5 million of the equipment required for the mine and lease it to Cleveland.

SOMIMA

During 1972 the SOMIMA copper project at Akjoujt, Mauritania, sustained a further loss of \$15.1 million, after providing for depreciation of \$7.4 million. The cumulative loss up to 31 December 1972 amounts to \$30.9 million.

The continuing loss resulted from the level of production, which was substantially below target at 14,900 tons of copper in concentrates, and from the depressed

metal price, which averaged £430 per ton of copper sold.

Several factors lie behind these adverse results. Mechanical defects persisted in the treatment plant which at one time had to be shut down completely for six weeks owing to the failure of the main drive pinion of the aerofall mill. Major modifications and repairs were carried out on three of the TORCO units, and it was not until December that all four units were operating. The average recovery of copper from the ore has throughout been lower than anticipated.

Operating costs have risen sharply owing to the need to increase substantially the complement of personnel and to high engineering maintenance expenditure. The combination of operating losses and further capital expenditure on plant replacements and modifications has called for additional finance. \$10 million was subscribed in 1972 in the form of shareholders' advances, of which Charter's participation was \$7.5 million, and the Mauritanian government has guaranteed a loan to the company of \$2.7 million. Further long term finance will be required this year to replace temporary borrowings, and discussions are now being held concerning the provision of these funds and with lending banks and institutions to secure an extension to the repayment dates of existing loans.

TRONOH GROUP

Charter's main interests in tin mining are through Tronoh Mines Limited, in which it holds 25.9 per cent, and its associated companies, including Ayer Hitam Tin Dredging Limited and The Sungei Besi Mines Limited.

Production of Tronoh Mines and its subsidiaries for the year to 31 December 1972 was 3,235 metric tons of tin concentrates compared with 3,512 metric tons for 1971, and net group profit was £759,000 compared with £742,000.

Ayer Hitam's net profit for the year to 30 June 1972 increased substantially to £749,000, against £304,000 for the previous year, and production has remained at a high level during the current financial year.

Sungei Besi's production for the year to 31 March 1973



Mr M. B. Hofmeyr (centre), managing director of Charter and chairman of Cleveland Potash Limited, during a tour of the mine at Boulby, north Yorkshire, with Mr R. Stedman (left), general manager of Cleveland Potash, and Mr J. Cleasby of Charter

Report of the directors

was 2,511 metric tons against 2,122 metric tons for the previous year.

Production overall in 1972 thus showed an improvement compared with 1971, but the average price of tin metal in Penang where sales are effected declined from Malaysian \$631 to Malaysian \$627 per picul over the period.

BERALT TIN AND WOLFRAM

As a result of the depressed price for wolfram throughout the year, Beralt Tin and Wolfram made a loss for the year to 31 December 1972 of £648,000, before adjustments for taxation and extraordinary items, compared with a pre-tax profit of £593,000 in 1971. 1,539 metric tons of wolfram concentrate were produced during the year, 484 metric tons were sold, and the balance was added to the stockpile of concentrates pending an improvement in prices. The policy of stockpiling, together with essential capital expenditure and the loss for the year, exhausted the company's cash resources and necessitated substantial bank borrowings.

Subsequently, the company raised £2.2 million additional capital by means of a rights issue to shareholders of 8,826,666 new ordinary shares of 25p each at par. 91.5 per cent of the shares offered were accepted by shareholders, and Charter, as underwriters, subscribed for the balance. In addition, it was decided to introduce a substantial Portuguese participation into the activities of Beralt, and Banco Nacional Ultramarino was invited and agreed to subscribe the equivalent of Portuguese currency of approximately £1 million to obtain 19.45 per cent of a new Portuguese company to be formed for this purpose. The assets and liabilities of Beralt will be transferred to the new company, and Beralt, which will hold the remaining 80.55 per cent of the equity, will become a holding company.

Prospecting

REPUBLIC OF ZAIRE

Charter provides technical services for the two companies which are exploring for copper and other

minerals in the Shaba province of the Republic of Zaire (formerly Katanga province, Congo Kinshasa), named Société Minière de Tenke-Fungurume (SMTF) and Société Internationale des Mines du Zaire (SIMZ).

At SMTF studies continue to assess the technical and financial feasibility of establishing a mining operation to extract and treat the ore reserves that have been proved to date in the Tenke-Fungurume area. At 1 January 1973, 350 boreholes had been completed with a combined length of 46,892 metres. Reserves computed by benching at 1 January for an open-cast mining programme are estimated at 45.7 million metric tons of oxide, mixed, and sulphide ores grading 3.5 per cent copper and 0.44 per cent cobalt. The reserves include 20.4 million metric tons of oxide ore grading 5.6 per cent acid soluble copper and 0.39 per cent acid soluble cobalt. The ores are complex, and extensive metallurgical testing continues.

Exploration continues on SIMZ's 15,000 square kilometres of prospecting areas, and work is on schedule to select two-thirds of the ground for surrender to the Zaire government in October.

THAILAND

Charter and Tronoh Mines, together with two major United States international companies, have continued their investigation into engineering, design, and test work on the feasibility of operations for dredging, during the monsoon period, the tin deposits discovered on the exposed west coast of Thailand. The results of these investigations will play a large part in determining whether the tin deposits can be economically exploited.

NORTH SEA OIL

During the year further detailed seismic survey work was completed over the two blocks in the United Kingdom sector of the North Sea awarded to the joint venture in which Charter has a substantial participation. The participants include Home Oil of Canada Limited, who will be the operators. Locations for drilling have now been selected and, subject to the availability of a suitable rig, drilling is expected to commence during 1974.

OTHER AREAS

A number of mineral prospects were examined during the year, including potential targets in Indonesia which are still under consideration, but the main activity has been the search for base metals generally, in Spain, Portugal, Iran, and Ireland. Charter has accepted a participation in a joint venture which is to explore for gold and base metals in Brazil.

North American interests

Charter's principal interests in North America all showed substantial increases in earnings in 1972 compared with the previous year.

The consolidated net income of Anglo American Corporation of Canada Limited (AMCAN), in which Charter has a 24.8 per cent equity interest, was C\$4,605,000 for 1972, after adding the gain on realization of investments and deducting a provision for losses on unquoted securities, compared with C\$2,314,000 in 1971. The increased earnings reflect the higher dividends received from Hudson Bay Mining and Smelting Co. Limited, increased profits on trading securities, and a decrease in the amount of net interest paid. AMCAN paid an unchanged dividend of 30 cents for 1972.

Hudson Bay Mining and Smelting Co. in 1972 enjoyed a better year than in 1971, when a strike took place which lasted five months. Earnings from operations, after deduction of minority interests, increased from C\$3,009,000 to C\$11,779,000. However, an amount had to be provided for writing off the investment in the Wellgreen mine, so that net earnings were C\$2,861,000.

Western Delta Petroleum Limited earned C\$2,005,000 in 1972, compared with C\$1,539,000 in 1971, an increase of 30 per cent. As a result of higher production both of crude oil and condensate and of natural gas, net oil and gas sales increased to a new record of C\$7,628,000.

The net earnings of Engelhard Minerals & Chemicals Corporation also recovered sharply in 1972 from \$28,069,000, after deducting extraordinary charges of \$3,139,000, to \$36,622,000.

Industrial and other interests

Charter's principal industrial subsidiary, The Cape Asbestos Company, achieved in 1972 a further increase in sales from £50,113,000 to £55,603,000 and in profit before tax from £3,998,000 to £4,141,000. This substantial improvement in earnings arose from the increased turnover combined with continued improvements in efficiencies in most United Kingdom factories. Sales and earnings from the mines were also slightly better than those for 1971. With the object of providing a spare network to support its sales of replacement brake and clutch linings and of expanding into new and profitable fields, Cape Asbestos acquired during the year a number of companies distributing parts to the motor trade.

The group of industrial subsidiaries wholly owned by Charter increased aggregate sales in spite of disruptions to production caused by the fuel and power difficulties which occurred early in 1972. Profit before tax rose by 33 per cent, largely due to a significantly improved result from Heatrae Limited following reorganization and measures to reduce costs. Elastic Rail Spike group maintained progress and the Rathdown companies produced better overall results, although low demand continued in some components markets.

The results of the metal marketing companies Anmersales AG., Anmercusa Sales Limited, and Anmercusa Sales Italia S.p.A., were satisfactory in spite of difficult marketing and trading conditions. Metal prices began to improve towards the end of the year, and the LME cash price for copper had increased from £440 at the beginning of April 1972 to £617 per ton by the end of March 1973.

Share and loan capital

The authorized share capital remains unchanged.

During the year the company issued 6,528 fully paid shares of 25p each against conversion of £26,109 5 per cent convertible unsecured loan stock 1984. The issued share capital was thereby increased to £26,200,330.50 in 104,788,262 fully paid shares of 25p each and 326,500 partly paid shares of 25p each (1p paid up).

In October 1972 the company raised a loan of 100 million French francs, through the issue by its wholly owned subsidiary Charter Consolidated Overseas N.V. of $7\frac{1}{2}$ per cent guaranteed bonds redeemable from 1973 to 1987, for the purpose of financing development of mining projects, general prospecting, and the acquisition of non-sterling investments.

Directorate

A list of the current directors of the company who held office during the year is on page 4.

Mr T. P. Stratten, Sir Keith Acutt, and Comte T. de Feuilhade de Chauvin resigned from the board on 11 July, 7 September, and 27 November 1972 respectively. Mr G. A. Carey-Smith was appointed an executive director on 1 August 1972, Mr M. B. Hofmeyr managing director on 1 October 1972, and Mr J. N. Clarke a director on 9 January 1973.

In accordance with the provisions of article 103 of the company's articles of association, Mr G. A. Carey-Smith, Mr M. B. Hofmeyr, and Mr J. N. Clarke hold office only until the forthcoming annual general meeting. They offer themselves for reappointment. Mr R. H. Dent, Mr J. O. Hambro, Mr Evelyn de Rothschild, and Mr A. Chester Beatty offer by rota-

tion in accordance with the provisions of article 99(1) of the articles of association and offer themselves for reappointment.

General information

An analysis of investment and investment income appears on page 37. Other particulars which constitute part of this report are given on pages 31 and 32 and a list of subsidiary companies on page 36.

Auditors

The company has been informed that the name in which Cooper Brothers & Co. formerly practised has been changed to Coopers & Lybrand with effect from 1 April 1973. They and the other joint auditors, Deloitte & Co., will be reappointed in accordance with the provisions of Section 159(2) of the Companies Act 1948.

by order of the board
D. S. BOOTH
secretary

40 Holborn Viaduct
London EC1P 1AJ
5 June 1973

Eight year financial record

CHARTER CONSOLIDATED LIMITED AND ITS SUBSIDIARY COMPANIES

EARNINGS

(year to 31 March)

	1973 £000s	1972 £000s	1971 £000s	1970 £000s	1969 £000s	1968 £000s	1967 £000s	1966 £000s
Income from investments	10,440	10,441	14,372	10,705	9,578	8,972	8,218	8,716
Surplus on realizations	4,034	3,445	1,104	5,746	3,041	2,253	1,619	1,200
Interest received less paid	(129)	222	(15)	(511)	125	539	777	1,216
Trading profit	5,716	4,442	3,704	4,899	839	871	834	518
	20,061	18,550	19,165	22,036	13,583	12,635	11,448	11,650
Deduct: administration and technical expenditure	944	901	922	1,237	1,349	1,283	1,135	1,216
prospecting expenditure*	602	777	89	—	—	—	—	—
	1,546	1,678	1,768	1,237	1,349	1,283	1,135	1,216
	18,515	16,871	17,397	18,799	12,234	11,352	10,313	10,434
Add: group share of retained profits less losses of associated companies*	(1,137)	774	2,803	—	—	—	—	—
Profit before taxation	17,378	17,645	20,200	18,799	12,234	11,352	10,313	10,434
Deduct: taxation	3,932	3,036	3,276	4,772	2,114	1,649	1,576	2,656
	13,546	14,609	16,924	14,027	10,120	9,703	8,737	7,778
Deduct: amount attributable to outside shareholders and pre-acquisition	1,103	673	556	1,029	—	—	—	—
Earnings attributable	12,443	13,936	16,368	12,998	10,120	9,703	8,737	7,778
Deduct: dividends paid	6,654	8,383	8,381	7,422	6,522	6,522	5,707	4,784 (net)
Retained	5,789	5,553	7,987	5,576	3,598	3,181	3,030	2,995
Earnings per share	11.87p	13.30p	15.84p†	13.13p	10.34p	9.92p	8.93p	7.96p (net)
Dividends per share	6.35p	8.00p	8.00p	7.50p	6.66p	6.66p	5.83p	4.90p (net)
Imputed tax credit per share**	1.65p	—	—	—	—	—	—	—
	8.00p	8.00p	8.00p	7.50p	6.66p	6.66p	5.83p	4.90p (net)

*items introduced in 1972 resulting from new accounting policies

**item included for the first time in 1973 on the introduction of the imputation tax system

†earnings recalculated on revised figures resulting from new accounting policies

CHARTER CONSOLIDATED LIMITED AND ITS SUBSIDIARY COMPANIES

NET ASSETS*(at 31 March)*

	1973 £000s	1972 £000s	1971 £000s	1970 £000s	1969 £000s	1968 £000s	1967 £000s	1966 £000s
Investments at market value or directors' valuation	<u>324,189</u>	<u>272,637</u>	<u>266,785</u>	<u>325,959</u>	<u>383,226</u>	<u>238,929</u>	<u>163,286</u>	<u>155,688</u>
Investments at book value	<u>178,597</u>	<u>150,413</u>	<u>143,559</u>	<u>138,388</u>	<u>141,547</u>	<u>123,723</u>	<u>106,111</u>	<u>92,326</u>
Fixed assets	<u>23,640</u>	<u>22,000</u>	<u>21,556</u>	<u>19,578</u>	<u>3,311</u>	<u>3,015</u>	<u>2,664</u>	<u>2,030</u>
Exploration and development expenditure*	<u>2,250</u>	<u>759</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net current assets	<u>27,177</u>	<u>34,425</u>	<u>37,760</u>	<u>17,599</u>	<u>5,424</u>	<u>3,986</u>	<u>7,177</u>	<u>15,163</u>
	<u>231,664</u>	<u>207,597</u>	<u>202,875</u>	<u>155,537</u>	<u>150,286</u>	<u>130,724</u>	<u>115,952</u>	<u>109,519</u>
<i>Deduct: investment grants, minority interest, long term indebtedness, and deferred taxation</i>	<u>46,951</u>	<u>35,274</u>	<u>25,175</u>	<u>33,969</u>	<u>14,991</u>	<u>1,125</u>	<u>1,080</u>	<u>1,240</u>
Total capital and reserves	<u>184,713</u>	<u>172,323</u>	<u>167,700</u>	<u>141,966</u>	<u>135,295</u>	<u>129,599</u>	<u>114,872</u>	<u>108,279</u>
<i>Add: surplus of market value or directors' valuation of investments over book value</i>	<u>145,592</u>	<u>122,001</u>	<u>123,226</u>	<u>187,571</u>	<u>241,679</u>	<u>145,206</u>	<u>57,175</u>	<u>63,362</u>
Total net assets	<u>330,305</u>	<u>294,324</u>	<u>290,926</u>	<u>329,537</u>	<u>376,974</u>	<u>274,805</u>	<u>172,047</u>	<u>171,641</u>
Net assets per share	<u>215p</u>	<u>281p</u>	<u>277p</u>	<u>333p</u>	<u>385p</u>	<u>280p</u>	<u>175p</u>	<u>175p</u>
ISSUED SHARE CAPITAL								
<i>(at 31 March)</i>	<u>26,200</u>	<u>26,198</u>	<u>26,194</u>	<u>24,738</u>	<u>24,458</u>	<u>24,458</u>	<u>24,458</u>	<u>24,431</u>

*item introduced in 1972 resulting from new accounting policies



Express Evaluation

ELECTRONICALLY SIGNED - 2023.09.08

Vision OCR

The foredeck of Tronoh Mines' Ayer Kuning no. 2 tin dredge in Malaysia showing the 18-cubic-feet bucket line in operation

ACCOUNTS

Express Evaluation

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Accounting policies

1. Basis of consolidation of subsidiary companies and effect of changes in the composition of the group

(i) The results of subsidiaries acquired during the year have been included in the consolidated profit and loss account from their effective dates of acquisition.

(ii) In order to facilitate administration, the financial years of The Cape Asbestos Company Limited and its subsidiaries and those of the other group manufacturing subsidiaries terminate on 31 December.

2. Income received

Income from investments is accounted for on a received basis.

3. Treatment of profits and losses arising on the disposal of investments

From 1 April 1971 investments have been classified into portfolio, which includes investments in exploration and development companies, and long term holdings. The latter are held by the group with no intention of resale.

Profits and losses arising on the disposal of portfolio investments are taken into account in determining the earnings of the year. Any disposals of long term investments are dealt with as extraordinary items, and the profits and losses arising therefrom will not be taken into account in determining the earnings of the year.

4. Depreciation and amortization

The group's policy is to write off fixed assets evenly over their expected useful life, with the exception that no depreciation has been provided on freehold land.

Depreciation on assets qualifying for investment and other grants is calculated on their full cost.

5. Investment and other grants

Grants in respect of each year's capital expenditure are credited to profit and loss account over a period of ten years or the estimated average life of the relevant fixed assets. Grants shown in the consolidated balance sheet represent total grants to date less the amount credited to profits.

6. Foreign currencies

Assets and liabilities in commonwealth and foreign currencies are converted into sterling at the rates of exchange ruling at the dates of the respective balance sheets. Differences arising from realignment of currencies are shown as an extraordinary item.

7. Deferred taxation

This represents taxation at current rates on the excess of the book value of assets qualifying for taxation allowances over their written down value for taxation purposes.

8. Investment

Investments are included at cost unless the aggregate of the market value and directors' valuation is less than book value when, in the opinion of the directors, a permanent loss in value has arisen on any investment. In such cases, the diminution in value is charged to the investment and exploration reserve.

9. Stock valuation

Stocks and work in progress are valued at the lower of cost and net realizable value on bases consistent with those adopted in previous years. In determining cost for stock valuation purposes selling expenses and certain overhead expenses are excluded.

In the case of the insulation contracting subsidiaries of The Cape Asbestos Company Limited, contracts in progress are stated after deducting amounts invoiced on account. Profit is not taken on these contracts until completion, but provision is made for known and anticipated losses.

10. Prospecting, exploration, and development expenditure

Group expenditure on prospecting and on exploration and development is dealt with as follows:

(i) Expenditure to develop existing mining areas:

This expenditure is considered a part of the general development of the mine and is written off to mine operating costs in the year incurred.

(ii) Expenditure on general prospecting:

Expenditure during the initial exploration stage is written off in full in the profit and loss account of the year. Further expenditure on prospects which, after the initial stage, appear promising is carried forward as an asset in the balance sheet under the heading of exploration and development expenditure, while an evaluation is carried out to establish its commercial viability. In the event that any prospect is abandoned after such evaluation, the total expenditure will be charged to investment and exploration reserve.

(iii) Expenditure on the development of new mines:

When it is decided to develop a prospect into a mine, any exploration and development expenditure relating thereto is capitalized in the appropriate asset account. All further expenditure on development of the mine is capitalized. If any project has to be abandoned in the development stage the total expenditure is charged to investment and exploration reserve.

11. Investment and exploration reserve

The reserve is used to write down investments as indicated in policy 8 and to write off expenditure as defined in policy 10 (ii) and (iii).

It is the company's intention to transfer to the reserve an amount equal to the exploration and development expenditure as defined in policy 10 (ii).

12. Associated companies

Associated companies are those:

(i) in which the group owns 20 per cent or more of the issued equity capital and participates in management through board representation, or

(ii) in which the group's investment is by nature a joint venture or partnership, or

(iii) mining companies managed by the group in which it also has a significant holding.

The group's share of retained profits less losses of associated companies since 1 April 1971 is included in the book values of the investments in the consolidated balance sheet. It is not practicable to ascertain the group share of retained profits prior to that date.

The accounts used to calculate the group's share of profits less losses of associated companies are the latest audited accounts available to the group.

Consolidated profit and loss account for the year ended 31 march 1973

CHARTER CONSOLIDATED LIMITED AND ITS SUBSIDIARY COMPANIES

	1973	1972
	£000s	£000s
Income from investments (<i>note 1</i>)		
Associated companies (<i>note 2</i>)	2,939	2,883
Other investments	7,501	558
	10,440	10,441
Surplus on realizations of investments		
less amounts written off	1034	3,445
Interest received	2,181	2,099
Trading profit (<i>note 4</i>)	5,716	4,442
	2,671	20,427
<i>Deduct:</i>		
Administration and technical expenditure (<i>note 4</i>)	742	720
Directors' emoluments (<i>note 5</i>)	138	103
Prospecting expenditure	63	778
Interest paid (<i>note 3</i>)	2,611	1,877
Auditors' remuneration (parent company – £3,000; 1972 – £3,000)	94	78
	4,156	3,556
	18,515	16,871
<i>Deduct:</i>		
Group share of losses less retained profits of associated companies (<i>note 2</i>)	1,137	(profit) 774
Profit before taxation	17,378	17,645
Taxation (<i>note 7</i>)	3,832	3,036
Profit after taxation	13,546	14,609
<i>Deduct:</i>		
Interest of outside shareholders in profits of subsidiaries	1,063	673
Pre-acquisition profits	40	—
	1,103	673
Earnings attributable to Charter	12,443	13,936
Earnings per share 11.87p (1972 – 13.30p) (<i>note 14</i>)		
Dividends		
Interim dividend of 2.5p per share (1972 – 2.5p per share) payable on 31 April 1973	2,620	2,620
Proposed final dividend of 3.35p per share (1972 – 5.5p per share) payable on or about 20 July 1973	4,034	5,763
The proposed final dividend of 3.35p per share is payable under the new imputation tax system and is not subject to deduction of income tax. After adding the imputed tax credit available to UK shareholders it is equivalent to a gross dividend of 5.5p per share.	6,654	8,383
Profit of the year retained	5,789	5,553
<i>Add:</i>		
Extraordinary items (<i>note 8</i>)	5,890	(677)
Transfer to reserves (<i>note 12</i>)	11,679	4,876

For the accounting policies see pages 18 and 19. For notes on the accounts see pages 23 to 30

Consolidated balance sheet

31 march 1973

CHARTER CONSOLIDATED LIMITED AND ITS SUBSIDIARY COMPANIES

	1973		1972	
	£000s	£000s	£000s	£000s
Fixed assets (<i>note 9</i>)		23,640		22,000
Exploration and development expenditure		2,250		759
Investments (<i>note 10</i>)		178,59		150,413
Current assets				
Stocks and work in progress	12,516		10,399	
Debtors	23,562		19,947	
Short term loans and deposits	24,020		29,587	
Bank and cash balances	2,21		2,266	
	62,315		62,199	
Current liabilities				
Associated companies' and other deposit accounts	1,528		1,597	
Bank loans and overdrafts	5,510		4,381	
Creditors	16,598		13,540	
Taxation	4,548		2,493	
Dividends declared and proposed	6,654		5,763	
	35,138		27,774	
Net current assets		27,177		34,425
Total net assets		231,664		207,597
Financed by:				
Issued capital (<i>note 11</i>)		26,200		26,199
Capital reserves (<i>note 12</i>)		65,180		61,392
Revenue reserves (<i>note 12</i>)		93,333		84,772
Total capital and reserves		184,713		172,363
Investment grants		1,268		1,380
Minority interest		7,760		7,511
Long term indebtedness (<i>note 13</i>)		35,839		25,006
Deferred taxation		2,084		1,337
		231,664		207,597

S. SPIRO
Chairman
M. B. HOFMEYR
Managing Director

} Directors

Balance sheet

31 march 1973

CHARTER CONSOLIDATED LIMITED

	1973		1972	
	£000s	£000s	£000s	£000s
Subsidiary companies				
Shares at cost	93,779		93,779	
Add: amounts due from subsidiaries	49,697		44,030	
	<u>143,476</u>		<u>137,809</u>	
Deduct: amounts due to subsidiaries	85,370		80,926	
	<u>58,106</u>		<u>56,883</u>	
Current assets				
Debtors	2,305		492	
Short term loans	939		600	
Bank balances			20	
		<u>3,350</u>		<u>1,112</u>
		<u>61,456</u>		<u>57,995</u>
Financed by :				
Issued capital (note 11)		26,200		26,199
Share premium (note 12)		18,612		18,587
Revenue reserves (note 12)				
Investment and exploration reserve	2,204		2,963	
Unappropriated profits	4,414		2,024	
		<u>6,618</u>		<u>4,987</u>
Total capital and reserves		<u>51,430</u>		<u>49,773</u>
Long term indebtedness (note 3)		2,376		2,402
Current liabilities				
Creditors	42		57	
Advance corporation tax	954		—	
Dividends declared and proposed	6,654		5,763	
		<u>7,650</u>		<u>5,820</u>
		<u>61,456</u>		<u>57,995</u>

S. SPIRO
Chairman
M. B. HOFMEYR
Managing Director

} Directors

For the accounting policies see pages 18 and 19. For notes on the accounts see pages 23 to 30

Notes on the accounts

31 march 1973

1. Income from investments

	1973 £000s	1972 £000s
(i) Includes franked investment income	3,043	3,442
(ii) Arises from :		
Quoted investments	8,420	8,337
Unquoted investments	2,020	2,104
	<u>10,440</u>	<u>10,441</u>

2. Associated companies

(i) Those companies considered as principal associated companies as defined in accounting policy 12 on page 19 are listed on page 34. Certain companies in which the group's holding exceeds 20 per cent but which are not considered to be associated companies are listed on page 35.

(ii) Income from investments in associated companies was £2,939,000 (1972 - £2,883,000). This represents dividends received by Charter in the year ended 31 March 1973, being dividend declarations by associated companies in their financial years ended prior to 31 March 1973 of £2,195,000 (1972 - £2,127,000) and dividend payments by associated companies in respect of their current financial years of £744,000 (1972 - £756,000).

(iii) Group share of losses less retained profits of associated companies for their latest financial years ended prior to 31 March 1973.

	1973 £000s	1972 £000s
Share of profits less losses before taxation	1,534	4,517
Deduct: dividends paid from these profits	2,671	3,743
	<u></u>	<u></u>
Group share of losses less retained profits before taxation	(1,137)	774
Deduct: taxation (see note 7)	389	672
	<u>(1,526)</u>	<u>102</u>
Add: extraordinary items (see note 8)	665	—
	<u>(861)</u>	<u>(profit) 102</u>

(iv) For balance sheet details of investments in associated companies see note 10

3. Interest paid on borrowings by the group

	1973 £000s	1972 £000s
Loans repayable after more than five years	2,065	1,555
Loans repayable within five years	13	9
Amounts deposited with the group	163	102
Bank overdrafts	369	211
	<u>2,610</u>	<u>1,877</u>

4. Trading profit and administration and technical expenditure

	1973 £000s	1972 £000s
(i) Turnover of the manufacturing subsidiaries based on the invoiced value of goods sold	64,794	58,439
(ii) Investment grants credited in these accounts	214	185
(iii) Depreciation of fixed assets charged in these accounts	7,881	2,444
(iv) Rents paid in respect of hire of plant, machinery, and equipment charged in these accounts	243	224
(v) Rents received	90	126
(vi) Administration and technical expenditure	5,914	4,593
<i>Deduct: recovered from companies outside the group</i>	5,202	3,873
	712	720

5. Directors' emoluments

	1973 £	1972 £
Directors of the parent company		
Fees	21,000	23,000
Salaries and other remuneration including pension contributions	162,000	125,000
Pensions to former directors	7,000	7,000
	190,000	155,000
<i>Deduct: fees received from other companies refunded to the group</i>	52,000	52,000
	138,000	103,000
Amounts paid to directors		
Chairman: Mr S. Spiro	26,337	21,244
Others:		
£20,001-£22,500	1	1
£17,501-£20,000	1	—
£12,501-£15,000	3	1
£10,001-£12,500	2	4
£7,501-£10,000	1	—
£5,001-£7,500	1	1
£2,501-£5,000	1	1
up to £2,500	12	12
12 directors have agreed to waive emoluments due to them from the Consolidated Limited and its subsidiary companies. Fees waived by these directors during the year amounted to £30,000 (1972: 10 directors - £27,000)		

6. Remuneration of employees of the group

	1973	1972
The number of employees, other than directors of the parent company, whose total emoluments received from the company and its subsidiaries exceeded £10,000 were:		
£10,001-£12,500	9	9
£12,501-£15,000	3	3
£15,001-£17,500	1	1

7. Taxation

	1973 £000s	1972 £000s
GROUP COMPANIES		
On profit for the year		
United Kingdom corporation tax at 40 per cent	5,841	4,126
<i>Deduct:</i> double taxation relief	2,498	2,552
	3,343	2,074
Overseas taxation	1,172	895
	4,515	2,969
<i>Deduct:</i> adjustments in respect of previous years	13	80
	4,502	2,889
<i>Deduct:</i> estimated overspill relief	61	525
	4,441	2,364
<i>Deduct:</i> transitional advance corporation tax relief	798	—
	3,443	2,364
ASSOCIATED COMPANIES		
On profit for the year		
United Kingdom corporation tax at 40 per cent	193	461
<i>Deduct:</i> double taxation relief	148	127
	45	334
Overseas taxation	396	425
	441	759
<i>Deduct:</i> adjustments in respect of previous years	52	87
	389	672
TOTAL GROUP AND ASSOCIATED COMPANIES	3,832	3,036

- NOTES: (i) In the event of certain overseas subsidiaries and associated companies distributing reserves or profits additional liability to United Kingdom taxation would arise.
- (ii) The taxation provisions are calculated after taking

credit for a claim for group relief amounting in terms of tax to £400,000 which the directors consider valid. The loss in a subsidiary company upon which this relief rests is the subject of correspondence with the Inland Revenue.

8. Extraordinary items

	1973 £000s	1972 £000s
Profits less losses on disposals of long term investments less United Kingdom taxation of £1,640,000 (1972 - £1,012,000)	6,593	1,538
Diminution of £6,093,000 in value of an associated company less United Kingdom taxation relief of £2,034,000 and less group share of aggregate losses of £3,078,000 of that associated company included in group share of losses and retained profits of associated companies of £873,000 (see note 10)	(981)	—
Diminution in value of long term investments	(339)	—
Recoveries of amounts previously written off less United Kingdom taxation relief	—	787
Provision no longer required in respect of extraordinary losses in a subsidiary (1972 provision)	340	(891)
Net adjustment arising on realignment of currencies	(7)	(2,116)
Bond issue discount and expenses	(424)	—
Sundries	43	5
	5,225	(677)
Associated companies (see note 2)	665	—
	5,890	(677)

9. Fixed assets

	FREEHOLD PROPERTY £000s	LONG LEASE- HOLD PROPERTY £000s	SHORT LEASE- HOLD PROPERTY £000s	PLANT AND FIXTURES £000s	MINING RIGHTS £000s	TOTAL £000s
Cost at 31 March 1972	9,172	2,312	1,063	27,113	1,622	42,282
Currency realignment	185	—	97	742	88	1,112
Additions at cost	1,600	11	—	2,939	11	4,653
New subsidiaries	94	—	40	152	—	320
Disposals	(304)	(148)	(12)	(950)	—	(1,414)
Reallocations	(28)	28	—	—	—	—
Transferred to exploration and development expenditure	—	—	—	—	(329)	(329)
Balance at 31 March 1973	10,719	2,337	2,280	29,996	1,392	46,624
Depreciation at 31 March 1972 on assets at cost	3,118	384	1,222	15,558	—	20,282
Currency realignment	115	—	63	398	—	574
Charge to profit and loss account	253	69	98	2,423	28	2,881
New subsidiaries	—	—	6	45	—	51
Disposals	(29)	(15)	(12)	(748)	—	(804)
Balance at 31 March 1973	465	438	1,377	17,676	28	22,984
Net book value:						
At 31 March 1973	7,254	1,799	903	12,320	1,364	23,640
At 31 March 1972	6,054	1,928	841	11,555	1,622	22,000

NOTES:

- (i) Freehold land and buildings are included on the following basis:

	£000s
At cost	9,734
At valuation in 1960	696
At valuation in 1966	289
	<u>10,719</u>

Included is an amount of £504,000 relating to land and factory premises acquired by the Belgian subsidiaries and financed by secured loans (see note 13). The title to the factory premises does not vest in the companies concerned until the final instalment of the loans have been paid.

- (ii) Mining rights are included on the following basis:

	£000s
At cost	238
At valuation in 1948	1,154
	<u>1,392</u>

- (iii) Commitments for capital expenditure of subsidiaries amount to £6,045,000 (1972 – £673,000)
- (iv) Estimated capital expenditure of subsidiaries authorized but not committed amounts to £1,529,000 (1972 – £4,339,000)

10. Investments

	AT COST, LESS AMOUNTS WRITTEN OFF		MARKET VALUE OR DIRECTORS' VALUATION	
	1973 £000s	1972 £000s	1973 £000s	1972 £000s
ASSOCIATED COMPANIES				
Quoted in Great Britain	12,210	12,063	21,276	20,923
Quoted outside Great Britain	3,354	3,194	7,273	7,630
	15,564	15,257	28,549	28,553
Unquoted	18,590	17,557	21,125	19,172
	34,154	32,814	49,674	47,725
Advances	19,620	13,555	16,806	12,017
	53,774	46,369	66,480	59,742
<i>Deduct: group share of losses less retained profits (see note 12)</i>	(1973)	102		
	52,801	46,691		
OTHER				
Quoted in Great Britain	95,238	73,817	227,524	173,721
Quoted outside Great Britain	6,407	9,739	9,251	12,819
	101,655	83,556	236,775	186,540
Unquoted	24,041	20,166	20,934	26,355
	125,696	103,722	257,709	212,895
TOTAL INVESTMENTS				
Quoted in Great Britain	108,974	86,666	248,800	194,644
Quoted outside Great Britain	10,024	13,097	16,524	20,449
	118,998	99,763	265,324	215,093
Unquoted, including advances	59,599	50,650	58,865	57,544
	178,597	150,413	324,189	272,637

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) Included in other unquoted investments are shares in Anglo American Corporation Rhodesia Limited. The book value and directors' valuation at 31 March 1973 both amount to £2,989,000 (1972 – £2,985,000). Any disposal of these shares would require consent under existing exchange control regulations and no income can be remitted to the company from Rhodesia.
- (iii) Commitments and guarantees by the company and its subsidiaries in respect of subscriptions for shares and loan facilities amount to £2,457,000 (1972 – £9,043,000).
- (iv) A subsidiary company has entered into contracts for exploration expenditure to be incurred after 31 March 1973.
- (v) The greater part of the investments is of a permanent nature, but in the event of their realization at the current market values there would be a corporation tax liability on the resultant profit based approximately on the surplus of market values over book cost.
- (vi) The market value of investments includes 75 per cent (1972 – 75 per cent) of the investment currency premium where applicable, which amounts to £236,000 (1972 – £366,000).

11. Share capital

Share capital		£
Authorized : 120,000,000 shares of 25p each		30,000,000
Issued and fully paid :		
At 31 March 1972	104,781,734 shares of 25p each, fully paid	26,195,434
Issued during year as detailed in the report of the directors	6,528	1,632
	<u>104,788,262</u>	<u>26,197,066</u>
Issued partly paid :		
At 31 March 1972 and 1973	326,500 shares of 25p each, 1p paid up	3,265
At 31 March 1973		<u>26,200,331</u>

NOTES:

- (i) Under the share incentive scheme there remain 2,642,088 shares for issue partly paid to senior employees at the discretion of the directors.
- (ii) The maximum number of shares which may be issued on conversion of the company's 5 per cent convertible loan stock 1984 is 594,058.

12. Movements on reserves

	SHARE PREMIUM ACCOUNT	OTHER CAPITAL RESERVES	INVESTMENT AND EXPLORATION RESERVE	UNAPPRO- PRIATED PROFITS	ASSOCIATED COMPANIES
	£000s	£000s	£000s	£000s	£000s
GROUP					
Balances at 31 March 1972	30,581	30,811	17,455	67,215	102
Add:					
Transfer from profit and loss account £11,79,000	2	3,153	(4,375)	13,760	(861)
Transfer in respect of exploration and development expenditure carried forward			1,234	(1,234)	
Premium on shares issued by the company	25				
Reserves of subsidiaries and associated companies sold or acquired		608	(6)	157	37
Transfer between reserves			2,185	(2,185)	
Dividends paid by associated companies out of prior year profits					(151)
Balances at 31 March 1973	<u>30,608</u>	<u>34,572</u>	<u>16,493</u>	<u>77,713</u>	<u>(873)</u>
	<u>65,180</u>			<u>93,333</u>	
COMPANY					
Balances at 31 March 1972	18,587		2,963	2,024	
Add:					
Transfer from profit and loss account £1,631,000			(759)	2,390	
Premium on shares issued	25				
Balances at 31 March 1973	<u>18,612</u>		<u>2,204</u>	<u>4,414</u>	

13. Long term indebtedness

	1973 £000s	1972 £000s
Details of loans repayable over a longer period than five years		
Debtenture stocks (secured) issued by		
(i) Charter Consolidated Investments Limited		
4½ per cent first debenture stock 1978/83	500	500
4 per cent second debenture stock 1978/83	500	500
(ii) The Cape Asbestos Company Limited		
7½ per cent debenture stock 1986/89	2,000	2,000
6½ per cent debenture stock 1986/89	600	600
Unsecured loan stocks issued by		
(i) The company		
5 per cent convertible loan stock 1984	2,376	2,402
(ii) The Cape Asbestos Company Limited		
7½ per cent loan stock 1986/91	3,459	3,459
(iii) Swaziland Collieries Limited		
9½ per cent registered convertible notes of R240,000 1972/81	140	125
Bonds issued by Charter Consolidated Overseas N.V.		
(i) 6½ per cent unsecured bonds of DM118,000,000 1968/83	16,785	14,873
(ii) 7½ per cent French franc guaranteed bonds FF100,000,000 1987	8,913	—
Belgian long term loans		
Secured, repayable by annual instalments over 14 years	381	325
	<u>35,654</u>	<u>24,784</u>
Loans repayable in less than five years		
Belgian unsecured	185	222
	<u>35,839</u>	<u>25,006</u>

NOTES: (i) The company's 5 per cent convertible loan stock 1984 carries the following conversion rights:

Year of conversion	Number of shares per 100 stock
1970-74	2
1975-79	24
1980-84	23

(ii) The registered holders of the Swaziland Collieries notes have the right, during March and September in any year to 31 March 1981 to surrender the notes for conversion into shares on the basis of one Swaziland Collieries share for every R2 of nominal value so surrendered.

(iii) The DM118,000,000 6½ per cent unsecured bonds 1968/83 are quoted on the Frankfurt stock exchange.

The FF100,000,000 7½ per cent guaranteed bonds 1987 are quoted on The Stock Exchange, London.

The company has guaranteed both bonds as regards repayment of principal, including premium if any, and payment of interest.

(iv) The Belgian subsidiaries pay interest at rates determined half-yearly by the Belgian authorities, currently at rates not exceeding 7 per cent per annum on the secured loans and 2.35 per cent per annum on the unsecured loans.

14. Earnings per share

Earnings per share attributable to Charter is calculated on earnings of £12,443,000 (1972 - £13,936,000) and on 104,788,262 shares (1972 - 104,781,734 shares) as if the additional 6,528 shares issued during the financial year had been issued for the whole of the year.

15. Contingent liabilities

	1973 £000s	1972 £000s
For amounts not called on investments	1,361	409
In respect of guarantees £22,855,000 less counter-guarantees £8,571,000 (company net – £10,888,000; 1972 – £10,181,000)	10,284	13,471
In respect of underwriting participations	1,315	765
Bills receivable	—	128
As endorers of bills of exchange	7,181	—
	<u>20,026</u>	<u>14,773</u>

16. Exchange control

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

Report of the auditors to the members

In our opinion, based on our examination and on the reports of the auditors of certain subsidiaries and associated companies not audited by us, the accounts set out on pages 18 to 30 and pages 31 to 36:

(a) give, so far as concerns the members of Charter Consolidated Limited, a true and fair view of the state of affairs at 31 March 1973 and of the profit for the year ended on that date, so far as practicable having regard to the fact that the accounts of certain subsidiaries and associated companies have been made up to dates other than 31 March 1973, and

(b) comply with the Companies Acts 1948 and 1967.

COOPERS & LYBRAND
DELOITTE & CO.
Chartered accountants
London, 5 June 1973

General information

Directors' interests

The following are the interests of the directors of the company who held office on 31 March 1973, as notified to the company in terms of the Companies Act 1967:

DIRECTORS	FULLY PAID SHARES OF 25p EACH	
	1 April 1972	31 March 1973
A. Chester Beatty	287*	287*
G. A. Carey-Smith	(appointed 1 August 1972 – nil)	100
J. N. Clarke	(appointed 9 January 1973 – nil)	100*
J. E. H. Collins	100*	100*
R. H. Dent	1,155*	1,155*
H. R. Fraser	100	100
J. O. Hambro	1,131*	1,131*
	1,745	1,745
M. B. Hofmeyr	(appointed 1 October 1972 – nil)	100
N. K. Kinkead-Weekes	100	100
H. F. Oppenheimer	5,000,100†	5,000,100†
Sir Philip Oppenheimer	9,798*	9,798*
B. W. Pain	100	100
G. W. H. Relly	500*	500*
	100	100
J. G. Richardson	100*	100*
Evelyn de Rothschild	1,000*	1,000*
The Hon. H. V. Smith	1,200*	1,200*
S. Spiro	100	100
M. W. Stephenson	100	100
L. G. Stopford Sackville	4,750*	4,750*
W. D. Wilson	100	100
ALTERNATE DIRECTORS		
R. J. Armitage	nil	nil
P. C. D. Burnell	nil	nil
M. W. B. Heald	nil	nil
A. E. Oppenheimer	nil	nil
A. J. W. Owston	nil	nil

*these interests are beneficially owned; the † interests are not beneficially owned
†of which 5,000,000, being shares held by a body corporate, are notified pursuant to section 28(3) of the Companies Act 1967

Of these directors and alternate directors, the following had beneficial interests in the partly paid shares of the company issued under its share incentive scheme:

	PARTLY PAID SHARES OF 25p EACH	
	1 April 1972	31 March 1973
J. N. Clarke	7,500	7,500
N. K. Kinkead-Weekes	12,500	12,500
B. W. Pain	12,500	12,500
J. G. Richardson	10,000	10,000
L. G. Stopford Sackville	10,000	10,000
R. J. Armitage	7,500	7,500
P. C. D. Burnell	7,500	7,500
M. W. B. Heald	5,000	5,000
A. J. W. Owston	6,000	6,000

Mr R. H. Dent also had a beneficial interest in 2,300 ordinary shares of 25p each in The Cape Asbestos Company Limited, a subsidiary of the company, at 1 April 1972 and in 4,000 ordinary shares of The Cape Asbestos Company Limited at 31 March 1973.

There has been no change notified in any of the above-mentioned interests between the end of the financial year and 21 May 1973, being one month prior to the date of the notice of annual general meeting.

There were no contracts or arrangements subsisting during the financial year which require to be disclosed in terms of section 16(1)(c) of the Companies Act 1967 as interpreted by the Council of The Stock Exchange.

Substantial shareholding

Anglo American Corporation of South Africa Limited and its associated companies held an interest of 35.7 per cent in the issued share capital of the company at 21 May 1973.

Taxation

(i) Capital gains tax

The market price of the company's shares on 6 April 1965 was:

Registered shares 98.75p

Shares represented by renounceable letters of allotment 100p

Share warrants to bearer 100p

(ii) The company is not a close company within the provisions of the Income and Corporation Taxes Act 1970 and this position has not changed since the end of the financial year.

Turnover

The following is the proportion of the turnover shown in note 4 and the amount of profit attributable to each different class of business undertaken by the group's manufacturing subsidiaries.

	Proportion of turnover	Contribution to group trading profit before taxation
	(per cent)	£000s
Building and insulation products	43.6	2,297
Automotive and engineering products	27.9	514
Asbestos fibre	14.3	2,019
Railway track fastenings, mine roof bolting systems, galvanizing, etc.	4.9	492
Heating and catering equipment	6.0	237
Components (mainly for television and telecommunications industries)	2.7	142
Coal	0.6	15
	100.0	5,716

Geographical analysis of turnover

	£000s
United Kingdom	44,725
Continental Europe	9,742
North and South America	3,274
Africa and Middle East	3,724
Australasia and Far East	3,329
	<u>64,794</u>

Exports

The aggregate value of goods exported by the group's United Kingdom manufacturing subsidiaries during the year was £6,400,000.

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 9,326 during the year. The aggregate amount of the remuneration paid to such employees during the year was £17,686,000.

Political and charitable contributions

Contributions for political purposes during the year amounted to £5,000, consisting of one payment made through a subsidiary company to British United Industrialists.

Contributions for charitable purposes made by the company and its subsidiaries during the year totalled £36,744.

Express Evaluation

PRINCIPAL INTERESTS AND INVESTMENTS

	PAGE
Principal investments	34
Subsidiary companies	36
Analysis of investments and investment income	37
Interests of the company	38

Principal investments

ASSOCIATED COMPANIES

as defined in accounting policy 12 on page 19, shown by principal country of operation*

	Accounting date	Group interest in equity capital (per cent)		Accounting date	Group interest in equity capital (per cent)
Australia			South Africa		
Australian Anglo American Limited <i>Mining finance</i>	June	25	Elastic Rail Spike Company (Pty) Limited <i>Railway track fastenings</i>	Dec	40
Bermuda			Euranglo (Pty) Limited <i>Investment</i>	Dec	25
Zambian Anglo American Limited <i>Mining finance</i>	June	23.5	Switzerland		
Botswana			Anmersales S.G. <i>Marketing of metals</i>	Sep	37
Anglo American Corporation Botswana Limited <i>Mining finance</i>	Dec	25	United Kingdom		
Canada			Anglo American Sales Limited <i>Marketing of metals</i>	Sep	37
Anglo American Corporation of Canada Limited <i>Mining finance</i>	Dec	24.8	Cleveland Potash Limited <i>Potash mining</i>	Dec	37.5
Western Decalta Petroleum Limited <i>Oil and gas exploration and production</i>	Dec	37.8	Covenant Industries Limited <i>Marketing and manufacture of chemicals</i>	Sep	33.9
Malaysia			Elevators & Engineering Limited <i>Investment</i>	Dec	25
Associated Mines (Malaya) Sendirian Berhad <i>Mine management</i>	Dec	39.2			
Ayer Hitam Tin Dredging Limited Incorporated in England (In addition 17.5 per cent held by Tronoh Mines Limited) <i>Tin mining</i>	June	11.1			
Bidor Malaya Tin Sendirian Berhad <i>Tin mining</i>	Dec	39.2			
The Sungei Besi Mines Limited Incorporated in England (In addition 25.7 per cent held by Tronoh Mines Limited) <i>Tin mining</i>	Mar	7.7			
Tronoh Mines Limited Incorporated in England <i>Tin mining</i>	Dec	25.9			
Mauritania					
Société Minière de Mauritanie <i>Copper mining</i>	Dec	33.5			
Portugal					
Beralt Tin and Wolfram Limited Incorporated in England <i>Wolfram mining</i>	Dec	44.9			

*where the country of incorporation is different from the principal country of operation this is shown beneath the company name

OTHER INVESTMENTS OF 10 PER CENT OR MORE

	Group interest in equity capital (per cent)		Group interest in equity capital (per cent)
Australia			
International Pacific Corporation Limited	34.3	Pretoria Portland Cement Company Limited	10.5
<i>Merchant banking</i>		<i>Cement manufacture</i>	
Tinnabruich (Pty) Limited	37	South African Coal Estates (Witbank) Limited	10
<i>Investment</i>		<i>Coal mining</i>	
France		Union Corporation Limited	10.1
Société Minière d'Anglade	25	<i>Mining finance</i>	
<i>Scheelite mining</i>		Union Platinum Mining Company Limited	11.5
Rhodesia		<i>Platinum mining</i>	
Anglo American Corporation Rhodesia Limited	33.5	United Kingdom	
<i>Industrial finance</i>		Berger and Boschalk Limited	10
South Africa		<i>Stock jobbers</i>	
Anglo American Corporation of South Africa Limited	10	Ferranti Limited	12.7
<i>Mining finance</i>		<i>Manufacture of electrical and electronic equipment</i>	
Anglo American Investment Trust Limited	10.2	Selectra Trust Limited	32.8
<i>Diamond investments</i>		<i>Mining finance</i>	
Blyvooruitzicht Gold Mining Company Limited	10	Zaire	
<i>Gold mining</i>		Société Minière de Tenke-Fungurume	14
Harmony Gold Mining Company Limited	10	<i>Copper exploration</i>	
<i>Gold mining</i>		Zambia	
The Northern Lime Company Limited	10.5	National Milling Company Limited	24.5
<i>Lime quarrying</i>		<i>Flour milling</i>	

OTHER PRINCIPAL INVESTMENTS

France		Virginia-Merriespruit Investments (Pty) Limited	
Société Le Nickel		<i>Gold mining</i>	
<i>Mining finance and metallurgy</i>		Witbank Colliery Limited	
Italy		<i>Coal mining</i>	
Società Nazionale Sviluppo Imprese Industriali		United Kingdom	
<i>Finance and investment</i>		The Rio Tinto-Zinc Corporation Limited	
South Africa		<i>Mining finance</i>	
The Argus Printing and Publishing Company Limited		United States	
<i>Printing and publishing</i>		Engelhard Minerals & Chemicals Corporation	
De Beers Consolidated Mines Limited		<i>Processing and marketing of minerals</i>	
<i>Diamond mining</i>		Zambia	
Highveld Steel and Vanadium Corporation Limited		Zambian government loans – housing	
<i>Steel manufacture</i>		– Kariba hydro-electric scheme	
Rand Selection Corporation Limited			
<i>Mining finance</i>			

Subsidiary companies

The following are the major subsidiaries of the company, including those whose activities materially affected the profit or assets of the Charter group during the year. Except where otherwise stated, each of these companies is wholly owned and all the shares or stock held are either unclassified or classified as ordinary.

Finance and investment

	Country of incorporation/operation
Barnato (Holdings) U.K. Limited	England
The British South Africa Company*	England
The British South Africa Company Investments Limited*	England
Cecil Investments Limited	England
Central Mining Finance Limited	England
The Central Mining & Investment Corporation Limited*	England
Centramic (South Africa) Limited	South Africa
Charmay Limited	Bermuda/England
Charter Consolidated Finance Limited	England
Charter Consolidated Investments Limited*	England
Charter Consolidated (Malaysia) Sendirian Berhad	Malaysia
Charter Consolidated Overseas N.V.	Curaçao (Netherlands Antilles)

Charter European Holdings	Luxembourg
Charterlux Limited	Luxembourg
The Consolidated Mines Selection Company Limited	England
The Consolidated Mines Selection (Johannesburg) Limited	South Africa
Equinox Investments Limited	South Africa
Greenpoint Company Limited	Bermuda
Interlink Investments Limited	Canada
Katrine Company Limited	Bermuda
Shafford Holdings Limited	England

Industrial

The Cape Asbestos group	
The Cape Asbestos Company Limited (60.9 per cent)	England
(5 per cent cumulative preference shares – 100 per cent)	
Industrial and mining	
Cape Asbestos Fibres Limited (60.9 per cent)	England
Marketing of asbestos fibre	
Cape Asbestos Insulations (Pty) Limited (54.8 per cent)	South Africa
Asbestos insulation products and friction materials	
Cape Distribution Limited (60.9 per cent)	England
Distribution of automotive replacement parts	
Cape Insulation Limited (60.9 per cent)	England/Scotland
Insulation products and thermal insulation contracting	
Cape Universal Building Products Limited (60.9 per cent)	England
Asbestos cement products and other building materials	

	Country of incorporation/operation
Kismet Limited (60.9 per cent)	England
Transport service equipment	
Marinite Limited (60.9 per cent)	England
Insulation board for ship and building construction	
Small and Parkes Limited (60.9 per cent)	England
(6 per cent cumulative preference shares – 60.9 per cent)	
Automotive and industrial friction materials	
Trist, Draper Limited (60.9 per cent)	England
Automotive and industrial friction materials	
Elastic Rail Spike Company Limited	England
Railway track fastenings	
Heatrae Limited	England
Heating equipment	
Lee Green Precision Industries Limited	England
Telecommunications components	
Raytheon Industries Limited	England
Television and telecommunications components	

Mining

The Cape Asbestos group	
Cape Blue Mines (Pty) Limited (60.9 per cent)	South Africa
Blue asbestos	
Egnep (Pty) Limited (60.9 per cent)	South Africa
Amosite asbestos	

Swaziland Collieries Limited (63.4 per cent)	Swaziland
Coal	

Services

The Cape Asbestos group	
Cape Asbestos South Africa (Pty) Limited (60.9 per cent)	South Africa
Administration of Cape Asbestos group South African companies	
Anglo American International (U.K.) Limited (52 per cent)	England
Technical consultancy	
Anglo Charter International Services Limited (51 per cent)	England
Recruitment and employment services	
Anmercosa Overseas Service (U.K.) Limited (51 per cent)	England
Recruitment and employment services	
Charter Consolidated Services Limited*	England
Administration	
Charter France (50.3 per cent)	France
Administration	

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

Analysis of investments and investment income

Geographical

	INVESTMENTS		PER CENT		PER CENT OF INVESTMENT INCOME	
	1973 £000s	1972 £000s	1973	1972	1973	1972
United Kingdom	35,909	39,332	11.1	14.1	8.8	10.7
Continental Europe	5,061	7,190	1.6	6.6	2.9	5.0
North America	47,032	52,168	14.5	19.2	8.6	7.5
South Africa	148,936	99,286	45.9	36.1	44.0	40.3
Zambia	20,568	18,493	6.3	7.8	19.3	22.2
Rest of Africa	10,306	8,491	3.2	3.1	1.6	4.8
South-east Asia	6,228	4,536	1.9	1.7	4.0	1.5
Australia	50,149	43,141	15.5	15.8	10.8	8.0
	<u>324,189</u>	<u>272,637</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

By category

Mining – Finance	159,600	151,044	52.3	55.4	43.0	44.5
Diamonds	34,938	17,937	10.8	6.6	9.1	3.6
Gold	13,513	6,612	4.2	2.4	8.7	6.7
Tin and wolfram	6,653	6,773	2.0	2.5	4.0	2.8
Copper and other minerals	46,952	32,251	14.5	11.8	18.0	21.2
Industrial, commercial, and etc.	49,315	55,625	15.2	20.4	15.2	19.1
Long term loans	3,151	2,395	1.0	0.9	2.0	2.1
	<u>324,189</u>	<u>272,637</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Notes:

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

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

Interests of the company

The following are brief descriptions of some of the companies in which Charter has an important interest:

Anglo American Corporation of South Africa Limited

Anglo American Corporation of South Africa provides technical and other services to a group of mining, industrial, and investment companies. In mining, Anglo American Corporation has important interests in the production of gold and uranium, copper and nickel, coal, tin, potash, asbestos, diamonds, iron ore, platinum, lead, zinc, and wolfram. In industry, the group's interests range from steel making and heavy engineering to construction, motor vehicles, paper and textiles, chemicals, drilling tools, refractories, and foodstuffs. The group is also active in property development in southern Africa and in insurance, merchant banking, the local discount market, and computer services. The group carries out prospecting activities throughout the world.

Production by the gold mines of the Anglo American Corporation group fell to 373,600 kilograms, compared with 384,900 kilograms for the previous year. Unit costs were higher, but working profit from gold rose by 58 per cent to R250.2 million as a result of the buoyant prices on the free market.

During the year there was a merger between West Rand Investment Trust Limited (WRIT) and Orange Free State Investment Trust Limited (OFSIT). The combined company, Anglo American Gold Investment Company Limited, is the largest gold investment company in the world. Its earnings for the year to 31 December 1972 showed a substantial improvement over the combined earnings of WRIT and OFSIT for the previous year, and total dividends, at 90 cents a share, were 20 cents higher than forecast.

The group produced 1,080 tons of uranium in 1972, compared with 1,132 tons in 1971, but part of this was stockpiled owing to inadequate demand. Working profit from uranium increased from R3.2 million to R4.0 million.

The corporation's investment in the Zambian copper mining industry is held through the Bermudian company, Zambian Anglo American Limited, which owns just under 50 per cent of Zambia Copper Investments Limited.

Sales by group collieries in South Africa increased by 700,000 tons to 17.3 million tons, and working profit rose by R1.4 million to R9.6 million, largely due to the higher controlled selling price of coal and coke. Costs, however, continued to rise steeply.

In industry and commerce, the total investment of the corporation and its associated finance companies was R545 million at the end of 1972, an increase of R11.5 million over the 1971 figure. The main channel for the group's industrial investments in South Africa is Anglo American Industrial Corporation Limited (AMIC), which has continued its policy of expansion. AMIC's consolidated net profit for the year to 31 December 1972 was R10,904,000, compared with R9,462,000 in 1971. Highveld Steel and Vanadium Corporation Limited is to undertake an expansion programme of R14 million to increase production of vanadium slag and steel semis by 25 per cent.

The estimated value of the property companies administered by the corporation was over R140 million. The group's principal property vehicle, Anglo American Properties Limited, increased its profit for the year to 28 February 1972, but its profit for the year to 28 February 1973 was sharply reduced owing to lower township sales, delays in the completion of building projects, and

increased construction costs and interest charges. Construction work on the Carlton Centre complex in Johannesburg, in which the group has increased its interest to 90 per cent, is due to be completed by the end of 1973.

In November 1972 the corporation raised a loan of 50 million Swiss francs bearing interest at 5½ per cent and repayable by 1987. The proceeds were used to repay temporary loans and to provide for repayment in July 1973 of the outstanding amount of the Swiss franc loan raised in 1962.

An analysis by principal source of the corporation's investments at 31 December 1972 is shown below:

	Value per cent	Income per cent
Gold	25	31
Diamonds	26	19
Copper	5	14
Coal	2	3
Platinum	4	3
Other mining	6	4
Industrial	21	14
Finance	8	10
Property	3	2
	100	100

FEATURES OF THE ACCOUNTS

Year ended 31 December	1972 R000s	1971 R000s
Issued share capital in 129,858,200 ordinary shares of 10 cents each and R4,758,750 6 per cent cumulative preferred stock	17,745	17,741
Loan capital	58,754	36,288
Capital reserves and share premium	69,248	68,481
Revenue reserves	231,970	210,881
Group profit before taxation	54,527	46,563
Taxation	4,409	1,796
Group profit after taxation and minorities	45,665	41,256
Earnings per ordinary share	34.9 cents	31.5 cents
Dividends - amount	24,960	22,355
- per ordinary share	19 cents	17 cents
Market value of quoted investments	1,162,757	840,942
Book value of unquoted investments	99,337	86,436
Net assets - value	1,058,400	749,900
- per ordinary share	R8.15	R5.74

Anglo American Corporation Botswana Limited

The company (AMBOT) holds the interests of Charter, Anglo American Corporation, and certain associated companies in Botswana.

AMBOT has an indirect interest of approximately 18 per cent in Botswana RST Limited, which in turn holds 85 per cent of the equity of Bamangwato Concessions Limited. That company is developing a nickel/copper mine at Selebi-Pikwe in Botswana, where production is expected to begin in 1974.

AMBOT also has an 80 per cent holding in Morupule Colliery (Proprietary) Limited, which is developing a coal mine near Palapye in Botswana. Production is expected to start in mid-1973. Morupule has an agreement with Botswana Power Corporation to supply coal to the power station at Selebi-Pikwe and will also supply coal direct to the Selebi-Pikwe mine.

FEATURES OF THE ACCOUNTS

<i>Year ended 31 December</i>	<i>1972</i>	<i>1971</i>
	<i>R000s</i>	<i>R000s</i>
Issued share capital in shares of R1 each	200	50
Share premium	5,568	—
Revenue reserves	88	77
Consolidated profit before taxation	16	25
Taxation	5	9
Consolidated profit after taxation	11	16

Anglo American Corporation of Canada Limited

The company (AMCAN), which is a member of the Anglo American Corporation group, was established in 1966 to consolidate the bulk of the Canadian assets of the Charter, Anglo American Corporation, and De Beers groups. These include both direct and indirect investments in copper, zinc, cadmium, gold, silver, potash, and uranium mining, chemicals, crude oil and natural gas production, road, rail, and sea transportation, land development, and prospecting operations.

AMCAN's chief investment is its 28 per cent holding in Hudson Bay Mining and Smelting Co. Limited, and increased dividend payments by that company and by Great Northern Capital Corporation Limited were the major factor in an increase in dividend income of 59 per cent. Profit on the sale of investments also increased by nearly 23 per cent in spite of a provision for loss on unquoted securities of C\$1,057,000.

At 31 December 1972 AMCAN's principal investments were as follows:

	<i>No. of shares</i>	<i>Percentage</i>
Hudson Bay Mining and Smelting Co. Limited	2,700,671	27.99
Francana Development Corporation Limited	400,000	40.00
Agnew Lake Mines Limited	100,001	10.00
The White Pass and Yukon Corporation Limited	14,985	26.22
Great Northern Capital Corporation Limited	1,133,470	33.26

Since the end of its financial year, the company has disposed of its holdings in Great Northern Capital Corporation and The White Pass and Yukon Corporation.

FEATURES OF THE ACCOUNTS

<i>Year ended 31 December</i>	<i>1972</i>	<i>1971</i>
	<i>C\$000s</i>	<i>C\$000s</i>
Issued capital stock in 8,429,545 shares of no par value	86,085	86,085
Revenue reserves	10,827	9,342
Income before taxation and gain on realization of investments	3,258	1,223

<i>Year ended 31 December</i>	<i>1972</i>	<i>1971</i>
	<i>C\$000s</i>	<i>C\$000s</i>
Provision for taxation	55	50
Gain on realization of investments	2,459	1,141
Provision for losses on unquoted securities	(1,057)	—
Net income	4,605	2,314
Earnings per share	4.6 cents	27.4 cents
Dividends – amount	2,529	2,529
– per share	30 cents	30 cents
Market value of quoted investments	81,740	75,279
Book cost of unquoted investments less amounts written off	14,445	14,499
Net assets – value	84,458	83,269
– per share	C\$10.02	C\$9.88

Anglo American Investment Trust Limited

The company, which is a member of the Anglo American Corporation group, is an investment company with shareholdings in De Beers Consolidated Mines Limited and certain diamond trading companies.

De Beers Consolidated Mines, in which Anglo American Investment Trust has a direct interest of approximately 26 per cent, operates at Kimberley the De Beers and Wesselton mines, which it owns, and the Dutoitspan mine which (like the Bultfontein mine) it leases from a subsidiary company. It also operates the Finsch mine north-west of Kimberley and the Koffiefontein mine in the Orange Free State. In Namaqualand it is concentrating its mining operations on the farm Annex Kleinsee.

The De Beers company's mining subsidiaries are The Consolidated Diamond Mines of South West Africa Limited, which operates the opencast workings along the southern portion of the coast of South West Africa; Premier (Transvaal) Diamond Mining Company Limited, which operates the Premier mine near Pretoria in the Transvaal; and De Beers Botswana Mining Company (Proprietary) Limited, which operates the new Orapa mine in Botswana.

Other subsidiaries include The Diamond Corporation (Proprietary) Limited, which purchases diamonds, and The Diamond Purchasing and Trading Company (Proprietary) Limited and The Diamond Trading Company Limited, which market gem and near-gem diamonds. De Beers also has 50 per cent interests in companies manufacturing synthetic diamonds in South Africa and Ireland.

Sales of gem and industrial diamonds through the De Beers Central Selling Organisation in 1972 totalled R655 million, an increase of 47 per cent and a new record. The higher sales reflected improved economic conditions and price increases. The consolidated profit attributable to De Beers for 1972 at R163,041,000 was 59 per cent higher than last year and also constituted a record. The dividend was increased from 15 cents to 18 cents per share. Diamond sales for the first half of this year are expected to be considerably higher than in the same period of 1972.

Through its 48.25 per cent direct and indirect interest in Rand Selection Corporation Limited, and through its subsidiaries De Beers Holdings Limited and De Beers Industrial Corporation Limited, De Beers has large interests in the mining of gold, copper, platinum, coal, and other minerals, and in a number of industrial, finance, and property companies.

FEATURES OF THE ACCOUNTS

Year ended 31 December	1972 R000s	1971 R000s
Issued share capital in 10,000,000 ordinary shares of 50 cents each and 2,500,000 6 per cent cumulative preference shares of R2 each	10,000	10,000
Revenue reserves	26,120	25,212
Profit before taxation	20,377	16,997
Taxation	169	146
Profit after taxation	20,208	16,851
Earnings per ordinary share	199 cents	165 cents
Dividends - amount	19,300	16,300
- per ordinary share	190 cents	160 cents
Market value of quoted investments	638,536	432,119
Book cost of unquoted investments	2,742	2,742
Net assets - value	638,100	430,800
- per ordinary share	R63.31	R42.58

Australian Anglo American Limited

The company, which was formed in 1971, is a member of the Anglo American Corporation group, and its principal activity is as a holding company for a group of companies seeking investment opportunities, particularly in mining, and engaged in the year for mineral deposits.

Exploration programmes are being conducted in New South Wales, Queensland, South Australia, Tasmania, Western Australia, the Northern Territory, and the territory of Papua New Guinea.

FEATURES OF THE ACCOUNTS

Year ended 30 June 1972	1972 A\$000s
Issued share capital in ordinary shares of 50 cents each	18,000
Share premium	2,970
Consolidated net profit after writing off preliminary expenses	540

Beralt Tin and Wolfram Limited

The principal activity of the company is the mining in Portugal and subsequent treatment of ore to produce wolfram concentrates and small quantities of tin and copper concentrates.

The market price of wolfram was below the cost of production throughout 1973 and the company continued its policy of stock-piling. Since the end of the year there has been some recovery in the wolfram price and every effort is being made to reduce unit costs. The management, however, have adequate funds to carry on production until the early part of 1974 even if no further sales are achieved.

FEATURES OF THE ACCOUNTS

Year ended 31 December	1972 £000s	1971 £000s
Issued share capital in ordinary shares of 25p each	*662	662
Revenue reserves	467	681
Loss before taxation	648	593 (profit)
Taxation recoverable	80	(226)

Year ended 31 December

	1972 £000s	1971 £000s
Extraordinary items	323	(89)
Loss after taxation recoverable and extraordinary items	245	278 (profit)
Dividends	nil	nil

*increased to £2,869,000 following rights issue in March 1973

Blyvooruitzicht Gold Mining Company Limited

The company is a member of the Barlow Rand group operating a gold mine on the far west Witwatersrand which produces uranium oxide as a by-product.

There was a marked increase in gold mining revenue from R32,250,000 to R36,700,000 due to the higher free market price of gold and in spite of a rise in working costs, profit after taxation and lease payments increased by R1,735,000.

The dividend for the half-year to 31 December 1972 was increased to 15 cents, compared with 14 cents for the half-year to 30 June 1972.

FEATURES OF THE ACCOUNTS

Year ended 30 June	1972 R000s	1971 R000s
Issued share capital in shares of 25 cents each	6,000	6,000
Loan capital (unsecured redeemable debenture repayable 1974)	*2,000	3,000
Capital reserves and share premium	64,244	60,535
Revenue reserves	532	476
Yield per metric ton	18.94 grams	19.53 grams
Profit before taxation	18,923	15,036
Taxation and lease payments	8,975	6,823
Profit after taxation and lease payments	9,948	8,213
Dividends - amount	6,240	5,760
- per share	26 cents	24 cents

*loan repaid on 29 December 1972

The Cape Asbestos Company Limited

The Cape Asbestos group manufactures building and insulation products, friction materials, and light engineering products; undertakes insulation contracting; and distributes replacement parts for the automotive industry. It also mines asbestos fibre in South Africa.

Earnings were considerably higher in 1972, due to an increase in turnover from £50,163,000 to £55,603,000 and improved efficiencies in most United Kingdom factories. Trading profit increased from £3,725,000 to £4,750,000.

The main contribution to the increased profit was made by the building and insulation products division, with a substantial advance in sales and profits at Cape Universal Building Products Limited, the largest company in the Cape group.

The automotive and engineering products division had a difficult year. Competition was keen, and profits were reduced.

The mining division increased its earnings, partly as a result of favourable currency changes.

FEATURES OF THE ACCOUNTS

Year ended 31 December	1972 £000s	1971 £000s
Issued share capital in 17,545,706 ordinary shares of 25p each and 250,000 5 per cent cumulative preference shares of £1 each	4,636	4,573
Loan capital (6½ per cent and 7½ per cent debenture stock and 7½ per cent unsecured loan stock)	6,059	6,059
Capital and revenue reserves (including share premium)	14,179	12,201
Consolidated profit before taxation	4,141	3,098
Taxation	1,512	1,269
Profit after taxation	2,629	1,829
Earnings per ordinary share	14.6p	10.8p
Dividends (ordinary) – amount	1,098	1,298
– per share	*6.2625p	7.5p

*equivalent to 7.875p including tax credit relating to final dividend

Covenant Industries Limited

The company, which is owned jointly by Charter and associates and Imperial Chemical Industries Limited, has manufacturing and trading interests – chemicals, agricultural chemicals, explosives, dyes, paints, plastics, organic fibres, and pharmaceuticals – mainly in Kenya, Nigeria, Tanzania, and Zambia.

The loss in 1972 was caused by bad debts and stock losses in Nigeria. The preliminary results for the six months to 31 March 1973 show that the Nigerian companies are now trading at a profit.

FEATURES OF THE ACCOUNTS

Year ended 30 September	1972 £000s	1971 £000s
Issued share capital in 91,824 ordinary shares of £1 each	92	92
Shareholders' loans	518	750
Reserves	1,115	2,173
Loss before taxation	243	632 (profit)
Taxation	108	427
Loss after taxation and exceptional items	351	205 (profit)

Elevators & Engineering Limited

During the year the company discontinued its lift business by disposing of its subsidiary, Hammond & Champness Limited. The proceeds of the sale have been placed on deposit while the board examines proposals to invest the funds in suitable property investments and developments.

FEATURES OF THE ACCOUNTS

Year ended 31 December	1972 £000s	1971 £000s
Issued share capital in 2,400,000 ordinary shares of 50p each and 268,855 7 per cent cumulative preference shares of £1 each	1,469	1,469
Revenue reserves	416	446

Year ended 31 December	1972 £000s	1971 £000s
Profit before taxation	87	175
Taxation	37	8
Profit after taxation	50	167
Extraordinary items	(9)	55
Dividends – amount	61	79
– per ordinary share	*1.75p	2.5p

*equivalent to 5p including tax credit

Engelhard Minerals & Chemicals Corporation

Engelhard Minerals & Chemicals Corporation operates on a world-wide basis with headquarters and principal manufacturing plants in the United States, and with its principal non-US operations in continental Europe, the United Kingdom, Canada, Japan, and Australia.

Operations consist of the international marketing of ores, minerals, and metals, conducted by the Philipp Brothers division; mining of non-metallic minerals, carried on by the Minerals & Chemicals division; and refining and manufacturing of precious metals, by the Engelhard Industries division.

Earnings recovered sharply in 1972 from the depressed 1971 results, and reached a record level for the eleventh time in the past twelve years, resuming the progress interrupted the previous year. In November 1972 the company issued \$50 million of 5½ per cent convertible subordinated debentures due 1997.

FEATURES OF THE ACCOUNTS

Year ended 31 December	1972 \$000s	1971 \$000s
Issued share capital in 26,841,324 shares of \$1 each of common stock and 605,420 shares of convertible preferred stock	30,583	30,383
Loan capital	117,736	77,209
Share premium	47,664	44,672
Revenue reserves	201,088	177,739
Earnings before taxes and extraordinary charges	49,454	34,237
Taxation	12,832	3,029
Earnings before extraordinary charges	36,622	31,208
Extraordinary charges net of taxes on income	–	3,139
Net earnings – amount	36,622	28,069
– per share	128 cents	97 cents
Dividends – amount	13,283	13,282
– per share on common stock	40 cents	40 cents

Ferranti Limited

The company and its subsidiaries develop and manufacture electrical, electronic, and precision mechanical engineering products.

There was a moderate increase in output during the year, with further growth in computer systems business, but ordering in the transformer field continued to be at a low level. The trading surplus increased by £1,532,000 after a charge of £1,002,000 for losses to completion on certain overseas contracts in addition to the

provision made in 1971. Bank overdrafts were reduced by £6 million. Increasing wage demands are sharply affecting costs, and prices are expected to rise.

FEATURES OF THE ACCOUNTS

<i>Year ended 31 March</i>	<i>1972</i>	<i>1971</i>
	<i>£000s</i>	<i>£000s</i>
Issued share capital in 4,000,000 units of ordinary stock of 50p each and 2,500,000 units of preference stock of £1 each	4,500	4,500
Capital reserves	1,225	1,347
Revenue reserves	13,534	12,974
Consolidated profit before taxation (after allowing for share of loss of associated company)	1,176	935 (loss)
Taxation	463	337 (recoverable)
Consolidated profit after taxation and exceptional items	915	463 (loss)
Dividends (ordinary) – amount	240	240
– per share	6p	6p

Harmony Gold Mining Company Limited

The company is a member of the Barlow Rand group operating a gold mine in the Orange Free State, which produces as by-products silver, osmiridium, uranium oxide, pyrite, and sulphuric acid.

At 3,487,000 metric tons the tonnage milled during the year to 30 June 1972 was again a record, although gold production decreased marginally to 33,581 kilograms. Working expenditure was contained in spite of upward pressure on costs of labour and materials. The company benefited from the unprecedented rise in the free market price of gold, and the working profit from gold more than doubled.

Harmony has a large indirect interest in two neighbouring mining companies, Merriespruit (Orange Free State) Gold Mining Company Limited and Virginia Orange Free State Gold Mining Company Limited, which it proposes to acquire by means of Schemes of Arrangement which, if sanctioned, will take effect on 18 June 1973.

FEATURES OF THE ACCOUNTS

<i>Year ended 30 June</i>	<i>1972</i>	<i>1971</i>
	<i>R000s</i>	<i>R000s</i>
Issued share capital in shares of 50 cents each	9,000	9,000
Capital reserves and share premium	65,013	63,580
Revenue reserves	9,378	7,427
Yield per metric ton	9.63 grams	10.22 grams
Profit before taxation	8,997	5,241
Taxation and share payments	3,621	1,235
Profit after taxation and share payments	5,376	4,006
Dividends – amount	3,240	2,880
– per share	18 cents	16 cents

Highveld Steel and Vanadium Corporation Limited

Highveld Steel and Vanadium Corporation, a member of the Anglo American Corporation group, owns and operates an iron, steel, and vanadium complex at Witbank in the Transvaal.

Considerable progress was made in solving the technical problems in the iron plant, where production in the last six months of the financial year to 30 June 1972 was 27 per cent higher than in the first six months. However, in spite of the higher production levels throughout the Highveld steelworks, conditions in the world markets for both steel and vanadium led to a drop in revenue from R42,623,000 to R37,054,000. The loss for the first half of the year of R1,859,000 was partly offset by a profit in the second half of R224,000.

There was an unaudited net profit for the half-year to 31 December 1972 of R3,480,000, and in spite of substantial increases in wages and rail tariffs it is expected that this level of profit will be maintained in the second half of the year. However, it will be more difficult to achieve this in view of the new dollar/rand parity and the inevitable delay in adjusting prices to allow for this.

FEATURES OF THE ACCOUNTS

<i>Year ended 30 June</i>	<i>1972</i>	<i>1971</i>
	<i>R000s</i>	<i>R000s</i>
Issued share capital in 56,324,370 shares of R1 each	56,324	56,301
Loan capital	44,027	44,027
Share premium	977	976
Consolidated loss after depreciation and interest charges	1,635	2,125 (profit)
Accumulated loss carried forward	15,584	13,949

The Northern Lime Company Limited

The company is a member of the Barlow Rand group and operates three lime works at Lime Acres and Taung in the northern Cape and Marble Hall in the northern Transvaal. The new no. 5 rotary kiln at Lime Acres, one of the largest in the world, is operating well after correction of some teething problems.

Demand for lime and limestone by the iron and steel industry continued to grow and there was a good increase in sales of lime for stabilizing soils, but demand for lime for uranium and ferro-alloys did not expand and as a result the overall improvement in sales was less than had been expected. Costs of plant, machinery, and essential stores continue to rise but are being countered by economies and greater efficiency.

In September 1971 the company raised a medium term Eurodollar loan equivalent to R2 million to finance the expansion of the plant. An amount of R235,000 has been provided in the accounts to meet the possibility of a currency loss on repayment.

FEATURES OF THE ACCOUNTS

<i>Year ended 30 June</i>	<i>1972</i>	<i>1971</i>
	<i>R000s</i>	<i>R000s</i>
Issued share capital in 1,860,485 shares of R2 each	3,721	3,721
Share premium	607	607
Revenue reserves	3,572	3,444
Profit before taxation	1,580	1,674
Taxation	540	670
Profit after taxation	1,040	1,004
Dividends – amount	484	484
– per share	26 cents	26 cents

Pretoria Portland Cement Company Limited

The company is a member of the Barlow Rand group manufacturing cement in the Transvaal. Its wholly owned subsidiary Eastern Province Cement Company Limited owns a cement factory at Port Elizabeth.

The volume of sales during 1972 showed an overall improvement over the previous year of nine per cent, almost entirely due to increased sales of clinker which, however, yields a profit margin lower than cement. There was accordingly a slight decline in trading profit.

The new Jupiter kiln and cement mill, and the new cement mill at Hercules, are operating satisfactorily.

FEATURES OF THE ACCOUNTS

Year ended 30 June	1972 R000s	1971 R000s
Issued share capital in shares of R2 each	23,591	23,591
Capital reserves	2,300	2,300
Revenue reserves	19,130	15,505
Group profit before taxation	6,757	6,827
Taxation	2,987	2,824
Group profit after taxation	3,770	4,003
Dividends – amount	1,770	1,740
– per share	15 cents	14.75 cents

Rand Selection Corporation Limited

The company, a member of the Anglo American Corporation group, is a financial and investment company with shareholdings in finance, gold, diamond, copper, and other base metals, coal, platinum, industrial, and land and estate companies.

During the year to 30 September 1972 the company's investment income increased by five per cent to R25,777,000, but this increase was largely offset by a decline in the surplus on realization of investments. The majority of the year's new investments stem from the agreement giving the company the right to participate to the extent of 50 per cent net in the new business undertaken by Anglo American Corporation of South Africa Limited.

The rise in share prices on The Johannesburg Stock Exchange particularly affected the gold, diamond, and mining finance sectors. The market value of the company's quoted securities was therefore substantially higher in 1972.

An analysis by value of the investments of the company and its subsidiaries at 30 September 1972 is shown below:

	R000s	per cent
Finance	231,277	32.42
Diamonds	106,482	14.92
Investment – gold mining	107,717	15.10
Gold mines	108,908	15.27
Companies principally interested in copper and other base metals	28,196	3.95
Platinum	8,460	1.19
Coal	14,639	2.05
Industrial	88,084	12.34
Land, estate, and sundry	19,701	2.76
	<u>713,464</u>	<u>100.00</u>

FEATURES OF THE ACCOUNTS

Year ended 30 September	1972 R000s	1971 R000s
Issued share capital in shares of 50 cents each	17,011	17,018
Loan capital	65,110	59,507
Capital reserves and share premium	11,702	106,528
Revenue reserves	69,442	62,990
Group profit before taxation	11,308	21,634
Taxation	394	397
Group profit after taxation and minorities	21,732	21,040
Earnings per share	63.8 cents	61.8 cents
Dividends – amount	15,318	14,465
– per share	45 cents	42.5 cents
Market value of quoted investments*	656,119	364,650
Book value of unquoted investments	57,345	47,832
Net assets – value per share	665,800 R19.56	379,100 R11.14

*the company's share in the interest in Charter Consolidated Limited held through Riochar Holdings Limited, an unquoted company, has been included in quoted investments

The Rio Tinto-Zinc Corporation Limited

The Rio Tinto-Zinc Corporation Limited (RTZ) and subsidiaries are a British-based international group of mining and industrial companies with interests in almost every major metal and fuel. In addition to developing its original activities in aluminium, copper, lead, uranium, and zinc, the group has diversified considerably and now has major interests in aluminium products, borax, hydro-electric power development, iron ore, specialty steels, and tin smelting.

At the end of 1972, the group's interests in Australia and New Zealand represented 64.6 per cent of its total assets, compared with 55.1 per cent in the previous year. These interests are mainly held through Conzinc Riotinto of Australia Limited (CRA), which is 80.6 per cent held by RTZ. Total shipments of iron ore during 1972 by Hamersley Iron Pty Limited (54 per cent owned by CRA) increased over the previous year despite reduced Japanese requirements. RTZ's principal aluminium interests in Australia and New Zealand are controlled by Comalco Limited, a public company 45 per cent owned by CRA. During the year bauxite production facilities at Weipa, Queensland, were expanded to an annual capacity of 10.7 million metric tons, while shipments totalled 7 million metric tons compared with 7.5 million metric tons in the previous year, reflecting the world over-supply of aluminium. Bougainville Copper Pty Limited (RTZ's beneficial interest 42.4 per cent) completed construction of key mining and ancillary facilities at Bougainville, New Guinea, within the budget of A\$400 million, and commercial production of copper concentrate began in April 1972, three months ahead of schedule.

The group interests in Canada and the United States represented 17.9 per cent of the group total assets (1971 – 18.5 per cent). These interests, other than RTZ Pillar Limited's publicly-quoted Canadian subsidiary Indal Canada Limited, are held and managed

by three companies: Rio Algom Mines Limited (51.2 per cent owned), with interests in uranium, copper, and the production of stainless and specialty steels; Brinco Limited (42.4 per cent owned), which is concerned with the development of the hydro-electric power scheme on the upper Churchill river and conducting exploration; and United States Borax & Chemical Corporation (a wholly owned subsidiary), principally engaged in the mining and processing of borax and potash.

In southern Africa Palabora Mining Company Limited (39 per cent owned) achieved a higher volume of sales and, in spite of the lower world copper price, revenue and profit increased.

In the United Kingdom the RTZ Pillar group substantially increased its profit during 1972, sales of aluminium benefiting from the high level of activity in the construction industry. The zinc and lead smelting operations at Avonmouth were transferred to a United Kingdom subsidiary of Australian Mining and Smelting Company Limited, the holding company for the RTZ group's lead and zinc interests in Australia.

RTZ has extensive interests in the United Kingdom sector of the North Sea through its membership of the Hamilton Brothers group, including a 25 per cent interest in the discovery made on the Argyll field, where oil production is due to commence in early 1974.

FEATURES OF THE ACCOUNTS

Year ended 31 December	1972 £000s	1971 £000s
Issued share capital in 219,494,818 ordinary shares of 25p each and $\frac{4}{3}$ per cent and 5 per cent cumulative preference shares of £1 each	65,700	65,600
Loan capital	226,700	222,100
Capital reserves and share premium	138,200	119,900
Revenue reserves (including investment grants)	135,700	106,900
Group profit before taxation	9,000	68,000
Taxation	35,200	28,300
Group net profit attributable to RTZ shareholders	29,500	19,000
Earnings per ordinary share	13.23p	8.45p
Dividends - amount	11,500	13,700
- per ordinary share	*5p	6p

*equivalent to 6.3p including tax credit relating to final ordinary dividend

Selection Trust Limited

Selection Trust is a British mining finance house with interests throughout the world in a wide range of metals and minerals. It also seeks additional interests by conducting its own mineral exploration programmes and by participating in the development of mining properties and allied businesses controlled by others.

Major exploration programmes are in progress in Australia, North America, and South Africa, and limited programmes were also conducted in the United Kingdom and the Republic of Ireland. Consolidated African Selection Trust Limited (CAST) has the right to a participation in all exploration ventures.

The significant occurrence of nickeliferous sulphides in the Agnew area of Western Australia announced in June 1971 led to an intensive programme of drilling, which showed two nickel-bearing shoots. The total tonnage indicated so far in these two shoots is 33 million tonnes having an average grade of about 2 per cent nickel, taking a cut-off grade of 1 per cent, and drilling is continuing.

The company and its 40 per cent partner, CAST, are being reimbursed sums totalling approximately £1.7 million in respect of the work carried out on the Salsburgh copper project, in which they relinquished their rights in April 1971.

Selection Trust's principal investments are in American Metal Climax Inc. (AMAX), CAST, Tsumeb Corporation Limited, and Western Mining Corporation Limited; it also has an interest in the Mount Newman iron ore project and in Southvaal Holdings Limited.

The company owns 11.8 per cent of AMAX, a major natural resource company concerned with the production of a wide variety of metals and minerals with world-wide interests. Sales and earnings of AMAX in its financial year to 31 December 1971 were affected by reduction in demand, weak metal prices, and strikes in the steel and copper industries. Nevertheless, reduced earnings in some fields were partly offset by increased earnings in others. Dividends received by the company from AMAX during the year to 31 March 1972 totalled \$1.40 per AMAX share, the same as for the previous year.

In addition to participating with Selection Trust in exploration, the main interest of CAST (some 37 per cent owned by Selection Trust) is in diamond mining in Sierra Leone and Ghana. In the financial year ended 30 June 1971 CAST's earnings reflected the first full year of operations following the acquisition of its mining business in Sierra Leone by National Diamond Mining Company (Sierra Leone) Limited. In December 1972 the Ghana government promulgated a decree establishing in Ghana a new company, owned as to 55 per cent by the government and 45 per cent by CAST, to which CAST's assets in Ghana have been transferred. The consolidated net profit of CAST for 1970-71 was slightly down on the adjusted figure for the previous year, and the dividend received from CAST by Selection Trust during its own financial year to 31 March 1972 was 5p, compared with 7½p in the previous year.

Tsumeb Corporation, in which Selection Trust has a 14.25 per cent direct interest and an indirect interest in a further 29.13 per cent held by AMAX, operates base metal mines in South West Africa.

The primary business of Western Mining Corporation, in which Selection Trust has a 9.4 per cent interest, is the operation of a nickel mine at Kambalda in Western Australia and a nickel refinery at Kwinana; it also carries out extensive exploration programmes. In January 1972, Western Mining Corporation announced that scout drilling near Yeelirrie in Western Australia had intersected uranium mineralization over an extensive area and that information available from a limited and more closely tested area indicated a large tonnage mineable by open cut methods at a grade in the vicinity of 3 lb. of uranium oxide per long ton.

The Mount Newman iron ore project in the Pilbara region of Western Australia is a joint venture in which Selection Trust has

an interest of 5 per cent and an indirect interest through the 25 per cent participation in the project held by AMAX. During the year to 31 March 1972, sales of iron ore rose to 18.8 million tons compared with 12.7 million tons in the previous year. Net revenue after depreciation derived by Selection Trust from its 5 per cent participation amounted to £1,320,000, compared with £915,000 in the previous financial year.

The net operating profit of Selco Mining Corporation Limited from its South Bay mine in north-western Ontario was C\$2,106,000, but after allowing for depreciation and depletion there was a loss of C\$1,063,000.

FEATURES OF THE ACCOUNTS

Year ended 31 March	1972 £000s	1971 £000s
Issued share capital in 20,401,047 ordinary shares of 25p each	5,100	5,089
Capital reserves and share premium	20,345	19,819
Revenue reserves	7,006	7,799
Consolidated profit before taxation	5,438	7,792
Taxation	1,286	2,088
Consolidated profit after taxation and deduction of minority interests	4,441	5,680
Dividends – amount	3,672	3,664
– per share	18p	18p
Charged against reserve for exploration expenditure and depreciation of investments	1,613	2,752
Net assets – at book value	32,451	32,707
– at market value or directors' valuation	102,736	120,641
Net asset value per share	£5.04	£5.91

*based on issued capital at 31 March 1971

Société Minière de Mauritanie

Société Minière de Mauritanie (SOMIMA) operates a copper mine at Akjoujt, Mauritania, in which Charter Associates, International Finance Corporation, and a number of French interests are in partnership with the Mauritanian government. The mine has suffered severe technical difficulties and production targets have not been achieved.

FEATURES OF THE ACCOUNTS

Year ended 31 December	1972 \$000s	1971 \$000s
Issued share capital in 200,000 shares of 10,000 CFA francs each	7,812	7,672
First shareholders' loans (Charter's proportion 23.3 per cent)	14,701	14,477
Second shareholders' loans (Charter's proportion 75 per cent)	10,000	—
Other loans – long and medium term	53,360	51,643
– short term	1,600	8,917
Loss for year	15,152	15,419
Accumulated loss to date	30,854	15,419

*issued share capital increased in terms of dollars, and loss brought forward from 1971 increased to \$15,702,000, owing to change in exchange rate between \$ and CFA franc

South African Coal Estates (Witbank) Limited

The company is a member of the Anglo American Corporation group and operates two collieries in the Witbank district of the Transvaal. The Landau no. 3 colliery produces mainly steam coal, and the Navigation and Landau no. 3 collieries produce blend coking coal.

There was an increase in the permitted maximum selling price of coal from February 1972 and a new principle of grading was introduced. Because of the relatively high grade of the company's product, the price increase averaged approximately 30 cents a ton for steam coal.

An increase in production of blend coking coal, together with the higher steam coal price, improved the gross profit on coal mining from R701,000 to R833,000, but higher interest charges and expenditure on development of the company's export business resulted in a slightly lower profit before taxation.

The new washery installed by the company to supply some 5.4 million tons of low ash coal to Japanese steel mills was completed within the budgeted cost of R2,850,000.

FEATURES OF THE ACCOUNTS

Year ended 30 June	1972 R000s	1971 R000s
Issued share capital in shares of R2 each	2,000	2,000
Revenue reserves	4,909	4,758
Profit before taxation	562	569
Taxation	11	146
Profit after taxation	551	423
Dividends – amount	400	400
– per share	40 cents	40 cents

Tronoh Mines Limited group

Tronoh Mines and its subsidiaries, Bidor Malaya Tin Sendirian Berhad and Southern Tronoh Tin Dredging Limited, operate tin mines in Malaysia. Production for the year to 31 December 1972 was 3,235 metric tons of tin concentrate, compared with 3,512 metric tons for 1971.

Associated companies are Ayer Hitam Tin Dredging Limited and The Sungei Besi Mines Limited in Malaysia, and Aokam Tin Berhad in Thailand, all of which are tin mining companies.

With Charter and two United States companies, Tronoh is examining areas discovered by prospecting off the west coast of Thailand, and investigation into the design of dredging equipment suitable for working in monsoon conditions continues.

FEATURES OF THE ACCOUNTS

Year ended 31 December	1972 £000s	1971 £000s
Issued share capital in 10,315,785 shares of 25p each	2,579	2,579
Capital reserves and share premium	1,709	1,515
Revenue reserves	2,068	1,661
Group profit before taxation	1,179	1,560
Taxation	336	674

Year ended 31 December	1972 £000s	1971 £000s
Group profit after taxation, minority interest, and extraordinary item	759	742
Dividends – amount	354	438
– per share	*3.425p	4.25p
<i>*equivalent to 4.25p including tax credit relating to second interim dividend</i>		

Union Corporation Limited

Union Corporation is a mining finance company whose main interests are in the South African gold mining industry and in the mining and refining in South Africa of platinum, nickel, and copper. The interests of the corporation also include property; paper, packaging, and printing; civil engineering and road construction; and coastal shipping. It administers two investment companies in South Africa with mining finance and industrial portfolios.

Total gold production by the seven gold mines within the group decreased to 103,529 kilograms in 1972, compared with 115,401 kilograms in 1971, owing to the lower grade worked. As a result of the higher gold price, the revenue earned by these mines increased from R107,458,000 to R132,323,000.

The directors' valuation of the investment in Impala Platinum at 31 December 1972 was R98,173,000, but based on the market quotation of a company whose sole asset is a shareholding in Impala the corporation's direct holding in Impala had a value at 30 March 1973 of R116,529,000. Impala, the second largest producer of platinum in the western world, announced an unaudited profit for the half-year to 31 December 1972 of R12,660,000.

The corporation has other important investments in South African Pulp and Paper Industries, which supply more than half of South Africa's paper requirements, and Capital & Counties Property Company, one of the leading property companies in the United Kingdom with properties valued at the end of March 1972 at £140 million.

During the year Bay Hall Trust became a wholly owned subsidiary, and the corporation thereby increased its direct interest in Capital & Counties Property Company to 23 per cent. In November 1972 a consortium of which the corporation was a member acquired a controlling interest in Clifton Paper Corporation, a major tissue producer.

There was a marked rise in the corporation's dividend income from R13,200,000 in 1971 to R18,569,000 in 1972, and profit from realization of investments increased by R2,861,000 to R5,989,000.

FEATURES OF THE ACCOUNTS

Year ended 31 December	1972 R000s	1971 R000s
Issued share capital in ordinary shares of 6.25 cents each	3,631	3,125
Loan capital (6½ per cent registered unsecured notes 1974/83)	4,000	4,000
Capital reserves and share premium	85,459	41,368
Revenue reserves	72,342	64,633

Year ended 31 December	1972 R000s	1971 R000s
Consolidated profit before taxation	22,710	14,734
Taxation	1,756	116
Consolidated profit after taxation	20,954	14,618
Earnings per share	36 cents	29 cents
Dividends – amount	9,877	6,500
– per share	17 cents	13 cents
Market value of quoted investments	247,658	156,435
Directors' valuation of unquoted investments	131,189	40,946
Net assets – value	394,460	193,133
– per share	679 cents	386 cents

Union Platinum Mining Company Limited

The company is administered by Johannesburg Consolidated Investment Company Limited. Its revenue is derived principally from its investment in Rustenburg Platinum Mines Limited, which in November 1972 increased its share capital in order to acquire the platinum assets of the Rand Mines–Anglo American–General Mining platinum consortium.

FEATURES OF THE ACCOUNTS

Year ended 31 October	1972 R000s	1971 R000s
Issued share capital in shares of 10 cents each	*1,650	1,650
Capital reserves and share premium	768	768
Revenue reserves	23	109
Profit before taxation	1,290	1,568
Taxation	2	3
Profit after taxation	1,288	1,565
Dividends – amount	1,374	1,480
– per share	8.33 cents	8.97 cents

**since 31 October 1972 the issued share capital has increased to R4,570,000 and the capital and revenue reserves to R35,857,437*

Western Decalta Petroleum Limited

The company is engaged in exploration for and development and production of crude oil and natural gas. In addition to its interests in Canada and the United States, the company has acquired a 5 per cent interest in certain parcels in the United Kingdom sector of the North Sea and is negotiating for concessions and contract areas in several other countries. It also holds total land interests of 23,137,700 gross acres, principally in the North West Territories, the Arctic Islands, the Hudson Bay area, and eastern Canada.

During 1972 production of crude oil and condensate increased by eight per cent, and that of natural gas by 30.4 per cent, due in part to the purchase of a gas plant and various oil and gas properties at Turner Valley. As a result of this higher production, net oil and gas sales increased by 13.1 per cent to a new record of C\$7,628,000.

FEATURES OF THE ACCOUNTS

Year ended 31 December	1972 C\$000s	1971 C\$000s
Issued share capital in 8,202,925 common shares of C\$1 par value each	8,203	7,130
Loan capital (6 per cent and 7 per cent sinking fund debentures)	9,599	9,999

<i>Year ended 31 December</i>	<i>1972</i>	<i>1971</i>
	<i>C\$000s</i>	<i>C\$000s</i>
Capital reserves and share premium	10,603	4,702
Revenue reserves	7,940	5,935
Gross income	8,074	6,921
Cash flow from operations	5,044	4,080
Net income	2,005	1,539
Net income per common share	25 cents	22 cents
Dividends	nil	nil

Witbank Colliery Limited

The company, a member of the Barlow Rand group, mines coal from its Wolvekrans farm at Witbank in the Transvaal.

Coal sales of 1,510,019 tons during the year ended 31 August 1972 were 54,949 tons less than in the previous year, due largely to the inadequate supply of railway trucks and the low level of orders. However, profit after taxation was higher as a result of the coal price increase of February 1972, averaging 30 cents per ton.

In May 1973 the company issued 4,748,280 'A' shares as consideration for the acquisition of Douglas Colliery from a subsidiary of Transvaal Consolidated Land and Exploration Company Limited, together with certain subsidiaries of Anglo-Transvaal Collieries Limited. As a result of the issue Transvaal Consolidated Land now has a controlling interest in the company.

<i>Year ended 31 August</i>	<i>1972</i>	<i>1971</i>
	<i>R000s</i>	<i>R000s</i>
Issued share capital in shares of R2 each	3,080	3,080
Capital reserves	1,335	1,304
Revenue reserves	1,650	1,304
Profit before taxation	679	500
Taxation	180	161
Profit after taxation	499	419
Dividends – amount	354	400
– per share	23 cents	26 cents

Zambian Anglo American Limited

Zambian Anglo American, a member of the Anglo American Corporation group, is a finance and investment company incorporated in Bermuda with direct and indirect investments in a large number of mining, industrial and other companies.

Its principal investment is in the Zambian copper mining industry through Zambia Copper Investments Limited (ZCI), also a Bermudian company, in which it owns fractionally under 50 per cent of the issued capital. ZCI holds 49 per cent of Nchanga Consolidated Copper Mines Limited and 10.25 per cent of Roan Consolidated Mines Limited. Production of finished copper by Nchanga Consolidated Copper Mines in 1972 rose by 31,963 tons to 433,434 tons, and revenue from metal sales increased by K41.0 million to K366.4 million, of which copper accounted for K335.0 million. At Roan Consolidated Mines production and sales of copper also increased. Earnings were adversely affected by the low copper price.

ZCI has an indirect interest of approximately 10 per cent in Bamangwato Concessions Limited, which is developing a nickel/copper mine at Selebi-Pikwe in Botswana.

The dividend paid in 1971 was unusually high owing to the exceptional dividends received from the copper mining companies.

FEATURES OF THE ACCOUNTS

<i>Year ended 30 June</i>	<i>1972</i>	<i>1971</i>
	<i>£000s</i>	<i>£000s</i>
Issued share capital in ordinary shares of BD\$1.40 each	18,474	18,474
Loan capital	1,888	1,888
Capital reserves and share premium	1,472	19,643
Revenue reserves	13,357	12,707
	<i>26 June 1970 to</i>	<i>30 June 1971</i>
Consolidated profit before taxation	7,700	14,068
Provision for foreign taxation	36	134
Consolidated profit after taxation	7,664	13,934
Dividends – amount	7,126	*12,667
– per share	22.5p	*40p
Net assets – value	74,200	71,500
– per share	£2.34	£2.26

*excluding the special dividend of £3,920,000 (12½p per share) paid on 30 November 1970 from the unappropriated profit at 26 June 1970

Procédure permettant aux détenteurs de certificats d'actions au porteur d'assister à une assemblée générale

Les détenteurs de certificats d'actions au porteur désirant assister en leur qualité de membre à une assemblée générale, sont tenus de déposer leurs certificats d'actions trois jours ouvrables francs au moins avant la date de l'assemblée:

- (1) au bureau des transferts de la société, Kent House, Station Road, Ashford, Kent, ou
- (2) au Crédit Lyonnais, 19 boulevard des Italiens, Paris 2e, ou chez Banque Rothschild, 21 rue Laffitte, Paris 9e.

Les administrateurs acceptent qu'à la place du certificat d'actions soit déposée une attestation* délivrée par un 'dépositaire autorisé' ou par toute autre personne déclarant avoir reçu le dépôt du certificat d'actions. Le dépositaire autorisé ou la personne habilitée doit s'engager à ne remettre le certificat d'actions au déposant que contre remise de l'attestation de dépôt et d'engagement.

La société remettra au déposant d'un certificat d'actions ou d'une attestation de dépôt et d'engagement une carte d'admission portant ses nom et adresse, de même que le nombre d'actions représenté par le certificat correspondant. Cette carte lui permettra, de ce fait, d'assister et de voter en personne ou par mandataire à une assemblée générale.

*Des formulaires peuvent être obtenus auprès des bureaux indiqués ci-dessus

MM. les actionnaires peuvent se procurer des exemplaires des conditions régissant les certificats d'actions au porteur en s'adressant: soit au bureau des transferts de la société; soit au Crédit Lyonnais, 19 boulevard des Italiens, Paris 2e; soit chez Banque Rothschild, 21 rue Laffitte, Paris 9e.

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

CHARTER CONSOLIDATED LIMITED
40 Holborn Viaduct London EC1A 1AJ

soit à
CHARTER FRANCE 9 rue de Vienne 75008 Paris

soit au
CREDIT LYONNAIS 19 boulevard des Italiens Paris 2e

soit chez
BANQUE ROTHSCHILD 21 rue Laffitte Paris 9e

Procedure for holders of share warrants to bearer to attend a general meeting

Holders of share warrants to bearer wishing to attend as members at a general meeting must deposit their share warrants at least three clear normal business days before the meeting at:-

- (i) the transfer office of the company, Kent House, Station Road, Ashford, Kent, or
- (ii) at the offices of Crédit Lyonnais, 19 boulevard des Italiens, Paris 2e, or Banque Rothschild, 21 rue Laffitte, Paris 9e.

The directors may accept in lieu of the deposit of a share warrant a certificate* from an authorized depository or other approved person to the effect that the share warrant has been deposited with him. The authorized depository or approved person must give an undertaking* not to surrender the share warrant to the depositor except against return of the certificate of deposit and the undertaking.

The company will deliver to the person depositing a share warrant, or certificate of deposit and an undertaking, an admission card stating his name, address, and the number of shares represented by the share warrant to enable him to attend and vote in person or by proxy at a meeting.

Forms are available from any of the above-mentioned offices

Copies of the conditions governing share warrants to bearer are available from the registered and transfer offices of the company and from the offices of Crédit Lyonnais, 19 boulevard des Italiens, Paris 2e, and Banque Rothschild, 21 rue Laffitte, Paris 9e.

Offices

United Kingdom

40 Holborn Viaduct, London EC1P 1AJ (*registered*)
7 Rolls Buildings, Fetter Lane, London EC4A 1HX
Kent House, Station Road, Ashford, Kent TN23 1QB

South Africa

44 Main Street, Johannesburg

Canada

PO Box 28, Toronto-Dominion Centre, Toronto,
Ontario M5K 1B8

Rhodesia

70 Jameson Avenue Central, Salisbury C4

Australia

13th Floor, 60 Market Street, Melbourne, Victoria 3000

France

9 rue de Vienne, 75008 Paris

Portugal

244 Avenida da Liberdade, Lisbon

Registrars

United Kingdom

Charter Consolidated Services Limited
Kent House, Station Road, Ashford, Kent TN23 1QB

South Africa

Consolidated Share Registrars Limited
62 Marshall Street, Johannesburg

Rhodesia

Associated Share Transfer Secretaries Limited
70 Jameson Avenue Central, Salisbury C4

Express Evaluation

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