FILE NAME: Cape Asbestos (CAPE)

DATE: 1969 Mar 31

DOC#: CAPE111

DOCUMENT DESCRIPTION: Charter Consolidated Ltd. - Annual Report and Accounts [Legal - Tibbs Case Exhibit 9]

CHARTER

Charter Consolidated Limited

annual report and accounts
31 march 1969

OFFICES

United Kingdom

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

South Africa

44 Main Street, Johannesburg

Canada

P.O. Box 28, Toronto Dominion Bank Tower,
Toronto-Dominion Centre, Toronto 111

Rhodesia

70 Jameson Avenue Central, Salisbury C4

Australia

13th Floor, 60 Market Street, Melbourne

France

34 rue du Rocher, Paris 8e

REGISTRARS

United Kingdom

Charter Consolidated Services Limited
Kent House, Station Road, Ashford, Kent

South Africa

Consolidated Share Registrars Limited
62 Marshall Street, Johannesburg

Rhodesia

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

Charter Consolidated Limited

INCORPORATED IN ENGLAND

Head Office 40 Holborn Viaduct London EC1

Charter Consolidated Limited

Charter is a London based international mining and finance company with assets of a current value of approximately £375 million. Its main investments are in mining and allied activities, including the mining of gold and uranium, copper, diamonds, iron ore, platinum, tin, vanadium, wolfram, coal, and potash, and the production of oil and natural gas. The company has direct management responsibilities for mining operations both in the United Kingdom and overseas. It also has substantial industrial interests, chiefly in the United Kingdom.

Charter seeks new business all over the world in fields to which its technical and financial resources can make a valuable contribution. It is carrying out, both on its own account and in association with other companies, mineral exploration in many countries.

Charter has a close association with the Anglo American Corporation group, one of the largest mining finance organizations in the world. Anglo American International (U.K.) Limited, which is jointly owned by Anglo American Corporation and Charter, provides technical services to the Charter group: it has access to the entire range of technical skills available within the Anglo American Corporation group.

Charter provides financial and administrative services in the United Kingdom for the Anglo American Corporation and Corner House groups.

Notice of annual general meeting

NOTICE IS HEREBY GIVEN that the fourth annual general meeting of members of Charter Consolidated Limited will be held at Winchester House, 100 Old Broad Street, London EC2, on Tuesday 8 July 1969 at 12 noon for the following purposes:—

1 To consider the balance sheets and consolidated profit and loss account for the year ended 31 March 1969 and the reports of the directors and auditors.

2 To declare a dividend.

3 To elect directors.

4 To fix the remuneration of the auditors.

The transfer books and registers of members in the United Kingdom, Republic of South Africa, and Rhodesia will be closed from 5 to 8 July 1969, both days inclusive.

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

Holders of share warrants to bearer who desire to attend in person or by proxy or to vote at any general meeting of the company must comply with the relevant conditions governing share warrants to bearer (*see page* 36).

BY ORDER OF THE BOARD
D. S. BOOTH
joint secretary

40 Holborn Viaduct, London EC1
12 June 1969

Directorate and administration

Chairman
The Hon. H. V. Smith*

Deputy chairman and managing director
S. Spiro, MC*

Directors
Sir Keith Acutt, KBE
P. H. A. Brownrigg, CMG, DSO, OBE*
Comte T. de Feuilhade de Chauvin
A. Chester Beatty
J. E. H. Collins, MBE, DSC
Sir Frederick Crawford, GCMG, OBE
C. W. Engelhard
H. R. Fraser*
H. St. L. Grenfell, OBE, MC*
J. O. Hambro, MC
N. K. Kinkead-Weekes*
H. F. Oppenheimer
P. J. Oppenheimer
B. W. Pain*
Evelyn R. A. de Rothschild
M. W. Rush
T. P. Stratten
W. D. Wilson

Alternate directors
R. J. Armitage
P. C. D. Burnell
G. W. Flint
The Hon. R. B. Loder
R. H. MacWilliam
A. E. Oppenheimer
J. G. Richardson
L. G. Stopford Sackville

Managers
R. J. Armitage
P. C. D. Burnell
G. W. Flint
The Hon. R. B. Loder
R. V. Pritchard
J. G. Richardson
L. G. Stopford Sackville

Joint secretaries
D. S. Booth
J. R. Byles

Auditors
Cooper Brothers & Co.
Deloitte, Plender, Griffiths & Co.

Bankers
Barclays Bank D.C.O.
Hambros Bank Limited
National Provincial Bank Limited
Westminster Bank Limited

Solicitors
Coward, Chance & Co.
Linklaters & Paines

**directors holding executive appointments*

This pipeline will carry water for 70 miles from an oasis to the new copper mine being developed at Akjoujt in Mauritania by Société Minière de Mauritanie.

Features from the consolidated accounts

	1969 £000's	1968 £000's
Profit after taxation	**10,120**	9,703
Dividends gross per share	**1s. 4d.**	1s. 4d.
Total dividends	**6,522**	6,522
Investments quoted and unquoted		
a) At book value	**141,547**	123,723
b) At stock exchange or directors' valuation	**383,226**	268,929
Revenue reserves	**63,227**	60,779
Capital reserves	**47,610**	44,362
Issued capital	**24,458**	24,458

The detailed accounts will be found on pages 12 to 20 of this report

Report of the directors

The directors have pleasure in submitting their fourth annual report, together with the audited accounts for the year ended 31 March 1969.

Consolidated profit and loss account

		£000's
The consolidated profit before taxation for the year ended 31 March 1969 was		12,234
Taxation amounted to		2,114
Leaving a consolidated profit after taxation of		10,120
Out of which there has been appropriated:		
Interim dividend of 6*d*. per share, paid on 13 December 1968	2,446	
Recommended final dividend of 10*d*. per share payable on 9 July 1969	4,076	
Transfer to investment and exploration reserve	1,250	
		7,772
Leaving an unappropriated profit for the year of		£2,348

Dividends

The board recommends to members the declaration of a final dividend of 10*d*. per share (1968: same) which together with the interim dividend of 6*d*. per share (1968: same) paid on 13 December 1968 will cost the company £6,522,000.

Reserves

Movements on reserves during the year are shown on page 20 in note 14 on the accounts.

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

Amounts written off unquoted investments	£74,000
Investment in exploration companies and exploration expenditure written off	726,000
	£800,000

After the transfer of £1,250,000 to investment and exploration reserve that reserve stands at £10,890,000.

Fixed assets

The book value of the group's fixed assets increased from £3,015,000 to £3,315,000 during the year. Further details are shown on page 17 in note 8 on the accounts.

Share and loan capital

The authorized share capital remains unchanged. No shares or debentures were issued by the company during the year, but in terms of the offer made on 21 May 1969 to the ordinary shareholders of The Cape Asbestos Company Limited it is proposed to issue up to a maximum of 1,120,089 new shares of 5*s*. each and £7,840,622 of 5 per cent unsecured loan stock 1984 convertible into a maximum of 1,960,156 new shares of 5*s*. each, in exchange for the ordinary shares of Cape Asbestos surrendered. The purpose of the proposed issue of shares and loan stock is the acquisition of a controlling interest in Cape Asbestos with a view to expansion of the industrial activities of both groups. Further information is given in the chairman's review on page 25.

During the year Charter Consolidated Overseas N.V., a wholly owned subsidiary company, raised a loan of 120 million Deutsche marks by the issue of 6½ per cent Deutsche mark bearer bonds 1968/83 under the guarantee of the company. Further details are given in note 13 on the accounts on page 19 and in the chairman's review on page 23.

Directors

A list of the current directors of the company is to be found on page 4 and constitutes part of this report.

Mr H. F. Oppenheimer, while remaining a director, relinquished the chairmanship on 31 December 1968 and was succeeded as chairman by the Hon. H. V. Smith on 1 January 1969. Mr W. D. Wilson, who also remains a director, vacated his offices as deputy chairman and managing director on 31 December 1968 to take up a senior appointment in the Anglo American Corporation group, and Mr S. D. H. Pollen, who had reached normal retirement age at the beginning of 1968, resigned as a director and deputy chairman of the company on 31 March 1969. The board wishes to record its appreciation of the contributions to the development of the company made by Mr Wilson and Mr Pollen, both of whom had been deputy chairmen since the company's inception.

The Hon. J. Christopher Loder resigned as a director on 30 April 1968. Mr P. H. A. Brownrigg and Mr S. Spiro were appointed directors with effect from 1 January 1969 and 1 April 1969 respectively. Mr S. Spiro was appointed deputy chairman and managing director from 1 April 1969. Mr O. B. Bennett resigned as a director from 20 May 1969 and Mr H. R. Fraser was appointed to the board on 3 June 1969. In accordance with the provisions of article 103 of the company's articles of association, Mr Brownrigg, Mr Spiro, and Mr Fraser hold office only until the forthcoming annual general meeting, but they offer themselves for reappointment.

Mr H. St. L. Grenfell, Mr H. F. Oppenheimer, Mr P. J. Oppenheimer, Mr W. D. Wilson, Mr J. E. H. Collins, and Mr M. W. Rush retire by rotation in accordance with the provisions of article 99(1) of the articles of association and offer themselves for reappointment.

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

Principal activities and interests

The company's principal activities, which are unchanged from last year, are finance and investment, particularly in mining and mineral exploration, and also include interests in a number of industrial companies. Details are given in the chairman's review on pages 23 to 29. An analysis of assets and investment income (geographical and by category) is on page 30, and lists of principal investments and subsidiary companies are on pages 31 to 35.

Political and charitable contributions

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

The company and its subsidiaries made charitable contributions during the year totalling £35,767.

Other information

The information on directors' interests, turnover, exports, and the number and remuneration of employees shown on page 21 constitutes part of this report.

Auditors

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

BY ORDER OF THE BOARD

D. S. BOOTH

joint secretary

40 Holborn Viaduct, London EC1

3 June 1969

The mine of Beralt Tin and Wolfram Limited at Panasqueira in the Serra da Estrela mountains of Portugal. An aerial ropeway conveys the ore from the mine (far distance) to the treatment plant (foreground area).

Four year financial record 1966 to 1969

CHARTER CONSOLIDATED LIMITED AND ITS SUBSIDIARY COMPANIES

	1969 £000's	1968 £000's	1967 £000's	1966 £000's
Earnings				
Income from investments	**9,578**	8,972	8,218	8,717
Profits on sharedealing	**3,041**	2,253	1,619	1,200
Interest (net)	**125**	539	777	1,216
Trading profit and sundry revenue	**839**	871	834	518
LESS: administration and technical expenditure	*1,349*	*1,283*	*1,135*	*1,216*
Profit before taxation	**12,234**	11,352	10,313	10,435
LESS: taxation	*2,114*	*1,649*	*1,576*	*2,656*
Group net profit	**10,120**	9,703	8,737	7,779
LESS: dividends paid (gross)	*6,522*	*6,522*	*5,707*	*4,784* (*net*)
Retained	**3,598**	3,181	3,030	2,995
Earnings per share	**2s. 1d.**	2s. 0d.	1s. 9d.	1s. 7d. (*net*)
Dividends per share	**1s. 4d.**	1s. 4d.	1s. 2d.	1s. 4d.
Net assets				
Investments at market value or directors' valuation	**383,226**	268,929	163,286	155,688
Investments at book value	**141,547**	123,723	106,111	92,326
Fixed assets	**3,315**	3,015	2,664	2,030
Net current assets	**5,424**	3,986	7,177	15,163
LESS: minority interests, long term indebtedness and investment grants	*14,991*	*1,125*	*1,080*	*1,240*
Total capital and reserves	**135,295**	129,599	114,872	108,279

Accounts

Report of the auditors to the members

In our opinion, based on our examination and the reports of the auditors of certain subsidiary companies not audited by us, the accounts set out on pages 12 to 20 together give, so far as concerns members of the holding company, a true and fair view of the state of affairs at 31 March 1969 and of the profits for the year ended on that date and comply with the Companies Acts 1948 and 1967.

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

Chartered accountants

London 3 June 1969

Consolidated profit and loss account for the year ended 31 march 1969

CHARTER CONSOLIDATED LIMITED AND ITS SUBSIDIARY COMPANIES

	1969		1968	
	£000's	£000's	£000's	£000's
Income from investments (note 1)		9,578		8,972
Profits less losses on realization of investments by dealing subsidiaries, and underwriting commission		3,041		2,253
Interest received		825		748
Trading profit and sundry revenue (note 2)		839		871
		14,283		12,844
Deduct:				
Administration and technical expenditure (note 2)	1,234		1,151	
Directors' emoluments (note 4)	99		118	
Interest paid (note 7)	700		209	
Auditors' remuneration (parent company £2,100: 1968—£2,100)	16		14	
		2,049		1,492
Consolidated profit before taxation		12,234		11,352
Taxation (note 6)		2,114		1,649
Consolidated profit after taxation		10,120		9,703
Appropriated as follows:				
Dividend of 6*d*. per share gross (1968—6*d*. per share) paid 13 December 1968	2,446		2,446	
Proposed dividend of 10*d*. per share gross (1968—10*d*. per share) payable 9 July 1969	4,076		4,076	
		6,522		6,522
		3,598		3,181
Transfer to investment and exploration reserve in subsidiaries (note 14)		1,250		1,000
Unappropriated profit for the year (note 14)		2,348		2,181

For notes on the accounts see pages 15 to 20

Consolidated balance sheet
31 march 1969

CHARTER CONSOLIDATED LIMITED AND ITS SUBSIDIARY COMPANIES

	1969		1968	
	£000's	£000's	£000's	£000's
Fixed assets (note 8)		3,315		3,015
Investments (note 9)		141,547		123,723
Current assets				
Stocks and work in progress (note 11)	1,407		1,083	
Debtors	11,006		5,680	
United Kingdom tax repayable	554		482	
British Government securities (stock exchange value: 1968—£1,000,000)	—		999	
Short term loans and deposits	5,369		8,911	
Bank and cash balances	1,178		338	
	19,514		17,493	
Current liabilities				
Associated companies and other deposit accounts	1,429		1,262	
Unclaimed dividends	13		10	
Bank overdrafts	825		—	
Creditors	3,435		4,846	
Taxation (including United Kingdom corporation tax due 1 January 1970 £3,772,000: 1968—£2,977,000)	4,312		3,313	
Proposed final dividend (gross)	4,076		4,076	
	14,090		13,507	
NET CURRENT ASSETS		5,424		3,986
TOTAL NET ASSETS		150,286		130,724
FINANCED BY:				
Issued capital (note 12)		24,458		24,458
Capital reserves (note 14)		47,610		44,362
Revenue reserves (note 14)		63,227		60,779
TOTAL CAPITAL AND RESERVES		135,295		129,599
Investment grants (note 8)		67		38
Minority interest		84		87
Long term indebtedness (note 13)		14,840		1,000
		150,286		130,724

H. V. SMITH } *Directors*
S. SPIRO }

S. W. PARKS *Chief accountant*

For notes on the accounts see pages 15 to 20

Balance sheet
31 march 1969

CHARTER CONSOLIDATED LIMITED

	1969		1968	
	£000's	£000's	£000's	£000's
Subsidiary companies				
Shares at cost	85,313		85,313	
Add: amounts due from subsidiaries	11,525		6,724	
	96,838		92,037	
Less: amounts due to subsidiaries	66,911		61,643	
		29,927		30,394
Current assets				
Debtors	171		317	
Short term loans	850		275	
Bank balances	32		22	
		1,053		614
		30,980		31,008
FINANCED BY:				
Issued capital (note 12)		24,458		24,458
Revenue reserves				
Investment and exploration reserve	2,207		2,207	
Unappropriated profits (note 14)	137		171	
		2,344		2,378
TOTAL CAPITAL AND RESERVES		26,802		26,836
Current liabilities				
Associated companies' deposit accounts	45		45	
Unclaimed dividends	13		10	
Creditors	44		41	
Proposed final dividend (gross)	4,076		4,076	
		4,178		4,172
		30,980		31,008

H. V. SMITH }
S. SPIRO } *Directors*

S. W. PARKS *Chief accountant*

For notes on the accounts see pages 15 to 20

Notes on the accounts
31 march 1969

1 Income from investments

(*a*) Includes franked investment income of £3,236,000 (1968—£3,130,000).

(*b*) Arises from:

	1969 £000's	1968 £000's
Quoted investments	7,927	7,316
Unquoted investments	1,651	1,656
	9,578	8,972

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

2 Trading profit and sundry revenue

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

(ii) The turnover of the manufacturing subsidiaries amounted to £5,624,120 (1968—£4,564,968) based on the invoiced value of goods sold.

	1969 £000's	1968 £000's
(iii) Investment grants credited in these accounts	14	12
(iv) Depreciation of fixed assets charged in these accounts (including amount set aside for increased cost of plant replacement £14,000: 1968—£25,000).	246	136
(v) Rents paid in respect of hire of plant, machinery and equipment charged in these accounts.	62	55
(vi) Rents received	154	129
(vii) Administration and technical expenditure	2,861	2,491
Less: recovered from companies outside the group	1,627	1,340
	£1,234	1,151

3 Profits of overseas subsidiaries

The profits of overseas subsidiaries have been converted at rates of exchange ruling on 31 March 1969.

4 Directors' emoluments

Directors of the parent company	1969 £	1968 £
Fees	24,000	24,000
Salaries and other remuneration including pension contributions	112,000	120,000
Pension to former director	1,000	7,000
	137,000	151,000
Less: fees received from other companies and refunded to the group	38,000	33,000
	99,000	118,000

4 Directors' emoluments (continued)

	1969 £	1968 £
Amounts paid to directors		
Chairman: Hon. H. V. Smith	6,282	—
Mr H. F. Oppenheimer	1,500	2,000
Highest paid director (1969—including £6,282 as chairman)	17,252	17,115
Others:		
£15,001–£17,500	2	1
£12,501–£15,000	—	1
£10,001–£12,500	3	3
£7,501–£10,000	1	1
£5,001– £7,500	—	1
£2,501– £5,000	1	—
up to £2,500	13	11

Fees waived by 10 directors amounted to £32,000 (1968—9 directors £34,000)

5 Remuneration of employees of the group

The number of employees, other than directors of the parent company, whose total emoluments receivable from the company and its subsidiaries exceeded £10,000 were:
Exceeding £10,000 but not exceeding £12,500, 3 employees (1968—3 employees)
Exceeding £12,500 but not exceeding £15,000, no employees (1968—1 employee)

6 Taxation

	1969 £000's	1968 £000's
On profit for the year		
United Kingdom corporation tax at 45 per cent (1968—42.5 per cent)	4,575	3,902
Less: double taxation relief	2,591	2,414
	1,984	1,488
Overseas taxation	419	381
	2,403	1,869
Less: adjustments in respect of previous year	12	-
	2,391	1,869
Less: estimated overspill relief in respect of 1969	277	220
	2,114	1,649

Note:
In the event of certain overseas subsidiaries distributing reserves or profits, additional liability to United Kingdom taxation would arise.

7 Interest paid on borrowings by the group

	1969 £000's	1968 £000's
Loans repayable after more than five years	447	43
Loans repayable within five years	146	88
Amounts deposited with the group	99	78
Bank overdrafts	8	—
	700	209

8 Fixed assets

	FREEHOLD PROPERTY	LONG LEASEHOLD PROPERTY	SHORT LEASEHOLD PROPERTY	PLANT, FURNITURE AND FITTINGS	TOTAL
	£000's	£000's	£000's	£000's	£000's
Cost at 31 March 1968	728	1,499	66	1,428	3,721
Additions at cost	162	15	59	321	557
Cost of items sold and scrapped	(11)	—	—	(105)	(116)
Purchase of subsidiary company	—	—	15	26	41
Balance at 31 March 1969	879	1,514	140	1,670	4,203
Depreciation					
At 31 March 1968 on assets at cost	102	95	7	502	706
Charge to profit and loss account	14	61	10	147	232
On items sold and scrapped	(1)	—	—	(59)	(60)
Purchase of subsidiary company	—	—	—	10	10
Balance at 31 March 1969	115	156	17	600	888
Net book value					
At 31 March 1969	764	1,358	123	1,070	3,315
At 31 March 1968	626	1,404	59	926	3,015

Notes:

(i) In addition to the above the group owns estates, buildings and citrus groves in Rhodesia which cost £230,000 and are fully depreciated.

(ii) No depreciation has been provided on freehold land.

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

(iv) Commitments for capital expenditure of subsidiaries amount to £543,000 (1968—£134,000). Investment grants £11,000 (1968—£4,000).

(v) Estimated capital expenditure of subsidiaries authorized but not committed amounts to £598,000 (1968—£88,000). Investment grants £26,000 (1968—£12,000).

Notes on the accounts

9 Investments

	AT COST, LESS AMOUNTS WRITTEN OFF		MARKET VALUE OR DIRECTORS' VALUATION	
	1969	1968	1969	1968
	£000's	£000's	£000's	£000's
GENERAL				
Quoted in Great Britain	63,483	59,318	220,505	160,457
Quoted outside Great Britain	20,554	18,455	33,500	27,862
	84,037	77,773	254,005	188,319
Unquoted	19,454	19,297	35,082	25,005
	103,491	97,070	289,087	213,324
ASSOCIATED COMPANIES				
Quoted in Great Britain	17,780	12,109	69,108	40,164
Quoted outside Great Britain	3,094	1,583	7,117	2,302
	20,874	13,692	76,225	42,466
Unquoted	9,304	9,475	10,482	9,653
	30,178	23,167	86,707	52,119
Advances	7,878	3,486	7,432	3,486
	38,056	26,653	94,139	55,605
TOTAL INVESTMENTS				
Quoted in Great Britain	81,263	71,427	289,613	200,621
Quoted outside Great Britain	23,648	20,038	40,617	30,164
	104,911	91,465	330,230	230,785
Unquoted, including advances	36,636	32,258	52,996	38,144
	141,547	123,723	383,226	268,929

Notes:

(i) In the case of quoted South African securities London stock exchange prices have been taken where the securities are held in the United Kingdom, and Johannesburg stock exchange prices where the securities are held in South Africa.

(ii) Commitments and guarantees by the company in respect of subscriptions for shares and loan facilities amount to £16,765,000 (1968—£3,297,000).

(iii) A subsidiary company has entered into contracts for exploration expenditure to be incurred after 31 March 1969.

(iv) The greater part of the investments is of a permanent nature, but in the event of their realisation 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.

(v) The value of investments includes 75 per cent (1968—75 per cent) of the investment currency premium where applicable, which amounts to £6,681,000 (1968—£4,788,000).

10 Contingent liabilities

	1969 £000's	1968 £000's
For amounts not called on investments	492	313
In respect of guarantees (company £955,000: 1968—£102,000)	1,326	537
In respect of underwriting participations	419	47
As acceptors of bills (company)	2,500	1,500
	4,737	2,397

The company has given guarantees in connection with future loans by third parties to Société Minière de Mauritanie

11 Stocks

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

12 Share capital

	1969 £	1968 £
Authorized: 120,000,000 shares of 5*s*. each	30,000,000	30,000,000
Issued: 97,832,866 shares of 5*s*. each fully paid	24,458,216	24,458,216

13 Long term indebtedness

Details of loans repayable over a longer period than five years.

	1969 £000's	1968 £000's
Debenture stocks (secured) issued by Charter Consolidated Investments Limited		
4½ per cent first debenture stock 1978/83	500	500
4 per cent second debenture stock 1978/83	500	500
Bonds, issued by Charter Consolidated Overseas N.V. 6½ per cent unsecured bonds of DM120,000,000 1968/1983	13,840	—
	14,840	1,000

Note:
A wholly owned subsidiary, Charter Consolidated Overseas N.V. (incorporated in Curaçao) issued DM120,000,000 of 6½ per cent unsecured bonds on 30th September, 1968, which are redeemable at par on 1st October, 1983, or earlier, as provided in the Bond Purchase Agreement. Of the DM120,000,000, DM31,952,000 has been utilised for investment overseas in quoted securities and this amount has been converted into sterling with the investment currency premium and the balance has been or will be used for direct investment overseas and has been converted into sterling at the quoted rate of exchange. The bonds are quoted on the Frankfurt Stock Exchange.

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

14 Movements on reserves

	SHARE PREMIUM ACCOUNT GROUP	OTHER CAPITAL RESERVES GROUP	INVESTMENT AND EXPLORATION RESERVE GROUP	UNAPPROPRIATED PROFITS GROUP	UNAPPROPRIATED PROFITS COMPANY
	£000's	£000's	£000's	£000's	£000's
Balances at 31 March 1968	11,996	32,366	10,741	50,038	171
Add:					
Appropriated from profits		14	1,250	2,348	(34)
Expenses of Deutsche mark bond issue		(380)		(44)	
Goodwill arising on acquisition of subsidiaries during the year		(480)			
Surplus realized on sales of investments by holding subsidiaries less United Kingdom tax thereon		4,032			
United Kingdom tax on profit arising on inter-group realisation of investment			(532)		
Sundry surpluses and adjustments		62	231	(5)	
	11,996	35,614	11,690	52,337	137
Deduct:					
Amount written off unquoted investments			74		
Investments in exploration companies and exploration expenditure written off			726		
	11,996	35,614	10,890	52,337	137
Balances at 31 March 1969	47,610		63,227		137

15 Currency conversion

Assets and liabilities in commonwealth and foreign currencies have been converted into sterling at the rates of exchange ruling on 31 March 1969.

16 Exchange control

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

17 Subsidiary companies and principal investments

A list of the major subsidiary companies, associated companies and interests of ten per cent or more in quoted companies and other principal investments are included on pages 31 to 35.

Other information

Directors' interests

The following are the interests in the company of the directors who held office on 31 March 1969, as notified to the company in terms of the Companies Act 1967:

	Interest in shares of 5s. each of the company	
	1 April 1968	31 March 1969
DIRECTORS		
Sir Keith Acutt	100	100
O. B. Bennett	100	100
P. H. A. Brownrigg (appointed 1 January 1969—nil)		100
Comte T. de Feuilhade de Chauvin	574	574
A. Chester Beatty	287	287
J. E. H. Collins	100	100
Sir Frederick Crawford	100	100
C. W. Engelhard	14,950	14,950
H. St. L. Grenfell	200	200
J. O. Hambro	5,345	2,876
N. K. Kinkead-Weekes	100	100
H. F. Oppenheimer	5,004,600*	5,004,600*
P. J. Oppenheimer	9,798	9,798
B. W. Pain	100	100
S. D. H. Pollen	3,162	3,162
Evelyn R. A. de Rothschild	150,985	148,541
M. W. Rush	100	100
The Hon. H. V. Smith	1,200	1,200
T. P. Stratten	1,200	1,200
W. D. Wilson	100	100
ALTERNATE DIRECTORS		
G. W. Flint	1,000	1,000
H. R. Fraser	Nil	Nil
Sir Jim S. Holland, Bt	Nil	Nil
The Hon. R. B. Loder	Nil	Nil
R. H. MacWilliam	1,500	1,500
J. G. Richardson	Nil	Nil
L. G. Stopford Sackville	4,750	4,750

*of which 5,000,000, being shares held by a body corporate, are notified pursuant to section 28(3) of the Companies Act 1967

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

Turnover

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

	Proportion of turnover	Contribution to group profit before taxation
	%	£
Railway track fastenings, mine roof bolts, galvanizing etc.	28	327,000
Heaters and heating equipment	52	226,000
Components (mainly for the television and telecommunications industries)	20	180,000
	100	733,000

Exports

The aggregate value of goods exported by the group's United Kingdom manufacturing subsidiaries during the year totalled £495,000.

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 2,105 during the year.

The aggregate amount of the remuneration paid to employees working wholly or mainly in the United Kingdom during the year was £2,460,839.

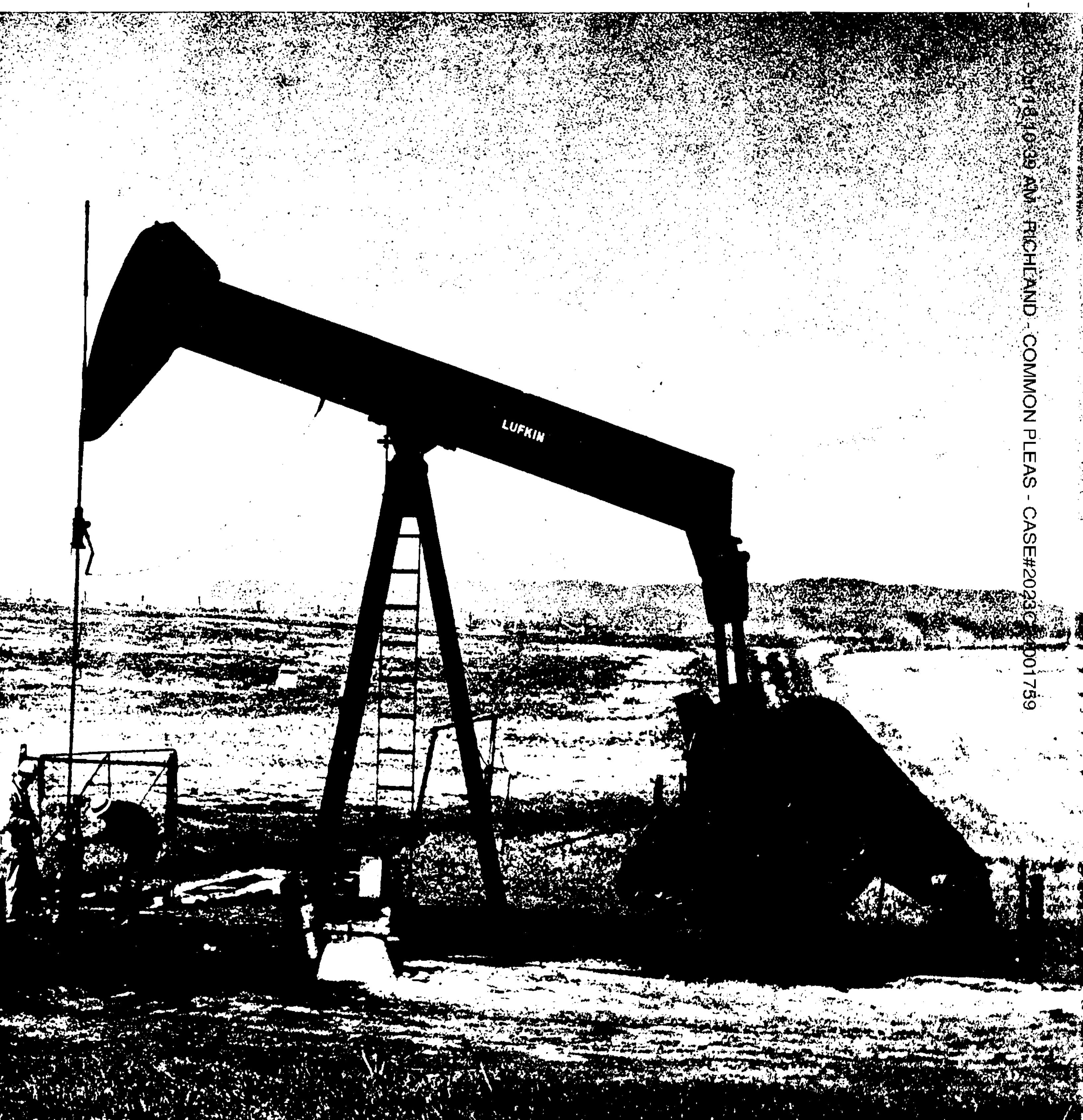
Finance Act 1965

(i) Capital Gains Tax

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

(ii) The company is not a close company within the provisions of the Finance Act 1965.

Against the background of the Rocky Mountains a Western Decalta maintenance crew works on a pumping unit in the Turner Valley field, some 35 miles south of Calgary, Alberta.



Chairman's review

Charter's consolidated profit, after tax, rose by 4.3 per cent from £9,703,000 to £10,120,000. Investment income increased by £606,000 to £9,578,000 and profits on sales of shares by £788,000 to £3,041,000. A net profit of £4,032,000 on sales of shares by holding companies has been credited to capital reserve: this profit arose mainly from changes in portfolio investments. There was a fall of £414,000 in net interest received, owing to the investment of a substantial part of Charter's liquid funds in long term mining projects and to the first interest payment on the Deutsche mark loan raised in September 1968.

The recommended final dividend of 10d. a share together with the interim dividend of 6d. a share are the same as last year, and cost £6,522,000. An amount of £1,250,000 has been transferred from profits to investment and exploration reserve, and the unappropriated profit of £2,348,000 has been carried forward.

The rise in our investment income was primarily the result of higher dividends from overseas, part of the increase being due to the effect of sterling devaluation over a full year. Income from investments in United Kingdom companies improved but the increase in our revenue from this source is at present restrained by the government's limitation on annual dividend increases to 3½ per cent.

Charter's substantial investments in southern and central Africa, which again produced over half of its investment income, were maintained without major variation. These holdings are chiefly in leading mining and industrial finance houses and in certain individual mining companies.

Three mining finance companies in which we have large holdings, The Rio Tinto-Zinc Corporation Limited and Selection Trust Limited in the United Kingdom and Union Corporation Limited in South Africa, made rights issues. Charter took up its entitlement in these issues at a total cost of £6.4 million.

In September 1968 Charter, in order to obtain hard currency without the obligation to pay the dollar premium, raised a loan of 120 million Deutsche marks by the issue of bonds of Charter Consolidated Overseas N.V., a wholly owned subsidiary registered in Curaçao, Netherlands Antilles. These bonds are guaranteed by Charter. The loan agreement was negotiated with a syndicate of banks led by Deutsche Bank AG., and co-managed by Morgan Grenfell & Co. Limited, N. M. Rothschild & Sons, Banca Commerciale Italiana, and Banque de Paris et des Pays-Bas. The proceeds of the loan are being used to finance certain investments outside the sterling area; these include Charter's participation in Société Minière de Mauritanie (SOMIMA), the company formed to open the copper mine at Akjoujt, the subscription of convertible debentures in Western Decalta Petroleum Limited, the Canadian oil company, and the addition of a block of ordinary shares to Charter's already considerable investment in Western Decalta.

The continuing and widespread lack of confidence in currencies was, as in the previous year, a major factor in the substantial increase in the market value of Charter's investments. At our year end, on 31 March, the market value of our investments was £383 million, an increase of £114 million over the previous year. Over the last two years the market value of our investments has risen by £220 million. During this time the average dividend yield on market prices of the mining finance shares which account for more than half our investments has fallen from over 4½ per cent in 1967 to under 2 per cent. When it is considered that at present British government undated stocks are yielding over 9 per cent and that mining has traditionally been regarded as a more hazardous field of investment than others, the importance now attaching to commodities can be clearly seen.

While mining investment is, of course, the principal activity of the company, we have important in-

Bulldozers move in to start clearing the mine site after the inaugural ceremony on a rainy day in April, at Cleveland Potash Limited's mine at Boulby, near Staithes, in Yorkshire.

terests outside this field. We inherited from our component companies both experience in finance and investment and a portfolio of quoted securities which at the moment of writing have a market value of about £47 million. We do not, however, regard it as a function of Charter to manage this fund in the manner of an orthodox 'investment trust'. Our aim is to rely on careful assessment of risk rather than on a wide spread of investment and to seek, be it in the mining field or outside it, to invest our funds in blocks of quoted or unquoted shares at greater profitability than that normally obtained from a portfolio of the trust company type. The success of this policy depends, of course, on special skills in this area of management, and these, I believe, we can provide.

In May of this year Charter, which at present owns 25.3 per cent of the equity of The Cape Asbestos Company Limited (Cape), made an offer to Cape shareholders to acquire 50 per cent of the ordinary shares not already held by Charter. If the offer, which has the support of the Cape board, is successful Charter's holding in Cape will increase to 62½ per cent. The main business of the Cape group, which includes subsidiaries in the United Kingdom, South Africa, Continental Europe, and North America, consists of the manufacture of building, insulation, and friction materials, the manufacture of light engineering products, and the mining of asbestos fibre. Charter already has in the United Kingdom a group of wholly owned subsidiaries part of whose business is also related to building and light engineering. We believe that by making use of the wide experience of Cape's management we shall be well placed to extend our industrial activities of this kind, while at the same time assisting in the expansion of Cape's own industrial interests.

If the offer is fully accepted it will involve Charter in the issue of 1,120,089 of its shares now in reserve and £7,840,622 of a 5 per cent convertible unsecured loan stock 1984, or the cash equivalent of the nominal value of the loan stock at the option of Cape shareholders. Charter has also offered to acquire the 250,000 5 per cent cumulative preference shares of Cape at a price of 14*s*. per share.

Mr H. F. Oppenheimer gave up the chairmanship of the company on 31 December last year. Fortunately he is remaining on the board and is giving much of his time to our affairs.

Mr W. D. Wilson, who is returning to Anglo American Corporation's head office, has been succeeded as deputy chairman and managing director by Mr Sidney Spiro, but he is remaining on our board. All of us in London will miss Mr Wilson, whose ability and personality were vital to the successful launching and development of this company. We owe an equally heavy debt to Mr Derek Pollen who retired as a deputy chairman and director at the end of March. Before the merger he was chairman and managing director of Central Mining. His skill and experience in business matters were of great value to us, and his constant consideration for others did much to ease the inevitable personal problems of the merger.

I would like to thank all in the Charter group for their contribution to what I think can be called a successful year and was certainly an extremely busy one as the following geographical review of our activities and interests will indicate.

United Kingdom

The necessary outline planning consent for the establishment of a major potash mine in the Staithes area of Yorkshire was obtained in November 1968 following a public hearing. Clearing of the site was begun during April. Charter and associates and Imperial Chemical Industries Limited each have a 50 per cent interest in Cleveland Potash Limited, the company formed to operate the mine, which is expected to start production in about four years' time with an annual output of at least one million tons of potash products.

The metal sales and metal dealing companies, Anmercosa Sales Limited and The Anglo Chemical & Ore Co. Limited, both had a successful year of which a feature was the relative stability of the copper market, with prices maintained at high levels and a strong demand continuing.

Charter's subsidiary industrial companies in general did well. The Elastic Rail Spike group, manufacturing railway track fastenings and mine roof bolts, and the Rathdown group, which makes electronic components, both increased their profits. Heatrae Limited, which manufactures heating equipment, made sound progress with their planned development of new products, but profits were affected by increasing competition in the electrical heating field and by rising costs.

Charter now has a joint interest with Anglo American Corporation of South Africa Limited in Anglo American International (U.K.) Limited. This company provides a full range of mining, metallurgical, and geological services to Charter: it has access to the comprehensive technical services of the Anglo American Corporation group.

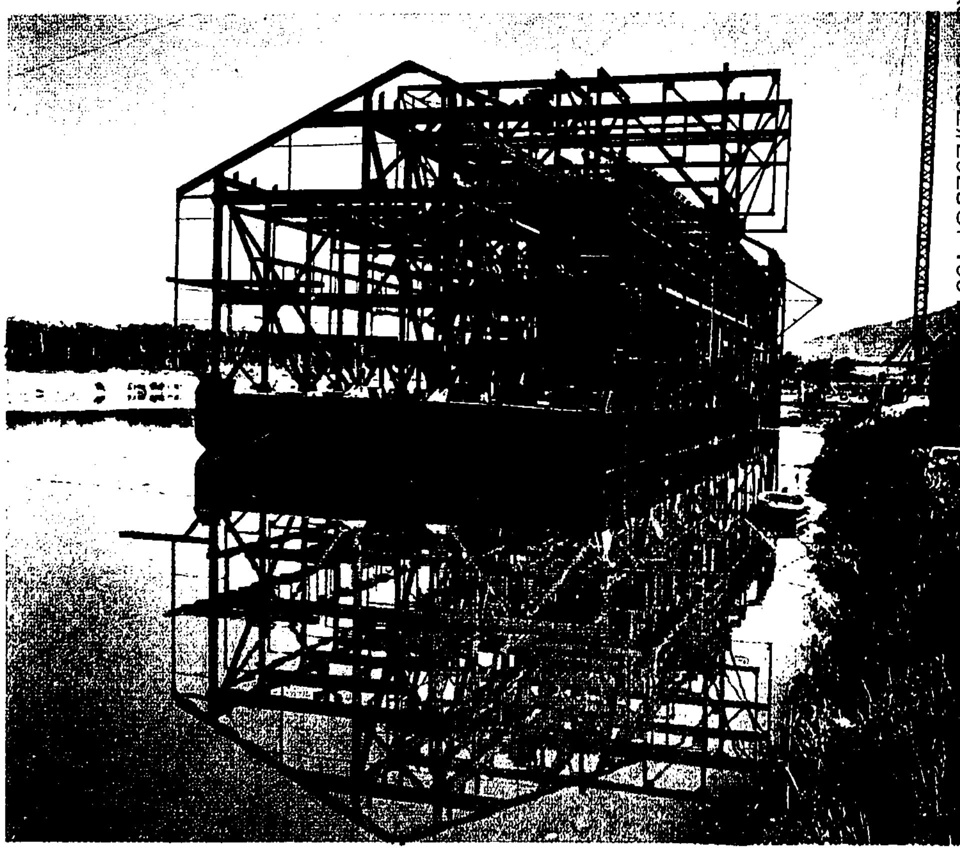
Charter has acquired the United Kingdom branch of Consolidated Share Registrars Limited, registrars in the United Kingdom to Charter and some 60 companies in the Anglo American Corporation and General Mining groups.

Continental Europe

Charter and associates participated in a continental syndicate, which acquired a major shareholding in Società Nazionale Sviluppo Imprese Industriali. Sviluppo is an Italian finance and investment company with a substantial interest in Ciga, the Italian hotel group. It is planned to broaden the development of both the financial and hotel interests. Charter will have representatives on the boards of Sviluppo and Ciga. In order to finance this acquisition Charter sold its holding in Société Internationale Pirelli.

Relatively high prices for wolfram concentrates prevailed throughout 1968, and Beralt Tin and Wolfram Limited, in which Charter has a 41 per cent interest, earned a profit before tax of £1,021,000 (after charging £50,000 to prospecting), compared with £1,097,000 in the previous year. Beralt continued its active prospecting work in Portugal with the assistance of Charter, and during the year

A tin mining dredge under construction at the Ayer Kuning section of Tronoh Mines Limited in Malaysia.



decided to proceed with the development of a tin prospect in northern Portugal in which it has 80 per cent of the equity.

In France, construction work is continuing at the scheelite deposit near Salau in the French Pyrenees. Charter together with Anglo American Corporation has a 40 per cent interest in the French operating company, Société Minière d'Anglade. Production is scheduled to start in mid-1970.

Charter, in partnership with Engelhard Minerals and Chemicals Corporation, entered into an agreement to prospect an alluvial tin-bearing area near Córdoba, southern Spain, currently owned by a Spanish mining company.

South Africa

The only major change in Charter's investments in South African mining finance and mining companies, apart from its participation in the rights issue by Union Corporation, was the exercise of its rights as a shareholder in Rand Mines Limited to subscribe for shares in Rand Mines Holdings Limited, which has a portfolio of leading South African industrial shares and a substantial interest in Rand Mines Properties Limited, a new company formed to develop freehold property near the centre of Johannesburg.

Anglo American Corporation, in which we have a 10 per cent interest, had record profits of just over R33 million (equivalent to £19 million), and increased its dividend. During the year there was a sustained rise on the Johannesburg Stock Exchange, and the market value of our South African interests appreciated by nearly 50 per cent to £148 million.

Zambia

Charter's interest in the Zambian copper mining industry was maintained through its holding of 22.8 per cent in the equity of Zambian Anglo American Limited, whose profits amounted to K12,609,000 (equivalent to £7,355,250), an increase of K552,000 (£322,000) over the previous year.

Zambian Anglo American's dividend for the year was 76 ngwee a share compared with 85 ngwee in the previous year. In recommending this dividend the Zambian Anglo American board took into account the limitations on external payments embodied in President Kaunda's Mulungushi declaration of April 1968 to which Mr H. F. Oppenheimer referred in his chairman's statement last year. Charter's income from its investment in the Zambian copper industry was marginally higher than last year owing to the effect of devaluation.

The Anglo American Corporation group mines in Zambia have a capital programme for the five years to 1972 of K133 million (£77.6 million). This includes expenditure on increasing smelting efficiencies and capacity which, it is hoped, will raise production of finished copper to about 380,000 long tons in 1969. Open-pit mining at Bwana Mkubwa is due to begin in 1970.

The cash copper price on the London Metal Exchange ranged between £625 at the end of March 1968, when the US copper mining strike ended, and £432 on 2 August 1968. Since December the price has remained above £500 a ton, and on 31 March 1969 it was £559. At the time of writing it is over £600.

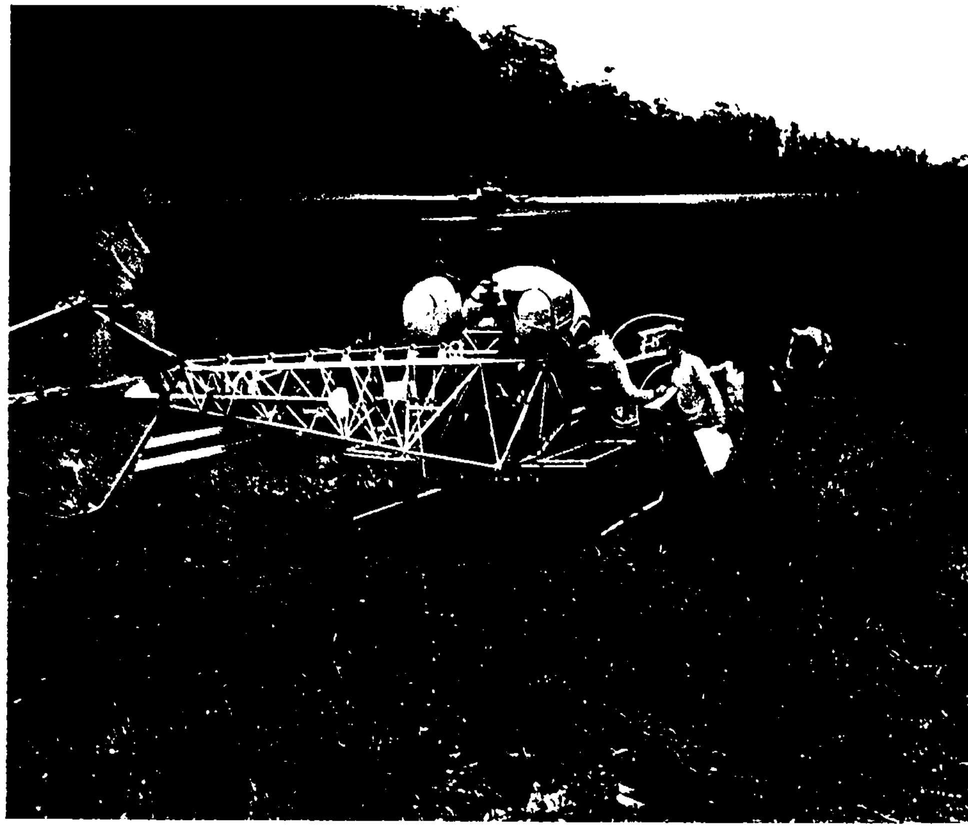
Covenant Industries Limited, in which Charter and associates have a 50 per cent interest, will have a substantial minority holding in Kafironda Limited, a Zambian company which is shortly to begin production of mining explosives.

Covenant Industries' subsidiaries in Nigeria and in East Africa, which manufacture and trade in chemical and allied products, increased sales and profits during the year.

Mauritania

Progress on the development of the SOMIMA copper mine at Akjoujt has kept to schedule and opencast mining should begin early in 1970 at an annual production rate initially of 30,000 tons of copper in concentrates. The oxide ore (estimated reserves of

7.7 million tons overlying 15 million tons of sulphide ore) will be treated by the patented TORCO process developed by the Anglo American Corporation group. Charter and associates have an interest of 44.6 per cent in SOMIMA.



These geologists in north-west Tasmania have to use a helicopter to get to remote areas. They work for Comstaff, a prospecting company in which Charter and Anglo American have a major interest.

Malaysia

Tronoh Mines Limited, in which Charter has a 28.4 per cent shareholding, produced, with its subsidiaries, 1,500 tons of tin in concentrates during 1968 compared with 1,265 tons in the previous year, but net profits at £294,790 were lower because of higher depreciation and taxation charges and a reduction in dividends and interest received.

At Sungei Besi, one of the producing companies in the Tronoh group, a programme of heavy capital expenditure exhausted the company's cash resources, and in August 1968 Charter made available temporary loan finance of £750,000. With the assistance of Charter a major investigation of the longer-term potential of the mine is now being undertaken.

During the recent disturbances in and near Kuala Lumpur operations of certain of the Tronoh group's mines have been hampered but others further north have maintained a reasonable level of production.

International restrictions on the sale of tin were brought into force in September 1968. Through taking advantage of grouping arrangements the effect of the restrictions has not been severe, except at Ayer Hitam where production is considerably in excess of permitted sales and a substantial stockpile is being accumulated.

Australasia

Charter's prospecting activities were concentrated mainly in Western Australia on investigations for nickel at Pilbara and Kalgoorlie, for base metals at Fraser Range, and for molybdenum at Mount Mulgine. A base metals exploration project is also being conducted in north-west Tasmania. Interests have been acquired in new joint ventures, including general mineral exploration in Queensland and for copper exploration in the Northern Territory. The results of the search for gold in Kalgoorlie and Victoria have been disappointing.

The merchant bank in Sydney, International Pacific Corporation

Limited, in which Charter has a 30 per cent interest, has completed a successful first year of operations, during which it has launched an A$15 million investment trust, International Pacific Corporation Australia Investments Limited. The investment policy of this trust initially is to invest equal proportions of its assets in the Australian industrial and mining sectors.

North America

Charter has an interest of 24.7 per cent in Anglo American Corporation of Canada Limited (AMCAN), which reported net income for 1968 of C$4.6 million, compared with C$3.9 million the previous year. Not included in this profit were exceptional gains of C$1.4 million on the sale of investments. The net asset value of AMCAN at the end of 1968 amounted to C$111 million, compared with C$84.5 million a year earlier.

AMCAN's major asset is its holding of 27.62 per cent in Hudson Bay Mining and Smelting Co. Limited, which earned C$7.42 a share, compared with C$5.93 a share in 1967. The improvement was attributable to higher copper and zinc production, increased profit on sale of investments, and treatment of tax-free ore from its new Osborne Lake mine. Hudson Bay Mining is developing extensive potash reserves near Rocanville, Saskatchewan, and its other interests include oil and gas, production of sodium sulphate, a diecasting operation, and production of zinc oxide and zinc dust.

In 1968 a substantial shareholding was purchased by AMCAN in the White Pass and Yukon Corporation Limited, a company engaged in providing integrated transportation services in the Yukon Territory and north-western British Columbia. Since the end of 1968 this interest has been increased to 25.6 per cent of the issued common shares of White Pass and Yukon Corporation.

The principal asset of Engelhard Hanovia, in which the Charter and Anglo American Corporation groups have a substantial interest, is its holding of approximately 40 per cent in Engelhard Minerals and Chemicals Corporation. This company had a most satisfactory year in 1968. Each of its three operating divisions—precious metals, non-metallic minerals, and marketing of metals and minerals—achieved record sales and earnings. Consolidated net profit after tax was US$31,658,000, an increase of 11.5 per cent over 1967. The annual dividend was increased by one third.

During the year Interlink Investments Limited (a wholly owned Canadian subsidiary of Charter) purchased C$5 million series 'B' 7 per cent convertible debentures of Western Decalta, in which Charter holds 45.1 per cent of the issued ordinary capital. The debentures have a term of 17 years, are convertible during the first 10 years into shares of Western Decalta at the rate of C$5 per share, and may be called after five years at Western Decalta's election. Part of the proceeds of the debenture issue will be used by Western Decalta for the expansion of its oil exploration programme.

South America

For the first time Charter has begun prospecting in South America. It has obtained from the Lampa Mining Company a two-year option on the Berenguela copper/silver deposit in the Andes in Peru. A drilling programme has been started to verify the ore reserves, and ore treatment tests, including the feasibility of using the TORCO process, will be undertaken. A Peruvian subsidiary, Charter Minera, has been incorporated.

In Chile a joint company is being formed with Empresa Nacional de Minera, a government organization, to investigate mining opportunities.

H. V. SMITH
Chairman

3 June 1969

Analysis of assets and investment income

Geographical analysis

	ASSETS		PER CENT OF ASSETS		PER CENT OF INVESTMENT INCOME	
	1969 £000's	1968 £000's	1969	1968	1969	1968
United Kingdom	52,137	41,344	13.3	15.0	17.5	17.6
Continental Europe	10,263	6,859	2.6	2.5	3.4	3.3
North America	95,945	66,150	24.5	24.0	11.8	14.2
South Africa	150,365	102,826	38.4	37.3	39.3	37.4
Zambia	18,385	17,535	4.7	6.4	20.9	20.0
Rest of Africa	18,353	13,410	4.7	4.8	3.3	2.5
Malaysia	5,347	3,906	1.4	1.4	0.1	0.4
Australia	41,170	23,900	10.4	8.6	3.7	4.6
	391,965	275,930	100.0	100.0	100.0	100.0

Investment category

	ASSETS		PER CENT OF ASSETS		PER CENT OF INVESTMENT INCOME	
	1969 £000's	1968 £000's	1969	1968	1969	1968
Mining—FINANCE	218,779	145,895	55.8	52.9	38.3	34.2
DIAMONDS	22,211	10,653	5.7	3.9	3.3	2.5
GOLD	8,438	9,300	2.2	3.6	6.9	10.6
TIN	6,873	5,289	1.7	1.9	1.6	3.2
COPPER AND OTHER MINERALS	19,611	16,275	5.0	5.9	20.6	20.2
Industrial, commercial, oil, etc.	104,258	76,975	26.6	27.9	26.7	26.5
Long term loans	3,056	3,942	0.8	1.4	2.6	2.8
	383,226	268,929	97.8	97.5	100.0	100.0
Fixed assets	3,315	3,015	0.8	1.1		
Net current assets	5,424	3,986	1.4	1.4		
	391,965	275,930	100.0	100.0	100.0	100.0

Notes:

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

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

Principal investments of the group
31 march 1969

Interests of 25 per cent or more

COMPANY AND COUNTRY OF PRINCIPAL OPERATIONS	GROUP INTEREST (APPROX.) IN EQUITY CAPITAL	PRINCIPAL ACTIVITY
Australia		
International Pacific Corporation Limited	30	*merchant banking*
Canada		
Western Decalta Petroleum Limited	45.1	*oil and gas exploration and production*
Malaysia		
Associated Mines (Malaya) Sendirian Berhad	49	*mine management*
Bidor Malaya Tin Sendirian Berhad	49	*tin mining*
Klian Langkasuka Sendirian Berhad	50	*tin mining*
Tronoh Mines Limited *Incorporated in England*	28.4	*tin mining*
Mauritania		
Société Minière de Mauritanie	33.5	*copper mining*
Portugal		
Beralt Tin and Wolfram Limited *Incorporated in England*	41	*wolfram mining*
Rhodesia		
Anglo American Corporation Rhodesia Limited	33.5	*industrial finance*
South Africa		
Euranglo (Pty) Limited	25	*investment holding*
United Kingdom		
Anglo American International (U.K.) Limited	50	*technical consultants*
The Anglo Chemical & Ore Co. Limited	37	*dealing in metals*
Anmercosa Sales Limited	37	*selling of metals*
Barlow Myers Limited	49	*selling of hydraulic lifting equipment*
The Cape Asbestos Company Limited	25.3	*industrial manufacture; asbestos mining*
Cleveland Potash Limited	50	*potash mining*
Covenant Industries Limited	37	*manufacture of chemicals*
Elevators and Engineering Limited	25	*lift manufacture*
Selection Trust Limited	26.8	*mining finance*
Torque Tension (U.K.) Limited	50	*manufacture of mine roof bolts*
Trade and Transportation Services Limited	33.3	*freight services*
Werff Bros Limited	40	*retail fashion trading*
Zambia		
National Milling Company Limited	50	*flour milling*
Kadola Mines Limited	33.6	*prospecting*
Mwinilunga Mines Limited	32.4	*prospecting*

Principal investments of the group

Interests of ten per cent or more (but less than 25 per cent) in quoted companies

COMPANY AND COUNTRY OF PRINCIPAL OPERATIONS	GROUP INTEREST (APPROX.) IN EQUITY CAPITAL	PRINCIPAL ACTIVITY
South Africa		
Anglo American Corporation of South Africa Limited	10	*mining finance*
Blyvooruitzicht Gold Mining Company Limited	10	*gold mining*
Harmony Gold Mining Company Limited	10	*gold mining*
Hume Limited	15.1	*manufacture of steel and concrete pipes*
Northern Lime Company Limited	11.8	*lime quarrying*
Pretoria Portland Cement Company Limited	10.2	*cement manufacture*
Rand Mines Limited	15.9	*mining finance*
South African Coal Estates (Witbank) Limited	10	*coal mining*
Transvaal Consolidated Land and Exploration Company Limited	23.6	*mining finance*
Union Corporation Limited	10	*mining finance*
Witbank Colliery Limited	23.9	*coal mining*
United Kingdom		
Pillar Limited	13.5	*aluminium fabrication*
Zambia		
Zambian Anglo American Limited	22.8	*copper mining*

Other principal investments

Australia	
Broken Hill Proprietary Company Limited	*iron and steel production*
Canada	
Anglo American Corporation of Canada Limited	*mining finance*
France	
Société Minière d'Anglade	*wolfram mining*
Société Minière et Métallurgique de Penarroya	*mining finance and metallurgy*
Italy	
Società Nazionale Sviluppo Imprese Industriali	*industrial finance and investment*
Malaysia	
Ayer Hitam Tin Dredging Limited *Incorporated in England*	*tin mining*
The Sungei Besi Mines Limited *Incorporated in England*	*tin mining*

Other principal investments continued

COMPANY AND COUNTRY OF PRINCIPAL OPERATIONS	PRINCIPAL ACTIVITY
South Africa	
Anglo American Investment Trust Limited	*diamond mining*
The Argus Printing and Publishing Company Limited	*printing and publishing*
Boart and Hard Metal Products S.A. Limited	*manufacture of diamond drilling tools*
Brakspruit Platinum (Pty) Limited	*platinum mining*
De Beers Consolidated Mines Limited	*diamond mining*
Highveld Steel and Vanadium Corporation Limited	*steel manufacture*
Middelburg Steel and Alloy (Pty) Limited	*ferro alloy manufacture*
Platinum Prospecting Company Limited	*platinum mining*
Rand Mines Holdings Limited	*industrial finance*
Rand Selection Corporation Limited	*mining finance*
Virginia-Merriespruit Investments (Pty) Limited	*gold mining*
Western Deep Levels Limited	*gold mining*
United Kingdom	
Ferranti Limited	*manufacture of electrical and electronic equipment*
Lancashire Tar Distillers Limited	*tar distilling*
The Rio Tinto-Zinc Corporation Limited	*mining finance*
The 'Shell' Transport and Trading Company Limited	*production, refining, and distribution of oil*
United States	
Anglo American Corporation of United States Inc.	*industrial finance*
Engelhard Hanovia Inc.	*industrial finance*
Zambia	
Zambian government loans—housing	
—Kariba hydro-electric scheme	

Group subsidiary companies 31 march 1969

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. Each of these companies is wholly owned except where otherwise stated, and all the shares or stock held are either unclassified or classified as ordinary.

COMPANY AND COUNTRY OF INCORPORATION/OPERATION	PRINCIPAL ACTIVITY
England	
The British South Africa Company*	*investment holding*
The British South Africa Company Investments Limited*	*investment dealing*
Central Mining Finance Limited	*investment dealing*
The Central Mining & Investment Corporation Limited*	*investment holding*
Centramic Properties Limited (51%)	*property development*
Centramic U.K. Limited	*industrial holding*
Charter Consolidated Investments Limited*	*investment holding*
Charter Consolidated Services Limited*	*services*
Minera Mines Limited	*mineral exploration*
A. Moir & Co. Limited	*services*
Elastic Rail Spike Company Limited	*railway track fastenings*
Heatrae Limited	*heating equipment*
Lee Green Precision Industries Limited	*components for telecommunications*
Rathdown Industries Limited	*components for television and telecommunications*
Australia	
Charter Consolidated Investments (Australia) Limited	*investment holding*
Charter Consolidated Prospecting (Australia) Limited	*prospecting*
Bermuda	
Greenpoint Company Limited	*investment holding*
Canada	
Interlink Investments Limited	*investment holding*
Curaçao (Netherlands Antilles)	
Charter Consolidated Overseas N.V.	*investment dealing*
France	
Charter France	*services*
Luxembourg	
Charter European Holdings	*investment holding*

Group subsidiary companies

COMPANY AND COUNTRY OF INCORPORATION/OPERATION	PRINCIPAL ACTIVITY
Malaysia	
Charter Consolidated (Malaysia) Sendirian Berhad	*investment holding*
Peru	
Charter Minera	*prospecting*
South Africa	
Centramic (South Africa) Limited	*investment dealing*
The Consolidated Mines Selection (Johannesburg) Limited	*investment holding*
Equinox Investments Limited	*investment holding*
Swaziland	
Swaziland Collieries Limited (63.4%)	*coal mining*

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

EXTRACT FROM CONDITIONS GOVERNING SHARE WARRANTS TO BEARER

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

(i) at the Transfer Office of the Company, Kent House, Station Road, Ashford, Kent, or

(ii) at the offices of Crédit Lyonnais, 19, boulevard des Italiens, Paris, 2e, and Banque Rothschild, 21 rue Laffitte, Paris 9e,

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

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

EXTRAIT DES CONDITIONS REGISSANT LES CERTIFICATS D'ACTIONS AU PORTEUR

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

(i) Au Bureau des Transferts de la Société—Kent House, Station Road, Ashford, Kent, ou

(ii) Au Crédit Lyonnais, 19 boulevard des Italiens, Paris 2e, ou chez Banque Rothschild, 21 rue Laffitte, Paris 9e,

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

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

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

CHARTER CONSOLIDATED LIMITED
40 Holborn Viaduct London EC1

soit au

CREDIT LYONNAIS 19 boulevard des Italiens Paris 2e

soit chez

BANQUE ROTHSCHILD 21 rue Laffitte Paris 9e