ACCOUNTANCY ASPECTS OF THE TAKE-OVER BIDS

IN BRITAIN 1945-1965

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SUMMARY OF PH.D. THESIS BY J.B. TABB

The earlier part of the thesis investigates the reasons for the considerable increase in take-overs within Britain during the 1950's. The most important of these reasons was the section of the Companies Act 1948 which enabled take-over bidders to by-pass the directors of a company and appeal directly to its shareholders. This new opportunity coincided with circumstances which made shareholders more likely, than was previously the case, to accept offers for their shares. These circumstances are discussed together with other events, such as fiscal changes, which affected take-over activity.

Once the possibilities provided by the new situation became realised, companies were taken over for a large number of different reasons so one chapter is devoted to classifying these reasons, with examples of each.

Because a noticeable feature of take-overs has been the often substantial discrepancy between the value of the offer and the stock exchange price prior to the bid, a chapter has been devoted to considering factors to be taken into account when evaluating an offeree company.

Bidders have problems such as financing the take-overs, winning the acceptance of shareholders and coping with possible counter-bidders so one chapter mentions these difficulties and the techniques evolved for overcoming them. Directors not wishing their companies to be taken over have developed a variety of defensive measures, these have been classified and divided into two main groups, steps taken before a bid has been made for the company and ad hoc measures to stave off an actual offer.

The final chapter deals with some of the results of 20 years of take-overs, together with conclusions which have been drawn. The author's contention is that the effect of post-war take-overs has been mainly beneficial though there are still some abuses which require remedying.

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INTRODUCTION

Take-over is here taken to be the acquisition of a significant number of voting shares in a company, either by another company, or by one or more individuals. This thesis, however, has been restricted to cases where an offer has been made to the ordinary shareholders for their shares. In some cases the bidder did not own any shares in the offeree company before making his bid, in some cases a controlling interest in the offeree company had been purchased privately prior to making an offer for the remaining shares, while on some occasions the bidder was a holding company offering to buy the minority holdings in its subsidiary. There were also cases where the bidder did not seek control of the company, but a substantial interest, or simply sufficient shares to enable him to become a director. All these have been treated as take-overs if the bidder succeeded in his object.

The thesis has been limited primarily to the years 1945-1965 because take-overs did not assume such importance or attract public attention until their great increase in the post-war period. The investigation has also been concentrated on offeree companies which were quoted on a stock exchange because information concerning these companies was obtainable from The Stock Exchange Official Year-books.

But the Stock Exchange did not, until 1966, begin to keep a record of take-over bids made for quoted companies. Details of the bids traced by the author are therefore included here. Appendix A lists the quoted companies taken over in the years 1945-1965 while Appendix B lists unsuccessful bids for quoted companies in the same period.

CHAPTER ONE

THE HISTORICAL BACKGROUND

A. TAKE-OVERS PRIOR TO 1945

This thesis is an investigation into take-overs in Britain during the years 1945-65, a period of marked increase in take-over activity. (1) Although take-overs occurred in Britain at least as early as 1835 and there were numerous others subsequently, it was not until the 1950's that they became sufficiently frequent to attract public attention.

One reason for this is to be found in the formidable difficulties which faced the earlier take-over bidders. There was no statutory provision for a bidder who had obtained most of the shares in a company to acquire compulsorily the remainder and there were usually no means whereby a successful bidder could remove directors from office before the completion of their contractual term which, in some cases, was for life. There was also a tendency for shareholders to heed their directors' advice more readily than is sometimes the case nowadays. This often made it difficult to take over a company against the wishes of its board. Such obstacles were progressively removed between 1929 and 1948, paving the way for new take-over techniques but prior to the Companies Act 1948 these were restricted to four basic types. In order to appreciate the changes in the 1950's it is worth studying these four classes of bidding techniques used prior to 1945.

1) THE TAKE-OVER OF A COMPANY BY BECOMING CHAIRMAN, WITHOUT MAKING AN OFFER FOR THE COMPANY'S SHARES. This was the technique of George Hudson, the nineteenth century Railway King who achieved his most important take-overs without making any offer for the companies' shares. His method of approach was to select a railway company with declining profits, purchase shares or stock in the company and attend a general meeting where he would expound a scheme to increase the company's profits if the shareholders would replace the existing board by himself and his friends. For instance, Hudson acquired control of the North Midland Company in 1842 by promising, if given control

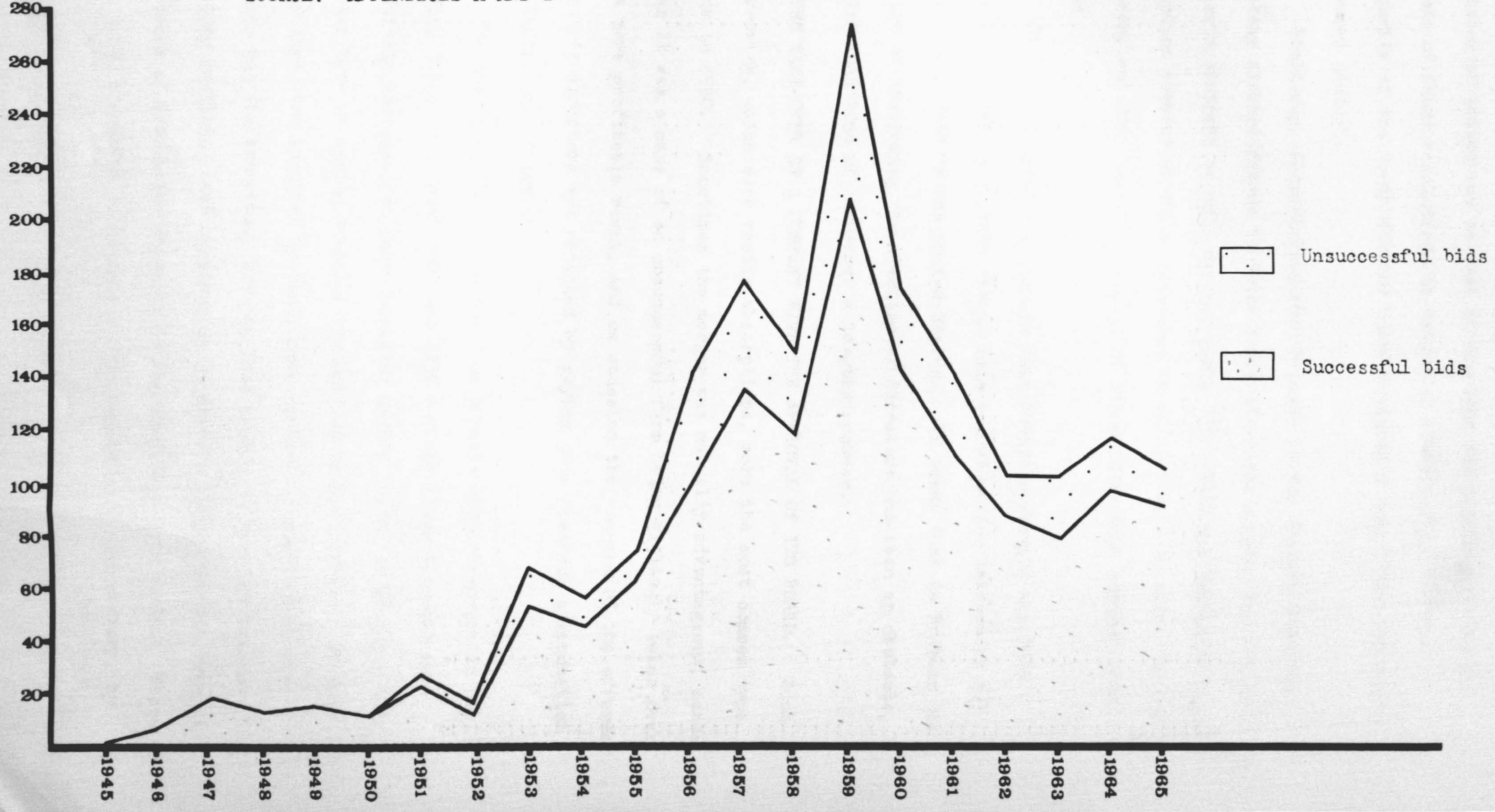
TABLE ONE: BIDS TRACED FOR COMPANIES INCLUDED IN THE STOCK EXCHANGE YEAR BOOK 1945 - 65.

SOURCE: APPENDICES A AND B

YEAR	NUMBER OF SUCCESSFUL BIDS	NUMBER OF UNSUCCESSFUL BIDS	TOTAL
1945	2	1	3
6	7		7
7	19		19
8	14	1	15
9	16	1	17
1950	12		12
1	23	4	27
2	12	5	17
3	53	15	68
4	46	11	57
5	63	11	74
6	99	41	140
7	135	42	177
8	118	31	149
9	206	66	272
1960	143	31	174
1	112	31	143
2	88	13	101
3	79	23	102
4	97	19	116
5	91	14	105
	1435	360	1795

CHART ONE: BIDS TRACED FOR COMPANIES INCLUDED IN THE STOCK EXCHANGE OFFICIAL YEAR BOOK 1945 - 65

SOURCE: APPENDICES A AND B



of the company, to reduce the line's working expenses from £44,000 to £27,000 a year. (2) We are told that "When at last he sat down, a babel of voices was at once heard, from shareholders moving all kinds of fiery resolutions in favour of his plans". (3) The majority of the North Midland board resigned a week later and Hudson assumed control.

Similarly, dissatisfied shareholders in the Eastern Counties Railway elected Hudson to their board after the company had cut its interim dividend to only one per cent. (4) Although Hudson obtained absolute control of these companies he did not make an offer for their shares, and when forced to resign as Chairman he lost control over them.

It is an interesting feature that Hudson's example has been rarely followed in Britain though this technique for take-overs has been widely used in the United States. It seems that in Britain the custom of staggering the election of directors has been an obstacle, making this kind of take-over a lengthy process.

2) THE TAKE-OVER OF A COMPANY WITH THE APPROVAL OF ITS BOARD. Such take-overs, which were really absorptions, were the most common type prior to 1950. Sometimes the merger was mutually advantageous, sometimes it was a case of an unsuccessful firm being willingly taken over by a more profitable rival, and on occasion the consent of the offeree company's directors was obtained by paying them generous compensation for their loss of office.

For instance, there were numerous mergers and take-overs in the brewery industry between 1900 and 1939 but the firms absorbed were relatively unsuccessful ones operating costly plant, or making a less popular brew or losing business through population shifts. In most cases they were acquired by their more successful competitors who wanted, not the breweries, but the tied houses. This was because steadily declining beer consumption in Britain since 1900 had created an excess of productive capacity in the breweries as a whole. There were 4,500 breweries in Britain at the beginning of the century, by

1950 there were less than 600. (5)

There were numerous take-overs in the motor industry during the 1920's and 1930's but these, too, mostly comprised the absorption of failing companies by their rivals. For example, the taking over of Bentley Motors by Rolls Royce, B.S.A.'s take-over of Lanchester, and Morris's buying of Riley can only be explained as the desire to acquire the name of a pioneer in the industry with its consequent goodwill. (6)

Similarly, most of the take-overs in the flat glass industry were the result of the absorption by Pilkington Brothers Ltd. of firms unable to keep up with technological change. It would appear the reason for these acquisitions was to prevent the companies falling into the hands of American or Belgian competitors. (7)

Banks used take-overs as a means of geographical expansion since the first half of the nineteenth century. National Provincial Bank started in the 1830's acquiring the North Devon Bank in 1835, then Skinner & Co. in 1836, Husband & Co. in 1839, Harris & Co. and the Dover Bank in 1840, Coke Holroyd & Co. in 1842 and Bideford Old Bank in 1843. (8) National Provincial continued to expand by take-overs until 1924. (9)

The banking firm which later became known as the Westminster Bank absorbed Young & Son in 1849 (10) then the Unity Joint-Stock Bank in 1856 and the Middlesex Bank as well as the Commercial Bank of London in 1863 (11) continuing with take-overs until 1924. (12)

Lloyds Bank acquired Stevenson, Salt & Co., Stafford Old Bank and the Warwick & Leamington Banking Co., all in 1866 (13), then a series of others which ended in 1923. (14)

The predecessor of the Midland Bank did not begin its take-overs until 1883 when The Union Bank of Birmingham was absorbed (15) but made further acquisitions until 1910. (16) Other bank take-overs were Barclays' absorption of Birmingham District and Counties Banking Co. in 1916, London, provincial & South Western Bank Ltd. in 1918 (17) and the District Bank Ltd.'s acquisition of the Lancaster Banking Co. in 1907, and Manchester and County Bank in 1935. (18)

In the case of Scottish banks prospects for their growth within Scotland were somewhat restricted but they eventually expanded into England by means of take-overs. For instance, The Royal Bank of Scotland acquired Drummond's Bank in 1924, Williams Deacon's in 1930, then Glyn Mills and Co. in 1939. (19)

Most of these were absorptions of smaller banking firms by larger ones and there appear to have been no instances of opposition from the offeree companies' boards.

Take-overs in the steel industry were initiated for a variety of reasons. When Furness Withy and Co. took over the Moor Steel and Iron Works in 1898 and also acquired the Stockton Malleable Ironworks it was to secure sources of supply. By 1910 Furness Withy had also absorbed the Cargo Fleet Iron Company, the South Durham Steel Company and Palmer's Shipbuilding and Iron Company. (20)

Bell Brothers, with a paid up capital exceeding £1,000,000, was taken over by Dorman Long in 1902 and in the same year Guest Keen absorbed Nettlefolds which was the most important British manufacturer of wood screws. (21) The Chairman of Guest, Keen and Nettlefolds reported in 1905 that the company had maintained its markets despite strong foreign competition and the amalgamation had been an important factor in resisting this competition.

John Brown and Company in 1905 purchased the Clydebank Engineering and Shipbuilding Company for the opposite reason from Furness Withy's acquisitions; whereas Furness Withy wanted to secure a source of supply, John Brown by acquiring a shipbuilding company hoped to secure an outlet for its steel production. Vickers also expanded by take-overs, acquiring the Naval Construction and Armament Company as well as the Maxim-Nordenfelt Guns and Ammunition Company in 1897; then the Mossend Steel Works in 1905. This last take-over was to guarantee Vickers a supply of ship and bridge plates. (22)

In the tinplate industry, after World War I, there were a number of take-overs by steel companies. "Some of the tinplate works absorbed were very out of date and inefficient and were bought mainly for their goodwill and as a basis to claim quotas in the event of agreement for output regulation in the trade - a much discussed subject."[23]

Another motive was no doubt the desire of steel-makers to control additional outlets for tinplate bars as these were less profitiable to manufacture than tinplate. Between 1919 and 1923 Grovesend Tinplate Company acquired the Gorseinon Tinplate Works, the Bryngyn Steel and Sheet Works, the Cambria Tinplate Works, the Duffryn Steel and Tinplate Works and the Mardy Tinplate Works. Then Grovesend itself was taken over by Richard Thomas and Company. [24]

3) A THIRD PARTY PERSUADING THE BOARD OF THE OFFEREE COMPANY TO ACCEPT THE OFFER. There were cases where the offeree company's board accepted a bid because of pressure exerted by a third party. On one occasion the third party was a trading bank, Dorman Long having made a bid for Bolckow, Vaughan and Company which was rejected by the latter's board because the directors, despite their inability to pay a dividend since 1921, were reluctant to lose the firm's historic identity, Barclays Bank in 1929 compelled acceptance of the offer by making the renewal of Bolckow, Vaughan and Company's overdraft conditional on their merging with Dorman Long. [25]

Further take-overs of this type were the result of Montagu Norman's policy of rationalisation at a time when he was Governor of the Bank of England. During the 1920's the steel industry incurred serious financial difficulties causing it to become increasingly dependent on banks, eventually the Bank of England became involved. Sir Henry Clay states that Norman, who feared Government intervention in industry, turned to rationalisation as a means which would relieve the Government of the necessity for intervention. [26] Rationalisation, the current panacea, was based on the theory that a large, well-organised firm could achieve economies of scale and that the competition of small industrial units was wasteful. In practice it usually meant concentrating production in the most efficient factories while closing down the least efficient. [27]

The first of the take-overs resulting from Norman's policy was that of Armstrong-Whitworth. Armstrong-Whitworth dealt with the Newcastle branch of the Bank of England which had provided finance not only for its main business of building capital ships but also for new ventures such as commercial shipbuilding and a pulp and paper manufacturing plant in Newfoundland. This diversification was intended to reduce the company's dependence on capital ships but when Britain stopped building these after the Washington Naval Conference in 1921-22, Armstrong-Whitworth was deprived of its main source of income before it had time to develop the new ventures to a profitable conclusion. (28) When Armstrong-Whitworth's indebtedness to the Bank reached £6,500,000 Norman decided that some form of reorganisation was necessary as competition in the shipbuilding industry was uneconomically severe. Feeling that the Bank could hardly wind-up such a large business, and afraid that the Government itself might interfere, Norman began in 1924 to study possible alternatives and by 1927 had obtained Vicker's agreement to take over Armstrong-Whitworth if the Bank of England provided the requisite financial support. Vickers thus absorbed Armstrong-Whitworth and the Bank accepted Vickers-Armstrong shares in exchange for its £5,000,000 of debentures in Armstrong-Whitworth.

Again, when Partingtons, a new steel company, approached the Bank for assistance in 1930 Norman decided such assistance should form the basis for the rationalisation of the iron and steel industry in South Lancashire. (29) The Bank of England, it would seem, was prepared to sponsor further schemes for rationalising the steel industry as a whole but where the bank's influence was slighter these schemes were apparently not carried out. (30)

The banks also became involved in the problems of the cotton industry when severe competition from Japan and India in the 1920's forced the British cotton mills to cut their prices below cost. The mills' difficulties were aggravated by their high gearing. A high proportion of the mills had been formed on the basis of half their capital in shares, the rest being short term loans and bank advances, leaving these companies with commitments for large interest payments. (31) Further, it was usual for these companies to call up about one quarter of this capital initially (32), the balance being used as security for overdrafts. As the position of the cotton mills, particularly those spinning American cotton, worsened this unpaid capital was called, during 1930 for instance 81 cotton mills made calls involving more than £3,000,000. (33) It was reported that some shareholders were prepared to part with their shares without payment in order to avoid the liability for these calls. (34) Mortgagees who put up one comparatively modern mill for auction did not receive even one bid. (35) By 1929 the situation had become so serious that Norman had to bring the Bank of England to the assistance of those banks which had granted overdrafts to these companies. The assistance took the form of Bank of England financial backing for the Lancashire Cotton Corporation which took over the majority of the mills most heavily indebted to the banks. (36)

In the shipbuilding industry Norman also pledged support for a scheme of rationalisation. He also advocated that the Government should withhold tariff protection from the cotton and shipbuilding industries unless they agreed to rationalise. (37)

Another series of take-overs resulted from intervention by the Government. After 1919 the railway companies encountered a new form of competition, that from buses and heavy lorries (38) at the very time the railways were committed to heavy expenditure on replacements for the equipment which had been subjected to unduly heavy wear and tear during the war. (39) The Government, which had been responsible for this undue strain on the equipment, was expected to render assistance to the railway companies so decided to strengthen them by ending uneconomic competition through a programme of mergers. The Railways Act 1921 obliged most of the main-line railways to merge into four groups, sometimes by the larger companies taking over their smaller competitors.

Taking just one group's absorptions as an illustration, in 1922 the Great Western took over the Cleobury Mortimer and Ditton Priors Light, Penarth Harbour, Port Talbot, Princeton, and Swansea Bay, the Brecon and Merthyr Tydfil Junction, Burry Port and Gwendraeth Valley, Lampeter, Aberayon and New Quay Light, Neath and Brecon, Ross and Monmouth, Vale of Glamorgan, West Somerset and Wrexham and Ellesmere companies and then a further four companies were taken over in 1923. (40)

The intention of the four main groupings was to compel the financially stronger lines to take over their weaker neighbours and it was believed that as a result of these mergers unnecessary duplication of services would be reduced, enabling the merged lines to reduce expenditure, (41) but, to ensure this did not lead to monopoly profits a Railway Rates Tribunal was set up to determine standard rates for different classes of goods. (42)

4) OVERCOMING THE OPPOSITION OF DIRECTORS. There were some take-overs before 1950 which involved making an offer for a company's shares to obtain control of the company so as to remove the board against its wishes, but these tended to be exceptional cases because the bidder had to overcome the board's opposition by offering a consideration so far in excess of the company's current value that the directors could not possibly say the bid was inadequate.

For instance, in 1845 when George Hudson heard that the directors of the Hull and Selby Railway were going to amalgamate with his rivals, the Manchester and Leeds Railway, he decided to guarantee the position of his York and North Midland Railway in by-passing the directors and offering the Hull and Selby members £112 10s 0d for every £50 share. (43) This was such an attractive bid that it was accepted despite the objections of the directors. In the same year another of Hudson's companies, the Newcastle and Darlington Junction Company bid £250 for each £100 share in the Great North of England Railway, a price which was so generous as to overcome the opposition of the Great North of England's board to such an extent that the Chairman said "it would be absolute madness any longer to resist". (44)

Another who used generous offers as a means of overcoming directors' opposition was William Lever, though he did not turn to take-overs until other methods had failed.

In 1906 there was a fall in real wages and because housewives still regarded soap as a semi-luxury, sales fell drastically despite the manufacturers' increased advertising. But, at the same time, the margarine trade entered into competition with the soap manufacturers for fats, raising the price of vegetable oil considerably. In these circumstances Lever decided that the only course left to him was to pass these increased costs to the consumer by raising prices, reducing advertising, and accepting the consequent lower sales. To implement this it was essential to have agreement among manufacturers. Lever therefore tried to form a combine by means of the soap firms exchanging one another's shares. But the combine was unsuccessful, mainly because of the sustained opposition from the Northcliffe newspapers so that Lever realised any sudden attempt to form another combine was bound to provoke public resistance. (45)

After 1906 Lever accordingly abandoned attempts to persuade his competitors to a common course and instead gradually took them over. (46) One of the 1920 take-overs, that of John Knight Ltd., illustrates the exceptional generosity of the consideration which Lever was willing to pay to gain acceptance. The Chairman of John Knight Ltd. said of the offer for his company: "Notwithstanding the very strong and satisfactory position of the Company and its prospects, I feel it is my duty to point out to the ordinary shareholders that under our existing constitution it would be difficult, if not impossible, for us to pay a dividend of 25 per cent on the ordinary shares ... " (47) He then recommended the shareholders to accept the offer which virtually guaranteed a return of 25 per cent.

These bidding techniques had one thing in common; none of them involved a protracted struggle between the bidder and the offeree company's board for control of the company and the comparatively rare occasions when companies were taken over despite the objection of their boards entailed the bidders paying considerations which were recognised as exceptionally generous. It was not until the passing of the Companies Act 1948 that bidders were able, on a large scale, to wrest control of companies through by-passing their boards.

B. THE POSITION WHICH HAD BEEN REACHED BY 1945

DICHOTOMY BETWEEN MANAGEMENT AND SHAREHOLDERS. In the early days of companies there was a much closer relationship between directors and shareholders. For instance, the shareholders in the first railway companies frequently took a personal interest in the policy and the management of their railways.(48) For example the Great Western Railway proprietors were able to decide new salary scales (49) and prevent the directors undertaking further extensions or amalgamations. (50) But this shareholder participation gradually lessened because of a number of factors.

Firstly, shareholders took more interest in annual meetings in the days when dividend rates frequently fluctuated, sometimes drastically, from year to year with profit changes, being perhaps ten per cent one year and nothing the next. The introduction of the principle of withholding a proportion of a company's earnings so as to enable dividends to be paid at a future time when profits might fall lessened shareholders' interest in annual meetings and ended the incentive to appoint investigating committees to report on the directors' actions. As the joint-stock companies grew in size they also tended to draw their shareholders from wider geographical areas so that a larger proportion of these absentee owners found it inconvenient to travel to company meetings. Inheritance of shares meant that larger holdings sometimes became broken up into smaller, less significant lots and the beneficiaries often did not have the same interest in the company as the original owner of the shares.

While the shareholders were losing their desire to participate in company policy making, a countervailing influence was being exerted on the directors which led to a weakening of the links between boards of directors and the general body of the shareholders. Management has sometimes appeared anxious to emphasise the fact that legally the company is a separate entity from its shareholders, persuading directors that they must consider interests additional to those of the shareholders. There is also a tendency for some executives to desire the expansion of their company, hoping that this will provide promotion opportunities, more security and increased status for management. At the same time company executives have become more influential as companies have grown in size and complexity and in some cases they have achieved a position of influence with the directors which matches that of the shareholders. The result of this countervailing pressure can be seen in those cases where boards have stated, when giving their recommendation regarding an offer, that they were taking into account the interests of employees as well as shareholders. (51)

Another cause of the widening gulf between shareholders and directors was the directors' not infrequent policy of reducing the power of shareholders to overrule boards' decisions on questions affecting the management of companies. Although initially shareholders usually had the power to overrule their directors this situation was changed as a consequence of nineteenth century legal decisions such as Flitcroft's Case (52) in 1882 where the Court held that directors were personally liable to refund any dividends, paid on their recommendation, which involved a reduction of capital. Directors as a defensive measure therefore inserted clauses in their company's articles giving themselves the right to manage the company without the possibility of being overruled by shareholders, and the Courts have upheld the provisions of such clauses with increasing emphasis. In Automatic Self-Cleansing Filter Syndicate Company v. Cuninghame in 1906 (53) the Court held that the directors were not agents of the shareholders and so could ignore a company resolution instructing them to affix the company's seal to a contract to sell the company's assets. This principle was confirmed in later cases (54) until the stage was reached in 1943 when the Court decided that a provision in articles authorising directors to manage the company without interference from the shareholders prohibited the shareholders from appointing a firm of accountants to investigate the financial affairs of the company and prepare new accounts if they thought it necessary. (55)

Boards have also become less dependent on their shareholders as they have found alternative ways of raising new capital. Where directors approach their shareholders for further capital they have to explain the purposes for which this is required, usually justifying the request with details of the company's recent performance. This is also true of new issues to outsiders. However, if money can be obtained from another source the explanations will be given to the provider and not the shareholders, so that the position has been reached where a firm operating on overdraft usually provides a great deal more financial information to its banker than to its shareholders.

A new firm, with its future in doubt, will have to rely mainly on risk capital, that is equity shares, but when a firm becomes established and can offer substantial security a wider range of sources becomes available. For instance, debentures, insurance company loans and bank overdrafts are avenues of finance which do not usually require the agreement of shareholders. In fact, really large firms do not even need to provide security but can raise funds by issuing unsecured loan stock. Another source of capital is retained earnings. Retained earnings represent the investment of further capital in the company by shareholders but, usually, boards do not have to ask the shareholders' permission for this re-investment as the articles of most companies provide that shareholders can approve a dividend rate less than that recommended by the board, but not a rate which exceeds the recommendation. This ability to raise funds without having to obtain the ordinary shareholders' consent has, therefore, further strengthened the independent position of directors.

Some boards have been able to limit the power of ordinary shareholders in further ways, such as raising the bulk of the capital through preference shares, non-voting shares, or limited voting shares while leaving voting control with a minority of shares that have full voting rights.

By 1945, then, it was firmly established that directors had the undisputed right to manage a company's affairs and the shareholders had no place in the making of policy decisions. The shareholders only remaining power was to replace directors but this was a difficult business, particularly as most elections for directors were staggered so that it could take several years to change the composition of the board. Shareholders had, therefore, by 1945 been reduced, on the whole, to a rather passive role. This more detached attitude of the shareholder towards his company made him more willing to accept an offer for his shares but bidders were not able to take full advantage of this situation because there was little point in obtaining control of the majority shareholding in a company if its directors had long term service agreements with it. It was the Companies Act 1948 that provided an opportunity to exploit the divorce between shareholders and management.

OBSTACLES WHICH WERE REMOVED By 1945 some of the original obstacles to successful take-overs had been removed. An initial difficulty was the liability for ad valorem stamp duty on any increase of capital. If the offerer company issued its own shares as consideration duty had to be paid on this increase of capital. (56) But the Finance Act 1927 provided relief to the extent that where a company increased its capital with a view to acquiring not less than 90 per cent of the issued capital of any particular existing company then the amount of the acquired company's share capital could be offset against the offerer company's increased capital for the purposes of computing stamp duty. (57) As the stamp duty on any increase in capital is calculated at the rate of 10s for every £100 this relief is substantial where the acquired company is a large one.

Another problem facingtake-over bidders initially was that a bidder who had obtained the acceptance of nearly all the shareholders in a company had not powers until 1929 compulsorily to acquire the shares of dissenting shareholders. This meant that a person intending to acquire a company so as to improve its profitability faced the prospect of sharing the results of his success with a small number of people who would be contributing little of the capital and none of the managerial skill but would share any increased dividends.

The Companies Act 1929 provided that where the holders of 90 per cent of the share capital in a company had accepted an offer for their holdings then the successful bidder could compulsorily acquire the shares of the dissenting minority on the same terms as those accepted by the majority. (58) This was judicially examined in 1933 in re Hoare and Co. (59) where the Court held that the dissenting shareholders' shares could be compulsorily acquired even though they would suffer a reduction in income as a result.

By 1945, then, it had been established that a bidder obtaining acceptance from the holders of 90 per cent of the shares in a company could acquire compulsorily the remaining 10 per cent. This made possible an important type of bid, as described in chapter 4, namely that to obtain 100 per cent of the ordinary shares.

STATE OF ACCOUNTING INFORMATION. Take-over bidders were further helped by the fact that shareholders often did not fully comprehend the basis on which a company balance sheet is prepared. A balance sheet is not intended to show the current worth of the company, it is a statement of its sources of funds and the disposition of those funds. Fixed assets are therefore usually shown at cost price regardless of their current market value so, during a period of inflation, the market value of a company's fixed assets may exceed the balance sheet figures by a considerable margin. Where shareholders are not aware of this they may be prepared to accept an offer which represents less than the capital worth of their shares.

There is also a tendency for company profits to be estimated conservatively so as to provide for unforeseen contingencies. This has been permitted by a chain of legal decisions since 1889 when, in Lee v. Neuchatel Asphalte Co. (60) Lindley, L. J. stated that the calculation of profits should be left to the commercial world and what was to be put into a capital account and what into an income account should be left to men of business. (61) Some managements carried this to the extent of deliberately understating profits by transferring some earnings to secret reserves. This policy was also accepted by the Courts, beginning with Newton v. Birmingham Small Arms in 1906 (62) where it was decided that "The purpose of the balance sheet is primarily to show that the financial position of the company is at least as good as there stated, not to show that it is not or may not be better". (63)

The situation was also confused, prior to the Companies Act 1948, by the practice of some companies which classified as reserves what were in fact provisions for depreciation and doubtful debts, then submerged the amount in a global figure "creditors and reserves". The intention was to leave creditors guessing as to the financial strength of the company, but the shareholders were equally puzzled.

The accounting practice of showing fixed assets at their cost price meant that some older companies' balance sheet valuations were only a fraction of the market value. For instance, as late as 1945, the Manchester Royal Exchange balance sheet valued the company's land and property at the cost price in 1912. (64)

Other glaring examples of discrepancies between values as disclosed in the accounts and current market worth are to be found in the treatment of trade investments. For instance, The Times in 1938 was able to point to two noticeable valuation understatements in this regard. Associated Portland Cement Manufacturers' trade investments in British Portland Cement Manufacturers appeared in the Associated Portland balance sheet at a figure which was £5,000,000 less than the current market value, (65) and The Burmah Oil Company's holdings in Anglo-Iranian Oil, which appeared in the books of Burmah Oil at £5,343,000, had a market value more than four times that. (66)

There were, therefore, many companies which calculated their profit on a conservative basis and stated their fixed assets at an historical cost figure considerably less than their current market value. At the same time there were many shareholders who believed that the balance sheet was a guide to the net asset value of their company. (67) This combination of circumstances was not only of major assistance to take-over bidders, but, particularly during a period of inflation, it provoked bids.

Another accounting difficulty in regard to take-overs was that of consolidated accounts. It took time for accountants to master the problem of incorporating into the purchasing company's accounts the assets and earnings of an acquired company. For instance, it was not until 1938 that Imperial Chemical Industries Ltd. included a consolidated balance sheet in the accounts submitted to shareholders,(68) though that was ten years before it was legally required.

By 1945 then a situation had been reached where some of the obstacles to take-overs had been removed and the divorce between management and shareholders established while the accountants' conservative policy of valuing fixed assets at their historical cost meant that even before the war balance sheets did not always provide shareholders with an accurate estimate of the current worth of the companies because they were not meant to. These were factors which could be exploited by bidders and by 1945 take-overs were no longer novel. They had been used on numerous occasions in the past 100 years and many of the relevant tactics of bidders had been developed so that the take-over was a well tested method of achieving a variety of objects, Hudson used take-overs to forestall competitors, Lever resorted to them in order to maintain prices, Nuffield to obtain skilled management (69) General Motors and Procter and Gamble as a quick way of establishing themselves as British manufacturers, while Pilkington Brothers Ltd. used take-overs to keep out such foreign competitors. The banks used take-overs to strengthen their financial position by geographical expansion to spread risk and some steel firms used them as a way of securing a source of raw materials or to obtain a new customer.

In 1938 there were apparently eight quoted companies taken over,(70) this fell to only four (71) in 1939, a year disturbed by war preparations, and the war was probably the reason there were only two quoted companies taken over in 1945. (72) But the impression gained from a study of the situation existing in 1945 is that conditions had been created where take-overs would become much more numerous if only a successful bidder had some means of removing an unwilling board after obtaining control of a company. This power was provided by the Companies Act 1948. Other events, such as post-war inflation and the Government's fiscal policies, provided means whereby take-over bidders could take advantage of the situation reached in 1945. These events are discussed in chapter 2.

1) See Chart One, Page 4.

2) <u>The Railway King</u> by R. S. Lambert (George Allen & Unwin), 1964, page 73

3) ibid. page 75

4) ibid. pages 161-162

5) <u>Takeover</u> by William Mennell (Laurence & Wishart), 1962, page 43

6) <u>Effects of Mergers</u> by P. L. Cook (George Allen & Unwin), 1958 page 374

7) ibid. page 285

8) <u>The Story of the Banks</u> by J. F. Ashby (Hutchinson), 1934, page 160

9) <u>Stock Exchange Official Year-book</u> (Thomas Skinner), 1961, page 351

10) <u>The Story of the Banks by J. F. Ashby</u> (Hutchinson), 1934, page 96

11) ibid. page 98

12) <u>Stock Exchange Official Year-book</u> (Thomas Skinner), 1961, page 367

13) <u>The Story of the Banks</u> by J. F. Ashby (Hutchinson), 1934, page 139

14) <u>Stock Exchange Official Year-book</u> (Thomas Skinner), 1961, page 339

15) <u>The Story of the Banks</u> by J. F. Ashby (Hutchinson), 1934, page 110

16) <u>Stock Exchange Official Year-book</u> (Thomas Skinner), 1961, page 342

17) ibid. page 308

18) ibid. page 324

19) ibid. page 358

20) <u>History of the British Steel Industry</u> by J. C. Carr and W. Taplin (Blackwell), 1962, pages 266-7

21) ibid. page 268

22) ibid. page 270

23) ibid. page 383

24) ibid. page 384

25) ibid. page 449

26) <u>Lord Norman</u> by Sir Henry Clay (Macmillan), 1957, page 358

27) Rationalisation of the Management of Companies Under a Merger by Sir Charles G. Renold in <u>Studies in Accounting</u> (Sweet & Maxwell), 1950, pages 184-202

28) <u>History of the British Steel Industry</u> by J. C. Carr and W. Taplin (Blackwell), 1962, page 442

29) Lord Norman by Sir Henry Clay (Macmillan), 1957, page 329

30) The Economic History of Steelmaking by D. L. Brown (Cambridge), 1940, page 439

31) The Economist 31 March 1928, page 634

32) The Economist 27 August 1927, page 350

33) The Economist 10 January 1931, page 60

34) The Economist 14 May 1927, page 1016

35) The Economist 3 November 1928, page 795

36) Lord Norman by Sir Henry Clay (Macmillan), 1957, pages 335-337

37) ibid. pages 331-2

38) British Railway History by H. Ellis (George Allen & Unwin), 1959, Vol. II, page 310

39) ibid. page 303

40) An Historical Geography of the Railways of the British Isles by E. F. Carter (Cassell), 1959, page 516

41) The Economics of Rail Transport in Great Britain by C. E. R. Sherrington (Edward Arnold), 1928, Volume I, page 251

42) An Economic History of Transport by C. I. Savage (Hutchinson), 1959, page 103

43) The Railway King by R. S. Lambert (George Allen & Unwin), 1964, page 141

44) ibid. page 142

45) The History of Unilever by Charles Wilson (Cassell), 1954, Vol. I, page 73

46) ibid. page 88

47) Effects of Mergers by P. L. Cook (George Allen & Unwin), 1958, page 237

48) The Railway Age by M. Robbins (Routledge & Kegan Paul), 1962 page 102

49) History of the Great Western Railway by E. T. MacDermot (Ian Allen), 1964, Volume I, pages 160-1

50) ibid. page 13

51) For example, Bairns-Wear, The Times 12/7/63 page 15; Lintafoam Industries, The Times 19/11/66 page 14

52) The Principles of Modern Company Law by L.C.B. Gower (Stevens & Sons), 1954, page 111

53) Automatic Self-Cleansing Filter Syndicate Company v. Cuninghame [1906] 2 Ch. 34. C.A.

54) Horn v. Faulder (Henry) and Co. (1908) 99 L.T. 524

Salmon v. Quin and Axtens [1909] 1 Ch. 311, C.A.

Logan (Thomas) v. Davis (1911) 104 L.T. 914, C.A.

re Olderfleet Shipbuilding and Engineering Co. [1922] I. R. 26

Shaw (John) and Sons (Salford) v. Shaw [1935] 2 K.B. 113, C.A.

Grundt v. Great Boulder Proprietary Gold Mines [1948] Ch. 145, C. A.

Gramophone and Typewriter v. Stanley [1908] 2. K.B. 89, C.A.

55) Scott v. Scott [1943] 1 All E.R. 582

56) Stamp Act 1891, section 112

57) Finance Act 1927, section 55 (1)

58) Companies Act 1929, section 155

59) In re Hoare and Co. [1933] All E.R. 105

60) Lee v. Neuchatel Asphalte Co. (1889) 41 Ch. D. 1, C.A.

Further cases were Dovey v. Cory [1901] A.C. 477, H.L., Bond v. Barrow Haematite Steel Co. [1902] 1 Ch. 239 and Ammonia Soda Company v. Chamberlain [1918] 1 Ch. 266, C.A.

61) Lee v. Neuchatel Asphalte Co. (1889) 41 Ch. D. 1 at 21

62) Newton v. Birmingham Small Arms Co. [1906] 2 Ch. 378

63) ibid. at 384

64) The Times 11/1/61 page 12

65) The Times 27/1/38 page 17

66) The Times 28/5/38 page 19

67) See Re Press Caps [1949] Ch. 434, C. A.

68) The Times 22/4/38 page 20

69) The Life of Lord Nuffield by P.W.S. Andrews and Elizabeth Brunner (Basil Blackwell), 1955, pages 125 and 155

70) See The Stock Exchange Official Year-book (Thomas Skinner), 1939 pages 850, 1244, 1342, 1408, 1492, 1561, 2160, and 2939

71) See The Stock Exchange Official Year-book (Thomas Skinner), 1940 pages 599, 702, 1557 and 2878

72) Appendix A

CHAPTER TWO

THE TAKE-OVER REVOLUTION

A. THE FACTOR CAUSING A MAJOR CHANGE IN TECHNIQUE

The major reason for the development of the new take-over technique, removing a board by appealing directly to the shareholders despite the directors' objections, is to be found in the Companies Act 1948. New provisions in this act made it necessary to disclose any sums paid to directors of an offeree company by the bidder, so ending the possibility of gaining the directors' approval for a take-over by paying them undisclosed amounts as compensation for their loss of office. This ended one form of take-over technique but at the same time another provision in the 1948 Act, making it possible more readily to remove directors, provided the opportunity for a new approach, the by-passing of the board.

Prior to 1947 one technique for taking over a company was to gain the consent of its board by paying substantial compensation to the directors. As this compensation did not have to be disclosed shareholders were not always aware of the reason for their directors' recommendation to accept the offer. The Cohen Committee reported that this practice was not uncommon and on occasion abused, (1) so recommended that such payments should be disclosed to members of the company and sanctioned by them. These recommendations were incorporated in the Companies Act 1948, section 191, which requires that payments made to directors, whether as compensation for loss of office or in the form of a price for their shares which exceeds the price payable to the shareholders, shall be disclosed to the shareholders and approved by them. But the 1948 Act not only ended this take-over technique, as stated above, it also provided the opportunity for a new and more important method, by-passing a board.

Before 1947 this was not always practicable because it was impossible to remove, during their tenure of office, directors appointed for a definite period, unless the articles gave power to do so. (2) There was little attraction in bidding for a company if the directors could not be replaced until the expiry of their term of office of, say, ten years or even life.

The Companies Act 1929, Table A article 80 made provision for the removal of a director by extrordinary resolution but the real change came in 1947. The Cohen Committee recommended that directors should be removable by an ordinary resolution of the company, notwithstanding anything in the articles to the contrary. (3) This recommendation was incorporated in the Companies Act 1948 which provides that a company may by ordinary resolution remove a director before the expiration of his period of office, notwithstanding anything in its articles or in any agreement between it and him. But this provision does not apply to a director of a private company who held office for life on 18 July 1945. (4) These provisions made it possible for the first time for a bidder to appeal directly to the shareholders, thus making possible a new bidding technique, offering to buy the shareholders' holdings then after gaining control of the company dismissing the board, even though the directors may have a fixed term of office, either by service agreements or by provisions in the articles.

The Companies Act 1948 was more revolutionary in its effects than has perhaps been realised. The most noticeable thing about take-overs prior to 1948 is that there does not appear to have been a single contested take-over. In those cases where a bid succeeded the directors either recommended the offer or else felt that it was so generous they could not successfully oppose it. Before 1948, in those cases where the directors of an offeree company expressed opposition to a take-over the bidder immediately withdrew his offer.

But this was not the case after the passing of the 1948 Act, for the first time bidders were able to appeal directly to the shareholders, regardless of the offeree company's board, so that take-overs became much more numerous in the 1950's and the contested ones attracted considerable public attention. Perhaps the major reason for this considerable increase in take-overs during the 1950's (5) was that the revolutionary change in technique, from negotiating with the directors to appealing directly to the shareholders, occurred in a period when circumstances made shareholders more inclined to accept an offer for their shares than had previously been the case. The next step, therefore, is to examine these circumstances.

B. EVENTS MAKING SHAREHOLDERS MORE INCLINDED TO ACCEPT AN OFFER

Some events created a position such that bidders were often able to offer shareholders a higher price for their shares than they might reasonably expect for some considerable time. One of these factors was the suppression of dividend increases in the 1950's, partly the consequence of inflation and partly resulting from the Government policy of dividend restraint.

With replacement costs rising steadily during a period of inflation most directors came to realise that accepted depreciation rates were insufficient to provide for the replacement of assets and, as it was difficult to estimate what the provision should be, prudent directors tended to retain as high a proportion of earning as possible. An illustration of the size of the prolem facing directors was provided by the Chairman of Renong Tin Dredging Ltd. when he stated that a tin dredge which cost £150,000 in 1938 required £300,000 in 1956 merely for re-equipping. (6)

Obsolescence was another factor to be considered. There was considerable technological development during the war which became applied in the post-war years, making much equipment obsolescent before its normal time for replacement. Some managements retained cash in the business to provide for this possibility as well.

There was also the problem of replacing stock in trade during inflation. When a trader buys goods costing £2,000 and sells them for £3,000 he is regarded as having made a gross profit of £1,000 even though some of this is the result of an inflationary increase in prices. If this inflation increases the trader will have to pay higher prices for his replacements so that he may have to spend £2,400 to replace the goods which he has just sold. This will require an additional £400 working capital but the trader receives no tax consideration for this and unless the money can be obtained from another source will have to find the extra £400 out of his tax paid profits with the result that his net cash gain will be less than his accounting profit after tax. During the post-war inflationary period, therefore, company managements which realised that there was a gap between net cash gain and the profits shown in their accounts quite rightly retained an additional proportion of their company's earnings in order to cope with this situation.

As a consequence of this uncertainty caused by the effects of inflation many directors adopted a cautious attitude towards dividend rates, being reluctant to risk allocating to increased dividends, cash which it might be later realised was required for replacements and increased working capital. For example, when Mr. Charles Clore bid for J. Sears & Co. (True-Form Boot Co.) in 1953 the Sears' dividend of 22½ per cent was covered five times by the company's available earnings. (7) In such cases the dividend restraint meant that these companies' share prices, being in the 1950's based on dividend rates, did not rise as rapidly as their increased earnings, thus providing bidders with the opportunity to take advantage of this gap by offering an apparently attractive price for the shares in these companies.

Another factor causing dividend restraint was Government fiscal policy in the 1950's. After the war the Government replaced the National Defence Contribution with a discriminatory Profits Tax, where the distributed profits for the year were less than the total profits of the business for the year the profits tax would be reduced by an amount equal to fifteen per cent of the difference, (8) while conversely if the distributed profits in any period exceeded the profits earned during that period then the profits tax was increased by an amount equal to fifteen per cent of the difference. This differential was changed in successive budgets so that by 1956 it had been increased to the extent that the profits tax on distributed profits was 30 per cent but on retained earnings was only three per cent. (9) As a result of this discriminatory fiscal policy the British companies which increased their profits after the war found it difficult to raise their dividend rates, and the freezing of dividend rates froze share prices also. The Financial Times index of leading ordinary shares which was 100 in 1935 was still only 105 in 1952 because share prices in the 1950's apparently tended to be based on dividends rather than earnings. The retained earnings of course increased the capital value of the companies which accumulated them but this was not reflected in share prices so bidders were able to make offers which exceeded stock exchange prices by attractive margins but were nevertheless below the companies' capital value.

Realising that their retained earnings would probably not be distributed until the end of the period of Government enforced dividend restraint many shareholders were prepared to accept any bid which exceeded the market price for their shares by a reasonable margin. In the circumstances these shareholders were quite right because acceptance of an offer enabled them to receive at least some of their withheld dividends in the form of a tax-free capital gain.

Another reason why a bidder was sometimes able to offer more than shareholders had expected in the near future was that the bidder often had a more accurate estimate of the company's worth than did the shareholders, and on occasion even the directors. For instance there were numerous retail stores which had suffered reduced earnings during the war. As a result the market value of their shares was depressed and their property, shown in the balance sheets at pre-war cost price, was sometimes far less than the current market value.

The shareholders two main criteria of share valuation, earnings and book value were therefore both unreliable guides in the post-war inflationary period when profits recovered and shop sites became increasingly valuable. Bidders based their valuation not on the depressed war time profits of the retail stores but on potential earnings, realising that there would be an improvement during the post-war boom. Some bidders also were aware that shoppers were changing their habits so that more people were tending to shop in town centres rather than their village stores, making the High Street sites increasingly valuable. Many shareholders were not aware of the significance of this change and its importance was not always realised by the directors, either. In such cases the bidders were able to offer consideration which was apparently generous but nevertheless was far below the value of their acquisitions, as shown in such cases as Clore's take-over of J. Sears.(10)

Again, companies were sometimes worth more to particular bidders because they intended different, more profitable uses for the companies' assets. For instance, in 1953 Mr. Harold Samuel became interested in the Savoy Hotel Ltd. because he calculated that one of its subsidiaries, the Berkeley Hotel, which was earning very small profits as an hotel, would be considerably more profitable if converted into offices. (11)

Also there were some companies, called "shells", which had greater value for others than for their shareholders. These "shells" were mostly created as a consequence of World War II. When the Japanese invaded Malaya and Indonesia they took control of English owned rubber plantations and in some cases granted them to local individuals. After the war many of these companies sold their estates to Chinese in Hong Kong or Singapore rather than resume operations themselves because this would have involved eviction of the squatters. Quoted companies in this class were left with only two assets, cash and their stock exchange quotation which was of no value to the shareholders in these circumstances. But the quotation had definite value to others for a variety of reasons. As explained in Chapter Four some firms sought a quotation to reduce their shareholders' liability for death duties, while others desired a quotation as a means of avoiding a surtax direction. There was another and more important class of company seeking quotation, the expanding firms anxious to raise more capital which realised that it would be easier to dispose of share offers if they had a stock exchange quotation. These companies could, of course, have applied to the Stock Exchange for a new quotation but this was sometimes a lengthy business and the Stock Exchange Council usually required far more information from a firm seeking a new quotation than they did from a quoted company which had been taken over then changed its type of business. Apparently by 1961 there was a recognised price for a stock exchange quotation so that bidders were prepared to pay a premium of £15,000 over and above the net assets of a "shell" company.(12)

Bidders were also able to make offers exceeding the current stock exchange price if they wanted a company for the purpose of diversification. It has been stated that company law consists of a row of locked stable doors, each labelled with the name of a famous, but departed horse. One instance of this was the case which gave rise to the ultra vires rule. After the South Sea Bubble, where the Hollow Sword Blade Company had abandoned the objects specified in its charter in order to become banker for the South Sea Company, Governments were determined to prevent future occurences of this kind of abuse. Company legislation, therefore limited British companies to the types of business explicitly permitted by the objects clauses in their memoranda of association, and such objects could not be altered without the Court's consent. The Cohen Committee, however, reported that the concept of ultra vires no longer served a useful purpose and recommended that a company should be enabled to alter its objects without the necessity of obtaining Court sanction. This recommendation was incorporated, with qualifications, in section 5 of the Companies Act 1948, facilitating company diversification at a time when its advantages were becoming realised.

There were some firms which were so convinced of the rewards to be reaped from diversification that they were sometimes willing to pay higher considerations for companies in fields different from their own. For instance, it has been suggested that sophisticated managements use diversification as a means of reducing their cost of capital because investors will regard a diversified firm as being better able to weather business recessions, so will be willing to pay a higher premium for issues of new shares in such a company, thus reducing the company's cost of raising additional funds. (13)

Where a company has surplus funds a profitable investment can be the acquisition of a firm which has attractive prospects but whose development is restricted through lack of cash. Such bidders can offer more than the market price for the shares of one of these restricted companies because the bidders' valuations will be based on the potential earnings which they hope to achieve through investing the necessary cash. Certainly in the later 1950's the acquired companies seem to have had a liquidity much lower than the average for quoted companies, (14) and this may have been because the easing of the ultra vires rule enabled companies with surplus funds to seek out firms that were restricted in their expansion through shortage of cash.

The circumstances were thus created for a substantial increase in take-overs during the 1950's. The Companies Act 1948 provided the opportunity to by-pass boards and appeal directly to shareholders at a time when other events made shareholders more inclined to accept offers. For instance, the divorce between management and shareholders had reached the stage where directors in some cases failed to inform shareholders of major policy changes until after they had been made. One example is the case of British Aluminium Ltd. where the directors in 1958 arranged to sell all the company's unallotted shares to Alcoa, giving the United States firm one third of the company's ordinary capital. The shareholders were not informed of this until the deal had been negotiated and only the intervention of the Treasury prevented British Aluminium becoming virtually the subsidiary of an American concern without the shareholders having an opportunity to express their wishes. (15) This dichotomy between directors and shareholders meant that shareholders, not knowing their directors and not apparently having any way of influencing them, owed them no loyalty, and as investors, not part owners, there was no reason why they should not make a profit on their investment by accepting an attractive offer for their shares.

This coincided with events which made it possible for bidders to make attractive offers. Where bidders had a better awareness of the current value of a company's assets or envisaged other, more profitable uses for them they were able to offer consideration which appeared generous to shareholders who were basing their valuations on dividends and balance sheet figures. The Government unwittingly helped bidders by imposing additional taxes on dividends while allowing any profits made as the result of accepting a take-over offer to be treated as tax-free capital gains.

But a generous price was not the only inducement a bidder had to offer; it was a novel and pleasing experience for shareholders to be canvassed for their support. The take-over bidders courted shareholders with an intensity, and in some cases an amount of information about their company, never provided by their directors. (16) At a time when some Chairmen were treating shareholders as a nuisance, in some cases even refusing to answer their questions at the annual meeting (17) the bidders revealed the shareholders as the real owners of the company, giving them a chance to exert a power they had almost forgotten existed.

The remaining chapters are concered with the results of this coinciding of the opportunity to adopt the new take-over technique with circumstances making acceptance of take-over bids more likely. Chapter 3 deals with the great increase in take-over acitivity which took place between 1945 and 1965, while later chapters investigate the problems raised by this development, such as valuing the offeree company, examined in chapter 5, the tactics used by bidders to overcome opposition, mentioned in chapter 6, the defensive techniques adopted by some boards, chapter 7, and some disquieting features raised by both of these, discussed in chapter 8.

1) Report of the Committee on Company Law Amendment (H.M.S.O.), 1945, para. 92

2) Imperial Hydropathic Hotel Company, Blackpool v. Hampson (1882) 23 Ch.D. 1

3) Report of the Committee on Company Law Amendment (H.M.S.O.), 1945, page 84

4) Companies Act 1948, section 184 (1)

5) See Chart 1, page 4

6) The Times 12/11/56 page 17

7) Takeover by W. Mennell (Lawrence & Wishart), 1962, page 31

8) Finance Act 1947, Part IV section 30 (2)

9) Finance Act 1956, section 29

10) Bid For Power by G. Bull and A Vice (Elek Books), 1961, page 113

11) ibid. page 81

12) Investigation into the affairs of Allied Produce Company Limited and A. I. Levy (Holdings) Limited (H.M.S.O.), 1966, page 6, para. 20

13) The Corporate Merger by W. W. Alberts and J. E. Segall (University of Chicago), 1966, page 274

14) Economic Trends (H.M.S.O.), April 1963, page vii

15) The Times 5/12/58 page 19

16) For example, the information about J. Sears' earnings per shop provided by Mr. Clore. Business Mergers and Take-over Bids by R. W. Moon (Gee & Co.), 1960, page 140

17) Minutes of Evidence Taken Before the Company Law Committee (H.M.S.O.), 1961, page 322

CHAPTER THREE

DEVELOPMENTS IN TAKE-OVERS 1945-1965

FLUCTUATIONS IN THE INCIDENCE OF TAKE-OVERS. During the 21 years 1945-1965 take-overs increased in both number and size of the average company acquired but as can be seen from Chart 1 (1) this growth was not a steady progression. Moreover, there is no noticeable correlation of take-over activity with any of the normally accepted indices of economic trends such as Gross National Product or the Index of Industrial Production. But there does seem to have been a relationship with changes in the rates of profits tax and the holding of general elections. In those years when profits tax on distributed profits was increased proportionately more than the profits tax on undistributed profits, take-over bids increased and when this differential was reduced the number of bids for listed companies declined. For example, the differential rate was increased from nothing in 1946 to 15 per cent in 1947 and during that year there were 19 bids for listed companies compared with the previous year's seven. The differential was also increased in 1949, 1951, 1955 and 1956, years during which bids were more frequent than in the previous twelve months. The years when the differential was reduced, namely 1952 and 1958, were years when bids were less frequent than in the previous twelve months. (2)

There may have been two reasons for this relationship. When profits were increasing while dividend increases were discouraged by the profits tax differential, shareholders would be more likely to give a bid favourable consideration because increased profits, if not distributed as higher dividends, would not raise share prices and so, for shareholders, the acceptance of an offer that exceeded the market price of the shares would represent a way by which they would receive their company's undistributed earnings. Secondly, if the cash which would have been paid as dividends was retained in the business as cash or readily marketable securities this would attract a bidder seeking extra funds.

Elections were held in 1950, 1951, 1955, 1959 and 1964; with the exception of 1950 during each of these years take-over bids for listed

TABLE TWO. CLASSIFICATION OF THE LISTED COMPANIES TAKEN OVER 1945 - 1965

SOURCES: APPENDIX A AND THE STOCK EXCHANGE OFFICIAL YEAR BOOKS

	Total	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
Food, Confectionery, etc.	92			1				1	1	4	1	4	3	4	4	18	12	7	6	4	9	13
Breweries, Distillers etc.	113	1	1		2	8		3	1	3	10	5	7	5	6	12	17	11	6	6	3	6
Hotels, Restaurants	37				1	1				3	4	2	4	1	1	5	3	4	2	2	1	3
Wholesale and Retail Distributors	150		2	1	4	1	8	4	2	10	7	5	10	14	7	21	13	13	8	8	10	2
Textiles, Clothing	148		2	3	1		1	3	2	5	8	8	9	11	8	12	9	11	10	14	19	12
Chemicals and Allied Industries	48				1			1		1		2	1	3	3	6	8	7	4	3	3	5
Steel, Engineering	173			2	2	1		3	1	5	3	13	10	19	16	25	14	15	14	9	10	11
Electrical Equipment and Gas Appliances	31												2	1	1	3	6	3	1	3	5	6
Vehicles	34			1	2	1				2		6		1	4		4	3	3	1	2	4
Paper, Printing, Publishing	53									3	2	2	4	4	1	11	4	5	6	5	2	4
Transport other than Shipping	7												1		3	1		1				1
Shipping and Shipbuilding	26			1	1	1		1	1	1	1		2	4			4	4	1		2	2
Oil Producers and Refiners	13	1				1						2	2	1		1	2		3			
Mining and Quarrying	41		1					2		3	2	2	3	3	4	4	4	2	4	1	3	3
Contractors and Contractors' Suppliers	37									2		1	2	3	6	7	3	2	5	2	4	
Rubber Plantations, Tea Estates, Ranches, etc.	160			5				1	1	1	3	2	15	21	15	41	26	12	5	1	10	1
Dormant Companies (Shells)	71							1		1	2	5	15	22	10	8	2	2	1	1	1	
Property, Cinemas, Theatres	94		1	4		1	3	2	1	2	2		5	7	15	10	6	9	5	11	5	5
Banks, Insurance	27								2	2		1		3	6	4	3	1	1	1		3
Holding Companies, Investment Companies	41			1		1				4			2	6	2	10	2		1	3	4	5
Miscellaneous	39							1		1	1	3	2	2	6	7	1		2	4	4	5
	1435	2	7	19	14	16	12	23	12	53	46	63	99	135	118	206	143	112	88	79	97	91

TABLE THREE: THOSE CLASSES OF BUSINESS TO WHICH AT LEAST 50 PER CENT OF THE ACQUIRED COMPANIES BELONGED EACH YEAR

SOURCE: ADAPTED FROM TABLE ONE.

Year				
1945	Breweries, Distillers	(1)		
	Oil Producers and Refiners	(1)		
1946	Wholesale & Retail Distributors	(2)		
	Textiles, Clothing	(2)		
1947	Rubber Plantations etc.	(5)	Property, Cinemas, Theatres	(4)
1948	Wholesale & Retail Distributors	(4)	Breweries, Distillers	(2)
			Steel, Engineering	(2)
			Vehicles	(2)
1949	Breweries, Distillers	(8)		
1950	Wholesale & Retail Distributors	(8)		
1951	Wholesale & Retail Distributors	(4)	Breweries, Distillers	(3)
			Textiles, Clothing	(3)
			Steel, Engineering	(3)

TABLE THREE: Continued

Year										
1952	Wholesale & Retail Distributors	(2)								
	Textiles, Clothing	(2)								
	Banks, Insurance	(2)								
1953	Wholesale & Retail Distributors	(10)	Textiles, Clothing	(5)	Food, Confectionery	(4)				
			Steel, Engineering	(5)	Holding Companies	(4)				
1954	Breweries, Distillers	(10)	Textiles, Clothing	(8)	Wholesale & Retail Distributors	(7)				
1955	Steel, Engineering	(13)	Textiles, Clothing	(8)	Vehicles	(6)	Wholesale & Retail Distributors	(5)		
							Breweries, Distillers	(5)		
1956	Rubber Plantations etc.	(15)	Wholesale & Retail Distributors	(10)	Textiles, Clothing	(9)				
	Dormant Companies (Shells)	(15)								
1957	Dormant Companies(Shells)	(22)	Rubber Plantations etc.	(21)	Steel, Engineering	(19)	Wholesale & Retail Distributors	(14)		
1958	Steel, Engineering	(16)	Rubber Plantations etc.	(15)	Property, Cinemas, Theatres	(15)	Dormant Companies (Shells)	(10)	Textiles, Clothing	(8)
1959	Rubber Plantations Etc.	(41)	Steel, Engineering	(25)	Wholesale & Retail Distributors	(21)	Food, Confectionery	(18)		

TABLE THREE: Continued

Year					
1960	Rubber Plantations Etc (26)	Breweries, Distillers (17)	Steel, Engineering (14)	Wholesale & Retail Distributors (13)	Food, Confectionery (12)
1961	Steel, Engineering (15)	Wholesale & Retail Distributors (13)	Rubber Plantations Etc. (12)	Textiles, Clothing (11) Breweries, Distillers (11)	
1962	Steel, Engineering (14)	Textiles, Clothing (10)	Wholesale & Retail Distributors (8)	Food, Confectionery (6) Breweries, Distillers (6)	
1963	Textiles, Clothing (14)	Property, Cinemas, Theatres (11)	Steel, Engineering (9)	Wholesale & Retail Distributors (8)	
1964	Textiles, Clothing (19)	Rubber Plantations Etc. (10) Wholesale & Retail Distributors (10) Steel, Engineering (10)			
1965	Food, Confectionery (13)	Textiles, Clothing (12)	Steel, Engineering (11)	Breweries, Distillers (6)	Electrical Equipment (6)
1945 to 1965	Steel, Engineering (173)	Rubber Plantations Etc. (160)	Wholesale & Retail Distributors (150)	Textiles, Clothing (148)	Breweries, Distillers (113)

TABLE FOUR: FACTORS WHICH MAY HAVE AFFECTED THE INCIDENCE OF TAKE-OVERS 1945-1965

YEAR	(a) FINANCIAL TIMES ORDINARY SHARE INDEX 1935 = 100			(b) BANK RATE		(c) PROFITS TAX			DATE OF GENERAL ELECTIONS	(d) NUMBER OF BIDS FOR LISTED COMPANIES IN THE YEAR
	Low for year	High for year	Percentage Increase for year	Low for the year	High for the year	on Distributed profits	on Undistributed profits	Differential tax on Distributed profits		
1945				2	2					3
6				2	2					7
7				2	2	25%	10%	15%		19
8				2	2					15
9				2	2	30%	5%	25%		17
1950				2	2				23 February	12
1				2	2½	50%	10%	40%	25 October	27
2	103.1	121.5		2½	4	22½%	2½%	20%		17
3	113.9	131.5	+ 8%	3½	4					68
4	131.1	184.0	+ 40%	3	3½					57
5	175.7	233.9	+ 27%	3	4½	27½%	2½%	25%	26 May	74
6	161.5	203.6	- 15%	4½	5½	30%	3%	27%		140
7	159.0	207.6	+ 2%	5	7					177
8	154.4	225.5	+ 7%	4	7	10%	10%	NIL		149
9	212.8	338.7	+ 50%	4	4				8 October	272
1960	293.4	342.9	+ 1%	4	6	12½%	12½%	NIL		174
1	284.7	365.7	+ 7%	5	7					143
2	252.8	310.2	- 18%	4½	6					101
3	279.6	347.5	+ 12%	4	4½					102
4	322.6	377.8	+ 9%	4	7				15 October	116
5	313.8	359.1	- 5%	6	6					105

SOURCES: (a) The Financial Times (b) The Economist Diary (The Economist Newspaper) 1965, p.30 (c) Finance Act 1947 s.30, Finance Act 1949 s.1, Finance Act 1951 s.28, Finance Act 1952 s.33 (2), Finance Act 1955 Pt.II, s.2. (d) Chart 1.

TABLE FIVE: EXPENDITURE OF THE COMPANIES INCLUDED IN THE BOARD OF TRADE SURVEY 1949 - 1960

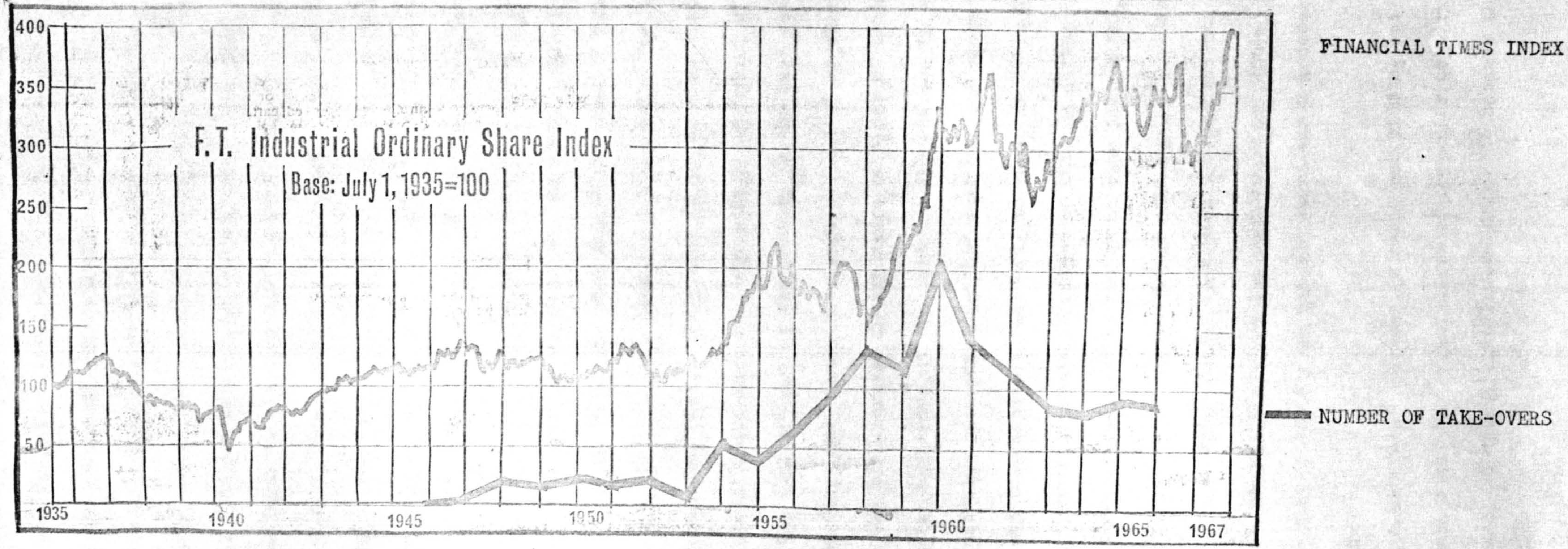
SOURCE: Economic Trends, April 1962 page iv.

Year	Expenditure of Companies on acquiring Subsidiaries each year £ millions	Total Expenditure of the Companies each year £ millions	Percentage of Total Expenditure spent on Acquiring Subsidiaries £ millions
1949	47	662	7.1%
1950	35	916	3.3%
1951	32	1366	2.3%
1952	36	619	5.8%
1953	82	798	10.3%
1954	114	1059	10.8%
1955	97	1366	7.1%
1956	119	1381	8.6%
1957	128	1423	9.0%
1958	121	1010	12.0%
1959	277	1699	16.3%
1960	338	2249	15.0%

"The companies quoted in this analysis, numbering about 3,000 are those engaged mainly in the United Kingdom in manufacturing, distribution, construction, transport and certain other services. Companies whose main interests are in agriculture, shipping, insurance, banking, property and those operating wholly or mainly overseas are not included. In most cases the companies are public companies whose shares were quoted on a United Kingdom stock exchange ..."

Economic Trends, April 1962, page x.

CHART TWO. COMPARISON OF NUMBER OF QUOTED COMPANIES TAKEN OVER WITH THE FINANCIAL TIMES INDICES 1945-65.



SOURCES: FINANCIAL TIMES INDICES: The Financial Times 28/10/67 page 1

NUMBER OF TAKE-OVERS: Appendix A.

companies were more numerous than in the previous twelve months. Three of these years, 1951, 1959 and 1964 also represented peaks, that is there were more bids for listed companies in those years in each case than both the preceding and succeeding twelve months. (3) There does not seem to be any reason for this except that The Financial Times Index of ordinary shares shows a similar tendency to rise during election years. As can be seen in Chart 2 there were rises in the Financial Times Index in the election years of 1950, 1951, 1955, 1959 and 1964 and, what is more, there was a correlation between the changes in the F. T. Index and the annual number of take-overs in most years, with the notable exceptions of 1961 and 1963.(8)

There were also changes in the type of businesses taken over. Table 2 (4) shows the types of businesses conducted by 1435 listed companies which were acquired between 1945 and 1965. Table 3 (5), using this information, shows the most important types of businesses acquired each year, that is the classes which accounted for half of the successful bids in each year. From this it can be seen that whereas breweries and distilleries accounted for a high proportion of the firms taken over in the earlier part of the period, in the last years steel and engineering firms had become the largest class of acquired companies. Another change was the increase in the range of types of businesses acquired. At the beginning of the period a few classes in each year accounted for half the take-overs in that year but the range of types of businesses was progressively extended, as shown in Table 3.

There was a minor increase in take-over bidding during 1947, a year when the differential profits tax rates were introduced, discriminating in favour of undistributed earnings. (6) Another minor increase occurred in 1951. During that year the profits tax differential was increased from 25 per cent to 40 per cent. (7) Also this was the period of the Korean War and there was a general election in October 1951.

The first substantial increase in take-over bidding was in 1953. It is significant that the largest class of companies acquired that year was the wholesale and retail distributor group (9) because the rapidly increasing property values after 1945 probably influenced many of the early take-over bidders. At a time of dividend restraint share prices rose slowly while the property which the companies owned was appreciating in value quickly so that bidders were particularly attracted by companies with chains of shops. If these companies could be acquired for a relatively low consideration then the new owner could sell the valuable shop freeholds to an insurance company, retaining control by leasing the properties back. Another factor for the big increase in 1953 was probably the Companies Act 1948. It would seem that by then the full implications were being realised of the opportunity provided by the Act for replacing an unwilling board after a successful bid.

There was a further sharp increase in the bidding for quoted companies in 1955, another election year. The profits tax differential was increased from 20 per cent to 25 per cent (10) and for the first time a large proportion of the acquired companies was in the engineering and vehicles classes. (11)

A further increase in take-overs of listed companies during 1956 coincided with a further increase in the profits tax differential from 25 to 27 per cent. (12) But it is significant that two important classes of companies acquired that year were those engaged as rubber plantations and the dormant, or shell, companies. (13) During 1956 the Bank Rate was raised to $5\frac{1}{2}$ per cent, the highest rate since 1932 (14) which indicates that funds were scarce and more expensive to borrow and so "shells", that is companies with all or most of their assets in cash, became attractive as a source of available and comparatively cheap funds. An alternative form of acquiring funds was to take over a rubber plantation or tea estate. These companies' share prices were depressed because of the difficulties of operating in the East after World War II, so it was possible to take-over a plantation company for a modest consideration and then sell its estates to Chinese in Hong Kong or Singapore for a substantial cash profit.

From 1947 shareholders of companies controlled by five persons or fewer, and therefore, if they withheld from distribution more than a reasonable proportion of profits, liable to surtax, were excused from paying this if they refrained from increasing their dividend rates. But in 1957 this "Chancellor's Umbrella" was removed [15] so that some unlisted family companies found it advantageous to take over a listed company and then transfer their business to the listed company as an insurance against a surtax direction. This probably accounts for the large number of "shells" acquired in 1957 though it is not always possible to tell which were taken over for their listing and which for their cash.

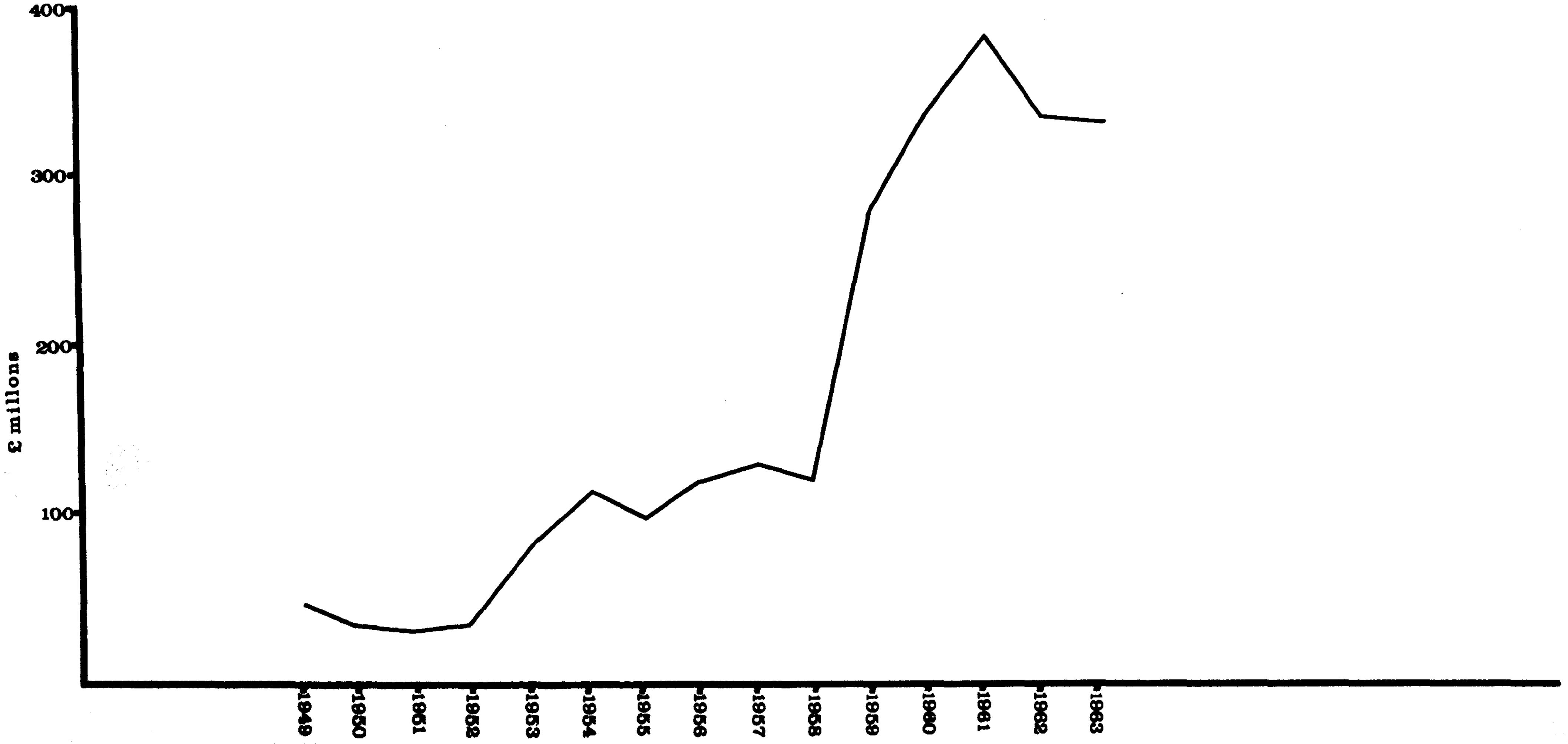
There was a slump in take-over activity during 1958, a year when the profits tax differential was abolished and bank rate reduced to four per cent. [16] The rêduction in the bank rate may be the reason why the bidding for rubber plantations and shells declined that year.

1959 was an important year for take-overs; there were several influences responsible for this. It was an election year, the Government exerted pressure on the aircraft industry to merge through take-overs, share prices rose dramatically during the year so that the Financial Times Ordinary Share Index increased 50 per cent from a high of 225.5 in 1958 to a high of 338.7 in 1959 and bank rate remained constant throughout the year at the comparatively low figure of four per cent, [17] encouraging industrial expansion. Also during this year there was a large increase in the number of acquired companies belonging to the rubber plantation class; 15 of the 1958 companies were in this class but there were 41 in 1959. [18]

From 1960 to 1963 bidding for listed companies declined, coinciding with a reduction in the number of offers for plantation companies and shells. The decline in bidding for these classes of companies in 1962 and 1963 is probably the result of the introduction of a capital gains tax in 1962. This was chargeable on profits arising from a disposal of land within three years of acquisition, or, in the case of other assets, within six months after the acquisition. [19] This had a dual consequence for take-overs. Henceforth when an acquired company was liquidated any resulting gain became taxable and assenting shareholders

CHART 3: EXPENDITURE BY THE COMPANIES IN THE BOARD OF TRADE SURVEY ON ACQUIRING OTHER COMPANIES 1949 - 1963

SOURCES: Economic Trends, April 1962, page iv; Economic Trends April 1963, p.ix; Economic Trends November 1965, p.xxi



receiving cash in exchange for their shares also became liable for any short-term profit they made through accepting the offer.

The Board of Trade has analysed the accounts of some 3,300 companies and extracted information about take-overs. Although the Board of Trade group of companies is a different sample and the information compiled on a different basis the trend for the development of take-overs is similar. Whereas Chart 1 is compiled on the basis of quoted companies which were acquired between 1945 and 1965 both by other companies and by individuals, the Board of Trade survey, summarised in Chart 3, (20) includes only those companies taken over by the members of its group and of the 4,905 companies acquired by this group only 655 of them were quoted. (21) Also, Chart 1 is compiled on the number of bids made per year whereas the Board of Trade figures represent the value of expenditure in acquiring subsidiaries.

Despite these differences the two charts indicate similar sharp rises in 1953 and 1959 then a decline in the early 1960's. The increased expenditure on acquiring subsidiaries was partly the result of a greater number of take-overs but was also the consequence of the absorption of progressively larger companies. The average consideration in the earlier years was £1,000,000 per quoted company acquired but by 1961 it was £3,500,000 (22) and as a consequence take-overs became an increasingly important part of these companies' expansion. For instance, the amount spent by the Board of Trade companies on acquiring subsidiaries in 1949 came to only 7·1 per cent of their total expenditure, but by 1960 the proportion had risen to 15 per cent. (23)

MAJOR TAKE-OVER BIDS

1953

THE SAVOY HOTEL The Savoy shares stood at 27s 10½ (24) when Mr. Harold Samuel became interested in the possibility of converting one of the company's hotels, the Berkeley in Piccadilly, into a block of offices and showrooms. Samuel started buying Savoy shares on the market but by the time he had purchased 20 per cent of the equity the price had risen to 50s (25) as a result of the buying of Savoy shares by another potential bidder, Mr. Charles Clore, who had acquired about 10 per cent of the total. Clore had also realised the opportunity of converting the Berkeley, which, though valued at £490,000, was averaging only £5,950 per year as profit, a return of less than 1½ per cent. (26)

When they became aware of the take-over intentions the Savoy directors tried to forestall them by announcing the formation of the Worcester Building Company (London) Ltd. with an ordinary capital which had been allotted to the trustees of the Savoy Group Staff Benevolent Fund and their intention of selling the Berkeley Hotel to the Worcester in return for that company's preference shares. (27) Under this scheme the Savoy was to lease the Berkeley back for fifty years with a covenant that the Berkeley would not, without the consent of the Worcester Company, be used otherwise than as an hotel during that period. (28) It was later disclosed that the Savoy Staff Benevolent Fund was set up three days after the agreement between the Savoy and the Worcester Building Company had been executed. (29)

Since even a successful bid would not now gain control over the Berkeley, there was little point in either Samuel or Clore continuing but the Worcester scheme attracted so much adverse publicity that Samuel was able to make a profit despite his failure. He contended that it was only fair that the directors who had frustrated his plans should personally buy his shares in the Savoy for 62s 6d each. (30) When the directors denounced this as an "excessive price", (31) Samuel declared his intention of asking for a Board of Trade investigation into the Worcester Building scheme and he also threatened court proceedings. (32) The Savoy directors paid Samuel his 62s 6d per share which brought him a profit estimated to be between £150,000 and £300,000 (33) though the precise amount is not known since Samuel at one stage bought Clore's holdings at an undisclosed price.

One of the conditions which Samuel attached to the sale of his Savoy shares was the abandonment of the Worcester scheme, leaving its legality untested. (34) But Mr. Thorneycroft, President of the Board of

Trade, appointed an Inspector to investigate the incident, particularly the Worcester Building scheme, as this would have removed one of the company's principal assets from the control of the shareholders without their consent. The Inspector reported that, in his opinion, the Worcester scheme would have been an improper use of the directors' powers. (35)

1955

UNION-CASTLE. The £100,000,000 take-over of Union-Castle Mail Steamship attracted attention partly because of the size of the merger and partly because of opposition to the bid by some Union-Castle shareholders. In most cases opposition to a bid comes from the directors of the offeree company but in this instance while the Union-Castle directors accepted the terms, a group of shareholders found them unsatisfactory.

The take-over was to be accomplished by forming a new company, British Commonwealth Shipping Company, to acquire the shares of both Union-Castle and Clan Line Steamers: the objection was raised that Union-Castle shareholders were to receive only 40 per cent of the British Commonwealth equity although contributing 58 per cent of the total assets and 52 per cent of the combined profits. (36) The terms of the offer, eight British Commonwealth ordinary for every three Clan ordinary shares but two ordinary and one preference share in British Commonwealth for every five Union-Castle ordinary shares, meant that the Cayzer family, which controlled Clan Line, would be given control of British Commonwealth. (37) What purported to be a merger was actually a take-over of Union-Castle by the Cayzer family on terms which were unfavourable to the Union-Castle shareholders.

The unfairness of the terms was revealed in the market reaction; Clan Line shares rose from 142s 6d per share to 170s when the terms of the merger were disclosed but Union-Castle shares moved from 27s 6d to only 30s. (38) Lord Rotherwick, chairman of Clan Line, replied to criticism of the merger terms by stating that he regarded the matter primarily as the uniting of two great shipping companies rather than a financial transaction. (39)

Eventually the preference share element in the bid was dropped and the terms amended to increase the share in British Commonwealth's equity which the Union-Castle shareholders received from 40 per cent to 47 per cent. (40) When the dissenters accepted this the arrangement became the largest British take-over till that time.

1956

TRINIDAD OIL In June 1956 the Texas Company bid 80s 3d per share for Trinidad Oil Company, more than twice the market value. (41) There was strong opposition to this bid, worth £63,000,000, from the Opposition members of Parliament who believed it would be a mistake to permit such a large British company to pass into the control of a foreign firm. (42) The Government, however, gave its permission for the take-over when the chairman of Trinidad Oil said he was recommending acceptance of the bid because Trinidad Oil lacked the enormous sums required to compete with the major oil companies which were able to obtain Middle East Oil at a cost of 35 cents per barrel, one third of the cost of Trinidad's supplies. (43) Being unable to raise the £25,000,000 needed to build a new refinery, Trinidad Oil had sought the Texas Company offer.

SOUTH WEST AFRICA COMPANY Further concern about American acquisitions was aroused later in the year by a similar circumstance, the bid of Tsumeb Corporation of S.W. Africa, an American controlled company, for the South West Africa Company. When this bid was announced in November 1956 Labour M.P.'s pressed the Government to stop it since the South West Africa Company owned the only vanadium mine in South West Africa. As vanadium was essential for alloy steels used in high speed tools and the turbine blades of jet engines transfer of the company into foreign control would represent the loss of control over an important source of a raw material. (44)

Before the bid South West Africa shares were 71s 3d (45) so the offer, worth 90s, was attractive. (46) To prevent its acceptance three British firms, New Consolidated Gold Fields, Anglo-American Corporation

EIGHTEEN BIDS BY CAMP BIRD LTD. ON 26 SEPTEMBER, 1956

Name of Offeree Company	Market value per share at Date of bid	Camp Bird's Bid per share worth	Net Book Assets per Share	Net Liquid Assets per Share
Chenderiang Tin Dredging Ltd.	15s. 0d	11s 9d	28s 7½d	15s 10d
Gopeng Consolidated Ltd.	11s 9d	9s 9¼d	6s 7½d	5s 1½d
Hongkong Tin Ltd	6s 0d	5s 5d	7s 4½d	2s 1½d
Ipoh Tin Dredging Ltd.	27s 9d	24s 1½d	34s 9d	31s 9d
Kent (F.M.S.) Tin Dredging Ltd.	4s 3d	3s 8¼d	3s 10½d	3s 1½d
Killinghall Tin Ltd.	8s 0d	7s 0¾d	9s 3d	6s 4½d
Kinta Kellas Tin Dredging Company Ltd.	6s 3d	5s 8d	6s 4½d	3d
Kinta Tin Mines Ltd.	17s 6d	15s 2¾d	13s 6d	9s 9d
Malaysian Tin Ltd.	1s3d	1s 0d	5s 10d	1s 10½d
Meru Tin Ltd.	7½d	7½d	1s 1½d	3d
Pengkalen Ltd.	15s 4½d	13s 10¾d	15s 0d	14s 9d

Continued

Name of Offeree Company	Market Value per share at Date of Bid	Camp Bird's Bid per share worth	Net Book Assets per Share	Net Liquid Assets per Share
Rambutan Ltd.	24s 6d	19s $5\frac{1}{4}$d	22s 0d	19s 0d
Renong Tin Dredging Company Ltd.	13s 0d	10s $11\frac{1}{4}$d	14s 9d	13s 6d
Selayang Tin Dredging Ltd.	1s 9d	1s $1\frac{3}{4}$d	2s 0d	1s 9d
Sungei Kinta Tin Dredging Ltd.	17s 6d	15s $2\frac{1}{2}$d	25s 9d	4s 6d
Tanjong Tin Dredging Ltd.	23s 9d	20s 0d	12s $10\frac{1}{2}$d	10s $1\frac{1}{2}$d
Tekka Ltd.	6s 6d	5s $5\frac{3}{4}$d	17s $10\frac{1}{2}$d	4s $1\frac{1}{2}$d
Temoh Tin Dredging Ltd.	8s 0d	5s $8\frac{1}{2}$d	7s $10\frac{1}{2}$d	3s 9d.

SOURCE: The Economist 29 September 1956, page 1082.

of South Africa, and the British South Africa Company made a joint offer of 100s per share for two out of every three shares held by each South West Africa shareholder provided that they would agree not to sell the third share. (47) The South West Africa directors stated that their company, lacking capital for development, had asked New Consolidated Gold Fields Ltd. for financial assistance. Tsumeb, in which the South West Africa Company was a large shareholder, also offered help and as a result both Tsumeb and New Consolidated Gold Fields submitted bids. (48) The joint offer from the three British firms, together with an appeal to the shareholders' patriotism, was accepted and the Tsumeb offer was withdrawn.

<u>CAMP BIRD</u> The realisation that many shares were underpriced on the market, providing opportunities for substantial gains through take-overs was brought out into the open in September 1956 when Camp Bird Ltd. made a simultaneous bid for eighteen companies. In large advertisements in The Economist and The Times (49) Camp Bird made offers, in its own shares, for eighteen Malayan tin mining companies, pointing out that these companies had between them liquid assets of over £2,250,000 while the market value of all the eighteen companies was only £4,400,000. Camp Bird undertook, if the offers were accepted, to use the cash to improve the profitability of the group. The directors of the tin companies opposed Camp Bird with two defensive techniques; they made cash distributions to their shareholders and they gave their own estimate of the real worth of the shares.

Rambutan Ltd. distributed 7s 6d cash per share to its shareholders, Kent (F.M.S.) Tin Dredging Ltd. distributed 1s per share and Tekka Ltd. distributed 2s 6d per share. (50) In each case the board said this was not designed to stave off the Camp Bird bid but was the natural development of financial policy.

The directors of the tin companies also gave some indication of the current worth of their companies' assets. Tanjong Tin Dredging Ltd.'s board stated its ore reserves were worth £4,500,000 (51), Renong Tin Dredging Ltd. announced its liquid resources were £400,000 even though it had just reconditioned a dredge at a cost of £300,000. (52)

The Chenderiang Tin Dredging Ltd. directors assessed the company's ore reserves at £3,000,000 (53) so the ore reserves of two of the 18 companies were alone worth £7,500,000, exceeding the market value of all the companies without taking into account the dredges or even the cash.

The chairman of Renong Tin Dredging Ltd. explained that tin dredging companies needed large cash reserves to provide for replacements in times of inflation, illustrating with the case of a tin dredge which cost £16,000 new in 1910, was replaced in 1938 for £150,000 and was re-equipped in 1956 for £300,000. (54)

But this need did not deter the tin companies' boards from their policy of making cash distributions to their shareholders as Gopeng Consolidated Ltd.'s board recommended a capital repayment of 1s 6d per share and Pengkalen Ltd.'s board recommended the distribution of 4s per share only one week after the Renong chairman's statement. (55)

None of Camp Bird's eighteen bids was successful but the venture did focus attention on the fact that market values had been depressed well below their asset backing. This is of particular importance when it is realised that in four of the eighteen cases the market value of the shares at the time of Camp Bird's offer was actually less than the amount of net liquid assets per share. (56)

1958

BRITISH ALUMINIUM The most important take-over of the year started in November 1958 when Reynolds Aluminium of the United States and Tube Investments jointly bid for British Aluminium Company Ltd. It was not only the size of the bid, £35,000,000 which attracted attention but also the acrimony which developed between the bidders and the British Aluminium board.

In October, when the British Aluminium shares were selling at 47s 6d each Reynolds Metals and Tube Investments told the British Aluminium directors they intended to bid 78s per share. (57) The British Aluminium board responded with the information that they had almost completed arrangements to sell all of the £4,500,000 unallotted capital to another

American firm, Alcoa, for 60s per share and were awaiting only Treasury consent for the deal. (58) They did not, therefore, see any point in submitting the Reynolds-Tube Investments offer to the British Aluminium shareholders. This raised several important matter regarding the rights, or lack of rights, of shareholders. The directors had not informed their shareholders of the deal with Aloca until it had been negotiated although the result of the allocation of the unallotted capital to Alcoa would have been to make British Aluminium the subsidiary of an American firm. Moreover they had denied the shareholders even the chance to consider the alternative, much more attractive, offer from Reynolds. (59)

The Government intervened when the Treasury deferred the granting of Treasury consent to the deal with Aloca until the British Aluminium shareholders had been given an opportunity to consider the Reynolds' offer. (60)

The British Aluminium board announced their intention to raise their dividend from 12 per cent to $17\frac{1}{2}$ per cent, bringing it up to the same rate as that of Tube Investments (61) then claimed that the Reynolds-Tube Investments bid of 78s was far too low as British Aluminium shares were really worth 120s. (62) But this left the directors open to the criticism of why they had not so informed their shareholders earlier in the year when British Aluminium shares were selling at 37s (63) and why if the shares were worth 120s each, £4,500,000 of them (representing one third of the company's paid-up capital) were being allocated to Alcoa for only half that price.

To avoid questions of this sort a consortium of fourteen City insitutions (64) came to the support of the British Aluminium board with a joint counter bid, using the technique which had proved successful in the South West Africa-Tsumeb affair. The consortium appealed to the shareholders' patriotism by asking them to not sell their shares to the 'wrong' American company, to reject the Reynolds' bid and to endorse the British Aluminium board's arrangement with Alcoa which would leave the existing directors in control. For those who desired cash the consortium offered to buy one half of their holdings for 82s per share on condition that the sellers did not part with the other half before the end of March 1959. (65) Further, the consortium claimed that "important" holders of more than 2,000,000 shares (of a total of 9,000,000 issued) had promised they would not accept the Reynolds-Tube Investment bid even though it had been raised to 83s per share. (66)

But the consortium provoked some resentment. As one commentator pointed out, the consortium which was appealing to British Aluminium shareholders to reject the bid in the "national interest" included one bank, Morgan Grenfell, which was founded and still controlled by an American parent, while a fair proportion of the other members of the consortium were firms founded in England by immigrants who had taken advantage of a concept of international financial freedom which their successors now sought to deny to Reynolds Metals. (67)

Reynolds did not raise their bid immediately but, on the advice of S. G. Warburg, commenced buying in the market on a large scale, pushing the price of British Aluminium shares above the consortium's offer of 82s to 84s. (68) At this market price the institutional holders apparently sold; their promise to the consortium had been to not accept the Reynolds' bid which did not preclude their selling on the open market even when Reynolds was known to be the major buyer. Reynolds on acquiring 4,000,000 shares announced a higher offer of 85s 1d per share, pointing out that they were very close to control with 45 per cent of the total and that if the remaining shareholders thought they could do better by waiting for a yet higher offer they should consider the fact that once Reynolds had obtained control "future dividends paid on B.A. Ordinary stock would be consistent with a prudent financial policy determined by ascertained results". (69)

This was sufficient to induce the remaining shareholders to accept quickly so the struggle ended in complete defeat for the British Aluminium directors and the consortium. As a result the City, or a part of it, lost prestige and the issuing houses which had hitherto been virtually immune to criticism, being regarded as experts in a highly specialised field, were shown, on this occasion, to have acted inexpertly. Faced with a choice between making a substantial profit by accepting the Reynolds' bid and supporting a board which did not even bother to consult them before making a major change in the company's ownership the shareholders, despite the consortium's intervention, had chosen the Reynolds' offer.

1959

HARRODS Early in June 1959 Harrods' shares stood at 96s 9d [70] but three weeks later the House of Fraser made an apparently generous offer which was the equivalent of 122s 6d (in virtually non-voting shares) for each Harrods' ordinary share. Debenhams made a counter offer of 130s 6d [71] which was recommended by the Harrods' directors as preferable, partly because it was in voting shares. United Drapery then made a still higher bid of 138s 3d. [72] A week later Fraser raised his bid to the equivalent of 154s [73] making the offer still more attractive by giving full voting rights to his "A" shares.

Fraser eventually won the acceptance of the Harrods' shareholders but only after six bids and counter bids, his last offer being worth £37,000,000, making it one of the largest take-overs in Britain.

THE JASPER AFFAIR In 1956 Mr. H.H. Murray, the Managing Director and Secretary of the State Building Society, wished to lend State Building Society money to a property owning company called Stevenson (Westminster) Ltd. in which he had a half interest. [74] As the Registrar of Friendly Societies did not approve of this proposal, Murray made an arrangement with a solicitor, Mr. F. Grunwald, whereby the latter would buy a suitable "shell" company to which the properties of Stevenson (Westminster) could be transferred. Then "there would be nothing that the Registrar could say". [75]

The company chosen was the "near-shell" Cotton Plantations Ltd. A successful offer was made; the company's land in Swaziland was then sold, some of the Stevenson properties were transferred to it, and the name changed to C.O.P. Investments Ltd. This company, which retained its Stock Exchange listing, was not easily identifiable with Murray who proceeded to lend State Building Society funds to it.

Subsequently Murray, with Grunwald who was a partner in the legal firm acting for the State Building Society, devised a scheme to take advantage of this situation. Murray offered interest rates for money deposited with the State Building Society considerably higher than the great majority of well-established building societies and spent five times the average for building societies on advertising, (76) attracting deposits of between £100,000 and £200,000 per week so that the State Building Society's assets increased from £3,000,000 in 1955 to over £15,000,000 by 1959. (77)

It was Grunwald's job to find investments for this money, investments which had to be sufficiently profitable to cover the high interest being paid by the Society. Grunwald in fact used the funds to finance a series of take-overs, mainly of companies owning property which they were not fully utilising, including Capital and Provincial News Theatres Ltd., Temperance Billiard Halls Ltd. and National Model Dwellings Ltd. (78) It has been estimated that by selling off the properties of these companies after take-over Murray received a profit of £198,000 and Grunwald one of £100,000. (79)

The method developed for paying the assenting shareholders in these take-overs has been described as "the art of living backwards". (80) After a successful bid the State Building Society would issue cheques to Grunwald for the amount of the consideration so that he could pay for the shares. This money was supposedly advanced on mortgage, secured by the assets of the acquired company, but in most cases the application forms for the mortgage were not completed until several months after the take-over and, in 180 cases, no applications were ever made for the advance. (81)

Because the annual accounts of a building society, at that time, had to set out mortgages exceeding £5,000 and particulars of any one borrower where there was more than one mortgage and the total debt exceeded £25,000 (82) Murray and Grunwald, to avoid disclosing their activities, formed a succession of companies, each of which borrowed less than £5,000 and each with a friend of Grunwald's, Mr. H. Jasper, as a director. It was later remarked that Jasper had been the director of 451 companies. (83)

At one stage in 1959 Murray told Grunwald he had £3,000,000 of State Building Society money to invest. Grunwald, therefore, offered, through H. Jasper and Company Ltd., 24s per share for Lintang Investments Ltd. (84) which owned the Dolphin Square Flats and Hyde Park North Estate. The Jasper offer was worth about £5,250,000 but in the meantime Lintang itself took over R. F. Jones Ltd. which owned eleven hotels, including the Piccadilly Hotel in London, thereby increasing the value of Lintang by another £2,650,000, (85) to a total of almost £8,000,000.

Grunwald was not, in fact, able to raise sufficient money to meet this total. The State Building Society could provide only £3,255,500 (86) and despite additional millions borrowed from other sources (87) he was unable to pay all the assenting shareholders in Lintang. Grunwald and Murray were subsequently convicted of fraudulently using money belonging to the State Building Society for their take-overs and each was sentenced to five years imprisonment. (88)

E.V. INDUSTRIALS LTD. In February 1959 a bid worth £1,300,000 for E. V. Industrials Ltd. succeeded. The new directors proceeded to sell some of their newly-acquired shares to the public but their behaviour was puzzling. For, at a time when the market value was 29s 6d per share, Camp Bird Ltd. bid 40s but the directors, still controlling the majority of the shares, rejected this bid as well as one the following month for 35s from the Bank of Alderney. (89)

As a result of complaints by some shareholders that there had been "outside manipulation" in E. V. Industrial share dealings (90) the City Fraud Squad investigated the dealings in these shares during the month of November. During this investigation the E.V.I. chairman stated he had joined the board "under a certain amount of pressure from a joint-stock bank", (91) because the bank had provided the bridging finance for the take-over in February with the E.V. Industrial shares as security. To repay the bank loan the new directors had commenced a selling campaign for the shares but the Camp Bird and Alderney bids arrived in the middle of their operations. In order to sell the shares at a good price the directors had circulated optimistic, though unspecific, forecasts of the profits being made. Both bidders were attracted by these forecasts which they interpretated as being £800,000 per year although in fact the actual profits were less than half that.

When the bidders asked awkward questions, such as the Alderney request to see the firm's books or Camp Bird's seeking of a specific estimate of the year's profits, the F. V. Industrial board had either to reveal the true profits, thus depressing the market value of the shares, or to reject the bids as "inadequate in the light of the potential earnings" of the company. (92) If the directors chose the first option they would be unable to sell enough of their shares sufficiently quickly to repay the bank overdraft: they thus fell back on the second alternative, which they regarded as the lesser embarrassment, and thereby incurred the dissatisfaction of the minority shareholders.

CROSSE AND BLACKWELL On the 8 December 1959, Crosse and Blackwell shares stood at 55s but during the day rumours of an impending bid from Nestle caused the shares to rise to 71s. (93) Nestle's British subsidiary denied that any bid was forthcoming but this was contradicted a few days later when Nestle did bid 72s for Crosse and Blackwell. (94)

In reply to criticism of their subsidiary's misleading statement Nestle explained that their British subsidiary had been kept in ignorance of the negotiations while they were waiting for Treasury approval of the deal. Fisons counterbid 82s per share, to which Nestle successfully replied by raising their bid to 84s, a total of £10,000,000. (95)

The problem of the British subsidiary of a foreign company denying any intention of a bid shortly before the parent actually made an offer was to recur the following year with Ford.

1960

BRITISH DRUG HOUSES In February 1960 Fisons had offered £11,000,000 for British Drug Houses, their bid of 29s 3d per share (96) being almost 50 per cent more than the market value of 20s 6d. (97) But the British Drug Houses' directors staved it off by doubling the dividend to 24 per cent and announcing that an important new research development would increase future profits substantially - this was an oral contraceptive.[98] However the new research development failed to produce the promised higher profits so the market value of British Drug Houses' shares slipped back after the failure of the Fisons' bid and they were as low as 12s 9d in 1963.[99]

WATERLOW AND SONS LTD In July 1960 Purnell and Sons Ltd. bid the equivalent of 45s for each Waterlow Deferred Ordinary share when the market value was 41s 6d.[100] As Waterlow had suffered a net loss of £286,000 the previous year, the directors were unable to use the common defence of increasing the dividend; instead they announced their intention of selling the company's head office building for a capital gain of £450,000 some of which they would distribute to the shareholders.[101] The Waterlow directors also gave their asset valuation of the Deferred Ordinary shares as 126s each,[102] greatly in excess of the 45s bid, but all this achieved was to reveal that the firm, for the last decade, had been making a mere $2\frac{1}{2}$ per cent return on its assets.

Further, the directors claimed that the Waterlow losses had been ended and the company had made a net profit of £91,500 in the six months to the end of March. Nevertheless, Purnell's bid succeeded and it was then the Purnell directors discovered that the Waterlow profit forecast had been the result of some unorthodox accounting. The £91,500 included £29,200 transferred from reserves, and, according to the auditors, these reserves instead of being reduced should have been increased by another £100,000. In addition Waterlow would be called upon to meet a loss of £40,000 in connexion with its Belgian subsidiary. Thus instead of making the stated profit of £91,000 for the six months, the company had actually made a loss of £77,000.[103]

FORD MOTOR COMPANY It was also during this year that there occurred the puzzling case of Ford Motor Corporation's take-over of its British subsidiary. In July 1959 Ford Motor Company's shares were selling for 69s when rumours started that Ford Corporation intended to buy out the 45 per cent minority interest.[104] A spokesman for Ford Motor

Corporation categorically denied that his company had such an intention[105] but the rumours persisted as the Ford Motor Company shares continued to rise steadily to 113s. The chairman of Ford Motor Company felt impelled to say, "Ford Motor Company is not now purchasing shares of Ford Motor Co. of Dagenham, England, and has no plan to do so". [106] But the rise in Ford shares continued so regularly that during the next six months Ford Corporation denied its intention of bidding for the minority shareholdings no fewer than twenty-five times, [107] at which stage The Times said "Now the company has once again stated categorically that it has no knowledge of any move. How long will these rumours persist?" [108]

The rumours ended five months later when, in November 1960, Ford Motor Corporation bid 145s cash for each ordinary share it did not already own in its British subsidiary, a total of £129,000,000 [109] making it the largest bid in Britain up to that time.

1961

ODHAMS PRESS Early in January 1961, when Odhams shares were selling for 32s 6d [110] the directors announced a merger with Thomson Newspapers. When Daily Mirror then bid the equivalent of 55s 1½d per share [111] the Odhams' board opposed it on the grounds that, if successful, it would give the Daily Mirror a near monopoly in the magazine field which would not be in the public interest and might provoke Government intervention. [112]

At the same time the Odhams' directors doubled their dividend to 37½ per cent, thereby raising the market value of Odhams shares above the bid price to 57s 6d [113] but Daily Mirror raised their offer to the equivalent of 63s 4d, making it worth a total of £37,000,000. [114] Daily Mirror's bid was accepted.

Among the lessons to be learnt from this take-over was that substantial profits could be made by anyone with inside knowledge of an impending bid. For, in the week prior to the Daily Mirror offer, Odhams shares rose from 32s 6d to 40s [115] which must have been the result of a leak.

COURTAULDS The year finished with the largest bid ever made in Britain, the £200,000,000 offer of Imperial Chemical Industries Ltd. for Courtaulds Ltd. This bid, the equivalent of 41s per share when compared with the market price of 30s [116] seemed attractive until the Courtaulds' board cast doubt on the value of the I.C.I. shares. They claimed that the prices charged by I.C.I. for most chemicals were considerably higher than those charged by European and American firms and that the reason for the bid was Courtaulds' decision to buy their raw materials in future, not from I.C.I., but from these cheaper foreign suppliers. In consequence I.C.I., they claimed, was trying to buy Courtaulds so as to make it a captive customer. [117]

Only 37 per cent of Courtaulds' shareholders accepted the offer, which meant that I.C.I. suffered defeat.

WHITEHEAD IRON AND STEEL COMPANY LTD In December 1962 Stewarts and Lloyds bid 70s per share, [118] more than twice the market price of 31s 3d, for Whitehead Iron and Steel Company. The reason was thought to be that Whitehead, which was the largest re-rolling firm in Britain, was importing Canadian steel to re-roll at a time when Stewarts and Lloyds was operating at only 70 per cent of capacity.

Richard Thomas and Baldwin Ltd., which had not been denationalised, made a counter offer of 72s 6d stating that they could not allow Whitehead, which had been one of their best customers for many years, to pass into the control of a rival. [119] Richard Thomas also told institutional shareholders in Whitehead that they would match any higher offer which Stewarts and Lloyds might make. [120]

This proved effective and even though Stewarts and Lloyds raised their offer to 85s cash, [121] worth a total of £10,625,000, Richard Thomas and Baldwin's bid was accepted.

As Richard Thomas and Baldwin was Government owned a degree of resentment was expressed on the grounds that a State owned concern was using Government funds to outbid a private firm. [122]

1964

W. BARRATT LTD There were two important, contested take-overs in 1964, in each case shareholders accepting the lower of the competing offers. In August 1964 S. Phillips Shoes Ltd. bid 18s cash for each ordinary share and 16s for each "A" (non-voting) share in W. Barratt Ltd. (123) when the market value of these shares was only 12s 3d and 8s 6d respectively. This bid, worth £3,600,000, was soon surpassed by two others. The first bid, by Stylo Shoes, was the equivalent of 21s 9d and 19s 9d; (124) it was immediately accepted by the Barratt directors who controlled 40 per cent of the votes. As the staff pension fund owned a further 17 per cent of the voting rights success for the Stylo bid seemed assured. The following day, however, Clore's firm, British Shoe Corporation, bid 22s and 21s 6d cash for the shares.(125) Clore, having pointed out to the staff pension fund trustees their duty to obtain the best price for their beneficiaries, asked them to state the lowest price they would accept for their crucial holdings. (126) The trustees, however, immediately accepted the Stylo offer even though it was less than Clore's, (127) giving control to Stylo.

Clore then requested the Stock Exchange Council to refuse permission to deal in the new Stylo shares which were to be issued as consideration because "an attempt is being made to deprive the majority of Barratt shareholders of an opportunity of receiving for their shares a price which is clearly in excess of the value of the Stylo offer". (128) The Council did not accede to Clore's request.

When making their offer, partly in shares, the Stylo directors had predicted a profit for the coming year of £275,000, when in fact this turned out to be only £168,000 the Stylo shares slumped on the market. Thus in reality the Stylo bid was worth only 14s 3d per ordinary share and 12s 9d per "A" share compared with Clore's cash offer of 22s and 21s 6d. (129) The trustees of the staff pension fund had, therefore, cost the fund £138,000 by accepting the Stylo offer. (130)

GEORGE OUTRAM AND COMPANY In September 1964 Lord Thomson's bid of 20s per share (131) for George Outram and Company Ltd. was well above the market price of 14s 10½d. The directors, however, opposed the bid and persuaded Sir Hugh Fraser to make a counter bid, first of 23s 11d (132) and then of 28s [133] in order to keep control of the company in Scotland. Fraser's offer, worth £7,300,000 was surpassed when Thomson increased his bid to the equivalent of 32s [134] but the Outram shareholders found the appeal to their patriotism even stronger and accepted the lower offer from Fraser's Scottish and Universal Investments.

1965

WALL PAPER MANUFACTURERS LTD In February, 1965 Courtaulds and Reed Paper Group jointly bid £55,000,000 for Wall Paper Manufacturers Ltd. [135] The Wall Paper directors opposed the take-over by a variety of measures, one of which attracted attention. They announced that a revaluation of the assets had shown them to be worth £15,000,000 over and above the book value although shortly before, at the annual meeting, the chairman had stated "it would be unwise to believe that revaluation would throw up a surplus having any great proportionate significance." [136]

Wall Paper Manufacturers was an unusual company in that The Church Commissioners and the various insurance companies held, between them, more than 52 per cent of the shares. Partly for this reason Courtaulds withdrew as soon as the Wall Paper directors expressed their opposition for they did not wish to continue in circumstances similar to the struggle between themselves and I.C.I. Reed Paper Group, however, continued alone by raising their offer from 25s per ordinary share to the equivalent of 30s $4\frac{1}{2}$d [137], well above the market value at the time of the first bid of 20s $1\frac{1}{2}$d. [138] This was sufficient to win acceptance from the majority of Wall Paper shareholders.

These are not all the large take-overs in the period, for instance during 1965 British Shoe Corporation took over Lewis's Investment Trust for £61,350,000 [139] but those mentioned raise features which are dealt with in later chapters. Chapter 5 investigates the reasons for the sometimes large difference between the value of an offer and the market price of the company's shares, chapter 7 is the study of the defensive techniques used by directors of offeree companies while the Jasper Affair is an example of unsatisfactory behaviour on the part of a bidder which is dealt with in chapter 8.

1) page 4

2) Table 4, page 41

3) ibid.

4) page 37

5) page 38

6) page 41

7) ibid.

8) Chart 2, page 43

9) Table 2, page 37

10) Table 4, page 41

11) Table 3, page 38

12) Table 4, page 41

13) Table 3, page 38

14) The Economist Diary 1966 (The Economist Newspaper), 1965, page 30

15) Business Mergers and Take-over Bids by R. W. Moon (Gee), 1960, page 61

16) Table 4, page 41

17) ibid.

18) Table 2, page 37

19) Finance Act 1962, Section 10 (2)

20) page 47

21) Economic Trends, April 1963 page x; Economic Trends, November 1965 page xxiv.

22) Economic Trends, April 1963 page iv.

23) Table 5, page 42

24) The Times 10/12/53 page 8

25) The Times 25/11/53 page 15

26) Bid For Power by G. Bull and A. Vice (Elek Books), 1961, page 72
The Savoy directors later admitted that in some of the previous 25 years the Berkeley's annual profit had been as low as a few hundred pounds. The Times 7/12/53 page 16

27) The Times 7/12/53 page 16

28) 1955 68 Harvard L.R. 1176 at 1180

29) The Times 1/7/54 page 9

30) The Times 10/12/53 page 8

31) ibid.

32) 1955 68 Harvard L.R. 1176 at 1181

33) Bid For Power by G. Bull and A. Vice (Elek Books), 1961, page 195

34) 1955 68 Harvard L.R. 1176 at 1182

35) Report of Mr. E. Milner Holland Q.C. on the Savoy Hotel Ltd. (H.M.S.O.), 1954 para. 14

36) Bid For Power by G. Bull and A. Vice (Elek Books), 1961, page 209

37) The Times 4/10/55 page 14

38) Bid For Power by G. Bull and A. Vice (Elek Books), 1961, page 208

39) ibid. page 213

40) ibid. page 221

41) The Times 15/6/56 page 16. Trinidad Oil shares were 40s 3d on 4/6/56 - The Times 5/6/56 page 19.

42) Parliamentary Debates, House of Commons, 1956, Vol. 554, pages 1444-1508

43) Business Mergers and Take-over Bids by R. W. Moon (Gee), 1960, page 142

44) The Times 5/2/57 page 8

45) The Times 24/11/56 page 13

46) The Times 17/1/57 page 14

47) The Times 5/2/57 page 8

48) The Times 7/3/57 page 16

49) The Times 26/9/56 page 16. The Economist 29 September 1956, page 1096

50) The Times 9/10/56 page 16

51) The Times 5/11/56 page 15

52) The Times 7/11/56 page 16

53) The Times 9/11/56 page 18

54) The Times 12/11/56 page 17

55) The Times 19/11/56 page 13

56) Pages 52 and 53

57) The Times 6/12/58 page 6. British Aluminium shares were 47s 6d on 6/10/56 - The Times 7/10/56 page 17

58) The Accountants' Magazine, February 1959, page 101

59) Bid For Power by G. Bull and A. Vice (Elek Books), 1961, page 52

60) The Times 5/12/58 page 19

61) Business Mergers and Take-over Bids by R. W. Moon (Gee), 1960, page 146

62) The Times 6/12/58 page 6

63) ibid.

64) The consortium of 14 City institutions, including five of the City's leading merchant banks was: Robert Benson, Lonsdale and Company; British South Africa Company; Brown, Shipley and Co.; Cables Investment Trust; Robert Fleming and Co.; Guinness Mahon and Co.; Hambros Bank; Lazard Brothers; Locana Corporation; Samuel Montagu and Co.; Morgan Grenfell and Co; M. Samuel and Co.; Edward de Stein and Co.; and the Whitehall Trust. - The Times 1/1/59 page 8

65) The Times 1/1/59 page 8

66) ibid.

67) The Accountants' Magazine, February 1959 page 106

68) The Times 3/1/59 page 11

69) The Times 5/1/59 page 13

70) The Times 20/6/59 page 11

71) The Times 23/6/59 page 15

72) The Times 26/6/59 page 17

73) The Times 8/7/59 page 9

74) Investigation into the Affairs of H. Jasper and Company Limited (H.M.S.O.), 1961 para 11

75) ibid. para 13

76) ibid. para. 25

77) ibid. plus The Times 20/7/60 page 7

78) Investigation into the Affairs of H. Jasper and Company Limited (H.M.S.O.), 1961, para 34

79) ibid. para. 31

80) The Times 20/7/60 page 7

81) Investigation into the Affairs of H. Jasper and Company Limited (H.M.S.O.), 1961, para. 101

82) ibid. para 96

83) The Times 25/9/59 page 12

84) The Times 9/7/59 page 10

85) <u>Bid For Power</u> by G. Bull and A. Vice (Elek Books), 1961, page 273

86) <u>Investigation into the Affairs of H. Jasper and Company Limited</u> (H.M.S.O.), 1961, para. 89

87) ibid. paragraphs 149, 150 and 153

88) The Times 23/7/60 page 4

89) The Times 1/9/59 page 13, The Times 29/8/59 page 9

90) The Times 21/11/59 page 6

91) ibid.

92) The Times 31/12/59 page 13, The Times 2/1/60 page 13

93) The Times 10/12/59 page 20

94) The Times 12/12/59 page 11

95) The Times 9/1/60 page 11

96) The Times 9/3/60 page 19

97) The Times 3/2/60 page 17

98) The Times 10/3/60 page 20, The Times 18/2/60 page 19

99) The Times 12/7/63 page 14

100) The Times 17/3/60 page 12

101) The Times 29/3/60 page 18

102) The Times 2/4/60 page 11

103) The Times 28/7/60 page 15

104) The Times 23/7/59 page 10

105) The Times 21/10/59 page 22

106) The Times 24/11/59 page 19, The Times 24/11/59 page 18

107) The Times 30/6/60 page 20

108) ibid.

109) The Times 15/11/60 page 12

110) The Times 28/1/61 page 11

111) The Times 28/1/61 page 6

112) The Times 10/2/61 page 5

113) The Times 10/2/61 page 20

114) The Times 18/2/61 page 8

115) The Times 26/1/61 page 10

116) The Times 19/12/61 page 13

117) The Times 25/1/62 page 16, The Times 20/1/62 page 13

118) The Times 29/1/63 page 8

119) ibid.

120) The Times 30/1/63 page 16

121) The Times 1/2/63 page 16

122) Parliamentary Debates, House of Commons 1963, Vol. 670, pages 759-762

123) The Times 15/8/64 page 11

124) The Times 28/8/64 page 14

125) The Times 29/8/64 page 11

126) The Times 5/9/64 page 13

127) The Times 10/9/64 page 17

128) The Times 11/9/64 page 18

129) The Economist, 26 June 1965, page 1567

130) ibid.

131) The Times 3/9/64 page 10

132) The Times 6/10/64 page 20

133) The Times 10/10/64 page 13

134) The Times 13/10/64 page 20

135) The Times 11/2/65 page 10

136) The Economist, 6 March 1965, page 1053

137) The Times 6/3/65 page 13, The Times 11/2/65 page 10

138) The Times 11/2/65 page 10

139) The Times 12/10/65 page 10, The Times 18/11/65 page 18

CHAPTER FOUR

Reasons for the Take-overs

Reasons for bidding can perhaps be divided into two main groups, which may be termed operating and non-operating. An operating bidder intends to continue the business in some form after the take-over while the non-operating bidder has an aim not directly connected with the business at all. He may want the acquired company for its cash only, intending to liquidate the firm immediately after gaining control, sell its assets and distribute the cash, or he may want to use the take-over as a way of avoiding taxation.

Where the bidder's aim is to carry on the company's business after the take-over he will usually try to operate the acquired company so as to increase its profits in some way. This can be achieved by introducing better management, applying new techniques, or using the assets for a different purpose such as redeveloping a London brewery into an office block. Sometimes the aim is to develop the business by injecting large amounts of cash into it.

There are also definite advantages which may be derived from an increase in size. Larger units are better able to weather recessions and find it easier to raise funds when expanding, whereas the smaller firms have difficulty obtaining funds during times of stringency, and when they do find a source it is usually at much higher rates of interest than those paid by the larger firms.

There appear, therefore, to be many different reasons why take-overs are made, at times the reason seems clear but sometimes the reason must have involved a combination of factors. On some occasions the bidders give their reasons but on others not; in some cases the reason given is obviously not the real one and where the intention is for a purpose such as "dividend stripping" that is not surprising. However, the following sections are an attempt to describe some of the reasons, as these have been explained by the bidders, surmised by financial journalists, or inferred from the circumstances.

NON-OPERATING REASONS

1. TAKING OVER A COMPANY WHICH HAS ITS ASSETS IN THE FORM OF CASH

1.1 "SHELLS" From 1939 to early 1959 British companies needed to obtain the Capital Issues Committee's consent before raising capital in excess of £50,000. One way around these restrictions was the taking over of a company which had, for one reason or another, ceased business and converted all its assets into cash or securities.

These dormant companies, referred to as "shells" were formed by a variety of circumstances. For instance the Ocean Salvage and Towage Company Limited sold all its salvage boats and tugs so that when taken over in 1950 it was a "shell" with cash and investments as its only assets.(1) The Burma Electric Supply Company Limited which formerly provided power for Mandalay had its property destroyed in World War II so that when taken over in 1959 its main asset was the £48,140 compensation received from the British Government.(2)

Other companies became "shells" on ceasing business without going into liquidation. Drages Limited, a retail store, ceased trading in 1938 and transferred its goodwill and Oxford Street lease to Great Universal Stores Limited(3) while Eclipse Mill Company Limited had ceased production as a cotton spinner when taken over in 1960.(4)

There were also shells created as a consequence of a programme of nationalisation. When S. G. Warburg and Company Limited took over Central Wagon (Holdings) Limited in 1953 Central Wagon's assets were mostly the cash and securities obtained when the British Transport Commission nationalised their railway wagons in 1948.(5)

But the most frequent type of "shell" was the rubber plantation, tea estate, or tin mine which had decided against continuing business under unfavourable conditions in Malaysia, Ceylon, India or Indonesia. Instances of this type are Lahat Mines Limited which sold its tin mining leases in Malaya in 1953 [6], Bowlana Tea Estates Limited which sold its Ceylon estate in 1955 [7], and Bruseh Rubber Estates Limited which sold its 1,357 acres in Malaya for £78,500 leaving the company with cash as its only asset at the time of its take-over the following year.[8]

The bidder, if a company, could acquire a "shell" by offering its own shares in exchange for those in the "shell". In 1958 the Bernam-Perak Rubber Plantations Limited board sold the company's estates for £131,598 so the company owned cash only when, during the next year, the Bernam shareholders accepted an offer from Apex Properties Limited of one Apex ordinary share for each Bernam ordinary.[9] However, cash was the most common consideration offered for "shells". If a cash offer was not accepted by all the shareholders in the offeree company then the bidder would obtain more cash after the take-over than was required as consideration. For instance, if a "shell" company had cash of £250,000 and holders of only 55 per cent of the shares accepted an offer of 20s. 6d. for each of the 250,000 shares the amount of cash required to pay assenting shareholders would be £144,375. So the bidder, by laying out £144,375, would obtain control of a company with £250,000 in cash, giving him an additional £105,000.

Therefore, it did not matter whether the consideration was paid in cash or shares, by taking over a "shell" the bidder obtained additional cash, which may be difficult to raise at a time of credit squeeze, and also avoided the high interest rates which even a successful firm, especially if small, would have to bear.

The position was complicated because "shells" were sometimes sought for their stock exchange listings as much as their cash but, between 1951 and 1964, there were at least 55 listed companies which appear to have been taken over for their cash.(10)

1.2 "NEAR SHELLS". There was another, even larger, group which may be termed "near shells". These companies had assets, mainly overseas, which they were not operating fully because of difficulties such as squatters taking possession of the estates in Indonesia. However, these estates could be sold to overseas entrepreneurs such as the Chinese of Singapore or Hong Kong after a take-over. There was a good opportunity of making a substantial profit with this type of take-over because, unlike the shareholders of a "shell" who could assess the value of their shares by dividing the available cash by the number of shares, the shareholders of a "near shell" had no such method but were dependent on advice from their directors. As the directors of Camp Bird Limited pointed out in 1956 this reached the position where four tin dredging companies had market values per share which were exceeded by the liquid assets per share. And when Premier Consolidated Oilfields Limited bid 1s.6d. for the National Mining Corporation Limited in 1958 the National Mining directors dismissed this bid as being ridiculously low because the cash and investments alone exceeded 1s. 6d. per share.(11) But only one month before the bid National Mining shares sold for 11¼d.(12)

Some indication of the profit to be made from acquiring a "near shell" can be seen from the case of an unsuccessful bid. East African Estate's bid of 30s. per share for Koliabur and Seconee Tea Company Limited appeared generous compared with the market price which had been as low as 13s. 3d.,(13) but the Koliabur shareholders rejected the offer on the promise of their directors to sell the estates and distribute the resultant cash. This was done, the 3,100 acres in Assam were sold and the Koliabur shareholders received 60s. per share when the company was liquidated.[14]

Details of the profits actually made through taking over "near shells" are less readily available but there is one instance. In 1956 Bukit Nilai Rubber Estates Limited shareholders received an offer of 1s. 3d. per share which seemed reasonable as during the previous 12 months Bukit Nilai shares had fluctuated between 4d. and 8d.[15] But the total cost of this bid was £19,556, whereas six months later, after he had taken over the company the bidder sold the firm's 600 acres in Malaya for £26,833, netting him a profit of 37 per cent.[16]

1.3 DISHONEST USE OF "SHELLS". The above take-overs, while profitable were reputable, but sometimes "shells" and "near shells" have been acquired to obtain cash through sharp practices.

Mr. A. I. Levy gained control of Allied Produce Company Limited when it was a shell, having ceased trading in 1960. Allied Produce had £41,886 in cash at the time Levy bought a 57 per cent controlling interest for £33,500 by means of a draft on A. I. Levy (Holdings) Limited. As soon as he obtained control of Allied Produce Company Limited Levy transferred the whole of its £41,886 to the bank account of A. I. Levy (Holdings) Limited using £33,500 of it to meet the draft. He had, therefore, bought Allied Produce with its own money, and for no cash outlay made a profit of £8,386.[17] This money belonged, not to Levy, but to the minority shareholders. The Board of Trade Inspector stated that :

"Allied Produce and its subsidiaries, since being stripped of their assets, have engaged in no activities. After June 1961 they have in effect been treated by Mr. Levy, so far as concerns administration, as if they did not exist..... No Directors' meetings have been held and no annual general meetings. No books of account have been maintained and no annual accounts prepared. Nor have any annual returns been made."[18]

In 1966 it was revealed that a cabal of Swiss lawyers and financiers had taken over some English shell companies as a means of manipulating a series of deals by which they appropriated £2,800,000 from an investment company, Sempah Holdings Limited which had been a shell company itself. The cabal obtained Bank of England permission to transfer the cash to Zurich for "investment" where it disappeared into anonymous Swiss Bank accounts.[19]

1.4 TAKING OVER A "SHELL" SO AS TO CONVERT AN ASSET OF DOUBTFUL VALUE INTO CASH. One object of bidding for a "shell" can be the intention, after taking over the company, to transfer to it an asset which the bidder no longer wants and cannot sell. If the transfer is done under the guise of a sale to the company the bidder will receive the shell's cash in exchange; by this means he has not openly appropriated the cash though he has used his position as director to sell the acquired company an asset of doubtful value.

In 1958 F.M.S. Rubber Planters Estates Limited was a "shell" having sold its rubber estates and all its assets were in the form of £527,165 cash.[20] In April 1958 Mr. V. F. Fairbank purchased 75 per cent of the shares in F.M.S. Rubber Estates from Mr. Charlton-Thomas for £417,000, paying for them by means of a cheque drawn on Richardson & Company, a firm of bankers in which he was a partner. Mr. Charlton-Thomas deposited F.M.S. Rubber Planters Estates' cash with Richardson & Company simultaneously with the handing over of Mr. Fairbank's cheque,[21] so the net effect of this transaction was that F.M.S. Rubber Planters Estates Limited had only £110,000 cash left, deposited in an account at Richardson & Company. This cash belonged to the holders of the remaining 25 per cent of the shares but Mr. Fairbank, as controlling shareholder, proceeded to use this to purchase the controlling interest in two companies owned by his partner Mr. Lowenthal.(22) These companies, Uitzigt Properties (Pty) Limited and the Walker Bay Investment Company (Pty) Limited were property owners and developers in South Africa. After the Sharpeville affair the activities of these two companies came to a halt and Uitzigt became insolvent so when sold to F.M.S. Rubber Planters Estates Limited the companies were of doubtful worth.

The Inspectors appointed by the Board of Trade in 1962 to investigate the affairs of F.M.S. Rubber Planters Estates Limited stated that Mr. Lowenthal had failed to help them to obtain a full knowledge of the facts and,

"It is possible that he believed that the estates in South Africa had considerable potential value if he could only find the finance to re-commence their development, but if so, it is odd that the £110,000 does not appear to have found its way there, so far as can be judged from such subsequent accounts as we have seen."(23)

2. TO MAKE A PROFIT WITHOUT LIQUIDATING THE COMPANY

2.1 TO SELL THE COMPANY IMMEDIATELY AT A PROFIT. Take-overs may be made with the intention of making a profit, not by liquidating the acquired company, but by selling it shortly afterwards to a third party.

When in 1956 Fraser, through Strathblane Holdings, paid £3,100,000 for Seager, Evans and Company, the distillers, there was speculation as to why the owner of a retail drapery group should want a distillery. This was answered a few months later when Fraser sold Seager, Evans to the American firm of Schenley Industries. For some time American distillers had been anxious to obtain liquor stocks and

Seager, Evans had £1,200,000 of liquor stocks. Fraser apparently had no intention of operating the distillery himself, but forestalled the Americans to his own profit.[24]

2.2. TO MAKE A PROFIT BY SELLING TO ANOTHER BIDDER. If a person has foreknowledge of a bid he could make a profit without actually taking over the company and without even spending any money buying shares. The possibility of this happening was pointed out by the directors of British Photographic Industries Limited when bids were made for the firm in 1957.

When Leadenhall Investment bid 5s.6d. per unit for British Photographic Industries Limited the directors recommended this as reasonable but Franco-British and General Trust surpassed this with a bid of 7s. The British Photographic directors pointed out that this was not a firm bid; it was a request for a free option to acquire units at 7s. each if it suited Franco-British. This would leave Franco-British with the choice of either withdrawing their offer, or if a higher bid should be made, then exercising their option to buy at 7s. per unit and selling at the higher price to the other bidder.[25]

2.3 IN THE HOPE OF MAKING A COMMISSION. In one case the bidders lacked the funds necessary to take-over the company for which they were offering but hoped to receive a commission from another company which did have sufficient funds.

During 1961 the Council of the London Stock Exchange took the unprecedented step of suspending, temporarily, dealings in Bent's Brewery shares because of a strange offer for them. Anglasi Nominees bid 50s. cash for each Bent's share against a market value of 42s.,[26] an offer requiring £21,000,000 in cash though Anglasi Nominees had nothing like that amount of money. Anglasi Nominees was the Burgess brothers, operating from two rooms, who had, after a conversation with the Chairman of United Breweries Limited, understood that United Breweries intended to expand into the north-west. The brothers therefore believed that if they could arrange a take-over of the Liverpool firm of Bent's Brewery Company Limited then United Breweries would gladly provide the £21,000,000 and also pay them a commission for their efforts.(27)

The Burgess brothers were prosecuted under the Prevention of Fraud (Investments) Act 1958 as they did not have a licence to carry on a business dealing in securities. Despite their plea that they were not selling shares the brothers were fined a total of £625. (28)

2.4 TO RESELL THE SHARES IMMEDIATELY AT A PROFIT. It is possible for the chairman of a company to purchase shares in another company then persuade his fellow directors, without informing them of the extent of his interest, to make a generous offer for the company in which he owns shares. In these circumstances, by operating through a nominee, the chairman can make a substantial profit.

In 1965 the auditors of British Printing Corporation disclosed that the company's chairman had made a considerable profit through taking over a firm and then selling its shares at a much higher price to the British Printing Corporation. Mr. Wilfred Harvey, the British Printing chairman, bought all the shares in Chain Libraries Limited for 25s. each. The Chain Library shareholders imagined they were selling directly to British Printing Corporation but Mr. Harvey bought the shares himself then sold them to British Printing Corporation after persuading his board that this was a company they should take-over. The other British Printing Corporation directors were unaware of the extent of Harvey's interest in Chain Libraries Limited and believed the £5. 19. 0d. per share which he recommended as a suitable offer was being paid to the former Chain Libraries shareholders. Harvey netted a personal profit of £288,331 on this transaction.(29)

3. DIVIDEND STRIPPING. There were two modes of dividend stripping, both of which enabled a dividend to be distributed in the form of a tax free capital gain. The first type was arranged through the shareholders selling their company to an investment firm then buying back their company for a lesser price after the investment firm had extracted a dividend. The second type involved shareholders exchanging their shares for redeemable non-interest bearing loan stock.

3.1 SELLING THE COMPANY THEN BUYING IT BACK AFTER THE PAYMENT OF A DIVIDEND. This process is clearly explained by P. M. Rowland and J. E. Talbot in the following :

"Let us assume that X was a successful trading company with net assets worth £500,000 (consisting of £400,000 cash and other net assets of £100,000), financed by issued share capital of £100,000 and accumulated taxed revenue reserves of £400,000. Its shareholders sold the entire share capital to Y, a share dealing company, for £500,000. Y thereupon procured that X, now its wholly owned subsidiary, paid it a dividend of £400,000 net, equivalent to, say, £650,000 gross. X was then put in liquidation, its net operating assets sold for £100,000 to a newly-incorporated company, X (1954) Limited, in return for shares, and those shares sold for £100,000 to the original shareholders of X. The latter would thus end up with a company owning the same business and assets except for the £400,000 cash, but they would have received this amount as capital instead of as dividends liable to surtax. Y would have made a dealing loss of £400,000, balanced in terms of cash by the receipt of a net dividend of equal amount; but by means of a claim under Income Tax Act, 1952, s.341, Y could recover the income tax deducted from the gross dividend to the extent of £400,000 at the standard rate. Moreover, for profits tax purposes the dealing loss would rank for relief, while the dividend would represent franked investment income."(30)

3.2 OFFSETTING DIVIDENDS FROM AN ACQUIRED COMPANY AGAINST THE PARENT'S ACCUMULATED LOSSES. Prior to 1958 if a company with accumulated losses could take-over a shell company another form of dividend stripping could be performed. The parent could have its newly acquired subsidiary pay almost all its cash as a dividend and then this dividend could be offset against the parent's past losses for tax purposes. As a result the parent would have made no profit for the year and as a result would claim, under section 341 of the Income Tax Act 1952, repayment of the tax which the subsidiary had paid on the profits from which dividend derived.

This is illustrated in Griffiths (Inspector of Taxes) v. J. P. Harrison (Watford) Limited.(31) In 1953 Harrison (Watford) Limited, a company with accumulated losses, took over a "shell", Claiborne Limited, for a consideration of £16,900 cash of which £15,000 was borrowed. After the take-over Claiborne Limited paid a dividend of £15,900 from which Harrison (Watford) Limited repaid the loan of £15,000. Then Harrison Limited sold Claiborne Limited for £1,000, making an apparent loss on sale of £15,900.

Harrison (Watford Limited then stated its trading position for the year as :

	£
Previous losses	13,585
Loss on sale of Claiborne Limited	15,900
	29,485

	£
Dividend from Claiborne Limited	
Net dividend	15,900
Tax paid on this	13,010
Gross Dividend	28,912

Because these figures showed that the company's income for the year was exceeded by its losses Harrison (Watford) Limited was able to successfully claim a refund of the £13,010 tax on the dividends paid by Claiborne Limited before the take-over.

There were at least five other Court cases which involved dividend stripping. (32)

3.3 THROUGH A REVERSE TAKE-OVER. A good example of this type of dividend stripping is provided by the case of the Dorchester Hotel. Dorchester Hotel Limited was controlled by the McAlpine family, who in 1953 took over New Zealand Crown Mines Limited, not to carry on its business, which was dormant, but to use in a reverse take-over. New Zealand Crown Mines Limited, renamed Development Securities, proceeded to buy Dorchester Hotel Limited for £400,000 cash (provided by the McAlpine family trusts) and £1,800,000 of unsecured non-interest bearing redeemable loan stock. The loan stock was redeemable by sinking fund in 1977 so was obviously payable only out of future profits and these could come only from Dorchester Hotel Limited. This stratagem resulted in the McAlpine family "stripping" the accumulated profits from their company and receiving them in the form of tax free capital gains.(33) This take-over also enabled "forward stripping", that is the 1977 redemption meant future profits were capitalised as well as past ones.

OPERATING REASONS

A. FINANCIAL

4. TO OBTAIN CASH FOR USE IN THE BUSINESS

4.1 BY ACQUIRING A SIMILAR BUSINESS. There are occasions when the intention of the bid is to obtain a similar business which has a substantial cash surplus that can be used for development within the bidder's business without liquidating the acquired company. Despite their large cash balances these acquired firms are not "shells" because they are still operating. For example, at the time Liner Holdings Limited was taken over by Ocean Steam Ship Company Limited in 1965 it had £15,000,000 in investments. But its operations on the west coast of Africa filled an uncovered area for Ocean Steam Ship Company Limited.(34)

In 1956 Elliott Brothers Limited acquired Associated Insulation Products Limited which had £800,000 in cash and Treasury Bills. The Associated Insulation directors stated that this money was surplus to the requirements of the company but could be profitably employed in a firm such as Elliott which had prospects of expanding in the new field of automation in which it had been a leader from the start. (35)

4.2 TO BRIDGE A HIATUS. A firm may be in the position of requiring additional cash for a short term only. As an alternative to borrowing, the firm can take-over a company in a similar line of business which has almost finished its own capital development programme and will, therefore, soon enjoy a large cash flow.

At the time Westminster Trust Limited, a property company, took over another property firm, William Willett Limited,[36] in 1962 it was explained that William Willett's developments were more advanced than those of Westminster Trust so the cash flow from William Willett would tide Westminster over the otherwise lean time during the hiatus until their own site at Victoria Street, London, was developed.[37]

5. TAXATION

Some take-overs have been motivated by the bidder's desire to arrange his affairs so as to avoid taxation.

5.1 ACQUIRING TAX DEDUCTABLE LOSSES. Where a company has incurred losses these may be set off against future profits for tax purposes as long as the profits are made in the same trade as that which incurred the loss.[38] There is no limit to the time during which these losses may be offset for the same company[39] so firms with large accumulated losses have been attractive propositions for bidders who believe they have the ability to make the firm profitable again. This may be achieved by improving the management, investing extra capital, or even by manipulating prices so that materials are transferred from the parent company to the subsidiary with accumulated losses at a figure which is less than cost, giving the subsidiary an artificial profit. But, however this is accomplished substantial savings in cash flow can be gained by avoiding the payment of taxes on the acquired company's current profits so long as these can be offset against past losses.

This explains the keen bidding for companies which otherwise seemed unattractive because they were making consistent losses. In

1955 Rootes and Leadenhall Investment contested control of Singer Motors which was currently losing £58,000 per year and seemed in danger of liquidation. But the accumulated losses of £141,000 (40) represented an asset to anyone who couldmake the company profitable in the future then deduct the accumulated losses from taxable profits. Other companies with large accumulated losses when taken over were British Photographic Industries in 1957 with a debit Profit and Loss Appropriation Account of £534,815 (41) and Peerless and Ericsson with an accumulated deficit of £134,581.(42)

The same result could be achieved by a losing company taking over one making profits. The best known examples of this are American. Studebaker-Packard, with $120,000,000 of tax-loss carry-over in 1958 acquired a series of profitable companies. Similarly, Kaiser Frazer Corporation, with substantial accumulated losses, in 1953 took over the profitable Willys-Overland.(43)

5.2 EXCHANGING ORDINARY SHARES FOR DEBENTURE STOCK. Debenture interest is allowable as a tax deductible expense whereas dividends are treated as a distribution of the company's after taxation profit. Therefore, if the shareholders in a company can all be persuaded to exchange most of their ordinary shares for debenture stock they would receive a higher proportion of their income from the company in the form of interest and less in dividends. This would enable the company to reduce its liability for taxation while if the shareholders each exchanged, say 90 per cent of their ordinary shares, they would be left with the same relative share of the equity. One way of achieving this is to arrange a take-over.

In 1966 Trafalgar House, of which Sir Geoffrey Crowther was chairman, devised a tax-saving take-over bid for itself. A new company, Trafalgar House Investments, was formed to make a bid of three ordinary shares and one "B" share plus £1 nominal of 7 per cent unsecured debenture stock in Trafalgar House Investments for every five shares held in Trafalgar House. As the board said,

"The effect of this will be that, with the interest of the 7% debenture stock being allowable for Corporation Tax, considerably higher distributions will be possible".(44)

Because debenture interest is allowable as a tax-deductable expense while dividends are not, the net result of this contrived take-over was that, without the company earning any more profit, a shareholder owning 500 shares in the old company would receive £11. 10. 0d. in dividends formerly but after the take-over would receive £17. 0. 0d. per year by way of interest and dividends. (45)

5.3 AVOIDANCE OF SURTAX. Super tax, and then its successor, surtax, was charged upon individuals whose total income exceeded £2,000 per annum. But there were cases where private companies retained the greater part of their earnings, with the result that the members each received less than £2,000 per annum from the company and so were not necessarily liable to surtax.

To provide for these cases, powers were granted to the Special Commissioners by section 21 of the Finance Act 1922, (now section 245 of the Income Tax Act 1952).(46) Where it appeared to the Special Commissioners that any company under the control of not more than five persons had not, within a reasomable time after the end of any period for which accounts had been made up, distributed to its members, in such manner as to render the amount distributed liable to be included in the statements to be made by the members of the company of their total income for the purposes of surtax, a reasonable part of its actual income from all sources for the said period, the Special Commissioners could direct that, for purposes of assessment to surtax, the company's income was, for the period, to be deemed to be the income of the members, and the amount thereof to be apportioned among the members.

But there was an exception to this. A company was excluded from the surtax provisions if the public was substantially interested in it. For the public to be substantially interested equity shares entitling the holders of at least 25 per cent of the voting power had to be beneficially and unconditionally in public hands and be quoted and dealt in on the Stock Exchange during the year. "The Economist" stated in 1958 that some of the quoted "shell" companies taken over by director-controlled private companies were acquired in an attempt to take advantage of this exemption and so ease the burdens of both estate duty and surtax. (47)

5.4 TO ALTER A PREPONDERANCE OF OVERSEAS PROFITS. As a result of the introduction of a Corporation Tax in 1965 companies with a preponderance of overseas income faced a new problem. Part IV of the Finance Act 1957 conferred exemption from income and profits tax on overseas trading profits of a company, resident in the United Kingdom, which qualified as an overseas trading corporation, until those profits were distributed as dividend in some way. (48) But the Corporation Tax legislation makes no provision for an overseas trading corporation.(49) The new provisions do allow relief against corporation tax for overseas taxes suffered by a company in respect of its overseas income, but, if the rate of overseas tax exceeds the corporation tax, no relief is given in respect of this "overspill", except for certain transitional relief which may be given in the first seven years of corporation tax. (50)

When the Bowater Paper Corporation bid for Hugh Stevenson, a competitor in the packaging field, it was remarked that Bowater's probable reason was the desire to generate more profit within Britain, because during 1965, 70 per cent of the company's profits were earned overseas.[51] This also seems to have been a major consideration in the take-over of Castrol by The Burmah Oil Company in 1966. The Burmah Oil chairman, in his 1967 Statement, when referring to the take-over of Castrol, said: "The system of company taxation introduced into this country by the Finance Act of 1965 imposes a heavy penalty on United Kingdom companies, such as your Company, whose trading income is derived largely from high-taxation areas overseas. This made it very important for your Board, when considering plans to increase trading income, to examine whether a substantial increase of that income could be made in the United Kingdom".[52]

5.5 TO OBTAIN A REDUCTION IN DEATH DUTIES. When a shareholder in a private company dies the value of his shares is calculated as his proportion of the net value of the company's assets. But if the deceased owned shares in a company, other than a "controlled company" with a stock exchange listing, the valuation for estate duty purposes is based on the market price of the shares at the date of his death.[53] For such companies the market price is usually considerably lower than the asset value so a valuation based on market price of the shares will result in a reduction of the amount payable as death duties. A family can, therefore, take-over a listed company, transfer to it the business of the family firm, then sell 25 per cent of the listed company's shares to their friends, so keeping control of the business while gaining a market price valuation of its assets for death duty purposes. As long as there have been some dealings, on a recognised stock exchange, in the company's shares during the year prior to the death of the owner of the shares, an assets valuation of the shares for estate duty purposes cannot be made.[54]

One example of this was the McAlpine family, owners of the Dorchester Hotel, who took over New Zealand Crown Mines Limited when it was a dormant, though listed, company. New Zealand Crown Mines, using money provided by the McAlpine family trusts, then acquired Dorchester Hotel Limited giving its own shares as consideration. As a result the McAlpine family had exchanged their shares in a "controlled company" for shares in a listed firm and so, while still retaining control of the Dorchester Hotel, the family had reduced their potential liability for death duties. (55)

5.6 TO PROVIDE CASH FOR THE PAYMENT OF DEATH DUTIES. Apart from the amount of death duties there is also the problem of finding sufficient cash to pay them. For a private company this can prove most difficult as shares in a privately controlled company are not usually attractive to persons outside the controlling family. When a member of such a family dies, almost the only way sufficient cash can be raised to pay his death duties is to sell the whole business, which means the surviving members lose control. There is the added difficulty, that in such circumstances, it is hard to obtain a reasonable price for the business.

One solution is to arrange a take-over of the family firm by a quoted company, selling the family business for the listed company's shares which can be readily sold on the stock exchange. On the death of one member of the family some of his shares can, therefore, be sold without disrupting the business.

When Coats, Patons and Baldwins Limited made an £11,000,000 offer for Pasolds Limited in 1965 Pasolds advertised in "The Times" that

"There are potentially heavy liabilities for estate duty in the event of the death of either Eric W. Pasold or Rolf Pasold, which could represent severe problems. Accordingly, to safeguard the future of Pasolds, arrangements have been concluded whereby C. P. B. will acquire a controlling shareholding in Pasolds....." (56) Under the arrangement Coats, Patons and Baldwins also acquired the 1,000,000 "B" ordinary shares held by the Pasold family, and not quoted on any stock exchange, for 500,000 shares in Coats, Patons and Baldwins plus £1,500,000 in cash. (57) It would have been difficult otherwise to sell such a large number of unlisted shares for a reasonable price.

These difficulties in finding sufficient cash to pay death duties are further illustrated by the case of an Australian, Sir Frank Beaurepaire. When Sir Frank died in 1956 his executors sold a large parcel of his shares in Olympic Consolidated Industries Limited. This was one of Australia's largest companies with an active market but even though the shares sold represented less than 10 per cent of the issued capital, the executors had to accept a price which was 11 per cent below the market value. The loss on selling the proportionate share of a smaller company would be much greater and has been estimated as perhaps 35 per cent. (58)

6. TO INCREASE THE PROFIT OF THE COMPANY BY RIDDING IT OF A RESTRICTION.

6.1 AS A WAY OF EVICTING A TENANT. Where a firm has plans which involve disruption for another company then taking over that company may be easier and cheaper than attempting to compensate the shareholders.

In 1949 City Offices Company Limited, for £100,000, bought the share capital of Palmerston Restaurants Limited, one of its tenants. Palmerston Restaurants had a long-term, cheap lease signed in 1937 which would have been irksome to City Offices if it wanted to develop the property, so, rather than compensate Palmerston Restaurants for terminating the lease City Offices solved the problem by taking over its tenant. (59)

6.2 TO END PAYMENT OF ROYALTIES. A firm which is paying royalties to another company may find that these royalties are likely to be greater than originally envisaged. In such a case it might be worthwhole to bid for the recipient of the royalties before that company's shareholders were made aware of the real value of their royalty income.

When Premier Consolidated Oilfields bid for National Mining Limited in 1958 the National Mining directors rejected the bid, pointing out the purpose of the bid seemed to be the ending of the payment of royalties. National Mining owned one quarter of the royalties payable by Premier Consolidated on oil production from certain areas in Trinidad and in addition owned a royalty of 2½ per cent of the gross proceeds of the sale of all oil and gas produced, from areas totalling 13,452 acres, by or on behalf of Premier Consolidated. The National Mining directors asserted that this offer was an unnecessary and cumbersome method of avoiding paying these royalties, unless the royalties were of much greater value than had been previously realised. (60) The bid failed.

7. TO OBTAIN A STOCK EXCHANGE QUOTATION. A stock exchange listing gives a company greater prestige, and because its shares are more readily marketable, a listed company has less difficulty than an unlisted one when raising additional funds. Taking over a listed company has represented a much easier method of obtaining a stock exchange quotation than applying for listing. If a listed company was taken over the Stock Exchange did not require as much information from the new owners as it would had they applied for their original company to be quoted. Sometimes the acquired company was in a similar line of business to the bidder but sometimes the acquired company had not only ceased business, it had no assets apart from its listing. The premiums paid for stock exchange listings increased

progressively from 1955 onwards until by 1961 there was apparently a recognised price for a company's listing. According to one person giving evidence at the investigation into the affairs of Allied Produce Company Limited a "clean shell", that is a listed company with a dormant business and a surplus of assets over liabilities, was worth £15,000 apart from any value deriving from the net assets.[61] However, the extent to which a company had a balance of unissued capital, and the size of the minority shareholdings might also have a bearing on the price.

In 1955 Sione Tin (F.M.S.) Limited was a dormant business which had sold its Malayan tin leases. The company had no fixed assets and net current assets of £54,641 when taken over for a consideration of £58,125 cash.[62] The £3,484 in excess of Sione Tin's net worth must, therefore, have been paid for the company's stock exchange listing. An even more obvious case was that of Grand Hotel, Harrogate Limited which was left with no assets after the Receiver sold its hotel in 1955, but Mr. Maxwell Joseph paid 3d. for each ordinary share in 1956.[63]

There was one case where the acquired company not only lacked assets but even had a deficiency. After Preanger (Java) Rubber Company Limited had disposed of all its assets there was a deficiency remaining of £500. But in 1956 the shareholders were able to accept an offer of $\frac{3}{4}$d. for each of the 394,901 shares.[64] This required £1,234 cash so, together with the deficiency of £500 this amounted to a price of £1,734 for the company's only attraction, its stock exchange listing.

But not all companies acquired for their quotation were "shells", some were in a similar line of business to the bidder. In 1957 the listed company Vantona Textiles Limited, blanket manufacturer, was taken over by the directors of Everwear Candlewick Limited, an unlisted company also making blankets. Afterwards in a reverse-take-over, Vantona took over Everwear Candlewick. (65)

There was a further reason for taking over a "shell" with a similar business, tax avoidance. As past losses could be set off against current profits if made in the same type of business, a profitable firm could, through a nominee company, take-over a company with accumulated losses then in a reverse take-over, the loss making company could itself absorb the profitable one. Henceforth the past losses could be set off against current profits so as to reduce liability for taxation.

For instance, in 1958 Mr. Ken Wood, a manufacturer of food mixers, acquired Peerless & Ericsson Limited, also a manufacturer of food mixers, which had a stock exchange quotation and an accumulated deficit of £134,581. (66) Mr. Wood achieved this by first purchasing Smaden Investments Limited "off the shelf" then himself borrowed £165,000 from Hambros Bank. (67) This sum he then lent to Smaden Investments Limited, interest free while claiming surtax relief for the interest he paid Hambros. (68) Smaden Investments Limited then used this money to take-over Peerless & Ericsson Limited which, in a reverse take-over, then gave four Peerless ordinary shares for each share in Kenwood Manufacturing Company Limited. The next step was for Peerless & Ericsson to change its own name to Kenwood Manufacturing Company Limited. As a result of these transactions Mr. Wood obtained a stock exchange listing for his company and two forms of tax relief, that for the interest payable on his Hambros loan and the deficiency of Peerless & Ericsson which could be offset against his future profits.

It is difficult to distinguish between those companies which were taken over for their cash and those wanted for their listing because sometimes both reasons appear to have been factors, but there seem to have been at least 19 companies which were taken over for their stock exchange quotation.[69]

8. TO OBTAIN CONTROL.

8.1 INDIVIDUAL WISHING TO OBTAIN CONTROL OF A COMPANY. In some cases an individual when bidding for a company has given as his reason the desire to control the company. In 1961 Lt. Colonel Scrase bid for Oceana Development, a gold mining company, stating that when he had acquired 51 per cent of the capital he intended to replace the existing board with himself and two associates.[70]

Quite a few of the "shells" were acquired by individuals but going concerns were taken over also. In 1952 Colonel G. S. Brighten bid twice for William Whitely Limited; the second bid succeeded and Colonel Brighten became the chairman.[71] In 1956 Mr. B. A. A. Thomas took over Nantyglo and Blaina Estates Limited,[72] and Mr. Gordon Heynes took over Quicktho (1928) Limited, a window manufacturer.[73]

8.2 INDIVIDUAL WANTING A SEAT ON THE BOARD. An individual may settle for something less than control, such as sufficient acceptances to become a director. Mr. Marcel Martin, in 1961, bid for shares of Dufay Limited saying that he desired, not complete control, but

"A far more substantial holding before joining the board and taking an active interest in the management of the company's affairs".[74]

8.3 FOREIGNERS WISHING TO ACQUIRE A BRITISH COMPANY WHICH HAS ASSETS IN, OR NEAR, THEIR COUNTRY. There are some cases where foreigners have apparently found it more convenient to take-over the British company owning the assets which they wanted rather than to attempt to buy the assets directly.

For instance, African City Properties Trust Limited which owned real estate in Johannesburg was taken over by Glazer Brothers of South Africa in 1950.[75] In 1964 a Calcutta firm took over Doloo Tea Company Limited which had 4,500 acres of tea estates in India.[76]

In 1954 a Brazilian company acquired Cambuhy Coffee and Cotton Estates Limited, which owned 137,000 acres in Brazil,[77] while Backus and Johnston's Brewery Company Limited, operating a brewery and ice factory in Lima, was taken over by a Peruvian company.[78]

Sometimes the take-over has been made by a firm from a near-by country. Consolidated Sisal Estates of East Africa Limited, owning 22,000 acres in Tanganyika was, in 1959, taken over by a Kenyan firm [79] while in 1957 City of San Paulo Improvements and Freehold Land Company Limited, owning land in Brazil, was taken over by a Panamanian investment company.[80]

There were at least 27 take-overs of this type. [81]

8.4 BRITISH COMPANIES TAKING OVER THE MINORITY INTERESTS OF THEIR SUBSIDIARIES. For taxation, or other, reasons the parent company may wish to manipulate prices or shuffle assets between subsidiaries. While this may be in the best interests of the parent company it could be disadvantageous to the minority shareholders in a subsidiary affected and apart from any sense of fairness it will sometimes be better for the parent to buy out this minority rather than face litigation.[82] On the other hand, if the inter-manipulations would result in the minority shareholders gaining an undeserved advantage the parent company will be equally anxious to buy them out.

For instance, in 1947 the Cunard Steam-ship Company Limited acquired the minority holding in its subsidiary Cunard White Star Limited for £7,600,000. [83] Crompton Parkinson Limited bought out the minority interests in its subsidiary Radio and Television Trust Limited during 1959, and in 1965 Crown House Investments Limited successfully bid for the remaining shares in its subsidiary, F. H. Wheeler & Company Limited. [84]

There were at least 55 bids of this kind.[85]

9. FOREIGN COMPANIES ACQUIRING THE MINORITY INTERESTS IN THEIR BRITISH SUBSIDIARIES. Large companies operating internationally face problems of exchange controls and also differing rates of taxation in different countries. For instance, in 1966 the corporation tax in Britain was 40 per cent on all profits, whether distributed or not,[86] while in West Germany corporation tax was 51 per cent on undistributed profits but only 15 per cent on those distributed.[87] By reducing the price of components or goods sent from a subsidiary in Britain to one in Germany the profits of the British company would be reduced while those of the German would be correspondingly increased. This might result in the American parent paying less tax if it wished to distribute a dividend but it might not be fair to the minority shareholders in the British subsidiary.

In the same way prices can be manipulated to overcome exchange regulations. If the French government is reluctant to allow further American investment into the country this can be avoided by reducing the prices of goods supplied from other subsidiaries to the French one. This will enable the French subsidiary to make a higher profit than otherwise because of its cheap supplies; some of this profit will represent capital remitted into France. Similarly, if a country imposes restrictions on capital leaving the country, it can be arranged so that the price of goods supplied to it from the parent is increased; when these are paid for some of the money will be capital transferred out of the country, back to the parent.

For all these reasons foreign companies with British subsidiaries may wish to buy out the minority interests in these subsidiaries. The easiest method of achieving this is to make a bid for the minority shares.

In 1960 Ford Motor Corporation of Detroit acquired the minority holdings in its subsidiary, Ford of Dagenham, at the cost of £129,000,000,[88] in 1959 I.B.M. Corporation of the United States took over the minority holdings in I.B.M. United Kingdom [89], while Technicolor of America, in 1964, successfully bid for the 49 per cent it did not already own of Technicolor Limited. [90]

I.B.M. when buying out their United Kingdom minority interests stated that,

"Recent developments, particularly in the European trading area have shown that it is difficult to reconcile the interests of the minority shareholders of I.B.M. United Kingdom with the necessity to integrate the business with a world-wide organization if maximum development of I.B.M. United Kingdom is to be assured".[91] When Timken Roller Bearing bid for the minority holdings in British Timken in 1959 it was commented that,

"The logic of the bid is that the United States Company wishes to meet international competition, notably from Swedish and Continental firms, and 100 per cent control will give it a completely free hand in pursuing an aggressive sales and production policy".[92]

10. COMPANIES WITH MOST OF THEIR ASSETS IN CASH, FINDING AN OUTLET FOR THEIR CASH AS AN ALTERNATIVE TO LIQUIDATION. Where a company has sold all, or a major portion, of its property so that its assets comprise mainly cash, the directors may recommend that the company be liquidated and the cash distributed amongst the shareholders. As an alternative the directors may attempt to establish the firm in some new ventures and the quickest way of achieving this is to use the cash as consideration for taking over established companies. Speed is of some importance here for if the directors delay in finding a use for the cash someone else may bid for their own company to obtain its cash.

10.1 "SHELLS" AFTER SELLING OVERSEAS ASSETS. One such case was The Bowlana Tea Estates Limited which sold its estates in 1955 then changed its name to Grampian Holdings Limited. It has since taken over a variety of companies so that it is now engaged in engineering, publishing, textiles, and property development.(93)

Dorada Extension Railway Limited sold its railways to the Colombian Government in 1956 for U.S. $1,000,000. The company's name was changed to Dorada Holdings in 1959 when it made a successful bid of 7s. cash for each share in E.J. Baker & Company (Dorking) Limited, motor vehicle distributors in Surrey and Kent.(94)

There were at least two other instances of this type of bid.(95)

10.2 "SHELLS" BECAUSE OF NATIONALISATION. Some companies found themselves "shells" or near shells after their major assets had been nationalised.

Thomas Tilling Limited had their road transport business of lorries and buses nationalised so found themselves in 1949 with £24,800,000 in British Transport 3% Stock but almost no other assets.(96) Thomas Tilling used this to diversify, acquiring majority holdings in James A. Jobling & Company Limited in 1950, the largest manufacturer of household and scientific glassware in the country, and Henry Lister and Sons Limited, woollen cloth manufacturers, in 1955. Tilling also acquired all the capital of Lime-Sand Mortar Limited, the second largest ready-mixed concrete firm in the country, in 1953. The take-over of Volkswagen Motors Limited in 1957 and Mercedes-Benz (Great Britain) Limited in 1960 means Tilling brings in far more imported cars for distribution than any other company. Through Pretty Polly Limited, acquired in 1955, Tilling's is one of the leading stocking manufacturers in the United Kingdom.(97) Tilling is also involved in publishing, electrical wholesaling and engineering.

10.3 INVESTMENT OF CASH FROM SALE OF A MAJOR SECTION OF THE BUSINESS.

But the cash need not have been the result of the company selling all its assets. If a company has sold a major share of its business then the directors will be anxious to replace that section of the business with a new activity and, again, a take-over is one of the quickest ways of achieving this.

In 1960 Fairey Aviation sold its aviation interests to Westland Aircraft for Westland shares and £1,390,000 in cash.(98) Later in the year Fairey Aviation used all this cash in a successful bid for Siebe, Gorman and Company, makers of diving and breathing apparatus.(99)

11. TO STRENGTHEN THE FINANCIAL POSITION OF THE COMPANY

11.1 TO ENLARGE THE CAPITAL SO AS TO ATTRACT INSTITUTIONAL INVESTORS.

Small firms, even when efficiently managed, are not attractive investments to institutions and some persons because lack of size limits the security of the investment. Also, when there are comparatively few shares, as in a small firm, the number of share transactions will be limited, making it difficult to dispose of shares at short notice.

Because of this, between 1958 and 1961 Highlands and Lowlands Para Rubber Limited bid for thirteen other rubber firms, taking over nine of them.(100) The reason given was that rubber companies' shares were valued on a 20 per cent to 25 per cent yield basis because institutional and other investors would not buy shares in small companies where marketability was restricted, even though the concerns were efficiently managed. There were scores of such companies in the Malayan Rubber industry so the Highlands and Lowlands solution was to form a large holding company which, because of its size, would have a better market for its shares. Highlands and Lowlands, already one of the largest plantation enterprises in Malaya, with dual crops of rubber and oil plams as well as interests in tin, made a good basis for the holding company.(101)

11.2 TO LOWER THE COMPANY'S GEARING. When a company which has a high ratio of borrowing to shareholders' funds wishes to reduce this ratio, then one of the quickest ways to achieve this is by acquiring another company with a relatively small amount of borrowing in relation to its shareholders' funds.

When, in 1965, Mercantile Credit acquired Fitzroy Finance The Times expressed the opinion that one of the attractions of Fitzroy was its extremely low gearing which could be used to offset Mercantile Credit's relatively high one.(102)

B. PRODUCTION

12. ENSURING SUPPLIES

12.1 TO OBTAIN EXTRA SUPPLIES OF A MAIN PRODUCT. Where a company wishes to ensure the guaranteed supply of a product which is vital to its existence, it can attempt to find new sources of the product but one method is to take-over a company which produces the product.

In 1960 British Petroleum took over Apex (Trinidad) for, it was thought, Apex's holdings in Trinidad which produced 400,000 tons of crude oil per year.(103) When Ipoh Tin Dredging bid for Renong Tin Dredging in 1961 the Ipoh chairman said Renong was wanted for its ore reserves as the ascertainable life of the Ipoh ore reserves was only eight to ten years and prospecting for further areas had not been successful.(104) In 1961 Fitch, Lovell Limited, the largest wholesalers of poultry in the United Kingdom, took over W. D. Evans Golden Produce, the chicken hatchery and broiler group.(105)

12.2 TO ENSURE SUPPLIES OF A RAW MATERIAL. Take-overs have been used as a means of ensuring adequate supplies of, not only main products, but other raw materials as well.

In 1958 the take-over of the London Electric Wire Company and Smiths Limited by Associated Electrical Industries ensured A.E.I.'s supplies of copper rod.[106] Similarly Stauffer Chemical Company in 1964 acquired Mountain Copper Company which owned pyrite mines in California and Phosphate deposits.[107] In 1960 Inns & Company, public works contractors, failed in their bid for Mountsorrel Holdings, owners of granite quarries,[108] but the following year Imperial Chemical Industries succeeded in their £1,340,000 bid for Settle Limes Limited. I.C.I. wanted to augment their stocks of lime, of which there was a foreseeable shortage.[109]

Courtaulds' offer for Halkyn District United Mines was somewhat similar. The take-over was intended to secure supplies of suitable water which drained from the lead mines owned by Halkyn Mines and could be used by Courtaulds' factories on the Flint Coast.[110]

12.3 TO RETAIN A SUPPLIER. If a firm is dependent on a company which manufactures an important component then the dependent firm may secure its supply of components by taking over the manufacturer.

There have been several cases of this sort, such as the Ford Motor take-over of Briggs Motor Bodies Limited in 1953[111], the Rolls Razor take-over in 1963 of Bylock Electric which supplied motors for Rolls Razor washing machines[112], the Kraft Foods' bid for Severn Oil Company which had been supplying Kraft Foods with vegetable oil since 1954 [113] and the British Motor Corporation take-over of Pressed Steel in 1965.[114]

In 1957 there was a disagreement between Standard Motor Corporation and Massey-Harris-Ferguson about tractor production. Standard made both cars and tractors but the tractor side of the business was the more important, making Massey the largest customer of Standard. Massey wished to expand their tractor sales in Britain which involved Standard in increasing its tractor production plant. Standard, however, felt they were too heavily committed to one customer so aimed to develop their car production instead. Massey-Harris, which already owned 19 per cent of the Standard equity, tried to resolve this disagreement by bidding for the remaining capital; this failed but later Massey-Ferguson bought the Standard tractor business for £14,900,000 cash.(115) Massey-Ferguson's offer of 9s. 5d. per share for the 81 per cent of the 27,710,000 ordinary shares it did not own totalled only £10,661,426.(116)

13. TO EXPAND PRODUCTION

13.1 TO OBTAIN EXTRA PRODUCTION. The expansion of production can require considerable time, especially if new buildings must first be erected and plant installed. The taking over of an established business obviates this delay.

As far back as 1934 Hawkers bought Gloster's to gain additional production space,(117) and as recently as 1965 Rover bid for Alvis, it was suggested, to obtain Alvis's excess engineering capacity which was very scarce in Coventry at the time.(118) During Acrow's 1961 take-over of E. H. Bentall and Company the Acrow chairman said his aim was to increase manufacturing capacity which was then fully stretched.(119)

When Lobitos Oilfields wanted to increase their refining capacity in 1960 they acquired Manchester Oil Refinery Holdings as the fastest and cheapest way of doing this.(120) In 1965 the Transport Development Group acquired Liverpool Warehousing Company which had 335 warehouses and sheds in Liverpool with a storage capacity of 1,000,000 tons.(121)

By 1966 Clutsom and Kemp urgently required additional capacity to expand the production of its stretchfabrics. Penn Elastic Holdings had a Leicester factory which suited Clutsom and Kemp's needs but no agreement could be reached with the Penn Elastic management so Clutsom and Kemp went over the heads of the Penn directors by making an offer for the company's shares.(122) This cost £5,130,000 because, to counter the opposition of the Penn directors, Clutsom and Kemp had to raise its offer to 25s. 6d. per share, compared with the pre-bid market value of 15s. 3d.[123]

Ushers Wiltshire Brewery, acquired by Watney Mann in 1960, owned 900 public houses from the Thames Valley to Devonshire, but it was stated at the time that the main attraction for Watney Mann was the brewing capacity, at that time under-utilised, of the Trowbridge brewery which Watney Mann could use for its own West Country trade.[124] Similarly, when Whitbread in 1961 took over Tennant Brothers, the Sheffield brewers, it was said that Whitbread was in effect buying extra brewing and bottling capacity.[125]

13.2 EXPANSION OF ONE DIVISION OF THE BUSINESS. The fastest and sometimes cheapest way of expanding a comparatively small but profitable production division is to take-over a firm which is in the same business as the division.

In 1961 S. Smith Limited paid £950,000 for Lodge Plugs Limited, winning against a competing bid from Morgan Crucible. S. Smith Limited, wishing to expand its sparking plug subsidiary, K.L.G. Sparking Plugs.[126] Vickers, already established as a producer of offset machinery, paid £7,000,000 for R. W. Crabtree Limited, manufacturer of printing machinery in 1965.[127] Also, Associated British Foods' 1964 take-over of Twining Crosfield was to expand the tea division of Associated British Foods' wholesale business.[128]

13.3 TO FILL A GAP IN PRODUCTION. A firm planning to itself manufacture all the parts which it uses may reach the stage where it is self sufficient in most components. The most convenient way of completing the plan may then be to take-over the manufacturers of the remaining components.

F. Perkins Limited, manufacturer of diesel engines, was taken over by Massey-Ferguson in 1959. Perkins had been losing money at the rate of £327,000 per year but the main advantage to Massey-Harris was the engine production which helped to make Massey-Ferguson a wholly self-sufficient tractor producer in Britain.[129]

14. PURCHASER BELIEVES HE CAN OPERATE THE ACQUIRED BUSINESS MORE PROFITABLY

14.1 OPPORTUNITY TO APPLY A NEW TECHNIQUE. A firm may have developed a new technique which could be profitably used in a different type of business. A quick way of applying the technique is to take-over a company engaged in that business.

Beecham's take-over of James Pascall in 1959 was probably to apply television advertising to the sale of Pascall's confectionery. Beechams had been outstandingly successful in using commercial television to sell proprietary foods, medicines and toilet goods, and Beecham's results obtained through the television advertising of Murraymints may have indicated the possibilities of what could be achieved through applying these proven techniques to Pascall's products.[130]

Similarly, E.M.I. when attempting to take ~~took~~ over Henry Simon Limited in 1960, explained ~~explaining~~ that they had developed a rapidly expanding business in electronic capital goods which they believed could be applied to the industrial engineering and materials handling business of Henry Simon.[131]

In the same year, Tootal, a textile manufacturer, acquired Yates Duxbury and Sons Limited, a paper maker, for £1,646,000. In a circular to their shareholders the Tootal directors revealed that the company's research department had for some time been concerned in investigating chemical finishing treatments for paper and that, with this background knowledge combined with current research in allied fields, Tootal would be able to develop Yatex Duxbury and strengthen its place in the paper industry.[132]

14.2 TO PUT THE ASSETS TO A DIFFERENT, MORE PROFITABLE USE. The directors of a firm may not be aware of, or interested in, the fact that their firm's assets could be made more profitable by converting them to a different use. This provides an outsider, who realises the potential value of these assets, with the opportunity to make a substantial profit by taking over the company then changing its type of business.

For example, the 1960 take-over by Gresham Limited and Charles Neale Investments of Frederick Gorringe, the Buckingham Palace Road drapery store, was motivated by the belief that the large rebuilding schemes around Victoria would cause a substantial increase in the office population of the area. The bidders planned to take advantage of this by converting the Gorringe drapery business into a complete department store.[133]

Samuel's plans to convert the Berkeley Hotel into a more profitable office block were similar.[134]

14.3 COMPANY NOT BEING OPERATED AS PROFITABLY AS IT SHOULD BE. In those cases where the shares of a company had a market value below the asset worth, because of disappointing profits, there were opportunities for those who believed they could manage the business more efficiently.

Firth Cleveland paid 18s. per share to obtain control of Max Stone Limited, radio and television retailers, in 1953. This was almost twice the market price of 9s.9d. but ten years later Peat Marwick and Mitchell valued the shares at 82s. each when Firth Cleveland decided to buy out the minority shareholders.[135]

14.4 TO INCREASE PROFITS BY REDUCING OVERHEAD EXPENSES. Companies with unduly high overheads present an opportunity for someone who has the ability to reduce these after a take-over.

For example, Mr. Joe Hyman, chairman of Viyella International, which took over eight listed textile companies between 1963 and 1965 claims the way in which he increased their profitability was by reducing costs, particularly overheads. When he became chief executive of Viyella in 1961 he replaced nine directors of the main board and decided that 500 of the 550 staff at head office were unnecessary. In North America Viyella had 28 full-time executives to sell its products; the work of these is now done by one man. As a result of these economies alone Viyella's overheads were cut by £600,000 per year.(136)

From 1962 to 1966 Viyella International's issued ordinary capital has multiplied more than seven times but its pre-tax profits have been increased nine times and the earnings per share are up four-fold.(137) Hyman's own explanation for this was,

"When I took over all these companies I quadrupled their profits on average, partly by pushing up productivity. That has been going up 22½% per year for the past two years because I cut the labour force by 20% a year letting three men do the work of five and paying them the wages of four. I improved stock control. And I also cut down the net capital employed by these companies from £40 million to £27 million by selling off a lot of old buildings and unprofitable assets".(138)

15. TO INCREASE PROFITS BY COMBINING OPERATIONS OF OFFERER AND OFFEREE COMPANIES

15.1 TO OBTAIN ECONOMIES THROUGH DEVELOPING LARGE-SCALE PRODUCTION.

A firm may find that certain departments of its overhead must be of a minimum extent regardless of the level of production. For instance the range of stock held, the number of warehouses, the magnitude of overseas sales divisions and amount of research required may be fixed over a large range of the firm's volume of output. By acquiring other companies in the same field such a firm will be able to substantially increase production, without increasing these fixed overheads for some time, thus lowering the production costs per unit.

For instance, when Royal Insurance acquired London and Lancashire Insurance in 1960 for £51,000,000 it was suggested that economies in the administration of the smaller units of both companies would be obtained, particularly in those overseas countries where both companies were represented in a small way.[139]

The Central Province Ceylon Tea Company, when bidding for Hornsey Tea Estates in 1957 stated that as the two companies' estates were adjacent they would be able to combine them into an integral unit and thereby manage them on a more economic basis.[140] Similarly, Jokai Tea Company's explanation of its taking over of Jhanzie Tea in 1964 was that it hoped to achieve economies by combining operations.[141] Between 1956 and 1964 at least 21tea estates in India, Ceylon and Pakistan were taken over by other tea estates [142], while between 1947 and 1965 at least 88 rubber plantations in Indonesia, Singapore, or Malaysia were absorbed by other rubber plantation companies.[143]

Also when Moss' Empires was bidding for Stoll Theatres in 1959 the Stoll chairman said a merger with Moss' Empires would result in substantial economies of operation which could well come to £40,000 per year.[144]

15.2 ECONOMIES THROUGH COMBINING SPECIALISED OPERATIONS. Economies of scale may also be obtained from taking over a company to combine with only one section of the purchaser's business.

Associated Electrical Industries Limited acquired W. T. Henley's Telegraph Works in 1958 for £9,500,000. Henley had assets worth more than £12,000,000 but these were not earning the normal rate of profit. A.E.I. may have hoped, by combining Henley with its own cable-making interests to achieve economies of large scale operation in cable-making.[145]

Similarly, the take-over of Hovis-McDougall by Ranks Limited in 1961 was explained as offering the opportunity to obtain substantial economies in production and selling costs through the merger of the specialised but smaller milling and bakery firm of Hovis-McDougall with the larger but unspecialised firm of Ranks.(146)

Also, in 1960 the chairman of P. & O. Steam Navigation said his company's reason for bidding for the Orient Steam Navigation Company was that,

"Before the war both companies used a larger number of smaller ships, normally operating on rigid mail contracts, so that the load upon the shore staffs was fairly constant and both companies got equal shares of the profitable and unprofitable traffic. These mail contracts no longer exist and the older ships are being replaced by a smaller number of faster and more costly ones. Thus the loads upon the shore organizations of the two companies are both heavier and more fluctuating, while the two fleets could not be operated with the maximum economy since this might have meant that one of the two companies would have to take the major share of either the profitable or unprofitable voyages...".(147)

15.3 ECONOMIES THROUGH SHARING RESEARCH COSTS. As research and development costs increase so do the advantages accruing from taking over a similar business so as to share these costs and spread them over a larger volume of production.

At the time Villiers Engineering was bidding for J. A. Prestwich Industries in 1957 the Prestwich directors pointed out that the two companies manufactured similar types of engines and if they did not combine would have to spend considerable sums independently on design, development and tooling, so a fusion would result in considerable economies.(148)

15.4 OPPORTUNITY TO MAKE MORE PROFITABLE USE OF A BY-PRODUCT. A firm which produces substantial amounts of a by-product which it sells to others may realise that the buyers of the by-product are making large profits by processing it. The firm may, therefore, believe that it would gain considerably more from this by-product if the purchasing companies were taken over.

In 1966 the National Coal Board paid nearly £2,000,000 for Whittlesea Central Brick Company Limited to obtain a more profitable use for its clay. The intention was to use the clay, dug up with coal, for making bricks. Furthermore, these brick kilns together with those already owned by the National Coal Board use large quantities of coal as fuel. The National Coal Board's plans envisaged it becoming the producer of one sixth of the country's total output of bricks.[149]

C. EXPANSION OF SALES

16. OBTAINING OUTLETS FOR PRODUCTION

16.1 GAINING NEW CUSTOMERS. If a firm wishes to expand production rapidly or its sales are declining it may be desirable to gain new customers quickly. A relatively quick way of obtaining new customers is to buy them.

For instance, in 1961 Distillers Company Limited paid £13,000,000 for British Xylonite which gave Distillers full control of an important outlet for its plastics raw materials.[150]

On the other hand, just after Stewarts and Lloyds started a £4,000,000 expansion programme at Corby the steel industry slumped to working at only 70 per cent capacity; to counter this Stewarts and Lloyds bid £10,625,000 for Whitehead Iron and Steel Company, the largest of fifty re-rolling firms in Britain.[151] Whitehead has a secondary role in the steel industry, buying in steel billets which they re-roll into bars and rods. To obtain this important outlet for its steel Stewarts and Lloyds unsuccessfully bid 85s. cash per share [152], more than two and a half times the pre-bid market price of 31s. 3d.[153] Stewarts' Chairman explained,

"Whitehead is importing Canadian steel for about 50 per cent of its requirements. If our offer is accepted British steel from British ore will supply Whitehead, with consequent benefit to our workers and shareholders".(154)

16.2 TO OBTAIN ADDITIONAL SHOPS. Building a chain of shops takes considerable time so if a firm wishes to expand quickly it is worth while taking over a company which has a large number of shops.

For instance, when Calico Printers' Association bid for Stylo Shoes in 1966 "The Times" surmised that Calico Printers', already in retail footwear through their department stores, wanted Stylo for its 300 shops.(155) And the £55,000,000 bid for Wall Paper Manufacturers was initially a joint effort of Courtaulds and Reed Paper. Wall Paper Manufacturers, with 900 retail shops selling wallpaper and paint, was an attractive outlet for Courtaulds' large paint manufacturing division.(156)

16.3 TO OBTAIN ANEW TYPE OF CUSTOMER. If a firm believes that it could develop its products more profitably if it were to expand its market so as to include a different type of customer from its existing ones then one way to become established in that market is to take-over a firm which has that kind of customer.

For example, Wellcome Foundation had, by the 1950's, done a considerable amount of animal research but did not feel the firm was obtaining the maximum benefit from this because their animal products were being marketed through veterinarians. To extend their pastoral coverage Wellcome Foundation, therefore, in 1959 took over Cooper, McDougall and Robertson, which had a 120 year old vetinary business that sold to the farmers directly. So successful was this policy that seven years after the take-over Cooper, McDougall and Robertson's annual pre-tax profits were amounting to about half the take-over consideration.(157)

17. <u>TO INCREASE THE SIZE OF THE COMPANY</u>. Sometimes take-overs are used as a method of enlarging the company or gaining it an increased share of the market. This need not necessarily result in the enlarged firm dominating the market.

For instance, during 1961 J. A. & P. Holland Limited took over 21 firms making toffees and caramels (158), but this still did not give Holland anything like a monopoly in confectionery making. Marriott & Sons Limited, of Witney, a blanket manufacturer, in 1960 absorbed another Witney blanket manufacturer, Charles Early & Company Limited(159), and the following year Pontin's Limited, owners of holiday camps, took over Squires Gate Blackpool Camp Limited.(160) In neither of these cases did the take-over enable the bidder to establish a monopoly position.

18. <u>TO INCREASE THE COMPANY'S SHARE OF THE MARKET TO THE STAGE WHERE A MONOPOLY, OR NEAR MONOPOLY, IS OBTAINED</u>. But take-overs have been used to attain a monopoly.

After acquiring A. Boake Roberts in 1960 (161) Albright and Wilson Limited bid £2,500,000 for Stafford Allen in 1964. The Economist reasoned that this was an attempt by Albright and Wilson to gain a monopoly in the essence field saying,

"A dominant position in a small specialised field is almost the only certain way of making high profits in the chemical industry".(162)

Also, Courtaulds' successful bid for British Celanese, its largest competitor, gave Courtaulds nine-tenths of the total United Kingdom output of rayon production.(163)

19. <u>TO STRENGTHEN THE COMPANY'S COMPETITIVE POSITION</u>

19.1 TO FILL A GAP IN THE PRICE RANGE. A company which fails to provide one of its products over a complete range of prices may find itself at a disadvantage compared with its competitors. Expanding production to fill the gaps will require time and additional advertising expense. A quicker, and probably cheaper way, is to take-over companies which product the products in the missing price brackets.

For example, Aristoc, the second largest nylon stocking manufacturer in Britain, was acquired by Courtaulds in 1966 for £5,300,000. This take-over ensured not only Courtaulds 15 per cent of the United Kingdom nylon stocking market it also gave it a stake in each price bracket. The take-overs of Derby and Midland Mills together with George Brittle took Courtaulds into the cheap end, by acquiring Kayser Bondor the company covered the middle range, while the take-over of Aristoc brought it into the top end of the market.(164)

Also, Management Today remarked of the 1960 take-over of Standard-Triumph by Leyland motors, Standard was a useful addition at the lower range of Leyland's products.

"The Leyland group then produced light lorries all the way up to the heaviest articulated units. Standard-Triumph added vans and cars, so extending the Leyland range two stages further down the weight scale. It gave Leyland the largest range of vehicles of any British motor firm".(165)

19.2 ENABLING THE COMPANY TO PROVIDE A MORE COMPLETE SERVICE. Where a firm in a service industry does not provide a complete range of services for its type of business some of its customers will turn to competitors for the missing facilities. There is a likelihood that some of these customers will transfer the remainder of their business also to the competitor. Because of this possibility both those firms wishing to attract additional customers and those anxious to keep their existing ones will take-over companies which provide a specialised service they do not themselves.

For instance, the take-over of Balfour Williamson and Company by the Bank of London and South America in 1960 enabled the bidder to provide a banking, merchant banking, and commercial service through almost the whole length of the west coasts of North and South America.(166)

20. TO EXTEND GEOGRAPHICALLY

20.1 EXPANSION WITHIN THE COUNTRY. Improvements to both roads and vehicles have increased the distances which trucks and tankers can cover. As a result firms have extended their market areas considerably and some have used take-overs as a way of establishing themselves in new areas.

For instance, breweries were once restricted in their deliveries to the distance a horse-drawn dray could cover in a day. With beer tankers the delivery distance has been multiplied and so some breweries have taken over others in neighbouring areas to acquire their licensed houses. One example of this was Strong and Company of Romsey Limited, Hants., which in 1949 took over Thomas Wethered and Sons Limited of Marlow, Bucks. Thomas Wethered owned 193 licensed houses.(167) Between 1945 and 1965 there were at least 91 brewery companies taken over by other brewery firms.(168)

Another example is that of Harrods Limited, of London, which took over John Walsh Limited, a Sheffield department store, in 1946.(169) And Kennings acquired Car Mart Limited in 1962, the Investors Chronicle said, to extend its already extensive geographical coverage to the London market.(170)

National Provincial Bank took over the Isle of Man Bank in 1961(171) then the District Bank in the following year. This was thought to be aimed at making a break-through into the north where the National Provincial, like the other four members of the big five banks, was poorly represented.(172) Similarly, Trust Houses' £6,800,000 take-over of Grosvenor House (Park Lane) in 1963 was thought to be an extension into the London area, where Grosvenor House was strong and Trust Houses weak.(173)

20.2 EXPANSION OVERSEAS. A British firm wishing to establish a division in another country will probably find that the most convenient way of achieving this is to take-over another British company which has already established itself in that country.

For instance, Lloyds Bank took over the National Bank of New Zealand in 1965.(174) Also Twining-Crosfield, which had an important export trade, was taken over by Associated British Foods partly for that reason in 1964.(175)

There was one case where the take-over was stated to be, not for the British parent company so much as for its American subsidiary. For instance, Tate & Lyle in 1965 paid £31,000,000 for United Molasses in order to gain its subsidiary, Pacific Molasses Company, and so obtain a stake in the United States which

"As an international company we have always felt we should have".(176)

20.3 OVERSEAS COMPANIES WISHING TO BECOME ESTABLISHED IN THE UNITED KINGDOM. There seem to be definite advantages through expanding into a foreign country by taking over an established business there. General Motors acquired Vauxhall in 1928 and Procter and Gamble bought Thomas Hedley and Company in 1930 to establish themselves in Britain. This process has continued steadily since 1945. For instance, Diamond Match Company of the United States took over Hartman Fibre in 1956(177) and another American firm, Smith Corona, acquired British Typewriters in 1958.(178)

But not all the foreign bids came from the United States. Rembrandt Tobacco, which took over Carreras in 1958, was a South African firm(179) and Thomson was a Canadian when he acquired Illustrated Newspapers in 1961.(180) Also it was three Iranians who bid £1,000,000 for James Rothwell Limited in the same year.(181)

Still, most bids of this type were made by American firms such as the 1962 take-over of Lansil Limited by Chemstrand Company of New York[182], the 1964 take-over of Waterside Mill Company (Bury) by Deering Milliken Inc.[183] and the £17,000,000 take-over of British Paints by Celanese Corporation in 1965.[184]

There were at least 29 take-overs of British firms by foreign concerns establishing themselves in Britain.[185] It is not always known why American companies wanted to establish themselves in Britain but there is one instance where the reason seems clear. At the time of Reynolds' bid for British Aluminium in 1958 it was pointed out that the consumption of aluminium in the United States grew by 140 per cent between 1946 and 1957; in the same period consumption in the rest of the non-communist world increased by 270 per cent.[186] Another example of Britain representing a more rapidly expanding market was revealed when the Texas Company bid for Trinidad Oil in 1956. It was then stated that during 1955 petrol consumption increased by only six per cent in the United States whereas during the same period British petrol consumption rose 11 per cent.[187]

21. DIVERSIFICATION

21.1 DIVERSIFICATION INTO AN ALLIED MARKET. Where a firm realises that a different, though related, type of business offers profitable prospects the firm will want to move into this allied field as quickly as possible. The take-over of a company in the desired business will achieve this quickly.

For example, in 1958 the National Provincial Bank acquired North Central Wagon Finance Company as a way into the hire purchase field[188], and when the Westminster Bank wished to get into the credit card business in 1965 it bid for Diners' Club Limited.[189]

Also, Martinex Gassiot had a very large stock of port when John Harvey and Sons Limited took it over in 1961, so it was assumed that Harvey's, primarily a sherry firm, was intending to expand into port in a big way.(190) And a special form of this type of diversification was the £20,000,000 take-over of Lobitos Oilfields by Burmah Oil in 1962. Burmah Oil, with a high proportion of its assets in British Petroleum and Shell Oil shares, may have been anxious to diversify by acquiring Lobitos's Peruvian oilfields.(191)

21.2 DIVERSIFICATION INTO A DISSIMILAR MARKET. There have been several underlying reasons for the use of take-overs to implement a policy of diversification into an unrelated field. A firm may find itself in a profitable but limited field with few opportunities for expansion, or, the firm may fear that its market will dissolve sometime in the future. In both these cases the directors will be anxious to see the firm established in some other industry as soon as possible and take-overs represent a speedy way of doing this.

For example, in 1961 Horlicks Limited tried to take over Burt, Boulton and Haywood, timber merchants and paint manufacturers.(192) Also, when Rubber Improvement Limited acquired Wood Rozelaar and Wilkes, printers and carton makers, in 1965, the Rubber Improvement chairman said the take-over was to broaden the company's activities.(193)

Sometimes the diversification has arisen from the desire to reduce the firm's dependence on a single product such as the 1962 take-over of Expandite, manufacturer of anti-corrosive treatments, by Castrol,(194) or to reduce the dependence on one industry such as Pye's 1960 take-over of Telephone Manufacturing Company which reduced Pye's reliance on the television side of the business.(195) Similarly Vickers' 1966 bid for Roneo was thought to be the result of an attempt to lower the proportion of the firm's interests in the less profitable armaments and aircraft industries by diversifying into the growing market of office appliances.(196)

Amalgamated Tobacco Corporation took over London Cremation Company Limited[197] in 1958 and British American Tobacco paid £2,750,000 for Tonibell, the ice-cream manufacturers, in 1964[198], probably in an attempt to diversify outside the tobacco industry because after the medical studies linking smoking with lung-cancer and heart disease the opportunities for expansion of cigarette sales cannot be as good as formerly.

Also, Courtaulds, feeling they were too dependent on rayon, began diversifying in 1958 when they acquired Reads Limited, can makers, then Betts and Company, makers of foil box tops, and in 1959 Pinchin Johnson, paint manufacturers.[199] Turner and Newall, with a dominant position in asbestos must have found it difficult to expand any further in the British market and in 1961 diversified by paying £19,000,000 for British Industrial Plastics.[200]

There were at least 17 take-overs of this type.[201]

21.3 DIVERSIFICATION AS A HEDGE AGAINST CHANGE. There appear to have been occasions when take-overs were made to establish the bidder in a type of business which could offer major competition in the future.

For example, in 1961 Qualcast, a large manufacturer of lawn-mowers, took over Charles H. Pugh which made motormowers. It seems likely that this was to provide for the possibility of motormowers supplanting lawnmowers.[202] The use of cheap gas, imported in bulk liquid form, rejuvenated the gas industry in the 1960's, making gas appliances one of the most rapidly expanding industries. In 1965, therefore, Thorn Electrical Industries bought Glover and Main, gas appliance manufacturers, for £8,300,000.[203] The following year Bambergers, one of Britain's leading plywood importers, acquired I. Griew and Company which was also in the timber business but had just started a plastics Department.[204]

22. TO GAIN CONTROL OF CUSTOMER COMPANIES SO AS TO ENSURE THEY ADOPT NEW METHODS OR STYLES. A firm may be in the position where some of its most important customers, through failing to adjust to new trends, have lost some of their share of the market to new competitors. If the firm is not able to sell to these more successful newcomers then it can take-over its customers so as to make the necessary changes itself.

For instance, it has been assumed that one of the factors behind Courtaulds' absorption of so many of its customers; taking over six textile and garment firms in 1963, then four in 1964, was the desire to make them more efficient and keep them closer in touch with fashion trends so that they would use increased quantities of Courtaulds' fibres such as Courtelle and Tricel.(205)

D. TO OBTAIN MANAGEMENT.

23. MANAGERS. As managers may have long-term contracts with their company the most convenient way for another firm to obtain the services of a particular man they want is to take-over the company which employs the manager.

For instance, as far back as the 1890's the directors of the Savoy Hotel bought the Berkeley Hotel to obtain the services of its managing director, George Reeves-Smith.(206) Also, in 1952 Princes Investments, one of Clore's companies, sought Grosvenor House (Park Lane), making a bid of 6s. per share against a market value of only 3s. 3d. But Clore withdrew the bid as soon as the Grosvenor directors expressed their opposition to being taken over. It has been suggested that Clore withdrew because he was acting on behalf of the Hilton Group which wanted the services of the Grosvenor House management for their extended London Hilton and, therefore, when the Grosvenor management expressed their opposition the take-over lost its value.(207)

When the Reed Paper Group bid £8,500,000 for Field Sons and Company, the Bradford firm of colour printers, in 1964, it was assumed the purpose was to obtain the Field management. Despite highly competitive conditions in the carton manufacturing industry Field and Sons succeeded in doubling their profits during the previous five years. It was clear that Reed Paper wanted the management responsible for this as they announced that if the bid should be successful the Field board would be given complete control of the whole Reed Paper Group carton activities, a business worth £20,000,000.(208)

24. TO OBTAIN SALESMEN. It takes time to build up a good team of salesmen as they must usually be attracted away from other firms. During this period of recruitment opportunities may be lost and for this reason companies with outstanding salesmen have been taken over as a quick way of acquiring their sales staff.

For instance, Beecham's take-over of Thomas and Evans in 1958 strengthened the outlet for their soft drink division by gaining control of the largest door-to-door soft drink business in the country.(209) Similarly, in 1963 when Reed Paper took over Spicers Limited for £14,000,000 it was believed that Reed Paper was really after Spicers' sales staff which was regarded as being much stronger than Reed Paper's.(210)

25. TO OBTAIN A SERVICE. A firm anxious to start a new section of its business may lose a considerable amount of money in establishing it. In such a case it may be an advantage to take-over a company which is already engaged in that type of business.

For instance, in 1964 Pasolds, makers of children's cotton and nylon clothing, wished to expand into woollen children's clothing so took over Donaldson Textiles, a company regarded as woollen experts.(211)

Similarly, during 1965 Bass, Mitchell and Butler, brewers, took over another brewery firm, Hunt, Edmunds and Company, probably for Hunt, Edmunds'

"Highly regarded expertise on the food side".(212) In the same year when Tesco Stores (Holdings) acquired Cadena Cafes the Tesco chairman said that Tesco had always wanted to have coffee bars in their supermarkets and now this could be done using the Cadena expert knowledge.(213)

26. TO OBTAIN A NEW TECHNIQUE. If a company has the exclusive right to a process then the take-over of that company may be the only way for another firm to acquire the process.

For instance, when Courtaulds in 1958 bid 21s. per share for Reads Limited, against a market price of 9s. 3d., it was thought this generosity was the result of Reads having just arranged a "know-how" agreement with American Cans Corporation at a time when Courtaulds was anxious to diversify into the manufacture of beer cans.(214)

27. TO OBTAIN A RESEARCH GROUP. When a company realises, belatedly, that insufficient research has weakened its competitive position then it may attempt to take-over a company which has an outstanding research division.

For example, during the Imperial Chemical Industries bid for Courtaulds in 1961 the Courtaulds' directors claimed that one of the reasons for the attempted take-over was I.C.I.'s desire to acquire the Courtaulds' research group. The Courtaulds' board stated that I.C.I. had not succeeded in developing any man-made fibres itself which was why the firm was manufacturing nylon and terylene under licence. As the nylon and terylene patents were due to expire within a few years I.C.I. was left with the choice of accepting lower profits when the patents ended or else acquiring a research group capable of developing new man-made fibres. Courtaulds' board claimed their company had been chosen because they were the largest single producer of man-made fibres in the world, a position they had attained as a result of outstanding research.(215)

E. GOVERNMENT INSISTENCE.

Apart from the Government pressures for rationalisation of ailing industries in the 1930's, there is the more recent series of Government enforced take-overs in the British aircraft industry. In the 1957 Defence White Paper the Government expressed its desire for amalgamations between aviation firms which would increase their financial and technical resources, thus enabling them to undertake important civil projects as private ventures and also compete effectively in export markets.(216)

This governmental desire was reiterated more forcefully in 1959.(217) The Government, as the industry's largest customer and provider of financial assistance for new developments, was able to enforce a series of take-overs. So, during 1959 Hawker Siddeley took over De Havilland, Folland Aircraft, and then Blackburn Aircraft,(218) while Westland Aircraft acquired Saunders-Roe.(219) Westland then went on to buy the aviation interests of the Fairey Company; government support for Fairey's Rotodyne project was delayed until the take-over of Fairey's aviation interests had been completed.(220)

F. DEFENSIVE.

In some instances a take-over bid seems to be not so much part of a policy of expansion but rather a defensive measure which circumstances have forced on the bidder.

29. CONNECTED WITH SELLING.

29.1 TO MAINTAIN AN OLIGOPOLY. Where a small number of firms have complete control of a market their oligopoly could be broken if an outside firm were to take-over one of the group's members. Once the outsider's bid has been announced the only defence might be a counter-offer from the remaining members of the group.

For example, in 1960 Pye bid for Telephone Manufacturing, a company in the telephone ring. A defensive consortium, comprising most of the other members of the ring, Associated Electrical Industries, General Electric, Automatic Telephone & Electric, Ericsson Telephones, Marconi's Wireless Telegraph, The Plessey Company, and Standard Telephones, made a counter bid. As The Times said,

"It is understandable, that with surplus capacity already present in the telephone equipment industry, the existing suppliers of equipment to the G.P.O. should view the entry of another company with less than enthusiasm, especially as it is felt that Pye may attempt to move T.M.C. into the field of supplying whole systems, without having borne the development costs that the existing suppliers have".(221) Pye's bid was accepted so the consortium did not wait for the remaining member of the ring, Phoenix Telephone and Electric Holdings, to be taken over; a few days after Pye's take-over of Telephone Manufacturing the consortium made a successful offer for Phoenix.(222)

29.2 TO KEEP OUT A COMPETITOR. A firm attempting to expand into a new area by taking over a company established in that district may cause concern to competitors already operating there. These competitors may make a very high counter-offer to deter the newcomer. And if the newcomer raises his bid so as to exceed the counter-offer his take-over will be so expensive he may decide against further expansion in that area.

For example there is the Bristol Brewery Georges case. In January, 1961, the shares of Bristol Brewery Georges, which had recently been as low as 83s. 6d., rose to 115s. 6d., their highest value for ten years. The following day United Breweries offered 139s. per share(223) but this apparent generosity was surpassed by a counter bid of 168s. from Courage Barclay and Simonds the following week. United Breweries, controlled by a Canadian, Mr. E. P. Taylor, was well-established in Scotland and the north of England so it is thought that the United Breweries' bid was aimed at expanding into the south, and the counterbid was to prevent this. One comment was, "It appears that the southern English brewers feel they cannot allow Mr. Taylor's first move south and his transformation into a national brewer to go unchallenged. If Mr. Taylor's offer for Bristol was handsome, ... Courage's bid must be considered outstanding".[224]

29.3 TO RETAIN A CUSTOMER. If an important customer decides to purchase its supplies from cheaper, alternate sources then the only way of retaining the customer may be to take it over.

There were speculations that one of the reasons for Imperial Chemical Industries' attempt to take-over Courtaulds in 1961 was the desire of I.C.I. to prevent one of their largest customers transferring its business elsewhere. Before the bid Courtaulds had switched its purchases of acrilonitrile from I.C.I. to American sources[225] and The Times showed that I.C.I.'s prices, for most chemicals, were much higher than those charged by other European firms.[226] Courtaulds' deputy-chairman said that for some years I.C.I. had

"held a pistol at our heads"[227] by charging Courtaulds high prices for chemicals and it was when Courtaulds had attempted to break free of this reliance on I.C.I. by finding alternative suppliers in America and Europe that I.C.I. had made their offer in an attempt to retain Courtaulds as a captive customer.

The Courage, Barclay and Simonds' bid for Bristol Brewery Georges, mentioned above, required £7,500,000 in cash. It has been suggested that

"in all probability Guinness played the banker"[228] because Bristol Brewery Georges' houses sold Guinness's Harp Lager and this market would have been lost if United Breweries had obtained control as they had their own competing brand of lager.

Richard Thomas and Baldwins made a successful counter-offer to Stewarts and Lloyds' 1963 bid for Whitehead Iron and Steel Company because Whitehead had been one of their largest customers for many years, and "The minimum consequences" that would follow severance of this connexion would involve the closing of the group's Gowerton works in west Wales and serious unemployment at Redbourn.(229)

29.4 TO KEEP UP PRICES. Where a firm is being pressed to reduce the price of one of its products the pressure will be difficult to resist if there is a likelihood that some competitors may weaken and reduce their prices. The firm will strengthen its position in such a situation by taking over the competitors most likely to agree to the price reductions.

For instance, Guest, Keen and Nettlefolds' 1963 take-over of Ambrose Shardlow and Company (Sheffield), the drop forgers, then Smith's Stamping Works seemed to be motivated by a desire to resist customers' demands for lower prices.(230)

29.5 TO ELIMINATE A COMPETITOR. At times competition between two firms in one line of business is so fierce that one, or both, of the firms is making little profit from that line. When this happens one company may take-over the other as a way of ending the ruinous competition.

For example, the chairman of Qualcast, in 1957, at a time when his company was bidding for H. Kaufmann, another lawnmover manufacturer, said that a merger would strengthen both companies in the export market as

"In the past the two companies have been in the fiercest competition".(231)

By 1961 Pinoya Holdings, a newcomer to the synthetic detergent field, had captured a large share of the market with its Stergene, Domestos and Sqezy, cutting heavily into the trade of Unilever. Unilever's answer was to offer the equivalent of 27s. per share, compared with the market value of 18s. 9d.(232) This take-over cost £2,500,000 but it was probably worth it to be rid of such a competitor.(233)

29.6 AVOIDANCE OF RESTRICTIVE TRADE PRACTICES. The Restrictive Trade Practices Act imposed restrictions on collusion between Scottish Cables and British Insulated Callender's Cables which were difficult to overcome. B.I.C.C. apparently decided that the Monopolies Commission would be easier to deal with when it took over Scottish Cables in 1959.(234)

30. CONCERNED WITH PRODUCTION

30.1 DIVERSIFICATION FORCED BY THE RESTRICTIONS OF THE MONOPOLIES COMMISSION. Where a firm has a monopoly, or a near monopoly, it is likely to be investigated by the Monopolies Commission. If, as a result of the investigation, the Monopolies Commission decides the firm has been making unreasonably high profits it will impose a limit on the future rate of profit which the firm can make from the monopoly product. Because the firm is a dominant supplier of the product, chances of greatly increasing the volume of sales will be slight, so the only way in which such a firm can increase its earnings is to diversify into new fields where its activities will not be subject to the controls of the Monopolies Commission.

Mr. Errol, for the Board of Trade, when answering a parliamentary question in 1962 said,

"Yes, The Monopolies Commission recommended that Fisons Limited should adjust its pricing policy to yield a lower level of profit than that earned in the years investigated; the firm immediately accepted this criticism and announced that its prices had already been reduced. The Commission did not criticise the profits being earned by Imperial Chemical Industries and made no recommendations about that company. Imperial Chemical Industries has subsequently given the Board of Trade access to its books as a result of which I am satisfied that its profits since have not been unreasonably high... However, since farmers are paid a substantial subsidy on the chemical fertilizers they use I have sought and obtained from these two companies assurances that they will not seek unreasonable profits from the materials for which they were found by the Monopolies Commission to be monopoly suppliers, and the two companies have agreed to afford to accountants appointed by me facilities to verify regularly that these assurances are being observed...".(235)

In these circumstances Fisons had to diversify in order to increase their profits as there is a definite ceiling imposed on the earnings from fertilizers. Fisons have not only set up new divisions but also tried to increase the rate of expansion of these divisions by adding to them through take-overs. Fisons took over Whiffen and Sons Limited, a chemical manufacturer, in 1947, then in the same year Bengers Limited, a pharmaceutical firm, and in 1960 Pickering and West, fruit and vegetable canners.(236)

While building up its pharmaceutical division Fisons attempted to expand it more quickly by bidding, unsuccessfully, for British Drug Houses in 1960 and Evans Medical in 1961. Despite this comparative lack of success in bidding for pharmaceutical firms, Fisons have carried their diversification to the stage where, by 1965, activities other than fertilizers accounted for 45 per cent of the company's turnover and 54 per cent of its profit.(237)

30.2 TO PREVENT SUPPLIES FALLING INTO THE HANDS OF A COMPETITOR. If a company owns material which could be harmful to another firm if it were acquired by a third party then the threatened firm will want to buy the material. If this comprises the main asset of the owner one way of securing the material is to take-over the owning company.

For example, in 1958 Associated British Picture Corporation acquired Associated Talking Pictures. Associated Talking Pictures was believed to be the only company in the country, outside the big groups, with a large stock of films. These films were not wanted by the A.B.C. for its own television programmes; the intention was to prevent the other television companies from acquiring them and competing with A.B.C.'s cinemas.(238)

31. CONCERNING CONTROL

31.1 COUNTER-BID FROM THE DIRECTORS. The directors who wish to oppose a bid for their company have a variety of means. They can raise the dividend, state the bid is lower than the real worth of the shares, or predict future earnings will be substantially higher. If the directors are not able to use any of these defensive techniques, and provided they have the necessary cash, they can themselves make a counter-bid for their own company.

When Pena Industries Limited bid for the greeting card firm of Raphael Tuck Limited in 1958, Mr. Desmond Tuck, the managing director of Raphael Tuck Limited, staved off the take-over by making a counter-bid of his own.[239] When the Pena bid was withdrawn Mr. Tuck withdrew his also.

31.2 COUNTER-BID BY THE GOVERNMENT. When an overseas firm bids for a company which is a country's major employer the government of that country may not wish control of the company to pass into the hands of a foreign concern. The government could forbid the take-over but this could cause dissatisfaction among the shareholders, particularly if a large number of them are foreigners. One way of overcoming this difficulty is for the government to make a counter offer itself.

In 1958 J.C.B. of Bermuda made an offer for Angostura Bitters Limited of Trinidad. The Trinidad and Tobago government responded with a successful counter-bid, stating that their sole purpose was to retain the Angostura firm in Trinidad because it employed a substantial number of people.[240]

31.3 TO PREVENT THE PROPORTIONATE HOLDING IN A SUBSIDIARY BEING REDUCED. The directors of company A may be faced with the problem that another firm, B, with which they have policy differences owns a large holding in their company. As a way of reducing B's share of their company's equity the directors of A can embark on a programme of take-overs. If new shares are allotted as consideration the take-overs will increase the company's total share capital while leaving B's holding fixed. As a result B's proportion of A's capital will be lowered and further take-overs will lower it still further.

Of course, it is open to B successfully to counter this by means of a back-door bid. B can wait until the shareholders of an offeree company, C, have accepted the bid and then offer to buy from the C shareholders, at a high cash price, any A shares which they receive as consideration. If this were to happen the programme of take-overs would actually increase B's proportionate holding in A.

Massey-Ferguson Holdings owned 19 per cent of the share capital of The Standard Motor Company in 1958, at a time when they wished Standard Motor, suppliers of their tractors in Britain, to expand its tractor plant. The Standard directors, reluctant to become more dependent on their major customer, wanted to build up their car manufacturing side instead. Therefore, Standard bid for Mulliners (Holdings) Limited., suppliers of motor car bodies, offering some cash and some Standard Motor shares as consideration.(241)

After the Mulliners' shareholders accepted the Standard offer Massey-Ferguson realised that the new shares issued to Mulliners' shareholders would reduce the Massey-Ferguson proportion of Standard Motor's equity from 19 per cent to 17 per cent and if Standard Motor continued with other take-overs then Massey-Ferguson's proportion of the equity would be reduced further still. Massey-Ferguson, to counter this, promptly offered 8s. cash for any or all of the Standard Motor Shares to be received by the Mulliners' shareholders.(242) As Standard units stood at 6s. 7½d. this was an attractive price and 60 per cent of the Mulliners' shareholders accepted the Massey-Ferguson bid, raising Massey-Ferguson's holdings in Standard Motor to 25 per cent of the total equity.(243)

As a result, therefore, of Massey-Ferguson's "back-door" bid the Standard attempt to reduce the Massey-Ferguson's share of Standard's equity had actually increased it, and what is more, any attempts to use further take-overs as a way of reducing the importance of Massey-Ferguson's holdings were likely to meet with similar failure.

31.5 THE FOLDING OF THE WHITBREAD "UMBRELLA". Whitbread and Company Limited, a family controlled brewery, became concerned about the large number of take-overs in the brewery industry so attempted, as a counter, to offer an "umbrella" to other brewery firms. This involved the board of a local brewery inviting Whitbread to purchase a block of shares in the firm, at least 25 per cent.[(244)], sufficient to frustrate a potential bidder but small enough to leave the original management in charge. Because these smaller breweries were often tempting targets as a result of their out of date methods, Whitbread offered to help them with technical assistance as well and sometimes trained their staff.[(245)] In some cases a member of the Whitbread family was added to the smaller brewery's board to cement the trading agreement.

This policy, started in 1954, was successful at first and greatly extended Whitbread's market, but eventually caused resentment as it was felt by some that the "umbrella" had the effect of sheltering the directors of unsuccessful breweries from the consequences of their inefficient management while denying shareholders the opportunity of accepting an attractive offer for their shares. It was even suggested that "when Whitbread went into a company it was time for shareholders to get out".[(246)]

By 1961 criticism of the "umbrella" caused Whitbread to fold it by starting to bid for the firms previously covered. In 1961 Whitbread took over Tennant Brothers, while in the following year Flowers Breweries Limited, and Starkey, Knight and Ford Limited were acquired. In 1963 Whitbread took over West Country Brewery Holdings then Duttons Blackburn Brewery in 1964.[247] These companies had all been under the Whitbread "umbrella" but Whitbread's own explanation of these take-overs was that they were to effect operating economies.[248]

32. TO MAKE THE COMPANY STRONGER FINANCIALLY, TO WITHSTAND ADVERSE CONDITIONS.

32.1 SAFETY OF SIZE. Large firms are usually better placed than small ones to weather periods of recession. During a recession, however, it is difficult for a firm to become larger though one way of doing so is to absorb a similar business.

Staveley Industries, with a large machine tool manufacturing division, in 1965 bought the neighbouring machine tool manufacturer, Craven Brothers (Manchester) with a successful bid worth £1,200,000. It was stated at the time that machine tool firms suffer particularly from swings in the trade cycle but the bigger firms are better able to build stock when demand is low.[249]

32.2 LARGER UNITS BETTER ABLE TO WITHSTAND A PERIOD OF LOSSES. When a company is incurring substantial losses in one section of its business it may be worth while continuing the losing division if it offers good prospects. But this can be done only if the losses can be offset against profits from other sections. If the other sections are not large enough to carry the losses then the company can enlarge them by taking over companies with a similar business.

In 1959 Commercial Union Assurance took over North British and Mercantile Insurance, Norwich Union took over Scottish Union while Eagle Star took over Midland Employers' Mutual and Royal Exchange absorbed Atlas Assurance. This continued in 1960 with the take-over of Sea Insurance by London Assurance and by the Guardian Assurance Company taking over the Union Insurance of Canton.[250]

An explanation was given in 1965 when Phoenix Assurance made a £44,000,000 bid for London Assurance. Both Phoenix and London Assurance had been making losses on their North American business and Phoenix Assurance believed the larger companies were better able to withstand the pressures of underwiting losses.(251)

32.3 LARGER UNITS BETTER ABLE TO WITHSTAND NEW COMPETITION. Large companies, by virtue of their size, have several advantages over their smaller competitors. So, when a firm is threatened with the entry of a new competitor, larger than itself, the firm may as a defensive measure take-over other companies in order to become quickly larger.

For example, Illingworth, Morris and Company at the time of their 1958 bid for 4,000,000 shares in Salts (Saltaire) Limited said they did not want all the share capital, just sufficient to gain control so that the two firms could be co-ordinated. They could then be prepared to face the greater competition in the wool industry when the European Common Market and the Free Trade Area came into being.(252)

Similarly, Enfield Rolling Mills gave as its reason for taking over Enfield Cables Limited in 1959 that "The creation of a stronger unit is considered to be in the best interests of both companies in view of the recent regrouping in the cable industry.".(253)

(1) The Stock Exchange Official Year-Book 1952, (Thomas Skinner), page 2960.

(2) The Stock Exchange Official Year-Book 1960 (Thomas Skinner), page 537. The Stock Exchange Official Year-Book 1958, page, 554.

(3) The Stock Exchange Official Year-Book 1953, (Thomas Skinner), page 2126

(4) The Stock Exchange Official Year Book 1961, (Thomas Skinner), page 2201

(5) The Stock Exchange Official Year-Book 1954 (Thomas Skinner), page 2652. The Stock Exchange Official Year-Book 1953, page 1994

(6) The Stock Exchange Official Year-Book 1954, (Thomas Skinner), page 3388.

(7) The Stock Exchange Official Year-Book 1956 (Thomas Skinner), page 1387

(8) The Stock Exchange Official Year-Book 1958, (Thomas Skinner), page 1369

(9) The Stock Exchange Official Year-Book 1960, (Thomas Skinner), page 1350

(10) Appendix A. Numbers 92, 153, 169, 171, 252, 265, 294, 298, 301 304, 311, 325, 348, 356, 368, 369, 402, 405, 415, 434, 436, 448, 449, 452, 453, 460, 467, 470, 486, 487, 494, 495, 501, 504, 506, 509, 510, 514, 516, 541, 605, 613, 622, 628, 644, 652, 666, 705, 729, 862, 986, 1022, 1163, 1175, 1278

(11) The Times 10.6.58. page 16.

(12) The Times 17.5 .58 page 13.

(13) The Times 20.10.61 page 21. The Stock Exchange Official Year-Book 1961 (Thomas Skinner), page 1485

(14) Investors Chronicle 29 December 1961, page 1193

(15) The Stock Exchange Official Year-Book 1958, (Thomas Skinner), page 1371. The Stock Exchange Official Year-Book 1957, (Thomas Skinner), page 1405.

(16) The Stock Exchange Official Year-Book 1958 (Thomas Skinner), page 1371

(17) Investigation into the affairs of Allied Produce Company Limited and A.I. Levy (Holdings) Limited (H.M.S.O.), 1966, paras. 28-32

(18) ibid. para. 57

(19) Sunday Times 21.8.66 page 35

(20) Investigation into the Affairs of F.M.S. Rubber Planters Estates Limited (H.M.S.O.), 1964, paras. 24-26.

(21) ibid. para. 26.

(22) ibid. para. 39.

(23) ibid. para. 63.

(24) Bid for Power by G. Bull and A. Vice (Elek Books), 1961, page 163.

(25) The Times 14.12.57 page 12. The Times 11.6.57 page 15

(26) The Times 7.4.61 pages 21, 24; The Times 8.4.61 page 13

(27) The Times 9.12.61 page 12. The Times 13.2.62 page 3

(28) The Times 13.2.62 page 3.

(29) Sunday Times 5.12.65

(30) Corporation Tax by P.M. Rowland and J.E. Talbot (Sweet & Maxwell), 1965, pp. 120-1

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CHAPTER FIVE

REASONS FOR THE DIFFERENCES BETWEEN TAKE-OVER BID OFFERS AND MARKET PRICES

One noticeable feature disclosed by the take-overs mentioned in chapter 3 is that frequently there is an appreciable difference between the value of an offer and the market price of the company's shares prior to the bid. There are also, on occasions, wide divergences between competing bids. And some bids have exceeded the current market price by such a margin as to indicate there was something wrong with either the offer or the previous market value. For instance, Courtaulds Ltd. in 1958 offered 21s per share for Reads. The highest price attained by Reads Ltd. shares in the previous twelve months had been 9s 3d. (1) Also, in 1961 Greene, King andSons Ltd. bid 93s 6d for each share in Wells and Winch Ltd., two and one third times the market price of 40s. (2) But this does not necessarily prove that either the bid or the market price was incorrect, shares in a particular company will offer different prospects for a person bidding for control from the investor purchasing a minority holding, and because they use differing bases for calculating share valuations they will naturally arrive at differing prices which they are prepared to pay. To illustrate this it is first necessary to investigate the methods of share valuation used by investors other than take-over bidders.

A. VALUATION OF SHARES BY INVESTORS OTHER THAN TAKE-OVER BIDDERS

Share valuation is complicated by many factors. The size of the holding, any restriction on transfer, restrictions on voting rights, the company's dividend rate, its earnings and estimates of its future earnings are all taken into consideration.

For instance, in the Ford Motor case in 1928 (3) one member of the Commissioner of Inland Revenue's staff valued the shares of Ford Motor Company, in an estate, at $2,055 each while another member of the Commissioner's staff valued the same shares at $9,489 each. (4) Expert witnesses, including executive heads of automobile manufacturing corporations, accountants, economists, statisticians, bankers and others submitted estimates which ranged as high as $13,000. (5)

Similar disagreement was displayed in the more recent case of Holt v. Inland Revenue Commissioners in 1953 (6) where experts' valuations ranged from 11s 3d to 34s 0d per share. John Holt & Co. (Liverpool) Ltd. is a firm carrying on trade with West Africa and the executors of an estate which included John Holt shares submitted a value, for estate duty purposes, of 11s 3d which the Estate Duty Office countered with a suggestion of first 20s and then 60s. (7) During the court hearing which resulted, one chartered accountant giving evidence considered that a purchaser of the company's shares would be primarily interested in the likely future dividends; as the dividend rate had remained fixed at five per cent for many years the purchaser would not expect the rate to be increased even though the company's earnings were sufficient to cover the dividend many times. Because the shares were not quoted a purchaser would require a further one and a half per cent of income yield so this accountant arrived at a value of 15s 2d per share, then added a further 1s 6d to allow for the possibility that the company would obtain a listing sooner or later. After adding a further 6d for the accrued dividend he reached a final figure of 17s 6d per share. (8)

The Chairman of the United African Company thought a purchaser would expect a yield of eight per cent from this company, taking into account the difficulties of trading with West Africa, so valued the shares at 12s 2d. (9) A merchant banker said a person buying these shares would expect a yield of seven and a half per cent so the highest price he would pay for them would be 15s each, ex dividend. (10)

A stockbroker estimated the value at 16s each (11) while another accountant, basing his calculations on prospective dividend yields arrived at a price of 34s per share, (12) and a third accountant thought the factors affecting a prospective purchaser would be the rate of dividend, the prospects for capital appreciation and the restrictions on the transfer of the shares. His valuation was 28s 3d per share. (13)

One accountant, Mr. Hamilton Baynes, thought the sort of investor likely to buy these shares would be a surtax payer looking for a tax-free capital gain. Baynes did not believe the five per cent dividend should be the basis for calculation as it was known the company was considering becoming public. The company's financial advisers would probably, at the time the company was inviting public subscription, recommend the directors to distribute about one third of the profits as dividend, increasing the dividend rate to $17\frac{1}{2}$ per cent. When this happened a prospective buyer looking for a yield of eight and a half per cent would be prepared to pay 41s per share and therefore a surtax payer, expecting a return of about $33\frac{1}{3}$ per cent on his investment, would pay 30s 9d. in expectation of a rise to 41s. (14)

The court decided on a value of 19s per share. (15)

The experts' differences are reflected in the widely differing prices which investors will simultaneously offer for the same shares. In 1961 a property investment company invited tenders for 250,000 5s. shares at a minimum price of 16s per share, and received applications for 886,000 shares at prices ranging from 16s to 40s. The company allotted all the shares at 17s 6d, the lowest price at which any application was accepted. (16)

For most investors the value of a company's shares will depend on the dividends paid and to a lesser extent on the company's earnings. As the average shareholder does not have an opportunity of influencing the directors he has no direct control over dividend rates so must assume that they will not fluctuate to any degree but rise or fall in steps, varying less than changes in earnings. Investors will, therefore, pay a price for shares which will yield a higher return than government stock to compensate for the higher risk. But shareholders are increasingly buying shares not only for income but also for capital appreciation and when this happens they are prepared to pay a price which will lower the yield below the return on fixed interest securities. Because of this trend share values are now based less on present yields than on anticipation of future yields. Earnings are now regarded as an important indication of future dividends as it is assumed that continually rising earnings will eventually mean an increase in the dividend rate.

With this change the Price/Earnings ratio has become more widely used. The P/E ratio is the ratio of the market price of one share in a company divided by the current net profit attributable to each ordinary share, after allowing for taxation and Preference dividends. For instance, if a company has a net profit after tax of £400,000 and Preference dividend will require £50,000, the net profit attributable to the ordinary shares will be £350,000 and if the company has 1,000,000 ordinary shares this will amount to 7s per share. If the current market price of these ordinary shares is 91s then the P/E ratio will be calculated as

$$\frac{\text{Current Price of one ordinary share}}{\text{Current net Earnings attributable to each ordinary share}} \quad \frac{91}{7} = 13$$

If the long-run trend is for companies to distribute roughly half, say, of their earnings as dividend this means that investors looking for a return of five per cent would be prepared to pay a price representing 20 times the dividend, that is ten times current earnings per share. If current income was the only factor in share valuations the market price would tend to remain fixed near a figure representing 20 times the present dividend, but investors who hope to obtain the greater part of their return on shares from capital appreciation, rather than income, will base their valuation on their predictions of what future dividends will be. If, for example, a company is likely to double its dividend in five years time then investors seeking a return of five per cent will, in five years time, be prepared to pay a price representing 20 times the higher dividend, that is, twice the present share price.

The purchaser for capital gains can, therefore, afford to pay a price representing much more than 20 times the present dividend and still make a profit when he sells in five years time. The long-term investor for capital gains bases his predictions of future dividends on the present changes in earnings.

Assuming the current price of a company's share is 20s. and the net earnings attributable to each share come to 2s the P/E ratio will be 10. And if the company is distributing half its current net earnings the dividend will be 1s per share. But if the firm has been increasing its profits each year by ten per cent, and continues to do so, then in another five years the net earnings attributable to each ordinary share will amount to 3s, so if the company is then still distributing half its net earnings as dividend, the dividend will be increased to 1s 6d. per share and an investor expecting a yield of five per cent will, in theory, pay 30s per share. The seeker of a capital gain of say, 25 per cent, would on these assumptions, be prepared to pay 25s now, raising the P/E ratio to 12½. The greater the expectation that the company will increase its future earnings the higher will the P/E ratio be pushed by this sort of investor.

But, if in five years time the market is dominated by long-term investors then share prices will not be based on dividends at that time but anticipated earnings in the still more distant future. In the above example, if the company were to double its dividend in five years time and investors at that stage were primarily seeking an income yield of five per cent the share price would rise to 20 times the dividend of 2s, that is to ~~30s~~ 40s. If investors were seeking capital gains instead, then they would again discount the future and, if the company was still increasing earnings by ten per cent per year, they would again raise the P/E ratio to 12½ by bidding the share price up to 37s 6d.

Share prices will, therefore, be also dependent on whether the majority of current purchasers are seeking yields or long term capital gains. Share prices in Britain are becoming increasingly based on P/E ratios, [17] and where the buyers of a company's shares are dominated for a long time by seekers of capital gains the company's P/E ratio will be pushed very high; in the United States stocks of even well-known corporations have sold at prices representing more than 30 times earnings. [18]

The size of the holding can also affect share values and shares may be enhanced in value by reason of their comprising part of a large holding. In the Pure Oil case, in the United States, it was disclosed that in 1914, at a time when Pure Oil Company shares were quoted on the market at $18.62 a group of bankers had offered $22.50 per share for a block representing the controlling interest. (19) But a large holding, if it does not ensure control, may detract from the value of each share. In one New York case it was held that the value of a large, but minority, interest could not be settled by reference to recent sales because these represented small lots and the large block could not have been absorbed by the market at a similarly high figure. (20) And in a 1937 Australian case the court fixed a price of 23s 6d per share for a large holding though the market price was 29s. This reduction was to allow for the effect on the market of releasing such a large number of shares. (21)

A small block may have a high value per share if it could tip the balance of control, as the advantages of increasing a large but non-controlling interest into a controlling one are considerable. Control gives the right to decide policy and therefore exercise control over future earnings as well as setting the present dividend rate. A company may have a capital of 10,000 ordinary shares with three shareholders A, B and C owning 4,800, 4,900 and 300 shares respectively. B, the holder of 49 per cent, has not been able to participate in the management of the company because A and C have been the directors and controlled the company with their 51 per cent. If C dies, or retires, and his 300 shares are offered for sale then they could be worth a great deal to both A and B. Say the company has been distributing £2,000 per year as dividend, that is a rate of 20 per cent, then while B is unable to change the dividend rate his shares yield him £980 a year, which means anyone seeking a return of five per cent on his investment would not offer B more than £19,600 for his shares, or £4 each. But if the company has been earning £10,000 per year after paying tax and allocating £3,000 as directors' fees it could be worth B's while to offer much more than £4 per share for C's holdings. B might contemplate, should he obtain control, doubling the dividend and paying himself the £3,000 as a director's fee. His income from the company would then rise to £4,900 a year, and on an expected yield of five per cent his shares would become worth £100,000. In these circumstances the acquiring of C's 300 shares would increase the value of B's holding by £79,600 which means it would be worth B's while to offer anything short of £79,600 for C's shares, that is £265 per share. B may not be able to raise sufficient cash to pay such a high price but the £265 per share represents their value to B given the above circumstances. It would also be worth A's while to pay considerably more than £4 per share to maintain control.

Some factors, such as restrictions on the transfer of shares, can detract from their market value. In the 1926 United States case of the Appeal of Wallis Tractor Company some shareholders successfully claimed their shares were not worth the high current market prices quoted on the Chicago Stock Exchange because restriction agreements to not sell their stock for two years prevented them from selling at that particular time. (22)

Market values are also affected by lack of voting rights. On the 25 March 1967 Wilkinson Sword Ltd. voting shares were quoted at 21s while the non-voting A were 20s 4½d. (23) and Bishop's Stores Ltd. voting were 10s 6d. while the non-voting A were only 9s 6d. (24) An even wider margin was that between the 11s 9d quoted for Clifford's Dairies Ltd. voting shares and the 9s 3d for the non-voting. (25) The reason for this is that anyone seeking to take-over a company must acquire a majority of the voting shares but need not make an offer for the non-voting, so the holders of non-voting shares are less likely to obtain the large capital gains resulting from some-take-overs.

The likelihood of a take-over can affect market prices in other ways. For instance the rumour of a possible bid may cause a sharp rise in a company's shares. On the 11 April 1967 rumours of a bid for

Blackpool Tower Ltd. sent its ordinary shares up by 6s to 58s 6d. (26) And sometimes a bid may raise the market price of other companies in the same industry. In March 1967 when E.M.I. made an offer for The Grade Organisation Ltd. other companies concerned with entertainment also experienced a rise in their share prices.

Factors which influence ordinary investors then appear to be, dividends, estimates of future earnings, the degree of risk, any restrictions on voting rights or transfer of shares and the prospect of a take-over bid. The majority of investors seem to buy for capital appreciation rather than for current income. The net asset value of the shares does not seem to be one of the factors considered by most investors since liquidation of the company is rarely considered as an alternative and the Financial Times listing does not include net asset backing. But the purchaser of a large interest will be more interested in assets than the average small investor. (27)

B. VALUATION OF SHARES FOR THE PURPOSE OF A TAKE-OVER.

Share valuation for a take-over bidder will usually be quite different from that of the ordinary investor because the ordinary investor cannot expect to influence the company's earnings or its dividend policy. A bidder on the other hand will contemplate changes which will either enable him to increase the offeree company's earnings or else improve his own profits. As a result of achieving control the bidder can increase the earnings of the acquired company by improving its management or providing funds necessary for development. Or the bidder may want the offeree company in order to increase his own earnings, as a take-over may gain him specially skilled management, new techniques, new outlets, additional capacity or else enable the combined firms to obtain economies by pooling facilities such as research.

A bidder may be prepared to pay a premium in order to gain a foothold in a different field. For instance, a bidder will usually pay a high price to quickly enter an expanding industry such as electronics. And a firm threatened with the loss of an important customer, such as Richard Thomas & Baldwins Ltd. when in 1962 Stewarts and Lloyds Ltd. seemed about to take over the Whitehead Iron and Steel

Company Ltd. (28), will make a very high counter bid to retain an outlet. In such a case the valuation of the offeree company is not based on the expected earnings from it after acquisition, but on the loss the offerer company is likely to suffer if the bid is not successful.

The form of the consideration may also affect the price offered. Since the introduction of capital gains tax, considerations in the form of cash incur liability for capital gains tax in the hands of assenting shareholders whereas considerations comprised of shares are treated as an exchange, not a sale, so do not attract capital gains tax. (29) A bidder offering cash would now, therefore, have to make a cash offer at a higher price than one in shares in order to compensate for the tax liability.

Not only will a bidder place a different value on a company's shares from that of a small investor but individual bidders will intend to make varying changes after gaining control and so will arrive at differing valuations between themselves. A bidder desiring a company as a further outlet for his production or to enable him to make economies in marketing expenses will probably have a different value for a firm from the bidder who is seeking the same firm as part of a programme of diversification. Other bidders acquiring a company for special purposes such as dividend stripping or to obtain a stock exchange listing will also place differing values on the same company.

Again, bidders may have differing costs of capital and this will affect their valuations. Merrett and Sykes have provided a detailed method for calculating the maximum price which a bidder should pay for an acquired company. This method is based on discounted cash flow analysis and allows for not only the value of present assets and earnings but also provides for the reinvestment of sufficient future earnings to maintain growth. (30)

This can be illustrated by using the method proposed by Merrett and Sykes and discounting at nine per cent because Alfred and Evans have calculated that, as a result of corporation tax, and capital gains tax, companies will now need to earn nine per cent after tax in order that their shareholders may continue to obtain a discounted cash flow return of seven per cent (31) the average return, in real terms, obtained by investors in British equities between 1919 and 1963. (32)

For instance, take the example of a tobacco manufacturer wishing to diversify by entering the confectionery industry. Tobacco Ltd. is considering making an offer for the shares in Confectionery Ltd., the last balance sheet of which is:

BALANCE SHEET OF CONFECTIONERY LTD

AS AT 31ST DECEMBER

CURRENT LIABILITIES			**CURRENT ASSETS**		
Creditors	17,500		Cash	9,200	
Provision for Taxation	4,000		Debtors	14,300	
Provision for Dividend	2,500	24,000	Stocks	13,500	37,000
FIXED TERM LIABILITIES			**FIXED ASSETS** (at cost less depreciation to date)		
6% Debentures - redeemable in 19 years time		20,000	Vehicles	16,000	
CAPITAL			Plant	61,400	
100,000 shares of £1	100,000		Buildings	54,000	
Capital Reserves	35,000		Goodwill	23,600	155,000
Revenue Reserves	13,000	148,000			
		192,000			192,000

Additional information is:

a) Last year Confectionery Ltd. made a net profit of £10,000, before tax but after writing off depreciation of £14,000.

b) The current market price of Confectionery Ltd.'s shares is 18s. 6d each.

Tobacco Ltd.'s directors estimate that:

i) by using their advertising skills they could, as a result of spending £6,000 a year for two years on advertising and then reducing this in the third and subsequent years to an extra £2,000 per year, increase the profits of Confectionery Ltd. to £12,000 before tax in the second year and £18,000 per year thereafter.

ii) if they were to establish a confectionery firm themselves the following expenditure would be necessary.

	DURING FIRST YEAR	SECOND YEAR	THIRD YEAR
Buildings	95,000		
Plant		80,000	40,000
Vehicles		20,000	

iii) if they take-over Confectionery Ltd. they will need to replace the buildings in 15 years time and thereafter every 50 years while the plant will need replacing in seven years time and thereafter every ten years. Replacement of vehicles will require £6,000 per year. Because of the increase in volume resulting from the advertising programme Confectionery Ltd.'s working capital would need to be increased to £19,000.

Using the above information, and the Merrett and Sykes method, a maximum valuation of Confectionery Ltd., for the purposes of Tobacco Ltd. can be calculated, assuming that Tobacco Ltd.'s cost of capital is nine per cent. Details of the calculations are given in Appendix C.[33]

VALUATION OF CONFECTIONERY LTD. TO TOBACCO LTD. (assuming a cost of capital of nine per cent)

1. ESTIMATED CASH FLOW	YEAR 1	YEAR 2	YEAR 3	YEAR 4 AND AFTER
Estimated gross margins	25,000	32,000	34,000	34,000
Less additional advertising	-6,000	-6,000	-2,000	-2,000
	19,000	26,000	32,000	32,000
Less Depreciation	14,000	14,000	14,000	14,000
Profit before tax	5,000	12,000	18,000	18,000
Less corporation tax of 40% (payable the following year)	-4,000	-2,000	-4,800	-7,200
	1,000	10,000	13,200	10,800
Add back depreciation	14,000	14,000	14,000	14,000
Net cash flow	15,000	24,000	27,200	24,800

Assuming a perpetual life for the business and discounting this cash flow at nine per cent its present value is £268,000

2. **VALUATION OF CONFECTIONERY LTD.'S ASSETS.**

(Present value at a cost of capital of nine per cent of the cost to Tobacco Ltd. of establishing its own confectionery firm, assuming it would have a perpetual life).

	PRESENT VALUE
Buildings (would cost £95,000 in the 1st year)	£87,000
Plant (would cost £80,000 in the 2nd year and £40,000 in the 3rd year)	98,000
Vehicles (would cost £20,000 in the 2nd year)	17,000
	202,000
In addition to these assets Confectionery Ltd would provide working capital of £13,000 (Current Assets of £37,000 less Current Liabilities of £24,000)	13,000
	215,000

3. PRESENT VALUE OF THE COST OF FUTURE REPLACEMENTS. (Assuming the confectionery firm to have a perpetual life and discounting at nine per cent).

	PRESENT VALUE
Buildings (to be replaced in 15 years time, and thereafter every 50 years)	27,000
Plant (to be replaced in seven years time and thereafter every ten years)	114,000
Vehicles (to be replaced each year at a cost of £6,000 per year in perpetuity)	67,000
Working Capital	19,000
	227,000

4. PRESENT VALUE OF ACCEPTING LIABILITIES (discounted at nine per cent)

		PRESENT VALUE
6% Debentures:	Interest for 19 years	6,000
	Redemption in 19 years time	4,000
		10,000

Therefore the maximum price which Tobacco Ltd. could pay for Confectionery Ltd. and recover its cost of capital at nine per cent is:

Estimated Discounted Net Cash Flow (1. above)	268,000
Value of assets to be acquired (2. above)	215,000
	483,000

Less: Cost of replacing these assets	227,000	
Cost of assuming liabilities	10,000	237,000
Maximum value of Confectionery Ltd. to Tobacco Ltd.		£246,000

Expressed as a value per share this is $\frac{246,000}{100,000}$ = 49s per ordinary share.

As the current market price is only 18s 6d per share Tobacco Ltd. has a margin for offering substantially more than the market price and still making a return on its investment which will greatly exceed the cost of capital.

The maximum bid price for the same company will then vary between bidders, depending not only on their estimate of the company's earnings or the effect on the bidder's own earnings, but also on the bidder's cost of capital. If Tobacco Ltd.'s cost of capital had been ten per cent in the above case then the maximum value of Confectionery Ltd. would be £240,000 and so Tobacco Ltd. would not recover its ten per cent cost of capital if it bid more than 48s per share. (34)

On the other hand, a bidder with the same cost of capital as Tobacco Ltd., but not able to increase Confectionery Ltd.'s profits, would not recover its cost of capital if its bid were to exceed 41s. per share. (35)

But merely recovering the cost of capital is not sufficient. A bidder must consider alternatives which may yield a higher return. Alfred and Evans have calculated that, because of investment allowances, a company would need to make a much higher return before tax on an investment in a company take-over than the equivalent amount invested in a new plant or a process improvement. They consider that in order to cover a cost of capital of nine per cent, using DCF methods, the before tax return on different forms of investment would need to be: (36)

Process improvement - all plant, profits constant from first year. 15 year life	4%
Project with slow build-up of profits to peak level 15 year life (80% plant, 20% working capital)	11%
Company acquisition, with depreciation ploughed back to maintain profits.	14%

On this basis the profits from a take-over must be very high to provide a more attractive investment than internal improvement.

The conclusion to be drawn from all this is that there can be no such thing as a universally agreed value for a company's shares. Share valuation is dependent, not only on measurable factors such as the intending purchasers' varying costs of capital, but also on their individual assessments of the company's worth for their different intended purposes, together with their differing estimates of the degree of success they will achieve. It would therefore seem that the main reason for differences between market values and offers, and also for differing bids for the same company, is that share valuation is still a subjective decision.

1) The Times 10/12/58 page 16

2) The Economist 18 February 1961, page 699

3) Couzens v. Commissioner 11 B.T.A. 1040 (1928)

4) Valuation of Property by J. C. Bonbright (McGraw-Hill), 1937, page 1066

5) ibid. page 1074

6) Holt v. Inland Revenue Commissioners [1953] 2 All E.R. 1499

7) Share Valuations by T.A. Hamilton Baynes (Heinemann), 1966, page 121

8) Holt v. Inland Revenue Commissioners [1953] 2 All E.R. 1499 at 1503

9) ibid. at 1505

10) ibid. at 1505

11) ibid. at 1506

12) ibid. at 1506

13) ibid. at 1507

14) ibid. at 1507

15) ibid. at 1509

16) Share Valuations by T.A. Hamilton Baynes (Heinemann), 1966, page 30

17) ibid. page 89

18) Fortune, June 15 1967, page 306

19) Valuation of Property by J. C. Bonbright (McGraw-Hill), 1937, page 1037, Also Murdoch's Case mentioned in The Valuation of Company Shares and Businesses by A. V. Adamson (Law Book Co. of Australasia), 1961, page 20

20) Valuation of Property by J. C. Bonbright (McGraw-Hill), 1937, page 717

21) Myers Case 1937 V.L.R. 106, quoted in The Valuation of Company Shares and Businesses by A. V. Adamson (Law Book Co. of Australasia), 1961, page 19

22) Valuation of Property by J. C. Bonbright (McGraw-Hill), 1937, page 1041

23) Financial Times 25/3/67 page 17

24) Financial Times 25/3/67 page 18

25) ibid.

26) Financial Times 12/4/67 page 18

27) Valuation of Unquoted Shares For Estate Duty Purposes by E. L. Fairweather in The Accountant 16 April 1955 page 429

28) The Times 29/1/63 page 8

29) Finance Act 1965, Schedule 7, paragraph 6 (1) and (2)

30) <u>The Finance and Analysis of Capital Projects</u> by A. J. Merrett and Allen Sykes (Longmans), 1963, Chapter 11

31) <u>Appraisal of Investment Projects by Discounted Cash Flow</u> by A. M. Alfred and J. B. Evans (Chapman and Hall), 1965, pp. 14 and 19

32) Return on Equities and Fixed Interest Securities 1919-1963 by A. J. Merrett and Allen Sykes, District Bank Review, December 1963 page 19

33) See Appendix C (1) for details of calculation

34) See Appendix C (2) for details of calculation

35) See Appendix C (3) for details of calculation

36) <u>Appraisal of Investment Projects by Discounted Cash Flow</u> by A. M. Alfred and J. B. Evans (Chapman and Hall), 1965, page 15

CHAPTER SIX

FACTORS TO BE CONSIDERED BY BIDDERS

When making a take-over bid, bidders have to consider several factors. There are problems regarding the form which the consideration will take and the obtaining of funds to pay the assenting shareholders if the offer is accepted. It is also possible that the directors of the offeree company may oppose the bid so ways must be found of countering such opposition. As the bid will fail if not sufficiently attractive, care must be taken in the presentation of the offer, particularly as shareholders may consider they must take into account the effect of a take-over on others, such as the staff, in which case any fears regarding the bidder's intentions must be allayed. There is also the chance that a bid will provoke at least one counter bid from another interested party and that must be taken into account when deciding the amount by which the bid price should exceed the market value.

A. FINANCIAL CONSIDERATIONS

1. CONSIDERATION IN THE FORM OF CASH. Apart from this often being the most acceptable form of payment to the shareholders of the offeree company it is also sometimes the only, or most satisfactory, form for the bidder. For instance, when the bidder is an individual, such as Mr. C.L. Walker who took over John C. Hamer Ltd. in 1959(1) or Mr. William McPhail who bid for Malay Coconut in 1964(2) it is not possible to offer shares. Between 1945 and 1965 there were at least 126 instances where a listed company was taken over by individuals who paid cash.(3)

There were at least another 95 listed companies which were taken over by unlisted companies.(4) These unlisted companies could have used their own shares as consideration but usually shareholders are

TABLE SIX — **CONSIDERATIONS OF COMBINATIONS INCLUDING SOME CASH** — SOURCE: COMPILED FROM APPENDIX A

	Total	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
Consideration some cash plus some ordinary shares	233	1		2	1			1		6	1	5	7	17	20	51	34	28	9	18	16	16
Some cash plus some shares with no voting rights	13										1	1	3	2			1		2		1	2
Some cash plus some shares with restricted voting rights	6												1	1	1				1	1	1	
Some cash plus some preference shares	4								1	1		1			1							
Some cash plus some ordinary shares in a third company	2											1	1									
Some cash plus some convertible unsecured loan stock	1																				1	
Some cash plus some ordinary shares plus some preference shares	3															1		1	1			
Some cash plus some ordinary shares plus some unsecured notes	1														1							
Some cash plus some unsecured loan stock	1										1											
Some ordinary shares, which a third party has agreed to buy at a fixed price, plus some unsecured loan stock	1																				1	
Some convertible unsecured loan stock which a third party has agreed to buy at a stated price, plus some ordinary shares	2																	1	1			
Some unsecured loan stock, which a third party has agreed to buy at a stated price, plus some ordinary shares	1														1							
	268	1	-	2	1	-	-	1	1	7	3	8	12	20	24	52	35	30	14	19	20	18

TABLE SEVEN | CONSIDERATIONS OF CASH OR AN ALTERNATIVE | SOURCE: COMPILED FROM APPENDIX A

	Total	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	196
Consideration either all cash or all ordinary shares	22		1		1			1			1	1	1	2	3	3	1	2		3		2
Either all cash or shares with no voting rights	2															1		1				
Either all cash or some cash plus some ordinary shares	10		1					1							1	2	3	2				
Either all cash or some cash plus some shares with no voting rights	1																	1				
Either all cash or some cash plus some debentures	1													1								
Either all cash or some cash plus some ordinary shares in a third company	1													1								
Either all cash or some cash plus some preference shares in a third company	1														1							
Either all cash or some ordinary shares plus some debentures	1													1								
Ordinary shares which a third party has agreed to buy at a fixed price	5										1			1	1	1					1	
Debentures which a third party has agreed to buy at a fixed price	2														1						1	
Some cash plus some ordinary shares which a third party has agreed to buy at a fixed price	5														1				1	1	2	

Continued:-

Continuation.

	Total	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
Some cash plus some preference shares which a third party has agreed to buy at a fixed price	1													1								
Either all cash or all shares with restricted voting rights or some cash plus some shares with restricted voting rights	1												1									
Either all cash or some ordinary shares plus some convertible loan stock	2																					2
Either cash plus a share of the profit made on sale of property or some cash plus some ordinary shares plus a share of the profit made on sale of property	1																					1
	56		2		1			2			2	1	2	7	8	7	4	6	1	4	4	5

TABLE EIGHT — CONSIDERATIONS OF SHARES OR AN ALTERNATIVE — SOURCE: COMPILED FROM APPENDIX A

	Total	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
Consideration all ordinary shares	339	1	1	11	6	7	5	4	4	9	9	13	9	30	19	45	44	36	26	12	25	23
Ordinary shares with no voting rights	13											1	4	3		2		1		1	1	
Ordinary shares with restricted voting rights	10																	1	4	5		
Some ordinary shares plus some shares with no voting rights	3												1			1	1					
Some ordinary shares plus some preference shares	10									1				2	1		2	1	2		1	
Some ordinary shares plus some unsecured loan stock	6												1				1	1	1			2
Some ordinary shares plus some convertible unsecured loan stock	5																			1		4
Either all ordinary shares or some ordinary shares plus some cash	2															1						1
Either all ordinary shares or some preference shares plus some cash	1													1								
Either all shares with restricted voting rights or some shares with restricted voting rights plus some cash	1																	1				
Some ordinary shares plus some debentures	6												1	1					1	3		
	396	1	1	11	6	7	5	4	4	10	9	14	16	37	20	49	48	41	34	22	27	30

TABLE NINE | **TYPE OF CONSIDERATION FOR TAKE-OVERS 1945-65** | SOURCE: COMPILED FROM APPENDIX A

	Total	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
Consideration all cash	707		4	6	6	9	7	16	7	36	32	40	68	70	65	98	56	35	39	31	45	37
Consideration a combination which includes some cash	268	1		2	1			1	1	7	3	8	12	20	24	52	35	30	14	19	20	18
Consideration all cash or an alternative	56		2		1			2			2	1	2	7	8	7	4	6	1	4	4	5
Consideration all shares or an alternative	396	1	1	11	6	7	5	4	4	10	9	14	16	37	20	49	48	41	34	22	27	30
Consideration all debentures or convertible unsecured loan stock	8												1	1	1					3	1	1
	1435	2	7	19	14	16	12	23	12	53	46	63	99	135	118	206	143	112	88	79	97	91

TABLE TEN

COMPOSITION OF CONSIDERATION FOR TAKE-OVERS 1945-1965

SOURCE: COMPILED FROM TABLE 9

IN PERCENTAGES

	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
Consideration all cash		57	32	43	56	58	70	59	68	70	63	69	52	55	48	39	31	44	39	46	41
Consideration all cash or an alternative		29		7			9			4	2	2	5	7	3	3	5	1	5	4	20
Consideration a combination including some cash	50		10	7			4	8	13	6	13	12	15	20	25	24	27	16	24	21	5
Consideration all shares or an alternative	50	14	58	43	44	42	17	33	19	20	22	16	27	17	24	34	37	39	28	28	33
Consideration all debentures or convertible unsecured loan stock												1	1	1					4	1	1
	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

reluctant to exchange their quoted shares for unquoted ones and so cash was also the consideration here.

Similarly, the Norwich Union, being a mutual insurance company, was not oble to offer shares so had to make its bid for Scottish Union and National Insurance Company in 1959 a cash offer.(5) And foreign companies buying out the minority shareholders of their British subsidiaries make cash offers also. In 1959 I.B.M. offered 165s cash for every share not held by it in I.B.M. United Kingdom(6) and in 1960 Ford Motor of America paid £129,000,000 for the minority holdings in the Ford Motor Company of England.(7)

There were difficulties preventing United States firms offering their own shares when bidding for British companies so they, too, used cash as their consideration. For instance, in 1960 Kraft Foods Inc. had to withdraw their intended £22,000,000 bid for Typhoo Tea because their offer was partly in cash and partly in National Dairy Products Corporation of America shares. The Treasury would not permit non-residentsto make a bid in a form other than cash.(8) There were, therefore, at least 49 British companies, listed on a United Kingdom stock exchange which were taken over by foreign companies for a cash consideration.(9) Two of these were Vigzol, acquired by Standard Oil of Indiana for £1,125,000 cash in 1962(10) and Clifford Motor Components which was taken over by T.R.W. Inc. for £10,000,000 cash in 1965.(11)

Another example was the consortium of seven companies which bid for Phoenix Telephone and Electric Holdings in 1960. Their offer was 15s cash for each ordinary share(12) because it would have been most difficult to have presented the bid as shares in seven different companies.

OBTAINING SUFFICIENT CASH

a) OBTAINING THE CASH BEFORE THE BID. Sometimes the bidder has ample cash reserves as did Watney Mann Ltd. which had £4,300,000 cash when making a £1,900,000 offer for Drybrough & Company Ltd. in 1965,[13] or it can finance the take-over by bank borrowing as Jeyes Sanitary Compounds did in its 1963 take-over of Three Hands.[14]

Another way of obtaining sufficient cash was to obtain bridging finance from a bank, the bank load to be repaid when the shares, or offeree company's assets, were later sold at a profit. For example, the chairman of E.V. Industrials said in 1959 that he had joined the board of E.V. Industrials under a certain amount of pressure from a joint-stock bank which had provided the bridging finance of some £1,300,000 for the take-over. The bank, which had co-operated in a long-term arrangement for selling the acquired E.V. Industrial shares, had held the shares, until their sale, as security for the loan.[15]

Yet another method was to use funds becoming available from another section of the business. For instance, Vickers obtained the £7,000,000 cash for its 1965 take-over of R.W. Crabtree, manufacturers of printing machinery, by transferring funds from its declining aircraft business.[16]

Or the necessary cash can be obtained through making a joint bid. For instance, the 1963 bid of 3s 9d cash per share, requiring £1,200,000, for Gerrard Industries was a joint offer from United Steel and Acme Steel.[17] Also the 1962 bid of 3s cash for each share in Prima Industries was a joint offer from Mr. V.D. Royston and Mr. T.C. Lathe.[18]

Another form of financing involved the bidding company selling its own shares to obtain the cash. In 1963 Reed Paper Group obtained the cash part of the £14,000,000 consideration for Spicers Ltd. by allotting more of its own shares to International Printing Corporation for cash.[19]

There is also the possibility of borrowing the cash from another party which will benefit indirectly from the take-over. For example, Courage Barclay and Simonds' counter-bid for Bristol Brewery Georges, when accepted, required £7,500,000 in cash and it has been suggested that this was provided by Guinness so as to retain Bristol Brewery Georges' houses as an outlet for Guinness's Harp Lager because United Breweries, the other bidder, had its own brand of Lager.(20) Also, in 1964 Ross Group bid nearly £1¾ million in cash for The Buxted Chicken Company after Spillers had agreed to lend the Ross Group £1,500,000 to finance the take-over.(21) Another example is Viyella International's £9,750,000 cash take-over of British Van Heusen in 1963 which was financed by Imperial Chemical Industries which lent Viyella International £10,000,000 on unsecured loan stock because the acquisition of British Van Heusen expanded the market for I.C.I.'s fibres.(22) Similarly, when English Sewing Cotton took over Tootal in 1963 Imperial Chemical Industries and Courtaulds between them bought £6,000,000 of convertible loan stock in English Sewing Cotton to provide the necessary cash.(23)

As well as these methods of obtaining cash there are techniques for conserving cash, such as making a bid conditional on some other incident or else bidding for just sufficient shares to gain control. The Reed Paper Group's 1965 bid for Polycell Holdings required £12,000,000 cash but Polycell, which manufactured wallpaper adhesive and paint remover, was wanted by Reed Paper only if Reed's simultaneous £55,000,000 bid for Wall Paper Manufacturers was accepted, so the bid for Polycell was made conditional on acceptance of the offer for Wall Paper Manufacturers.(24)

Instances of bidding for control only are the 1959 Anglo-African Finance bid of 5s cash for each of 500,000 units in Bolton Textile(25) and the Hoe Seng bid for Malaysia Rubber Company Ltd. in 1964 was for 162,000 shares only, representing 36 per cent of Malaysia Rubber's capital.(26) Also Mr. J. Sprecley in his 1963 bid for Brilliant Signs said that he would settle for a 30 per cent interest, "enough to warrant a close tie-up",[27] but even that required £234,750 in cash.

Another way of raising cash has been the use of lease-backs. By selling the freehold of the company's property to an insurance company for cash and then leasing the properties back on long term agreements the company could obtain cash while retaining control of its assets. For instance, in 1952 the House of Fraser sold some of its freehold properties to two London insurance companies then took leases on the properties sold; this provided the House of Fraser with £1,500,000 cash which was used to take-over Binns Ltd. the following year.[28] Also, after Mr. Clore had taken over J. Sears and Company in 1953 he sold some of Sears' freeholds to insurance companies for £4,500,000 cash then leased the properties back, using the cash for further take-overs.[29]

b) OBTAINING MOST OF THE CASH AFTER THE BID. The selling off of those assets of the acquired company which the bidder does not want is one way of obtaining cash. For instance, the 1962 bid by Rugby Portland Cement for Eastwoods totalled £12,000,000 of which £5,500,000 was in cash.[30] Five months later Rugby Portland Cement sold the non-cement part of Eastwoods to Redland Holdings for £6950,000 cash.[31] Also Steward & Patteson with Bullard & Sons paid £2,836,000 cash for the take-over of Morgans Brewery in 1960 but some of this was recouped when the Morgan brewery premises in Norwich were sold to Watney Mann.[32]

It is also possible to buy a company, using the acquired company's own money. For instance, in February 1958 F.M.S. Rubber Planters Estates Ltd. was a shell, having sold its Malayan estates, so the company's only asset was £527,000 cash.[33] In April 1958 Mr. Fairbank acquired 75 per cent of the share capital of F.M.S. Rubber Planters for a consideration of £417,000[34] payable by a cheque drawn on Richardson & Company, a firm of bankers in which Mr. Fairbank was a partner. The seller of the 75 per cent interest deposited the cash of F.M.S. Rubber Planters with Richardsons, simultaneously with the handing over of Mr. Fairbank's cheque, so the result was that Mr. Fairbank "purchased the controlling stockholding in F.M.S. by using the funds of F.M.S."(35) This gave Mr. Fairbank control of F.M.S. Rubber Planters' only remaining asset, £110,000 in cash which was the proportion owned by the minority shareholders but Mr. Fairbank used this cash for his own purposes and the minority shareholders did not receive any of it.(36) Section 54 of the Companies Act 1948 prohibits the provision of financial assistance by a company for the purchase of its own shares(37) and the above transaction was clearly a contravention of this section. But the penalty for infringing the section is that the company and every officer of the company who is in default shall be liable to a fine not exceeding one hundred pounds(38) so it is no deterrent in cases such as F.M.S. Rubber Planters where the amount gained was £110,000.

There have been other cases where the purchaser has bought a controlling interest in a company, using the company's own money. Two such cases are the 1959 take-over of Johore Para Rubber Company Ltd. by Mr. Lowenthal and Mr. Fairbank(39) and Mr. A. L. Levy's take-over of Allied Produce Company Ltd. in 1961.(40)

2. CONSIDERATION IN THE FORM OF ORDINARY SHARES. There are times when the amount involved is so large it would be difficult for the bidder to pay the consideration solely in cash. The 1962 bid of Imperial Chemical Industries for Courtaulds was worth £200,000,000 so the offer was made in the form of four I.C.I. ordinary shares for every five Courtaulds' shares.(41)

Apart from this difficulty of raising sufficient cash there are occasions when shares are sometimes more attractive than cash because they enable the accepting shareholders to retain some connexion with the original business, or at least with the industry. For instance, in 1959 when Yorkshire Insurance and Norwich Union Life Insurance

Society were both bidding for Scottish Union and National Insurance it was remarked that although the Norwich Union bid was higher at 135s[42] the Yorkshire Insurance offer, equivalent to 118s 3d[43], would be more acceptable to those shareholders who wished to retain some connexion with their old company. Norwich Union's bid was accepted but the retention of a link with their former company did appeal to some shareholders. In 1962 Golden Hope Rubber bid seven Golden Hope ordinary shares plus 2s. 6d. for every ten Straits Plantations' shares, an offer worth the equivalent of 3s 7d per share.[44] United Plantations, a company incorporated in Malaya, made a higher offer of 4s 6d cash per share [45] but the shareholders of The Straits Plantations followed their directors' advice and accepted the lower Golden Hope offer.[46]

Since the introduction of long-term capital gains legislation in 1965, assenting shareholders accepting cash for their shares are deemed to have sold them and so become liable for taxation on any gain made as a result of accepting the offer. But acceptance of take-over consideration in the form of shares is treated as a share exchange and does not, therefore, attract tax.[47] For this reason considerations in the form of ordinary shareshhave become more popular since 1965.

Between 1945 and 1965 there were at least 339 take-overs of listed companies where the consideration was in the form of ordinary shares only.[48]

3. CONSIDERATION IN THE FORM OF NON-VOTING SHARES. For the larger companies the satisfaction of the take-over consideration in shares has many advantages, particularly as ordinary shares involve the lowest financial risk of any form of financing. If the company does not make a profit it is not obligated to pay a dividend so this is a safer form of expansion than any other method, for other methods would entail a commitment to pay a fixed rated of interest on the money borrowed. However, for companies which are still controlled by one family a

large increase in the number of ordinary shares might endanger their control.

These firms have attempted to solve the problem by using shares which have no voting rights. By offering as consideration ordinary shares which have all the advantages and rights of ordinary shares except voting rights these family controlled firms have been able to expand through take-overs without losing their voting control. For example, during 1954 Great Universal Stores commenced a programme of expansion by take-overs. Wolfson, who owned 10 per cent of the Great Universal Stores equity, did not wish to reduce his voting rights so made the bids in non-voting "A shares.(49) But, in order to gain acceptance of these voteless shares, Wolfson made nearly all his bids in the form of a combination of voteless shares plus some cash. Typical of the many (twenty-five) Great Universal Stores' take-overs was that of Greenlees and Sons in 1956 where the consideration was £5 cash plus one non-voting "A" share in Great Universal Stores for each Greenlees ordinary share.(50)

Also in 1956 Mecca Ltd. bid for Hammersmith Palais Ltd., offering non-voting "A" shares,(51) while the Rank Organisation also used non-voting "A" ordinary shares in its unsuccessful £30,000,000 bid for Mecca Ltd. in 1964.(52)

Between 1945 and 1965 there were at least 13 listed companies which were taken over for a consideration which was non-voting ordinary shares only.(53)

4. CONSIDERATION IN LIMITED VOTING RIGHTS SHARES. Lord Fraser's first take-overs were paid for in cash which he obtained by selling the freeholds of House of Fraser to insurance companies then taking 99 year leases of the property.(54) He obtained further cash by repeating the process with the freeholds of the acquired companies. By 1952, however, Fraser was bidding for such large companies this was no longer possible and if he offered ordinary shares his family would lose voting

control of the House of Fraser. Fraser solved this by creating special ordinary shares which had some voting rights though not in accordance with their contribution to the company's capital. The House of Fraser "A" ordinary shares of £5 had one vote each while the ordinary 5s shares, mostly owned by the Fraser family, also had one vote each which meant the "A" shares were limited in voting rights to only 5 per cent of what they would have had if votes were apportioned in accordance with capital contributed.(55) For instance, when in 1957 Fraser took over John Barker Ltd., which was larger than the House of Fraser, the consideration was four House of Fraser "A" shares plus 10s cash for each £1 share in John Barker Ltd.(56)

Also in 1962 S.&U. Stores Ltd. took over Leonard Hughes Ltd. for a consideration of one 25 per cent Cumulative Preferred Ordinary share in S. & U. Stores for each Leonard Hughes ordinary.(57) The S. & U. preferred Ordinary shareshad only 1/10 of a vote each.(58)

Other examples are Whitbread and Fortes. The Whitbread family controls Whitbread and Company Ltd. through ownership of the "B", or full voting shares. The Whitbread "A" ordinary have one vote per £1 share while the "B" ordinary have one vote per each 1s share.(59) Therefore, in 1962 when Whitbread took over Flowers Brewery the limited voting rights "A" shares were used to satisfy the £20,000,000 consideration, ensuring that the Whitbread family did not lose control of their company.(60) In the same year Forte's (Holdings) Ltd. took over Kardomah Ltd. in exchange for £2,000,000 of Forte's (Holdings) Ltd.'s "A" shares. The ordinary, and "B" ordinary shares in Forte's (Holdings) Ltd. had 10 votes per 5s nominal while the "A" ordinary had only one vote per 5s share.(61)

Between 1945 and 1965 there were at least ten listed companies which were taken over for a consideration consisting solely of shares with limited voting rights.(62)

5. CONSIDERATION IN OFFEREE COMPANY'S OWN PREFERENCE SHARES. Another

way of financing a take-over is to offer shareholders preference shares in exchange for their ordinary shares. For instance, in 1960 a bid was made for Foster Clark, offering 7s cash plus one 8% Cumulative Second Preference share of 10s in Foster Clark itself for each 10s ordinary unit in Foster Clark.(63)

6. CONSIDERATION IN SHARES OF A THIRD COMPANY. Yet another form of financing has been to offer shares in another company rather than the bidding company itself. For instance, in 1956 Avenue Finance offered 30s cash plus one share in a new company, Claymore Shipping (1955) Ltd., for each ordinary share in Claymore Shipping Ltd.(64) And the following year Henry Ansbacher & Co., when bidding for Oriental Telephone and Electric Company Ltd., gave the option of either 61s cash for each Oriental Telephone ordinary unit, plus 3s cash for each unit when claims against the Malayan and Singapore governmentshad been settled, or the alternative of three ordinary shares in Hongkong Telephone Company for every five Oriental Telephone ordinary units.(65)

7. CONSIDERATION IN THE FORM OF A COMBINATION. Sometimes the offer is made in the form of a combination of ordinary and preference shares. For example, in 1961 Fitch Lovell Ltd. offered 13 Fitch Lovell ordinary shares plus one Fitch Lovell 6½% Preference share for every seven Green's store (Ilford) Ltd. ordinary stock units.(66)

Or the combination may be ordinary shares plus cash. In 1963, for instance, Trust Houses bid one Trust Houses ordinary share plus 45s cash for every three Grosvenor House (Park Lane) Ltd. ordinary units.(67)

Other combinations have been ordinary shares plus debentures, voting shares plus non-voting shares, ordinary shares plus loan stock, and cash plus non-voting shares. For example, in 1958 Spencer (Melksham) Ltd. offered two Spencer (Melksham) ordinary units plus a 6½% £1 debenture for each ordinary share in Stothert and Pitt Ltd.,(68) Ilford's 1956 offer for Ozalid was one voting share plus one non-voting share,[69] and the News of the World's 1963 offer for Hazell Sun was 102s cash plus two ordinary shares and one ordinary non-voting share in the News of the World Organisation Ltd. for every nine shares in Hazell Sun.[70]

There have been at least 21 combinations used in considerations for take-overs.[71]

8. STAMP DUTY. One of the factors which has to be taken into account when bidding for a company is the liability for stamp duty. A duty of 10s per cent on the increase in capital of the offerer company and a transfer duty of £2 per cent on the shares of the offeree company is payable in certain circumstances,[72] but, where a company has increased its capital with a view to the acquisition, either of the undertaking of a company, or not less than ninety per cent of the issued capital of any company, then for stamp duty purposes, the capital of the acquired company can be offset against the increased capital of the offerer company.[73]

When the capital of the acquired company is very large the amount of stamp duty can be considerable. For example, in 1952 when the Austin Motor Company and Morris Motors were amalgamated by means of a new company, the British Motor Corporation Ltd., acquiring the capital of both firms, the original intention was that British Motor Corporation Ltd. would take-over the ordinary capital only. But the ordinary capital was less than 90 per cent of the total issued capital of each company so a merger involving the acquisition of the ordinary capital only would have required the payment of £650,000 in stamp duty. The merger scheme was, therefore, altered so as to include the preference capital thereby avoiding the payment of stamp duty.[74]

But, the 90 per cent must be acquired by virtue of the share offer at the time. Lever Brothers Ltd. which, in 1919, acquired for cash all the ordinary shares comprising 42 per cent of the share capital of New Transvaal Chemical Company Ltd., in 1936 successfully bid for the preference shares which made up the remaining 58 per cent of the capital. In <u>Lever Brothers Limited v. Commissioners of Inland Revenue</u> the court held that the exemption conferred by section 55 of the Finance Act 1927 did not apply in this case since Lever Brothers Ltd., had not acquired 90 per cent of the share capital of New Transvaal Chemical Company Ltd. by virtue of the scheme and in any event the whole of the 90 per cent was not acquired by a share consideration.(75)

Although the rates of duty were not sufficiently high to make this a major factor in the take-over of the average companies it is something to be considered when bidding for a very large concern.

B. OVERCOMING THE OPPOSITION OF THE OFFEREE COMPANY'S DIRECTORS.

It is only to be expected that the directors of an offeree company will sometimes express opposition to a bid for their company. Apart from a natural reluctance to lose power, not to mention directors' fees and expense allowances, the directors may resent a bid as a reflection on their administration, feeling it implies that the bidder believes he can operate the company more profitably than they. And it is important that a bidder should attempt to gain the directors' support for his bid, or at least avoid provoking their opposition, as the recommendation of a board seems to carry considerable weight. There have been cases such as Fisons' bid for British Drug Houses where the offeree shareholders, on the advice of their board, have rejected an apparently generous offer(76) while on at least three occasions shareholders have taken their directors' advice to accept a bid which was lower than the market value.(77)

Among the techniques for overcoming, or avoiding opposition from offeree companies' boards are the following.

1. OFFER OF GENEROUS CONSIDERATION. One method of lessening the likelihood of opposition from the board of an offeree company is to make the offer very generous in comparison with the market price. This will deprive the directors of their most common defence, namely that the shares are worth even more than the bid price. This was the technique used by William Lever. In 1920 when Lever Brothers Ltd. bid for John

Knight Ltd. the latter company's chairman advised his shareholders to accept the offer which virtually guaranteed a return of 25 per cent, whereas it would be difficult, if not impossible, for Knights to pay a dividend of that magnitude.(78) Similarly, in 1962 the chairman of Kardomah Ltd. advised the shareholders that Forte's (Holdings) Ltd.'s bid was "too good to be refused".(79)

2. BIDDING COMPANY OFFERS DIRECTORS OF OFFEREE COMPANY A PLACE ON ITS BOARD. Where a company has a particularly able chairman it would be difficult for anyone bidding for that company to overcome his opposition. In such a case it pays the bidder, if a company, to include in the offer a place on its own board for the chairman, and maybe for some of the other directors as well.

For example, included in the terms of the Leyland Motors Ltd. offer for Albion Motors in 1951 was the proposal that Mr. Miller, the Albion chairman, and Mr. Fulton, the managing director, should have seats on the Leyland board if the bid was accepted.(80) Later, in 1964, Associated Engineering Ltd., when bidding for Glacier Metal, made a point of the fact that after the £6,000,000 take-over the Glacier chairman, Mr. W. Brown, was to go on the board of Associated Engineering.(81) Also, during 1964 Reed Paper Group took over Field, Sons & Company Ltd. after stating the Field, Sons board was to be given control of the whole Reed Group carton activities.(82) After the take-over the chairman of Field, Sons & Company was made a member of the Reed board.(83)

In the same year when British Printing Corporation acquired Hazell Sun, the Hazell Sun chairman, Sir Geoffrey Crowther, was made vice chairman of The British Printing Corporation.(84)

3. BIDDER OFFERS SUBSTANTIAL COMPENSATION TO OFFEREE COMPANY'S DIRECTORS. Another way of avoiding opposition from the offeree company's directors is to offer them particularly generous compensation for loss of their office. For example, Mr. Pate of Albion Motors was paid £60,000 for loss of office and Mr. Voss of Trinidad Oil was paid £50,000 (85) but

directors of smaller firms have also received large sums. In 1962 when Jackson Brothers Ltd. bid for Bagley Ltd. the bidder said the joint managing directors of Bagley Ltd. had service agreements running to 1970 so if the bid was accepted these directors would be paid £5,000 cash each and thereafter a pension of £2,500 per annum for a period of ten years.(86)

4. BIDDER MAKES "BACK-DOOR" BID. Where shareholders support their board in rejecting an offer the bidder may attempt to circumvent the board's opposition by making his offer to a large group of new shareholders in the offeree company.

For instance, Massey-Harris-Ferguson Ltd. failed in its 1957 bid for the Standard Motor Company Ltd. but when Standard Motor itself made a successful offer for Mulliners (Holdings) Ltd. in the following year, Massey-Harris saw a way of overcoming the opposition of the Standard board. Massey-Harris offered the Mulliners' shareholders 8s per share for each Standard share they were to receive as part of the consideration in the take-over of Mulliners (holdings) by Standard Motor. As the market value of these Standard Motor shares was only 6s 7½d (87), sixty per cent of the Mulliners' shareholders accepted the Massey-Ferguson offer. This "back-door" bid increased Massey-Harris's share of the Standard Motor Company equity from 19 per cent to 25 per cent.(88)

5. IMPORTANCE OF TIMING WHEN MAKING A BID. If a bidder indicates that he is going to make an offer for a company, then delays announcing his bid, the offeree company's directors may take steps to forestall the bid by arranging a merger with another company. This will give the bidder an advantage if his offer is generous, and delayed until after the terms of the merger have been disclosed. If the merger takes the form of a third company taking over the company which the bidder is seeking and the original bidder's offer is higher than the merger price, the offeree company's board will not be able to reject the bid on the grounds that it is less than the real worth of the shares; they have already recommended acceptance of a lower offer. On the

other hand, if the merger involves the offeree company acquiring the third company then the higher the value the offeree board claim for their own shares the more expensive appears their own projected take-over.

For instance, in 1961 Daily Mirror approached the directors of Odhams Press Ltd. with proposals for a take-over. The Odhams Press directors not only rejected these proposals, but, to ensure that the Daily Mirror could not appeal to the Odhams Press shareholders directly, "sought with Thomson Newspapers, by whom in the past certain approaches had been made, an association in a form which was, in their view, attractive financially to the stockholders of your company".(89)

Daily Mirror Newspapers, advised by S.G. Warburg, did not try to make an offer before the merger with Thomson Newspapers was arranged but waited until the details had been announced. After the details of the merger terms were disclosed, involving Odhams Press acquiring Thomson Newspapers on an exchange share basis, Odhams shares stood at 40s.(90) When Daily Mirror Newspapers Ltd. then made a share offer worth 55s 1½d per Odhams Press share(91) the Odhams directors advised their shareholders to reject it but the earlier merger terms with Thomson made it difficult to use the most common defence, stating that the real value of the shares was even more than the bid price. Before the merger terms were announced Thomson Newspaper shares sold at 28s whereas the merger terms were that Thomson shareholders were to receive Odhams shares worth 33s per Thomson share,(92) so the higher the value the Odhams Press directors claimed for their own shares the more expensive appeared their own merger. When Daily Mirror successfully increased its bid to the equivalent of 63s 4d per share,(93) a total of £37,000,000, the Odhams Press directors stated they could not advise shareholders to refuse though they were not accepting for their own, relatively small, holdings.(94)

C. WINNING THE ACCEPTANCE OF THE OFFEREE COMPANY'S SHAREHOLDERS.

The attempts to gain acceptance for an offer can be divided into two main classes, those which attempt to persuade the shareholders of the offeree company and those which appear to involve some form of intimidation.

PERSUASION

1. OFFER OF GENEROUS CONSIDERATION. One way of attempting to ensure acceptance of an offer is to make it generous, generous that is in comparison with the market value of the shares before the announcement of the bid.

Some examples of this are the "Sanitas" Trust bid for Spa Brushes Ltd. in 1961 where the offer of 4s cash per share, against a market price before the bid of 2s(95), represented a premium of 100 per cent and the 1966 bid by Waterfall (Selangor) Rubber for Djember Rubber Estates of 2s 3d compared with a pre-bid price of 1s 2d represented a similar margin.(96) But other offers exceeded these in generosity, for instance, the 1958 Courtaulds' offer of 21s cash for each Reads Ltd. share was 127 per cent higher than the market price.(97) Also Greene, King & Sons' bid for Wells and Winch in 1961, worth 93s 6d, was 233 per cent of the market price of 40s,(98) as was the 1958 bid by Fitch Lovell for I. Beer and Sons Ltd., 29s 9d, compared with a market value of 12s 9d.(99)

There have, however, been occasions where a bid has been accepted even though it was lower than the market value. For instance, in 1958 Dunlop Rubber's successful bid for Slazenger Ltd., worth 13s 6d per share, was three pence below the current market value though earlier in the year Slazenger shares had been as low as 5s 7d.(100) Whitbread took over Starkey, Knight and Ford Ltd. in 1962 for the equivalent of 160s per share, against a market price of 161s 3d,(101) and Fitch Lovell's successful bid for Roberts and Birch (Burton) in 1965 was 3s 6d per share, 2s 3d below the market value, though rumours of a bid had pushed up the price from only 3s.(102)

2. BIDDING COMPANY INCREASES VALUE OF ITS OFFER BY RAISING THE MARKET VALUE OF ITS SHARES. In those cases where a company is offering its own shares as consideration the value of the bid can be increased without alteration to the original offer simply by taking steps which will cause the market value of the offerer company's shares to rise. One way is to increase the dividend, another is to announce an increase in profits.

For instance, in 1965 Showerings, Vine Products and Whiteways Ltd. made a share exchange offer for Harveys of Bristol Ltd. When the Harvey directors recommended rejection of this bid the Showerings' directors left the terms of their offer unchanged but were able to increase the value of the bid from 18s 2d to 19s 8d per share by announcing that the Showerings, Vine Products and Whiteways Ltd. half yearly profit was £500,000 ahead of the figures for 1964 and the dividend would be higher than the 25 per cent forecast.(103)

3. BIDDER OBTAINS A STATEMENT FROM INDEPENDENT ACCOUNTANTS STATING THAT THE OFFER IS A FAIR ONE. Bidders are sometimes faced with a dilemma when the shares which they are seeking have a market value which is well below their real worth to the bidder. If the offer is only slightly higher than the market price another company may make a counter-bid. On the other hand if the bid price exceeds the current market value by a wide margin the offeree company's shareholders may suspect that this indicates their shares must be worth yet more and so reject the bid. In these circumstances the bidder may assure the shareholders that his bid is reasonable by having it certified as fair by independent accountants or merchant bankers.

For instance, in 1963 Firth Cleveland offered 148s cash for each of the shares in Max Stone Ltd. it did not already own. Ten years earlier Firth Cleveland had obtained 94 per cent of the Max Stone capital with a bid worth only 18s per share, but the Firth Cleveland board stated their higher offer for the minority holdings was the result of asking Peat Marwick, Mitchell and Company to consider how much the shares were worth in 1963.[104] Similarly, in 1965 when the Standard Bank bid 58s cash or shares for each share in the Bank of West Africa, against a market price of 38s 6d, Cooper Brothers declared the offer was a fair one, as did Schroder Wagg, Lazards, and also Barings.[105]

4. BIDDER OFFERS THE ASSENTING SHAREHOLDERS A PERCENTAGE OF THE PROFITS TO BE OBTAINED FROM LIQUIDATING THE OFFEREE COMPANY. Where shareholders have doubts as to the advisability of accepting an offer for their shares because they believe a substantial, but unknown, amount could be obtained by selling some or all of their company's assets, the bidder can offset this reluctance by agreeing to share the profit on liquidation with the assenting shareholders.

This technique appears to have started in 1953 when S.G. Warburg and Co. Ltd., bidding for British Industrial Corporation, offered £2 cash per share plus a certificate entitling the holder to a percentage of the amount realised on the assets after discharging all the liabilities of the company.[106] Later, in 1960, Gresham Ltd. during the course of their bid for Butts Mills Ltd. announced that if their offer was accepted they proposed to sell the mill at the best price obtainable and would undertake to pay holders of the Deferred Ordinary shares a sum equal to 75 per cent of the excess, if any, over the book valuation received on the sale of the mill.[107]

Emu Wine Company, during their 1962 bid for Stephen Smith & Company had a variation of this. The Emu Wine board said they would not require the Stephen Smith premises in Bow Street so, if their offer of 6s per share was accepted, they would sell the Bow Street premises within 12 months and distribute the proceeds among the Stephen Smith shareholders in proportion to their holdings. It was expected, the Emu Wine board said, that this would amount to a further 1s 6d per share.[108]

5. PREVENTING THE MARKET PRICE OF THE OFFERER COMPANY'S SHARES FALLING, THUS REDUCING THE VALUE OF THE BID. One difficulty faced by companies making an offer in their own shares is that the likelihood

of the bid succeeding may cause the market price of the offerer company's shares to fall and so reduce the value of the consideration. This has happened when it was feared that many of the assenting shareholders would sell their newly acquired shares in the offerer company as soon as they received them. The large number of shares thus offered for sale would depress the market price so, in acticipation of this event, the market price of an offerer company's shares has sometimes declined as soon as acceptance of the bid seemed likely.

For instance, in June 1959 when the House of Fraser bid for Harrods, House of Fraser shares stood at 44s 6d each but, by August, when it seemed certain that the House of Fraser bid would be accepted, House of Fraser shares had fallen to 32s 3d in anticipation of the heavy selling which could result when Harrods Ltd. shareholders began disposing of their House of Fraser shares.(109) In 1959 St. Martin Preserving Ltd. made an offer worth 24s 4½d for each share in Foster Clark but within a week the St. Martin Preserving shares fell, reducing the value of the bid to 23s 7½d.(110) Similarly, in 1962 Ozalid Company Ltd. shares, standing at 34s before Ozalid bid for Block, Anderson & Kolok Ltd., fell to 31s 10½d the day after announcement of the bid.(111)

To overcome this possibility several methods were developed. One was to offer cash support for the shares, providing a guaranteed minimum price for the offerer company's shares and also giving those assenting shareholders who wanted cash an opportunity to sell without depressing the market price. But, companies cannot offer to purchase their own shares as that would contravene section 55 (1) of the Companies Act 1948 so a solution was found by having a merchant bank offer to pay cash for all shares received as a result of the take-over.

This technique was used in 1963 when Selincourt & Sons Ltd. bid four Selincourt ordinary shares for every five shares in Hide & Co. Ltd. It was announced that M. Samuel, the merchant bank, would purchase for 4s 10½d cash each Selincourt & Sons share the assenting Hide & Co. shareholders did not wish to keep.(112) Also, Woods of Colchester Ltd.

when bidding for Whittingham and Mitchel Ltd. in 1964 arranged for Morgan Grenfell & Co. to pay 30s cash for any Woods of Colchester shares that assenting Whittingham and Mitchel shareholders wished to sell.[113]

Yet another method is to offer an alternative of either shares or cash, on the assumption that those who want cash will accept the cash alternative rather than take shares then dispose of them. For instance, Viyella International's bid for The Bradford Dyers' Association in 1964 was worth £9,000,000 so if a substantial proportion of assenting shareholders had sold their Viyella International shares the large number offered would obviously have depressed the price of the Viyella shares. To avoid such an occurrence, the bid was expressed as a choice between some cash and some Viyella shares, worth 40s per Bradford Dyers' Association share, or alternately 38s cash for each Bradford Dyers' Association share.[114]

An alternative method is to make the offer in shares of another company then, if assenting shareholders sell their shares, this will not have any effect on the share price of the bidder. For instance, in 1962 Mr. Clore bid £27,000,000 for Saxone, Lilley & Skinner (Holdings) Ltd. but, instead of offering shares in his Sears Holdings Ltd., Clore expressed the offer as a share exchange in a new company, British Shoe Corporation, which at that time was not even listed. For those who had doubts about the value of this new company's shares a cash alternative was available.[115] Two years later Thomson used a similar approach when making an unsuccessful offer for George Outram and Company. The Thomson bid was not in shares of Thomson Newspapers but those of an unquoted company, Thomson Scottish Organization. To establish a price for these shares Lord Thomson forecast that Thomson Scottish Organization would pay dividends of not less than 22 per cent per year[116] and announced that S.G. Warburg, for the next three years, was prepared to buy any Thomson Scottish Organization shares at 22s 6d per share.[117]

6. CASH SUPPORT FOR OTHER FORMS OF CONSIDERATION. Cash support has been provided for other considerations as well. For instance, Forte's (Holdings) Ltd. offer for Kardomah Ltd. was in "A" shares which had limited voting rights.(118) To make these "A" shares acceptable to the Kardomah shareholders Forte's (Holdings) arranged so that assenting shareholders could, if they wished, sell their Forte's "A" shares for 28s cash.(119)

When Cerebos Ltd. in 1963 offered the Hugon & Company Ltd. shareholders a combination of ordinary shares and debenture stock for the Hugon ordinary shares Morgan Grenfell & Co. stated they would buy any debenture stock from the assenting shareholders for cash.(120) And the 1961 United Breweries bid for Hewitt Brothers Ltd. was three United Breweries Ltd. ordinary shares plus £3 of 6¾% convertible unsecured loan stock 1974-76, with Philip Hill, Higginson, Erlangers agreeing to buy for cash at 99 any of the new stock which assenting shareholders wished to sell.(121) Also, the next year Pillar Holdings used 7½% loan stock 1965-73 as part consideration in its bid for Stedall and Company, with J.F. Thomasson and the Charterhouse Finance Corporation offering to pay £100 for each £100 nominal loan stock issued to assenting Stedall shareholders.(122)

7. BID ANNOUNCED JUST AFTER A FALL IN THE OFFEREE COMPANY'S PROFITS OR A REDUCTION IN ITS DIVIDEND. When deciding whether or not to accept a bid shareholders will compare the offer with their estimate of the shares' future market price. If their company has just suffered reduced profits or cut its dividend, shareholders are likely to depress their estimate of the future market price and will, therefore, be more inclined to accept an offer.

For example, Ralli Brothers Ltd.'s 1962 bid for J. Whittingham & Sons Ltd. was made after Whittingham & Sons had suffered a reduction in profits for the second successive year.(123) In the following year there were three bids which were made after the offeree companies had announced lower profits. De Vere Hotels Ltd.'s bid for Overton

(Holdings) Ltd. came at a time when Overton (Holdings) Ltd.'s profits had slumped from £12,069 to £2,694,[124] Jeyes' Sanitary Compounds Company Ltd.'s offer for Three Hands Ltd. followed a fall in the Three Hands profits from £63,664 to £27,725[125] and the English Sewing Cotton Company Ltd. offer for Tootal Ltd. was made at a time when Tootal's profits were only £600,000 per year after a period of decline from the £2,000,000 reached in 1950.[126]

Another case was that of Courtaulds. In November 1961 the Courtaulds' directors reduced the interim dividend by one penny to ninepence per share,[127] one month later Imperial Chemical Industries made an offer for Courtaulds. Also Booker Brothers, McConnell & Co. Ltd.'s 1961 offer for Pulsometer Engineering Company Ltd. followed a reduction in the latter company's dividend from 17½ per cent to nothing[128] and British Ropes Ltd.'s bid for D. Morgan Rees & Sons Ltd. in 1962 was made when the Morgan Rees profits had falled from £37,000 to £20,000 and the directors had announced they were not recommending any dividend that year.[129]

A bid is even more likely to succeed if it follows the report of a loss. For instance, Great Universal Stores Ltd.'s bid for Faudels Ltd. followed the announcement by the Faudel's board that the company had made a loss of £13,300 during 1958 and would probably incur a further loss during 1959.[130] In the same year Massey-Ferguson's take-over of F. Perkins Ltd. followed a loss by Perkins of £327,000 the previous year.[131] When the Hargreaves Group acquired George Hodsman & Sons (1928) Ltd. in 1963, George Hodsman & Sons (1928) had made losses for the previous two years, after an erratic profits record which had enabled the company to pay dividends in only four of the previous thirteen years.[132] Also Pye Ltd.'s successful offer for Telephone Manufacturing Company Ltd. followed a loss by Telephone Manufacturing and the halving of its dividend.[133]

8. INCREASING THE VALUE OF THE BID BY GRANTING VOTES TO THE SHARES OFFERED AS CONSIDERATION. When the consideration is in non-voting

shares the shareholders of the offeree company may doubt the advisability of exchanging their voting shares for those with no votes. If such a bid seems likely to fail the bidding company may meet this objection by granting votes to the non-voting shares. For instance, when the House of Fraser, Debenhams, and United Drapery were competing for Harrods Ltd. in 1959 there seemed a chance that the House of Fraser bid would fail because it was in limited voting shares. The House of Fraser did not immediately increase their bid but tried instead to make it more attractive by granting full voting rights to the Fraser "A" shares, which had previously enjoyed only limited voting rights, that were offered as consideration.(134)

9. REASSURANCES REGARDING THE FUTURE OF THE OFFEREE COMPANY'S STAFF. Shareholders are sometimes reluctant to accept an offer if they believe the company's staff will be dismissed or in other ways suffer as a result of a take-over. To allay such fears Fisons Ltd., when bidding for British Drug Houses Ltd. in 1960, took pains to advertise in newspapers that "Fisons' terms of service and staff labour relations are exceptionally good and the rapid expansion of the business creates excellent opportunities for advancement in which the B.D.H. employees could expect to share."(135)

INTIDIMATION

1. OFFER IS FOR A SPECIFIED NUMBER OF SHARES ONLY. One way of inducing shareholders to accept a bid is to put pressure on them to make a hasty decision. An offer for a limited number of shares, if it is above the current market price, places the shareholders of the offeree company in the position of having to decide quickly whether to accept a price which may not be otherwise obtainable or wait for a higher offer. If they decide to retain their shares, shareholders may find they have missed an opportunity which will not arise again.

For example, in 1959 Mr. B.J. Longman stated he would purchase the first 10,000 shares in Drake & Mount Ltd. offered to him, at prices less than 25s with preference given to the lowest tenders.[136] Acceptance of this offer would have been a mistake because three weeks later Robert Fraser and Partners successfully bid 45s cash for each ordinary share.[137]

On the other hand, there is the case of Hoe Seng's bid for Malaysia Rubber in 1964. In June 1964 Hoe Seng, of Singapore, offered 6s 6d cash per share for only 162,000 shares in Malaysia Rubber Company Ltd.,[138] that is for 36 per cent of the capital.[139] The directors of Malaysia Rubber advised their shareholders to reject this offer which, they said, represented the ridiculously low price of only £49 per planted acre. Shareholders in Malaysia Rubber had to make their decision bearing this in mind as well as the knowledge that during 1963 the Malaysia Rubber shares had varied in price between 4s 9d and 5s 10d per share[140] and just before the bid were only 4s 10½d each.[141] Those who decided to hold their Malaysia Rubber shares rejected an offer of 6s 6d to find that Malaysia Rubber did not rise above 5s per share during the next twelve months[142] and by June 1966 had fallen to 4s 9d.[143]

2. BIDDER PROMISES A BONUS FOR EARLY ACCEPTANCE OF THE OFFER. Another way of exerting pressure on shareholders to accept a bid quickly is to offer a bonus, payable only if control is obtained by a specified date. For instance, Westminster Bank's 1965 bid for Diners' Club Ltd. was expressed as 27s 6d per share with another 2s 6d per share payable if Westminster Bank acquired control before the following Wednesday, that is in seven days.[144]

3. BIDDER STATES THAT HE HAS, OR ALMOST HAS, CONTROL AND AFTER THE TAKE-OVER WILL PURSUE A CONSERVATIVE DIVIDEND POLICY. If the bidder threatens to adopt a conservative dividend policy once he has gained control, shareholders may be forced to accept the offer through fear of finding themselves in a permanent helpless minority. For the bidder need obtain only 51 per cent of the shares to achieve control then pay a low dividend for several years. After a few such

low dividends the minority shareholders might be glad to accept an even lower offer from the original bidder. As a result shareholders may accept what they regard as an unsatisfactory offer if they fear a large number of other shareholders may assent.

For instance, in 1957 the directors of John G. Murdoch and Company Ltd. advised their shareholders to accept the offer from the Broadmead Group because the Broadmead Group already owned 51 per cent of the equity and intended, after taking over, to follow a conservative dividend policy.(145) During the joint Reynolds Metal-Tube Investments bid for British Aluminium in 1959 Tube Investments warned the British Aluminium shareholders that it was close to having control and once 51 per cent of the capital was acquired the future dividends paid on British Aluminium ordinary stock would be consistent with a prudent financial policy determined by ascertained results.(146) And the following year, when bidding for George Newnes Ltd., News of the World warned the George Newnes shareholders that they could not give any assurance that the very liberal distribution of profits by way of dividend forecast by the directors of Newnes would be maintained.(147)

4. BIDDER WITHDRAWS, OR THREATENS TO WITHDRAW, THE BID AND REPLACES WITH A LOWER OFFER. Another way in which a bidder can attempt to compel quick acceptance of an offer is to hint that he is contemplating withdrawing the bid and replacing it with a lower one.

For instance , Thorn Electrical Industries Ltd.'s £10,200,000 bid for Westinghouse Brake and Signal Company Ltd. in 1963 was timed to be announced just before Westinghouse declared its year's results. The Westinghouse directors rejected the bid as "inadequate"(148) but ten days later had to announce that the company had made a loss of £1,217,000 for the year, compared with a profit of £91,000 the previous year.(149) Thorn was then able to respond with a statement that the offer was not yet formal and as they had had no idea as to the magnitude of the Westinghouse loss they would have to consider whether or not the bid price was justified.(150) This bid was withdrawn(151) but there is a case where a rejected bid was replaced by a lower one.

Litton Industries, of the United States, bid 16s 3d cash for each ordinary share in The Imperial Typewriter Company Ltd. in May 1966. The market value of Imperial Typewriter shares was only 14s 4½d at the time but the offer was rejected.(152) Five months later Litton Industries successfully offered only 12s 6d per share, saying the previous offer price of 16s 6d was no longer justified.(153)

5. BIDDER PURCHASES A LARGE NUMBER OF SHARES IN THE OFFEREE COMPANY BEFORE MAKING OFFICIAL BID. There have been occasions when a bidder has purchased a large block of shares in a company before making his formal offer for the remainder of the capital. The bidder, when announcing his bid, is then able to state he already owns a substantial number of shares and is therefore fairly certain to gain control. This leaves the offeree company's shareholders with the possibility that, if they do not accept the offer, they may become locked in as an ineffectual minority with little prospect of selling their shares for a higher price than the bidder's offer.

For instance, in 1958 Daily Mirror Newspapers acquired the Berry Family's holdings in Amalgamated Press before making its formal offer for the remainder of the Amalgamated Press shares(154) and in 1966 Viyella International purchased, from former directors of Jersey-Kapwood, sufficient shares to give Viyella International 20 per cent of the Jersey-Kapwood votes before announcing their bid for that company.(155)

Also in 1966 Bekoh Consolidated Rubber Estates bid 3s 9d per share for only 25 per cent of the capital of Rim (Malacca) Rubber Estates.(156) The Rim (Malacca) Rubber Estates directors rejected this bid announcing that they had plans to sell the company's assets and use the proceeds to make a capital distribution of at least 5s 8d per share.(157) But the chairman of Bekoh Consolidated Rubber Estates was able to exert pressure on the Rim (Malacca) shareholders by telling them that the Rim (Malacca) directors' plans were not feasible because he had already bought 25 per cent of Rim (Malacca) Rubber's capital before announcing the bid so would be able to frustrate any arrangements for a cash distribution.[158]

6. BIDDER DECLARES OFFER UNCONDITIONAL WITHOUT GIVING THE PERCENTAGE OF ACCEPTANCES. One way of exerting pressure on shareholders of an offeree company is to announce, shortly before the closing date of the offer, that the bid has become unconditional. This may give wavering shareholders the impression that the bidder has already received sufficient acceptances to gain control. There is no way of telling whether this is the case if the bidder does not disclose the number of acceptances received.

For instance, in 1961 City Centre Properties Ltd., two days before the closing date of its offer for Manchester Royal Exchange, made the offer unconditional,[159] without stating the percentage of acceptances from the Manchester Royal Exchange shareholders.[160] Also, just before the closing date for the Imperial Chemical Industries' bid for Courtaulds in 1962 I.C.I. declared its offer unconditional, without announcing the number of acceptances received.[161] When the offer did close it was revealed that only 37 per cent of the Courtaulds' shareholders accepted.[162]

D. COPING WITH THE INTERVENTION OF COUNTER-BIDDERS.

1. OFFERING MORE THAN THE OTHER BIDDERS. A risk which bidders incur is that another firm may be induced to make a counter-bid for the same company. This may be because the other firm does not wish to lose its customer, or it may be because it had been planning to submit an offer for the company itself. One way of preventing this is to make the initial offer a very generous one, so as to make any counter-bid prohibitively expensive. Another, and simple, method is to wait to see if a counter-bid eventuates then respond with a more generous offer.

For instance, in 1961 when Fisons Ltd. bid the equivalent of 25s for each share in Evans Medical Supplies Ltd,[163] Glaxo Laboratories Ltd. successfully made a higher offer of 31s. 4½d. which was accepted.[164] But it is always open to the original bidder to respond with a yet higher offer as Nestle did in 1959. Nestle bid 72s for each share in Crosse & Blackwell (Holdings) Ltd.[165] then Fisons made a higher offer of 82s[166] but Nestle overcame this by raising their bid to 84s.[167]

In 1959 five separate companies made offers for General London and Urban Properties Ltd. A total of seven bids, and revised bids, increased the value of the offers from 12s 6d[168] to 34s 3d per share.[169]

But the highest bid does not necessarily gain acceptance. The advice of the offeree company's directors can be of major importance. For instance, in 1960 Inns & Company Ltd. bid 60s cash for each share in Mountsorrel Holdings Ltd.[170] then when Redland Holdings Ltd. made a counter-bid worth 73s 1½d[171] Inns & Company increased their offer to the equivalent of 87s.[172] The Mountsorrel (Holdings) Ltd. board advised their shareholders to accept the Redland Holdings Ltd. bid on the grounds that both offers included ordinary shares in the consideration and as Redland Holdings had a superior earnings position that company's shares would be the more valuable in the future.[173] As a result of this advice the Redland Holdings Ltd. offer was accepted even though the competing bid was 19 per cent higher.[174]

The timing of a bid can also be significant. For example, in 1959 Debenhams Ltd., United Drapery Stores Ltd. and the House of Fraser Ltd. made competing offers for Harrods Ltd. The House of Fraser bid, worth 146s[175] succeeded even though Debenhams Ltd. raised their final offer to 151s[176] and it has been suggested that timing played an important part in this result. The House of Fraser's offer closed on 22 August while the Debenhams Ltd. offer was open until 26 August. If a Harrod's shareholder wanted to be sure of being able to accept one of these very generous bids (earlier in the year Harrod's shares sold for 74s[177]) he would be better advised to accept the

House of Fraser offer because it closed first. If the House of Fraser offer should fail the Harrods' shareholder could hurriedly accept the Debenhams Ltd. offer, so having two chances. If he reversed the acceptance and the Debenhams Ltd. bid failed then it would be too late to accept the House of Fraser offer.(178)

2. ONE OF THE BIDDERS STATES HE WILL MATCH ANY HIGHER OFFER WHICH A COUNTER-BIDDER MIGHT MAKE. Where a bidder can afford it he can ensure acceptance of his offer by promising to match any counter-bid. For instance, in 1963 when Richard Thomas & Baldwins Ltd. was bidding against Stewarts and Lloyds Ltd. for The Whitehead Iron and Steel Company Ltd., Rothschilds, acting for Richard Thomas & Baldwins, offered the institutional holders in Whitehead 72s 6d cash per share, with an agreement that if either bidder raised its offer, Richard Thomas & Baldwins would pay this higher price to those institutional holders who had accepted the Richard Thomas & Baldwin offer.(179)

3. ONE OF THE BIDDERS, INSTEAD OF RAISING ITS BID BUYS ON THE OPEN MARKET SO AS TO PUSH THE MARKET PRICE ABOVE THE VALUE OF THE COUNTER-BID. Where one of several competing bidders has the support of the offeree company's directors a bidder lacking board endorsement may not attempt to counter the board's opposition by raising the value of its own bid. A more satisfactory method is sometimes to buy heavily on the open market, pushing the price of the offeree company's shares above the value of the approved bid. This places the offeree company's directors in the embarrassing position of recommending an offer which is now actually lower than the current market price. Also, shareholders who might heed their directors' advice and accept the lower of the bids will have no compunction about selling their shares for a higher price on the market.

For instance, when Reynolds Metals and Tube Investments were jointly bidding 81s for each share in British Aluminium Company Ltd., a consortium of City banking firms counter-offered 82s in an attempt to maintain the existing directors in control.(180) Reynolds and Tube

Investments, instead of raising their bid immediately, started buying British Aluminium shares on the market on such a scale that Reynolds' purchase of sterling to pay for the shares affected the exchange rate[181] and British Aluminium shares rose to over 84s.[182]

At that price the owners of millions of shares sold on the market. Included among them were some of the institutional holders who had promised the British Aluminium board they would not accept the Reynolds' bid but, being in a position of trust, felt they could not refuse to take advantage of the high price available on the stock exchange.[183]

The market price of 84s was 59 per cent above the stock exchange value of 52s 9d one month before the Reynolds' offer[184] so must have been an inducement to those British Aluminium shareholders who had doubts about accepting a bid from an American firm and were reluctant to go against the advice of their directors. Selling on the market provided an opportunity for these shareholders to obtain the advantage of Reynolds' high offer price without actually accepting the bid.

4. **APPEAL TO COUNCIL OF THE STOCK EXCHANGE.** There has been one instance where a bidder who has objected to the methods used by the directors of an offeree company in ensuring the acceptance of a rival bid has appealed to the Council of the Stock Exchange, requesting that the stock exchange refuse to list the new shares which the rival bidder was to allot as consideration.

When W. Barratt Ltd. in 1964 received offers from three different companies the Barratt directors recommended their shareholders accept the second highest bid, that of Stylo Shoes Ltd. The Stylo bid was the equivalent of 19s 6d for each ordinary share[185] whereas the British Shoe Corporation's offer was 22s cash per share.[186] The Barratt directors controlled 25 per cent of the voting shares[187] and the W. Barratt employees' pension fund owned a further 17½ per cent of the voting shares[188] so together they were able to ensure acceptance of the Stylo offer and the rejection of the others.

But, to provide the necessary shares for allotment to the assenting Barratt shareholders, Stylo had to make a new share issue. Mr. Clore, the chairman of British Shoe Corporation, then unsuccessfully appealed to the Stock Exchange Council, asking the Council to refuse permission to deal in the new Stylo shares as the Barratt directors' actions in persuading the employees' pension fund to accept the Stylo offer meant that "an attempt is being made to deprive the majority of Barratt shareholders of an opportunity of receiving for their shares a price which is clearly in excess of the value of the Stylo offer."[189]

1) The Times 5/3/59 page 17. Appendix A, number 640

2) The Times 11/6/64 page 20

3) Appendix A. 41, 52, 58, 83, 102, 110, 115, 121, 141, 171, 179, 209, 216, 227, 232, 235, 250, 252, 265, 271, 273, 275, 276, 280, 288, 290, 294, 297, 298, 301, 303, 307, 308, 310, 318, 325, 326, 327, 333, 337, 340, 341, 351, 353, 355, 356, 357, 368, 369, 375, 388, 402, 405, 410, 413, 415, 422, 436, 448, 449, 452, 453, 457, 460, 464, 465, 467, 470, 475, 477, 478, 479, 480, 486, 501, 504, 509, 514, 517, 532, 533, 534, 537, 540, 541, 561, 570, 599, 625, 627, 628, 637, 640, 643, 644, 653, 657, 666, 674, 684, 697, 702, 705, 706, 726, 755, 764, 769, 770, 797, 846, 856, 884, 894, 983, 986, 1005, 1022, 1092, 1163, 1190, 1200, 1266, 1267, 1278, 1281.

4) Appendix A. 151, 176, 180, 187, 197, 203, 205, 220, 226, 263, 277, 279, 284, 304, 306, 317, 324, 331, 348, 350, 363, 366, 373, 376, 390, 425, 469, 471, 473, 493, 494, 499, 503, 506, 510, 516, 518, 539, 555, 556, 577, 579, 594, 603, 619, 652, 659, 661, 663, 664, 669, 688, 689, 694, 699, 709, 724, 737, 756, 766, 774, 777, 793, 802, 812, 858, 865, 881, 948, 958, 1032, 1077, 1085, 1086, 1097, 1118, 1121, 1130, 1158, 1175, 1201, 1224, 1238, 1249, 1263, 1274, 1280, 1305, 1312, 1313, 1327, 1334, 1360, 1371, 1404.

5) The Times 18/6/59 page 16

6) The Times 2/11/59 page 19

7) The Times 15/11/60 page 12

8) The Times 19/8/60 page 15

9) Appendix A. 9, 59, 75, 80, 82, 166, 194, 242, 274, 305, 334, 336, 342, 598, 638, 805, 834, 835, 849, 926, 928, 1011, 1012, 1030, 1035, 1042, 1044, 1072, 1081, 1115, 1117, 1127, 1134, 1144, 1147, 1161, 1207, 1248, 1251, 1256, 1293, 1295, 1300, 1304, 1366, 1407, 1409, 1422, 1434.

10) The Times 11/5/62 page 23

11) The Times 16/10/65 page 12. Appendix A, number 1422.

12) The Times 29/7/60 page 14

13) The Times 27/1/65 page 16. Report of the Directors and Statement of Accounts of Watney Mann Ltd. for Year Ended 30 September 1964, p. 10.

14) The Times 17/9/63 page 20

15) The Times 21/11/59 page 6

16) The Times 17/8/65 page 12

17) The Times 1/3/63 page 15

18) The Times 20/2/62 page 17

19) The Times 26/10/63 page 13

20) <u>Takeover</u> by W. Mennell (Lawrence & Wishart), 1962, page 163

21) The Times 11/2/64 page 16

22) The Times 15/11/63 page 22

23) The Times 1/5/63 page 12

24) The Times 27/3/65 page 13

25) The Times 28/7/59 page 12

26) The Times 5/6/64 page 22. The Times 9/6/64 page 17

27) The Times 12/2/63 page 17

28) Bid for Power by G. Bull and A. Vice (Elek Books), 1961, page 151

29) ibid. page 122

30) The Times 4/5/62 page 22

31) The Times 6/10/62 page 13

32) The Times 10/1/61 page 16

33) Investigation into the Affairs of F.M.S. Rubber Planters Estates Limited (H.M.S.O.), 1964, para. 24.

34) ibid. para. 25

35) ibid. para. 25

36) ibid. para. 59

37) Companies Act 1948, section 54 (1)

38) Companies Act 1948, section 54 (2)

39) Investigation into the Affairs of Johore Para Rubber Company Limited (H.M.S.O.), 1964, para. 4

40) Investigation into the Affairs of Allied Produce Company Limited and A.I. Levy (Holdings) Limited (H.M.S.O.), 1966, paras. 31 and 32.

41) The Times 18/1/62 page 10

42) The Times 18/6/59 page 16

43) The Times 13/6/59 page 13

44) Investors Chronicle, 4 May 1962, page 526

45) The Times 11/5/62 page 29

46) The Stock Exchange Official Year-book 1963 (Thomas Skinner), page 1356

47) Finance Act 1965, Schedule 7, paragraph 6 (1) and (2)

48) Table 8 page 164

49) Bid for Power by G. Bull and A. Vice (Elek Books), 1961, page 96.

50) The Times 21/12/56 page 13

51) The Times 20/6/56 page 15

52) The Times 10/6/64 page 19

53) Appendix A. 213, 313, 314, 315, 346, 381, 435, 458, 658, 817, 1065, 1199, 1284.

54) Bid for Power by G. Bull and A. Vice (Elek Books), 1961, page 151

55) The Stock Exchange Official Year-book 1959 (Thomas Skinner), page 2529.

56) The Stock Exchange Official Year-book 1958 (Thomas Skinner), page 1870.

57) The Stock Exchange Official Year-book 1963 (Thomas Skinner), page 2446.

58) ibid. 2975

59) The Stock Exchange Official Year-book 1961 (Thomas Skinner), page 507.

60) The Times 26/4/62 page 12

61) Investors Chronicle, 7 December 1962 page 883. The Stock Exchange Official Year-book 1965 (Thomas Skinner), page 2298.

62) Appendix A. 1078, 1096, 1101, 1128, 1153, 1176, 1180, 1183, 1212, 1215.

63) The Times 13/1/60 page 17

64) The Times 2/10/56 page 14

65) The Times 1/11/57 page 16

66) The Times 15/11/61 page 21

67) The Times 5/10/63 page 8

68) The Times 15/7/58 page 14

69) The Times 20/10/56 page 12

70) The Times 19/12/63 page 14

71) See Tables 6, 7, and 8

72) "Take-over Bids, Mergers - and Stamp Duty" by K.B. Edwards in The Accountants' Magazine, April 1962, page 259.

73) Finance Act 1927, section 55 (1) (b)

74) Business Mergers and Take-over Bids by R.W. Moon (Gee & Co.), 1960, page 57.

75) Lever Brothers Limited v. Commissioners of Inland Revenue [1938] 2 K.B. 518

76) The Times 3/2/60 page 17. The Times 10/3/60 page 20.

77) Dunlop's take-over of Slazenger (The Times 4/12/58 page 19), Whitbread's take-over of Starkey, Knight & Ford (The Times 25/10/62 page 18) and Fitch Lovell's take-over of Roberts and Birch (Burton) (The Times 22/1/65 page 19).

78) Effects of Mergers by P.L. Cook (George Allen & Unwin), 1958, pages 237 and 238.

79) Investors Chronicle, 7 December 1962, page 883

80) The Times 16/6/51 page 9

81) The Times 8/7/64 page 16

82) The Times 12/6/64 page 18

83) The Stock Exchange Official Year-book 1965 (Thomas Skinner) pages 2990 and 2274.

84) ibid. page 1939

85) Parliamentary Debates, House of Commons, 1959 vol. 608 page 41

86) The Times 17/3/62 page 13

87) The Times 3/7/58 page 15

88) The Times 28/7/58 page 12

89) The Times 10/2/61 page 5

90) The Times 26/1/61 page 10

91) The Times 28/1/61 page 6

92) The Times 26/1/61 page 10

93) The Times 18/2/61 page 8

94) The Times 25/2/61 page 6

95) The Times 20/6/61 page 19. The Times 23/6/61 page 21

96) The Times 24/1/66 page 19.

97) The Times 10/12/58 page 16

98) The Economist 18 February 1961, page 699

99) The Times 1/11/58 page 12

100) The Times 4/12/58 page 19

101) The Times 25/10/62 page 18

102) The Times 22/1/65 page 19

103) The Times 20/8/65 page 12. The offer was 2 Showerings ordinary shares plus 14s cash for every 3 Harvey's ordinary (Financial Times 8/7/65 page 1) and at the end of August 1965 Showerings, Vine Products, & Whiteways Ltd. shares had risen from 20s 1½d to 22s 6d. (The Times 1/9/65 page 14)

104) Investors Chronicle, 5 July 1963, page 81

105) The Times 2/3/65 page 17. The Times 27/2/65 page 14

106) The Stock Exchange Official Year-book 1954 (Thomas Skinner), page 1550

107) The Times 10/2/60 page 19

108) The Times 18/10/62 page 19

109) The Times 25/8/59 page 12

110) The Times 22/12/59 page 10. The Times 12/1/60 page 17

111) The Times 13/4/62 page 21. The Times 14/4/62 page 13.

112) Investors Chronicle, 15 November 1963, page 600

113) The Times 12/12/64 page 13

114) The Times 11/6/64 page 20

115) The Times 5/1/62 page 14

116) The Times 2/10/64 page 18

117) The Times 7/10/64 page 18

118) The Stock Exchange Official Year-book 1965 (Thomas Skinner), pages 2297-8. Investors Chronicle 7 December 1962, page 883

119) Investors Chronicle, 7 December 1962, page 883

120) Investors Chronicle, 25 October 1963, page 329

121) The Times 1/12/61 page 19

122) The Times 1/3/62 page 18

123) Investors Chronicle, 28 September 1962, page 1097

124) Investors Chronicle, 15 February 1963, page 594

125) The Times 1/10/63 page 19

126) The Times 1/5/63 page 12

127) The Economist, 4 November 1961, page 480

128) The Times 5/5/61 page 23

129) The Times 12/2/62 page 17

130) The Times 6/4/59 page 17

131) The Times 23/1/59 page 14

132) Investors Chronicle, 19 April 1963, page 253

133) The Times 5/7/60 page 20

134) The Times 29/6/59 page 14

135) Advertisement in The Times 3/3/60 page 20

136) The Times 3/3/59 page 15

137) The Times 26/3/59 page 19

138) The Times 5/6/64 page 22

139) The Times 9/6/64 page 17

140) The Stock Exchange Official Year-book 1965 (Thomas Skinner) page 1349

141) The Times 23/5/64 page 15

142) The Stock Exchange Official Year-book 1967 (Thomas Skinner) page 1374

143) The Times 25/6/66 page 17

144) The Times 17/12/65 page 18

145) The Times 28/6/57 page 16

146) The Times 5/1/59 page 13

147) The Times 14/5/59 page 18

148) The Times 10/12/63 page 17

149) The Times 20/12/63 page 14

150) The Times 21/12/63 page 10

151) The Times 18/2/64 page 16

152) The Guardian 25/5/66 page 12

153) Financial Times 4/10/66 page 1

154) The Times 13/12/58 page 11

155) The Times 16/3/66 page 16

156) The Times 17/1/66 page 15

157) The Times 24/1/66 page 19

158) The Times 20/1/66 page 21

159) The Times 2/3/61 page 22

160) The Times 2/3/61 page 22

161) The Times 1/3/62 page 17

162) The Times 13/3/62 page 13

163) The Times 4/1/61 page 12

164) The Times 7/1/61 page 11

165) The Times 12/12/59 page 11

166) The Times 17/12/59 page 17

167) The Times 9/1/60 page 11

168) The Times 21/12/59 page 11

169) The Times 30/1/60 page 13

170) The Times 22/6/60 page 17

171) The Times 9/7/60 page 12

172) The Times 30/8/60 page 13

173) The Times 7/9/60 page 18

174) The Times 10/9/60 page 11

175) The Times 20/8/59 page 13

176) ibid.

177) The Times 20/6/59 page 11

178) Bid for Power by G. Bull and A. Vice (Elek Books), 1961, pages 181 and 182.

179) The Times 30/1/63 page 16

180) The Times 1/1/59 page 8

181) The Times 6/1/59 page 8

182) The Times 3/1/59 page 6 and page 11

183) Bid for Power by G. Bull and A. Vice (Elek Books), 1961, page 65

184) The Times 31/10/58 page 18

185) The Times 10/9/64 page 17

186) The Times 29/8/64 page 11

187) The Times 28/8/64 page 14. The Times 5/9/64 page 13

188) The Times 5/9/64 page 13

189) The Times 11/9/64 page 18

CHAPTER SEVEN

DEFENSIVE TACTICS USED BY DIRECTORS TO PREVENT THE TAKE-OVER OF THEIR COMPANY

These defensive tactics have been divided into two classes, those comprising measures designed to prevent a bid being made at all, and ad hoc measures taken to ward off a bid already made.

CLASS 1. DEFENSIVE MEASURES TAKEN PRIOR TO A TAKE-OVER ATTEMPT

1) THE USE OF NON-VOTING SHARES. If a family owning the majority of the voting shares in a company can obtain funds for expansion by issuing non-voting shares there is no prospect of a take-over bid succeeding so long as the members of the family collectively refuse any offer.

What may have been the first issue of non-voting shares took place in 1918 when J. Lyons & Company Ltd. acquired the business of W.H. & F. Horniman & Co. Ltd., the consideration being one Lyons "A" (non-voting) ordinary share for every four Horniman's ordinary shares. (1) These non-voting shares were used because "The issue of voting shares would have given the Horniman family an unduly large block of votes". (2) J. Lyons & Company Ltd. made further use of "A" ordinary shares to acquire additional funds until by 1965 the company's capital structure had become ordinary (voting) capital £400,000 and "A" (non-voting) capital £5,757,882. (3)

Other companies which have used non-voting shares are Rootes Group Ltd. (4), Mecca Ltd., (5) Wilkinson Sword Ltd., (6) Butterworth & Co. (Publishers) Ltd., (7) Great Universal Stores Ltd., (8) and Marks and Spencer Ltd. (9)

On the other hand directors may attempt to deter a prospective bidder by taking steps to enfranchise voteless shares, thereby increasing the number of shares a bidder would have to buy to obtain control of the company. It has been suggested that the reason why the board of British Home Stores Ltd. persuaded their shareholders to alter the articles so as to give votes to the A ordinary shares was to double the number of shares a successful bidder would need to acquire, making a take-over twice as expensive. (10)

2) THE USE OF SHARES WITH RESTRICTED VOTING RIGHTS. A family can maintain control of a business through issuing new capital in the form of shares with limited voting rights. These shares have voting rights representing only a small proportion of what they would be entitled to if votes were apportioned in the same ratio as capital contributed. The family themselves keep the shares which have the additional votes.

For example, until 1959 the House of Fraser's capital comprised £1,174,536 ordinary and £3,224,194 A ordinary shares. The ordinary shares, mainly in the hands of the Fraser family, had one vote per 5s nominal capital but the A ordinary had one vote per £5 nominal capital.(11) Each A ordinary share had, therefore, only one twentieth of the voting rights of each ordinary share.

Other companies in which family control has been preserved by the use of shares with limited voting rights are Forte's (Holdings) Ltd.(12) and Whitbread and Company Ltd.(13)

3) THE IMPOSITION OF A DELAY IN THE RIGHT OF SHAREHOLDERS TO EXERCISE THEIR VOTING RIGHTS. Control of a company does not pass to a successful bidder until he is able to replace the board. If a restriction is imposed on new shareholders so that there must be a minimum period of ownership of shares before they acquire voting rights a successful bidder would suffer delay in assuming control. During this period the existing board could sell the company's assets for shares in another company, allot a large block of unissued shares to another company, or in some other way attempt to frustrate the intention of the take-over. The prospect of this could preclude bids.

Companies have altered their articles so as to require some minimum period of ownership before their shares confer the right to vote. For instance, in 1959 the Westminster Bank Ltd. changed its articles so as to provide that no shareholder could vote at an annual meeting unless he had been registered as a shareholder for at least six months.(14) Lloyds Bank Ltd. has a similar provision, "votes in respect of any share may not be exercised until the holder has been registered as the holder for at least six months" (15) and in the case of Midland Bank Ltd. "no member is entitled to vote on shares held less than three months". (16)

Intending bidders may be deterred even further by increasing the period of delay before the shares can be voted. In 1957 the stockholders of the Braid Group Ltd. approved a scheme put forward by their directors altering the company's articles so that stockholders gained full voting powers only after holding stock for two years. (17)

4) IMPOSING RESTRICTIONS ON THE TRANSFER OF SHARES. Another form of hindering possible bidders is to have a provision in the company's articles providing that shares may not be sold to a third party as long as another shareholder is prepared to buy them. For instance, Lyle & Scott Ltd.'s articles, in 1957, included a provision that no registered holder of more than one per cent of the ordinary capital could, without the consent of the directors, transfer any ordinary shares for a nominal consideration or by way of security so long as any other shareholder was willing to buy them. (18)

5) THE ISSUING OF A SUBSTANTIAL BLOCK OF VOTING SHARES TO THE COMPANY'S PENSION FUND. One way in which directors can deter a potential bidder for their company is to issue a large block of the company's shares to the firm's pension fund.

For instance, during the last two months of 1954 The Assam Company Ltd.'s shares increased in market value from 26s to 48s 6d, (19) causing The Assam Company's board to suspect that Mr Haridas Mundhra was buying on the market preparatory to making a bid: They foresaw control of the oldest British tea company in India passing to Calcutta with the result that the minority British shareholders would have to suffer Indian remittance tax on their dividends. The directors were not opposed to an offer to all shareholders but in order to prevent an offer for 51 per cent only of the capital devised a special defence. The board made a special issue of 750,000 one shilling shares, each carrying one vote, equal to one third of the company's voting, and allotted these shares to the trustees of the company's employees' pension fund. As a condition of issue the trustees were under an obligation to transfer these shares to any purchaser who bought at least 75 per cent of the other shares. (20)

6) TRANSFERRING SOME OF THE COMPANY'S ASSETS TO THE CONTROL OF ANOTHER ENTITY. In some cases directors suspect that a bid might be made for their company by someone who believes he could use some of the firm's assets in a different, more profitable way. A board can prevent such a bid by transferring these assets to the control of another party.

For instance, the board of Savoy Hotel Ltd., when they realised Mr. Harold Samuel was purchasing Savoy shares with the intention of gaining control so as to convert one of its hotels, the Berkeley, into a more profitable block of offices and showrooms, took measures to transfer control of the Berkeley outside their company. The directors formed a new company, The Worcester Building Company Ltd., and allotted the ordinary shares in it to the Savoy Group Staff Benevolent Fund. Next they sold the Berkeley Hotel to the Worcester Building Company Ltd. in exchange for preference shares in that company. (21) The Berkeley was leased back to the Savoy for 50 years with covenants that the Berkeley would not, during that time, be used otherwise than as an hotel, without the consent of The Worcester Building Company Ltd. (22)

This scheme was not judicially examined but the Inspector appointed by the Board of Trade to investigate the affair was of the opinion that the Savoy directors' actions had been an invalid use of their powers. (23)

7) THE ISSUING OF A LARGE BLOCK OF SHARES TO ANOTHER COMPANY WHICH HAS FRIENDLY RELATIONS WITH THE DIRECTORS. Several boards have attempted to forestall bids by selling a substantial number of unallotted shares to another company with which the board has good relations. In 1958 British Aluminium Ltd.'s board signed an

agreement with Alcoa arranging, subject to Treasury consent, to allot 4,500,000 ordinary shares in British Aluminium Ltd. to Alcoa for 60s per share. (24) This would have given Alcoa one third of the votes in British Aluminium Ltd. but before negotiations were completed Reynolds Metals and Tube Investments Ltd. offered 78s for each British Aluminium share. (25)

The Treasury deferred its consent for allotment of shares to Alcoa until the British Aluminium shareholders had been given an opportunity to consider the Reynolds' offer. (26) As the shareholders accepted the Reynolds Metals' bid the British Aluminium board did not have an opportunity to continue with its defence.

However, this was later used, successfully, by two other companies. In 1961 the directors of The British Drug Houses Ltd. asked their shareholders to approve a resolution allotting to Mead Johnson, for £5,000,000, shares representing 35 per cent of The British Drug Houses Ltd. capital. (27) The shareholders approved this scheme, making it almost impossible for an outsider to obtain control of the company.

When Lord Thomson bid for George Outram & Company Ltd. in 1964 it was revealed that the Outram board had been expecting a bid for six years and in anticipation had made Sir Hugh Fraser their deputy chairman. (28) By 1964 Sir Hugh owned about 20 per cent of the George Outram & Company shares.

8) THE USE OF INTERLOCKING SHAREHOLDINGS. Section 27 of the Companies Act 1948 prohibits a company acquiring shares in its parent but there is nothing to prevent two companies each holding large numbers of shares in the other, providing these holdings represent less than 50 per cent of the other company's capital. For instance, until the formation of the International Publishing Corporation Ltd. in 1962 ended the arrangement, the directors of Daily Mirror Newspapers Ltd. had, by a system of crossholdings with the Sunday Pictorial Newspapers Ltd., made a take-over of Daily Mirror Newspapers unlikely. Daily Mirror Newspapers Ltd. owned a large interest in Sunday

Pictorial Newspapers Ltd. [29] which itself owned a large interest in Daily Mirror Newspapers Ltd. [30]

Also, Weinberg mentioned the case of a mining finance company where 63 per cent of the ordinary shares of the holding company were held by companies in the group of which it was the head. [31]

Another system for perpetuating the directors' control is what the Jenkins' Committee referred to as "circular ownership" where company A holds 40 per cent of the capital of company B which owns 40 per cent of the capital of company C, which in turn owns 40 per cent of the capital of company A. The directors of all three companies, particularly if they are the same people in each case, can by acting in concert, prevent the take-over of any one of the three companies. [32]

9) THE WHITBREAD UMBRELLA. Mr. W.H. Whitbread, chairman of Whitbread and Company Ltd., said in 1959 that any company which was earning less than five per cent on the real value of its assets was in danger of being taken over. While he believed the majority of brewing firms were capable of earning more than five per cent, lack of financial backing and technical know-how were preventing some from exploiting their assets to the fullest advantage. [33] Mr. Whitbread expressed the choice before the brewery industry as being either integration or disintegration and proposed as his solution "The Whitbread Umbrella". [34]

The basis of this scheme was that directors of a family controlled brewery, worried by the prospect of a bid for their company, could approach the Whitbread board asking to be taken under their "umbrella". If the Whitbread directors accepted a company under this scheme Whitbread and Company Ltd. would purchase shares on the market until they had at least 10 per cent of the applicant's capital. [35] This was found to be insufficient to deter bidders so was later increased to 25 per cent. [36]

Whitbread and Company did not use their holdings to intervene in the management of companies sheltering under their umbrella as the main purpose of the umbrella was to deter bidders who would realise that the directors' holdings in one of these companies plus Whitbread's investment would be sufficient to ensure control of the firm. If not, the fact that Whitbread and Company was likely to make a counter-bid or purchase additional shares on the market would undoubtedly make a take-over of an "umbrella" company very expensive.

There was a second way in which the Whitbread umbrella was intended to protect companies from take-overs. Whitbread aided the sheltering companies with technical and managerial assistance so they might become more efficient, and therefore more profitable. This would enable the companies to pay higher dividends, causing the market value of the shares to rise, making a take-over more expensive and thus less likely.

By 1962 the Whitbread "umbrella" covered 15 companies in which Whitbread and Company Ltd. owned at least 25 per cent of the company's capital. (37)

10) REVALUATION OF THE COMPANY'S ASSETS. Probably one of the reasons why take-overs were so common in the 1950's was the considerable disparity between the value of assets shown in many companies' balance sheets and their current market value.

For instance, the accounts of Watney Mann Ltd. for the year ended 30 September 1958 showed the fixed assets at 1929 valuations or cost of acquisition since then. (38) This provided an opportunity for an outsider, who was able to calculate the current value of the properties, to make an apparently generous bid. This happened in May 1959 when Sears Holdings Ltd. made an unsuccessful offer. Immediately after this the Watney Mann directors took steps to forestall a similar bid. They sold the valuable Stag Brewery site and had the remaining assets revalued so they were able to state in the next annual report that the capital profit on the sale and lease of the Stag Brewery site amounted to £5,197,460 while the revaluation of the remaining properties had revealed a surplus of £3,928,330. (39)

There were other firms which decided to give their shareholders a better idea of the current worth of the company's assets by having the revaluation before receipt of a bid. In 1951 Imperial Chemical Industries Ltd. changed to replacement value instead of historical costs in its published accounts. As a result, Imperial Chemical Industries Ltd.'s fixed assets which were shown at £81,611,878 in the 1949 accounts appeared in the 1950 accounts at a valuation of £196,439,243 and the company's total assets were increased from £203,000,000 to £343,000,000. (40)

In 1957 the directors of Bernam-Pernak Rubber Plantations Ltd. stated that no bid had been received but to protect shareholders they had obtained a valuation of the company's Malayan properties which gave a break-up value of 6s 3d per share. (41) Before this announcement the Bernam shares sold for 5s. (42)

But revaluation does not always give an indication of the company's worth to others. For instance, the Harrods Ltd. board had their assets revalued in 1959 to yield an assessment of £20,000,000 (43) but later that year take-over bids for Harrods were greatly in excess of that amount, one was almost double at £38,000,000. (44)

11) THE APPOINTMENT OF A WELL-KNOWN TAKE-OVER EXPERT TO THE BOARD. One defence is the appointment of a take-over expert to the company's board. The expert can advise the directors and also the appointment serves to warn possible bidders that a take-over would probably be difficult to achieve. For example, in 1961 Sir Hugh Fraser, chairman of the House of Fraser Ltd., accepted an invitation to become chairman of Associated Fisheries Ltd. at a time when Associated Fisheries Ltd. was expecting a bid from Ross Group Ltd. (45) In 1964 George Outram & Company Ltd., also anticipating a take-over, appointed Sir Hugh Fraser as their deputy chairman. (46)

12) THE SALE OF THE COMPANY'S SURPLUS ASSETS TO PROVIDE A CASH DISTRIBUTION TO THE SHAREHOLDERS. Where a company has considerable assets not required for its main activities there is the prospect that a bidder may make an offer which includes selling those assets and promising to distribute the cash received to the assenting shareholders. In anticipation of this the directors may themselves sell auxiliary assets and distribute the proceeds to their shareholders as a capital repayment.

For instance, in 1958 the Braid Group Ltd. board sold the company's shares in North West Securities Ltd to the Bank of Scotland, using the proceeds to make a cash distribution of 1s 6d per unit. (47)

13) ESTATE DUTIES INVESTMENT TRUST LTD. In 1952 Estate Duties Investment Trust Ltd. was formed by a number of insurance companies and investment trusts, under the sponsorship of the Industrial and Commercial Finance Corporation, to acquire minority interests in private companies and the smaller public companies where estate duties necessitated the sale of a large block of shares by the family controlling the business. Estate Duties Investment Trust Ltd. (known as EDITH) announced that it was prepared to hold these shares as an investment, allowing the family to retain control of the business. (48)

Families need not wait until a death occurs but may apply to EDITH to make provision for death duties payable in the future. (49) Therefore, as EDITH does not ask for representation on the boards of the companies in which it invests (50) and does not seek to influence the running of the business, a family could, by entering into an agreement with EDITH to provide for future duties, effectively prevent the firm being taken over by an outsider.

By 1964 EDITH had invested £4,094,347 in unquoted companies by means of these arrangements and a further £332,626 in quoted companies. (51) Similar facilities are provided by Safeguard

Industrial Investments Ltd. and Private Enterprises Ltd. (52)

14) IMPOSING A QUALIFYING TIME PERIOD FOR DIRECTORS' SHAREHOLDINGS

Section 10 (1) of the Companies Act 1948 requires any alteration to a company's articles to be by special resolution which, under section 141 (2) of the Act needs to be passed by a three fourths majority. Therefore, if the directors can change the articles so as to require a certain length of time for shares to be held before the owner can act as a director then any successful bidder failing to gain 75 per cent of the votes would be prevented from taking office for the stated length of time.

The Braid Group Ltd. board in 1957, when taking measures to preclude a take-over, altered their company's articles so that a person was not eligible to become a director unless he had held his stock qualification for at least five years. (53)

CLASS II. DEFENSIVE MEASURES TAKEN AFTER A TAKE-OVER BID HAS BEEN MADE FOR THE COMPANY.

These ad hoc measures may be divided into six main groups. There are actions designed to persuade the shareholders to reject a bid because it represents less than the real worth of the shares, other steps attempt to persuade shareholders that the market value of the company's shares will exceed the offer price in the future, sometimes an attempt is made to cast doubt on the worth of the consideration offered, on other occasions the directors of the offeree company have arranged a counter bid or a liquidation of the company has been presented as an alternative to accepting the offer and where there does not appear to be any other way of preventing a take-over the directors have sometimes sought to ensure that the bidder would be frustrated even if his offer was accepted by the shareholders.

A. MEASURES TAKEN TO PERSUADE SHAREHOLDERS TO REJECT A BID BECAUSE IT REPRESENTS LESS THAN THE REAL VALUE OF THE COMPANY'S SHARES.

1) DIRECTORS OF THE OFFEREE COMPANY DISCLOSE THEIR ESTIMATE OF THE CURRENT VALUE OF THE COMPANY'S ASSETS. Where the bid exceeds

the market value of the company's shares by a considerable margin the offeree company's directors have on occasion recommended their shareholders to reject the bid as the real worth of the shares is substantially higher still, sometimes even twice as much. There are risks involved in using this defensive technique as shareholders, if the bid is rejected, will expect the market value of the shares to rise to something near the directors' valuation and where this is twice the market price shareholders are made aware that the company has been perhaps earning a very low return on the capital employed.

But such disadvantages have not prevented this defence being used from 1956 to 1966. In 1956 the directors of Inch Kenneth Kajang Rubber Ltd. urged their shareholders to refuse a bid of 21s per unit because the company's net assets were worth 34s 10d, (54) while during 1966 the directors of Panagula Rubber Company Ltd. declared that the "real value" of the company's shares exceeded 2s per share, more than twice the price offered. (55) Other examples where the directors' estimate of the shares' asset backing was more than twice the bid price were The Carolina Tea Company of Ceylon Ltd. where, when a bid of 10s cash per unit was made, The Carolina Tea chairman said the assets of the company made the shares worth at least 28s each (56) and Colombo Commercial Co. Ltd. where the directors urged shareholders to reject a bid of 22s 6d cash per share as the break-up value of the shares was 48s 8d each. (57)

One notable case was that of White City (Glasgow) Ltd. When a bid was received in 1958 the White City directors pointed out that the total value of the bid was worth £106,250 cash whereas, quite apart from the company's fixed assets, White City (Glasgow) Ltd.'s investments and cash alone came to £106,500. (58)

There were at least twelve other occasions where this defence was used (59), and of the sixteen times known when directors gave their estimate of the value of the company's assets the bids were rejected on eight of them.[60]

2) DIRECTORS OF THE OFFEREE COMPANY SAY THAT THE BID IS WORTH LESS THAN THE COMPANY'S ASSETS, WITHOUT STATING AN ACTUAL VALUE.

But it is not necessary for the offeree company's directors to state an actual value for their company's shares. Bids have been rejected when the offeree company's board has merely claimed that the shares were worth considerably more than the offer.

For instance, in 1957 an offer was made for the shares of S. Instone & Company Ltd. ; the Instone directors successfully opposed the bid by simply stating that the offer did not include the valuable goodwill of the company and also the market value of the firm's ships was considerably higher than the balance sheet figure.[61] Also, in 1959 when a bid of 60s per share was made for South Metropolitan Cemetery Ltd. the directors induced their shareholders to refuse the bid by stating that the assets were worth considerably more, in fact it would be possible to make a capital repayment of at least 60s cash per share without impairing the business.[62]

Lord Broughshare, chairman of Greencoat Properties Ltd. did not have to give any details at all to persuade shareholders that they should reject a 1959 bid but simply stated "if anyone were to suggest that this offer represents a good bargain for its stockholders, I should be tempted to reply in the words of a famous Field Marshal 'You must be barmy'".[63] The value of the bid was 27s 7d per share[64] compared with a market value before the bid of 21s 9d.[65]

3) DIRECTORS OF OFFEREE COMPANY HAVE THE ASSETS REVALUED AFTER RECEIPT OF A BID. It is possible for the market price of shares to be substantially lower than the asset value because share prices are primarily based on yields, not asset backing, and anyway the accounts have often shown the assets at the low cost of many years before. One example is that of Manchester Royal

Exchange Ltd. which as late as 1961 stated its land and property at the cost in 1912.[66] The Waterlow and Sons Ltd. board, after a bid was made for the company in 1960, had their properties revalued to reveal a current value of £3,266,000 compared with the balance sheet figure of £1,280,000,[67] and in 1961 a revaluation by Bristol Brewery Georges and Co. Ltd., as a result of a bid, disclosed the company's assets to be worth £13,000,000 though they were shown in the accounts at £6,600,000.[68]

In 1965 the directors of Wall Paper Manufacturers Ltd., when unsuccessfully attempting to counter a bid from Reed Paper Group Ltd., had a revaluation which showed a surplus of £15,000,000 on book values even though at the previous annual meeting the chairman of Wall Paper Manufacturers Ltd. had said "it would be unwise to believe that revaluation would throw up a surplus having any great proportionate significance".[69]

Trade investments have also at times been shown in the accounts at a figure representing only a fraction of their real worth. Weinberg mentions the case of the Courtaulds Ltd. board, in response to a bid from Imperial Chemical Industries Ltd. worth 41s per share,[70] announcing that Courtaulds' investments themselves were worth 30s per share.[71] But the day preceding the bid Courtaulds Ltd. shares sold for 30s,[72] and the investments appeared in the balance sheet at a figure representing only 17s 6d per ordinary share.

Another example is that of Kendall and Gent Ltd. which carried a trade investment in its books at £10,372 but when a bid was made for the company in 1959 the directors revalued these investments at £200,000 and the associated company made an immediate payment of £6 per share tax free, which gave Kendall and Gent £99,618.[73]

4) DIRECTORS OF OFFEREE COMPANY BUY SHARES ON THE MARKET. There have been occasions when directors who have had prior knowledge

of the details of an offer to be made for their company appear to have either purchased shares themselves or revealed the knowledge to friends who have made purchases. It is possible that the directors have deliberately leaked news of the pending bid so that the market price would rise to a figure near the offer price, making the bid seem less generous. There have been cases of share values rising quite markedly in the week prior to a bid being officially made, [74] in some instances to very nearly the offer price.

For example, in 1960 merger talks were in progress between Spiers & Pond Ltd. and Express Dairy Company Ltd. for three months. During that time the Spiers & Pond shares rose from 25s to 44s though there was no announcement about the merger talks. When the bid for Spiers & Pond was released it was for 47s 6d per share. [75]

Mr. Charles Clore, giving evidence before the Jenkins' Committee, said "We had an experience only the other day, where we approached a certain large shareholder in a company, and the answer we got was that 'we must go and discuss it with the Chairman' which they promptly did, and the shares went up by 10 per cent each day for two days". [76]

These tactics provided the offeree company's directors with the opportunity to state, when the bid was formally made, that it was not an attractive offer, being little higher than the market price.

5) DIRECTORS OF OFFEREE COMPANY STATE IT IS THEIR INTENTION TO INCREASE THE DIVIDEND. There were at least 17 cases where directors responded to a bid for their company by proposing to increase the dividend. The announcement of the recommended dividend increase raised the yield which in turn lifted the market value of the shares, sometimes to the extent that the market value has risen above the offer price. [77] The largest single

increase noted was that of Binns Ltd. where the directors raised the recommended dividend from 25 per cent to 18$7\frac{1}{2}$ per cent, [78] in an unsuccessful attempt to fend off a bid from the House of Fraser Ltd.

There have been other major dividend increases such as the Richard Haworth & Co. (Holdings) Ltd. announcement after a bid in 1961 that the dividend would be 11 per cent compared with nothing the previous year, [79] and Morphy-Richards Ltd., the board of which doubled its dividend recommendation on receipt of a bid from Electric & Musical Industries Ltd. [80] Of the 14 other known instances where the dividend was increased on receiving a bid [81] the offer was rejected by the shareholders in eight of them. [82]

6) DIRECTORS OF OFFEREE COMPANY MAKE A BONUS SHARE ISSUE. Bonus issues in themselves do not increase the value of a company's shares but as shareholders, rightly or wrongly, expect that the dividend will be maintained at a rate no less than the previous figure, a bonus issue is now regarded as a sign that future dividends will be higher. The results are, therefore, similar to the announcement of an increase in dividend.

When Mellor Bromley & Co. Ltd. was the subject of a bid from Bentley Engineering Company Ltd. in 1954 the Mellor Bromley board took a series of defensive measures which included the capitalization of £300,000 of undivided profits, subject to Treasury consent, using this to issue fully paid shares to shareholders on a one for one held basis. [83] Other boards used this too. In 1963 the directors of The Mint, Birmingham Ltd. countered a bid with measures which included a one for two scrip issue while announcing that the dividend would be maintained at 15 per cent, [84] and the Bluemel Bros. Ltd. directors also successfully responded to a bid by proposing a scheme which would involve capitalizing £270,000 of the reserves to make an issue of eight new 5s shares for every £1 ordinary share held. [85]

7) DIRECTORS OF OFFEREE COMPANY ANNOUNCE A SUBSTANTIAL INCREASE IN THE COMPANY'S PROFITS. If the offeree company has improved its earnings during the current year then the board can announce this improvement as soon as the bid is received instead of waiting until publication of the annual accounts.

For instance, in 1959 the Settle Speakman & Company Ltd. board responded to a bid by announcing that in the nine months ended 30 September 1959 the trading profits of the company were substantially higher than in the corresponding period of 1958 (86) while the Thomas & Evans Ltd. board, after a bid, disclosed that current earnings on the "Corona" division of the business were 138 per cent of the capital employed in that section.(87) The Morphy-Richards Ltd. directors, in similar circumstances, stated the profits for the current year had doubled, (88) and when the Bluemel Bros. Ltd. directors announced that the current year's profit was £115,000 compared with £87,461 for the previous year, Bluemel Bros. ordinary shares rose to 106s (89) each, substantially above the bid price of 80s (90) at which point the bid was withdrawn. (91)

B. <u>MEASURES TAKEN TO PERSUADE SHAREHOLDERS THAT THEY SHOULD REJECT A BID BECAUSE CERTAIN HITHERTO UNDISCLOSED FACTORS WILL CAUSE THE MARKET PRICE OF THE SHARES TO EXCEED THE BID PRICE IN THE FUTURE</u>.

1) DIRECTORS OF OFFEREE COMPANY STATE THAT FUTURE PROFITS OF THE COMPANY WILL BE HIGHER. Directors have attempted to dissuade their shareholders from accepting a bid by claiming that the shares have a potential worth in excess of current market price because future profits will be higher than those last reported.

For instance, the directors of Waterlow and Sons Ltd. simply stated that the Purnell and Sons Ltd. bid was "inadequate in view of the upward trend in the company's business . . . . and the basic long term stability of the company and its prospects" (92) and similarly the board of The Mint, Birmingham Ltd. gave no further information than to say there were favourable prospects for the coming year. (93) The Wall Paper Manufacturers Ltd. directors were more specific in 1965 when they announced as part of their defence that the profits for the current year would be £6,250,000 and for the coming year were expected to rise to £8,750,000. [94]

2) DIRECTORS OF OFFEREE COMPANY ANNOUNCE PLANS WHICH WILL INCREASE FUTURE PROFITS. If directors cannot actually state the current year's profits will be higher than last year's they can announce measures they have taken which will yield higher profits sometime in the future.

For example the Macowards Ltd. board appealed to their shareholders to reject a 1960 bid, saying that they had energetic expansion plans for the future which would increase profits [95] but the directors of Manchester Royal Exchange Ltd. were unsuccessful the following year when they urged their shareholders to refuse a bid because they themselves had plans for developing the company's site over a three year period. [96] The board of Burt, Boulton and Haywood Ltd., when rejecting a bid from Horlicks Ltd., stated they had spent £1,500,000 on capital development in the past 18 months which would, they claimed, result in increased earnings. [97]

3) DIRECTORS OF OFFEREE COMPANY CLAIM THAT FUTURE PROFITS WILL BE HIGHER BECAUSE THEY HAVE TAKEN STEPS TO IMPROVE THE COMPANY'S MANAGEMENT. Where the offeree company has not been making the fullest use of its assets the board can assure the shareholders that steps have been taken to strengthen management so that the assets will be better utilised, thus increasing future profits.

For instance, when S.M.F. (Holdings) Ltd. bid for Townsend Ferries & Shipping Ltd. in 1957 the Townsend balance sheet showed that the company had £400,000 being held in the form of cash which was not earning any profit. The Townsend Ferries & Shipping directors reacted to the bid by announcing that a firm of merchant bankers would be appointed to advise them upon investing this cash and, in addition, they were appointing a chartered accountant to the board. [98]

And in 1965 the Wall Paper Manufacturers Ltd. board incorporated in their defence against a take-over the appointment of a new overseas director and a new marketing director plus the announcement that they were obtaining advice on management accounting and budgeting. (99)

4) DIRECTORS OF OFFEREE COMPANY ANNOUNCE THAT A NEW PRODUCT IS GOING TO MAKE SUBSTANTIAL PROFITS FOR THE COMPANY IN THE FUTURE. Where the company's past profit record has not been especially good and the current year's profit is not markedly better the directors can predict profits will improve in the future because of a special new factor, such as the development of a new product.

Fisons' bid for The British Drug Houses Ltd. in 1960 failed. One of the reasons was the statement by The British Drug Houses Ltd. board that the company's research department had developed a new product (an oral contraceptive) which would materially increase future profits. (100)

C. <u>MEASURES TAKEN TO INDUCE THE REJECTION OF A BID BY CASTING DOUBT ON THE WORTH OF THE CONSIDERATION OFFERED</u>.

1) DIRECTORS OF OFFEREE COMPANY POINT OUT THAT THE CONSIDERATION OFFERED IS IN NON-VOTING SHARES. One of the most effective defences available to directors should be the statement that by accepting a bid shareholders would be exchanging shares with voting rights for shares which have none. But lack of voting rights has not always dissuaded shareholders from accepting an offer. The Scottish Motor Traction Company Ltd. board in 1956 when urging their shareholders to reject a bid from Sears Holdings Ltd. of one Sears "A" ordinary share for each Scottish Motor Traction ordinary share, pointed out that the Sears "A" shares conferred no voting rights. (101) But this was not sufficient to prevent acceptance of the Sears' offer.

On the other hand when James Howell and Company Ltd. bid for Macowards Ltd. in 1960 the Macowards Ltd. board emphasised that the consideration offered was in preferred ordinary shares which had votes in certain circumstances only, so if shareholders accepted they would be giving up their responsibilities as owners of a company for shares in a concern which was in fact controlled by only four shareholders. (102) The Macowards' directors were successful in stressing that this lack of votes meant the Howell preferred ordinary shares were not easily marketable.

2) DIRECTORS OF OFFEREE COMPANY CLAIM THE OFFERER COMPANY'S SHARES ARE NOT AS GOOD AN INVESTMENT AS THEIR OWN. When urging shareholders to refuse a bid directors have sometimes sought to show that the offerer company's shares will not gain in value and may even fall in the future.

For instance, the board of Wall Paper Manufacturers Ltd., when opposing a 1965 bid from the Reed Paper Group Ltd. stated the Reed shares offered as the major part of the consideration were a bad investment because Reed's Canadian venture would have a slow pay-off period. It would also strain Reed's cash resources at a time when overseas earnings would not be especially useful anyway because of the effects of corporation tax. (103)

When Imperial Chemical Industries Ltd. offered three of its ordinary shares for every four ordinary shares in Courtaulds Ltd. the Courtaulds' board urged their shareholders to reject the bid because of the doubtful value of the I.C.I. shares. The Courtaulds Ltd. board claimed that I.C.I. was weak in research and its prices for chemicals were higher than those of most other European manufacturers. (104) The real reason for I.C.I.'s bid, therefore, was the fact that Courtaulds could buy raw materials from the United States for only half the price charged by I.C.I., so the I.C.I. shares were, according to the Courtaulds' chairman, a depreciating currency. (105)

3) DIRECTORS OF OFFEREE COMPANY CLAIM THAT SHARES IN OFFERER COMPANY WILL BE WORTH LESS IN THE FUTURE BECAUSE THE COMBINED PROFITS OF THE TWO COMPANIES WOULD FALL AS A RESULT OF THE TAKE-OVER. One defence has been a claim that special factors would cause the

offerer to suffer reduced profits as a result of the take-over. The Courtaulds Ltd. board, for instance, stated that their take-over by Imperial Chemical Industries Ltd. would cause the Russian government to reassess the position of a £7,000,000 contract they were negotiating with Courtaulds. (106) Similarly, Harveys of Bristol Ltd. asserted that the Spanish authorities might object to the company being taken over by Showerings, Vine Products & Whiteways Ltd. and as a result withhold export licences for Spanish sherry, of which Harveys were the largest shippers. (107)

Sometimes boards have contended that the take-over of their company would endanger certain valuable licensing agreements, resulting in a drastic fall in earnings. This would preclude a successful bidder from conducting the company more profitably than the existing management, in fact profits would inevitably fall. For example, the chairman of Lyle and Scott Ltd. announced after receiving a bid from the House of Fraser Ltd. that, if the present directors were removed, Coopers of Wisconsin would consider withdrawing its licence for underwear from Lyle and Scott, with serious consequences, because the goods manufactured under this licence accounted for more than half the firm's sales. (108) The directors of Burt, Boulton and Haywood Ltd. opposed a bid from Horlicks Ltd. with similar reasoning. Horlicks had an association with Fabwerke Hoechst so if Horlicks succeeded in taking over Burt, Boulton and Haywood, then Farbenfabriken Bayer, who were rivals of Fabwerke Hoechst, would discontinue their association with Burt, Boulton and Haywood, causing a considerable fall in that company's profits. (109)

The directors can also affirm that a take-over would lose an important customer with a consequent fall in profits. When Burton, Son & Sanders Ltd. bid for G. & T. Bridgewater Ltd. in 1963 the Bridgewater chairman said that Smith's Potato Crisps Ltd. which bought a substantial part of the firm's output, might withdraw their business if control were to pass into other hands, thus reducing the Bridgewater profit drastically. (110)

4) DIRECTORS OF OFFEREE COMPANY ASSERT THEIR COMPANY IS MORE EFFICIENTLY MANAGED THAN THE OFFERER COMPANY. If the consideration for a bid is, or includes, shares of the offerer company then the offeree's board has an opportunity to compare their company's growth rate favourably with that of the bidder. For instance, Burt, Boulton and Haywood Ltd.'s board claimed, when rejecting the Horlicks Ltd. bid, that their company's growth over the past five years had been considerably better than that of Horlicks Ltd. (111) And in 1966 the directors of Jersey-Kapwood Ltd. tried to ward off a bid from Viyella International Ltd. by saying there was no point in shareholders exchanging shares in a company earning 28 per cent on capital employed for shares in a company which was earning only 18 per cent. (112)

5) DIRECTORS OF OFFEREE COMPANY ASSERT THE CONSIDERATION OFFERED IS NOT IN THE FORM MOST USEFUL TO THEIR SHAREHOLDERS. Even when a bid appears to be generous the offeree company's directors can still object on the grounds that the consideration is in a form which is not convenient to their shareholders.

In 1962 Avana Associated Bakeries Ltd. offered its own shares as consideration when bidding for R. Atcherley Ltd. The Atcherley board said they could not recommend the bid "without a satisfactory cash alternative" in view of the financial strength of the company. (113)

But legislation changed the position so that cash became less attractive as consideration after 1962 when short-term capital gains became taxable. The Finance Act 1962 made liable to taxation those profits made as a result of purchasing shares after the 10th April 1962 and selling them within six months of acquisition. (114) This was amended by the Finance Act 1965: profits made as a result of purchasing shares after 6th April 1965 and selling them within twelve months of acquisition became short-term capital gains subject to income tax and surtax if made by an individual.[115] In those cases where shares are disposed of more than twelve months after date of acquisition then any profit made by an individual on disposal is treated as a capital gain subject to a capital gains tax of 30 per cent.[116] In the case of companies all profits are treated as income and are chargeable to the corporation tax of 40 per cent.[117]

But where an individual accepting a bid acquires shares in the offerer company in exchange for the shares surrendered by him, this is treated as a reorganisation, not a disposal, and is not therefore taxable.[118] Consequently, when the Reed Paper Group Ltd. offered 19s 6d cash for each share in Alex. Cowan & Sons Ltd. in 1965 the Alex. Cowan directors rejected the bid as being both too low and in the wrong form. Because of the capital gains tax, they said, the major part of the consideration should have been in Reed Group Ltd. shares so that acceptors would not be liable to tax.[119]

D. <u>DIRECTORS OF OFFEREE COMPANY ARRANGE A COUNTER-BID</u>. Where it is likely to be difficult to persuade shareholders that they would have more to gain by holding on to their shares than by accepting a bid the directors can arrange for parties friendly to themselves to make an alternative offer. The directors then, instead of urging shareholders to reject all offers, can recommend their friend's bid as the more attractive.

For instance, when Sears Holdings Ltd. bid for Scottish Motor Traction Company Ltd. in 1956 the Scottish Motor Traction directors encouraged a counter bid from the House of Fraser Ltd. which they recommended in preference to that of Sears Holdings.[120] And during 1966 Amalgamated Dental Company Ltd.'s board, anxious to avoid a take-over from Dental Manufacturing Company Ltd. persuaded its United States associate, The Dentists' Supply Company of New York, to make a counter bid which was worth £7,300,000 in cash.[121] Also when Reynolds Metals and Tube Investments bid for British

Aluminium Company Ltd. in 1958 a consortium of 14 institutions supporting the British Aluminium board unsuccessfully made a counter offer for half of each individual's holdings. (122)

The counter bid need not, however, be made by an outsider; the directors themselves may propose an alternative offer. Mr. Desmond Tuck, the managing director of Raphael Tuck Ltd., forced the withdrawal of a bid from Pena Industries Ltd. by a cash counter offer of his own. (123) And the directors of Great Southern Cemetery and Crematorium Company Ltd., when urging shareholders to refuse a bid, offered themselves to purchase a limited number of shares at a price of £3 each on a first come first served basis. (124)

There is one case where the directors were able to obtain the major part of the cash required to pay for the shares of the minority interests from the company itself. When an offer of 40s 6d per share was made for the Aberdeen Coal and Shipping Co. Ltd., against a market price of 25s, the Aberdeen directors "... were unanimous that they could not allow it to be taken over . . . for the reasons that most of the directors had interests in fishing companies which received favourable terms from the company with regard to the supply of coal, and they would be in difficulties about coal for their coal-burning ships if the company ceased to operate . ." (125) The directors themselves, therefore, successfully counter bid 45s per share; this required £108,000 cash which they borrowed from a bank. But the company had £75,000 in cash so the directors, after their take-over, reduced the company's capital by distributing that amount to shareholders, then used it to repay most of the bank loan. (126)

E. <u>DIRECTORS OF OFFEREE COMPANY OFFER TO SELL SOME OR ALL OF THE COMPANY'S ASSETS</u>.

1) DIRECTORS OF THE OFFEREE COMPANY OFFER TO SELL SOME OF THE COMPANY'S ASSETS AND DISTRIBUTE THE CASH RECEIVED TO SHAREHOLDERS.

Where directors believe that the bidder intends to sell some of company's assets which are not earning their full potential, then the directors can offer to sell these assets and distribute the cash received so that the shareholders experience the profit instead of the bidder.

For instance, the Jones and Higgins Ltd. board, when Great Universal Stores Ltd. offered 90s cash per ordinary share, announced a scheme whereby they were going to sell the major part of the company's properties, subject to a long-term lease in favour of the company, and distribute the proceeds which, in themselves, would amount to 40s per share. (127)

2) DIRECTORS OF OFFEREE COMPANY PROPOSE THE LIQUIDATION OF THE COMPANY AS AN ALTERNATIVE TO THE TAKE-OVER. Where the offeree directors cannot say the company is likely to become more profitable in the future and they realise the bidder is seeking to liquidate it at a profit they can persuade shareholders to reject the offer by promising to liquidate the company themselves if the resultant distribution of the proceeds would yield a larger cash sum than acceptance of the bid.

For instance, the directors of Josiah Smale & Son Ltd. successfully countered a bid in 1957 by admitting that the recent performance of the company had been poor and prospects were discouraging but if the shareholders would reject the bid then the board would liquidate the company. If this was done shareholders would, they said, receive considerably more than the bid price. (128) Also when offers of first 30s (129) then 42s 6d (130) per share was made for Koliabur & Seconee Tea Company Ltd the directors urged refusal, saying they were sure they could sell the estates at a price which would enable them to distribute at least 60s per share.(131) The estates were sold during the next twelve months and 60s per share was distributed on the liquidation of the company. (132)

F. <u>APPEAL TO MONOPOLIES COMMISSION</u>. If a take-over would give the bidder a monopoly, or near monopoly, then the directors of the offeree company can frustrate the bid by an appeal to the Monopolies Commission.

For example, the Ross Group Ltd.'s bid for Associated Fisheries Ltd., vigorously opposed by the Associated Fisheries' board, was withdrawn for three months when the Board of Trade referred the proposed merger to the Monopolies Commission in February 1966.[133] When the following May the Monopolies Commission decided that a merger of the two companies might be expected to operate against the public interest and accordingly recommended that it should not be allowed, the President of the Board of Trade accepted this recommendation so the Ross Group was unable to proceed with its bid.[134]

G. <u>APPEAL TO SHAREHOLDERS TO CONSIDER INTERESTS OF THIRD PARTIES</u>.

1) NATIONAL INTEREST. Offeree companies' boards have sometimes requested their shareholders to reject a bid in the national interest. For instance the consortium supporting the British Aluminium Ltd. board in 1959 strongly urged the stockholders to reject the Reynolds' bid because the maintenance of British Aluminium Ltd. as a separate British company was "in the national interest".[135]

Also, the Savoy Hotel Ltd. directors, when rejecting an attempted take-over by Mr. Harold Samuel in 1953, stated they had a national responsibility in preserving the Berkeley as an hotel because it was a substantial dollar earner.[136]

2) PATRIOTISM. There have also been occasions when the directors of offeree companies urged their shareholders to reject a bid because acceptance would mean that control of an important concern would pass into the hands of foreigners.

For instance, during the course of Sears Holdings Ltd. successful bid for Scottish Motor Traction Ltd. in 1956, Mr. Charles Clore, chairman of Sears Holdings, found it necessary to announce in an advertisement that "I am deeply perturbed by reports that the Sears bid for control of S.M.T. is regarded as 'anti-Scottish' . . . I wish to emphasise that my Board's intentions regarding the future of S.M.T. are not 'anti-Scottish' in any way. We have every confidence in Scottish management and Scottish industry." (137)

Also, when Thomson bid for George Outram & Company Ltd., publisher of The Glasgow Herald, in 1966 the Outram chairman claimed it would be a serious loss, not only to Glasgow, but to Scotland as a whole, if their Scottish group of newspapers were to lose their independence and cease to be under Scottish control; precisely the threat posed by the Thomson bid. (138) The Outram board followed this up with a message to their shareholders stating that all those interested in preserving the independent expression of opinion in Scotland would view with alarm and distress the possibility of The Glasgow Herald passing into the hands of Thomson or any other newspaper organisation. (139)

3) INTERESTS OF THE STAFF. There have been several cases where directors, when recommending rejection of a bid, have included among their reasons the fact that a take-over would not be in the best interests of the company's staff.

For instance, the Savoy Hotel Ltd. directors in 1953 stated that one of their reasons for frustrating the attempted take-over by Samuel was that Samuel, if he gained control, would convert the Berkeley Hotel into an office block which would involve reducing the catering staff. (140) Also, in 1966 the board of Lintafoam Industries Ltd. rejected the initial offer from the Guthrie Corporation because it was too low and "Apart from the foregoing the Guthrie Offer does not contain the normal assurances which employees of the Company ought to have for protection of their interests". (141)

H. MEASURES TAKEN TO ENSURE THAT THE BIDDER WILL BE FRUSTRATED EVEN IF HIS OFFER SHOULD BE ACCEPTED.

1) DIRECTORS OF OFFEREE COMPANY ISSUE SUFFICIENT SHARES WITH ADDITIONAL VOTING RIGHTS TO A SPECIALLY FORMED TRUST SO AS TO GIVE THE TRUST CONTROL OF THE COMPANY. As a last resort, directors who doubt their exhortations will convince shareholders they should reject

a bid may attempt to take control of the company out of the hands of the shareholders so that even if the bid was accepted the bidder would not be able to take-over the company.

For instance, in 1963 when Mr. Baxter bid for the capital of Cramphorn Ltd. the Cramphorn board, deciding that a take-over would not be in the interests of the shareholders, the employees, or the customers, devised a scheme to thwart even a successful bid. A trust was set up for the benefit of the employees and the directors allotted to the trustees of it 5,707 new preference shares which were given ten votes per share. There were 126,181 ordinary shares in the company, each with one vote, and as the directors' holdings together with those of their families and friends amounted to 37,000 shares, the directors, by using the trust's special shares were guaranteed control of the company regardless of who owned the majority of the ordinary shares. The trust paid for the preference shares with the proceeds of an interest free loan provided by the company. (142)

But in a subsequent action by Mr. Baxter the Court held that the issuing of the 5,707 shares with ten votes each was done with an improper motive and was therefore ultra vires the directors. (143)

2) DIRECTORS OF OFFEREE COMPANY TRANSFER SOME OF THE COMPANY'S ASSETS TO ANOTHER COMPANY. In those cases where directors suspect the bidder wants specific assets of the company, not the business as a whole, the directors may attempt to frustrate a take-over by transferring control of the specific assets outside the company. After Sears Holdings Ltd. had announced 53 per cent acceptance of its offer for the shares in Scottish Motor Traction Company Ltd. the Scottish Motor Traction board, in order to prevent Sears Holdings gaining control of the company's properties, entered into an agreement with another company, Atholl Developments, granting it an option to purchase the properties owned by Scottish Motor Traction Company Ltd. for £1,400,000. There was also an agreement that Atholl Developments would lease back the properties to Scottish Motor Traction on 99 year leases. (144)

This scheme, rushed through before Sears Holdings Ltd. had time to replace the directors, was intended to force the withdrawal of the take-over as it was believed Sears Holdings' purpose was to sell the properties to an insurance company and then lease them back; if this was no longer possible the take-over would, therefore, lose its value. However, when the Scottish Motor Traction board realised that Sears Holdings Ltd. had not been deterred, but was prepared to appeal to the Courts, they themselves rescinded the agreement with Atholl Developments. (145)

3) DIRECTORS OF OFFEREE COMPANY ANNOUNCE A CASH DISTRIBUTION. Where a bid has been made for a company with substantial cash assets the offeree company's board, if they decide that cash is primarily what the bidder seeks, may attempt to frustrate him by offering to distribute the surplus cash among the shareholders. This will pose a quandary for the bidder, especially if he does want the company for its cash. If his consideration is all shares or shares plus cash, shareholders may prefer to reject the bid and receive the larger amount of cash available from the distribution, while if he attempts to match this distribution by increasing the cash part of his offer it may require so much cash as to not be worth while.

For instance, in 1959 Acrow (Engineers) Ltd. offered the equivalent of 8s 6d per share in The Hardwick Industries Ltd., an ex colliery company. (146) The Hardwick board successfully countered this with the promise of a further capital distribution of 2s 6d per share immediately with the prospect of an additional 1s 6d per share later. (147)

4) OFFEREE COMPANY'S DIRECTORS ALLOT A LARGE NUMBER OF UNISSUED SHARES TO A COMPANY WHICH IS FRIENDLY TO THEM. A bidder can be frustrated even after gaining acceptance from the holders of a majority of the shares if the offeree company's directors have a large block of unissued shares which they can allot to a friendly company. The bidder will then find that the number of allotted shares has been increased to such an extent that his acceptances no

longer represent a majority.

This is what happened in 1967 with Metal Industries Ltd. and Aberdare Holdings Ltd. For a year the Metal Industries Ltd. board had been negotiating terms for a merger with Thorn Electrical Industries Ltd. when Aberdare Holdings Ltd. announced an offer of 22s 6d for each Metal Industries Ltd. share.[148] This bid, worth £11,700,000,[149] prompted a counter offer from Thorn Electrical Industries Ltd. worth 35s 9d per share,[150] but Aberdare Holdings succeeded in obtaining 53 per cent control of Metal Industries.[151] The Metal Industries Ltd. board then made one last attempt to frustrate Aberdare Holdings.

Metal Industries Ltd. had 4,720,000 unissued shares which the board allotted to Thorn Electrical Industries in exchange for one of Thorn Electrical Industries' subsidiaries, Glover and Main Ltd.[152] This allotment increased the Metal Industries Ltd. capital by 63 per cent,[153] suddenly reducing Aberdare Holdings' stake from 53.5 per cent to only 32.6 per cent while immediately giving Thorn Electrical Industries 38.5 per cent of the enlarged Metal Industries Ltd. equity.[154] Realising the difficulties of attempting to upset this arrangement, Aberdare Holdings withdrew its bid.[155]

1) <u>Minutes of Evidence Taken Before Law Committee</u> (H.M.S.O.), 1960, page 112

2) ibid. page 113

3) <u>The Stock Exchange Official Year-book 1965</u> (Thomas Skinner), page 2677

4) Rootes Motors Ltd. Issued Capital £1,000,000 Ordinary and £5,058,911 A Ordinary. A Ordinary shares have no voting rights. <u>The Stock Exchange Official Year-book 1965</u> (Thomas Skinner), page 3023

5) Mecca Ltd. Issued Capital £350,000 ordinary and £4,011,077 A ordinary. A ordinary shares have no voting rights. <u>The Stock Exchange Official Year-book 1965</u> (Thomas Skinner), page 2737

6) Wilkinson Sword Ltd. Issued Capital £500,000 ordinary and £1,500,000 non-voting A ordinary. Approximately 71 per cent of the ordinary shares are owned by the directors and their families. <u>The Stock Exchange Official Year-book 1965</u> (Thomas Skinner), page 3387

7) Butterworth & Co. (Publishers) Ltd. Issued Capital £125,000 A ordinary and £250,000 B ordinary. B ordinary shares confer no voting rights. <u>The Stock Exchange Official Year-book 1965</u> (Thomas Skinner), page 1987

8) Great Universal Stores Ltd. Issued Capital £1,360,153 ordinary and £19,632,524 A ordinary stock. A ordinary capital confers no voting rights. <u>The Stock Exchange Official Year-book 1959</u> (Thomas Skinner), page 2412

9) Marks and Spencer Ltd. Issued Capital £600,000 ordinary and £53,139,079 A ordinary. A ordinary shares confer no voting rights. <u>The Stock Exchange Official Year-book 1965</u> (Thomas Skinner), page 2719

10) Takeover Bids, by R.G. Middleton in "Accountancy", March 1958 page 119

11) <u>The Stock Exchange Official Year-book 1959</u> (Thomas Skinner) page 2529

12) Forte's (Holdings) Ltd. Issued Capital, A ordinary £1,970,721 B ordinary £1,000,000 and £1,000,000 ordinary. Voting: 10

votes per 5s nominal ordinary or B ordinary capital but one vote per 5s A nominal ordinary capital. The Stock Exchange Official Year-book 1965 (Thomas Skinner), page 2297

13) Whitbread and Company Ltd. Issued Capital £3,687,840 A ordinary and £921,960 B ordinary. Voting: One vote per £1 A ordinary but five votes per 5s B ordinary share. The Stock Exchange Official Year-book 1959 (Thomas Skinner) page 521

14) The Times 26/6/59 page 17

15) The Stock Exchange Official Year-book 1965 (Thomas Skinner) page 354

16) The Stock Exchange Official Year-book 1965 (Thomas Skinner) page 358

17) The Times 29/8/57 page 14

18) Business Mergers and Take-over Bids by R.W. Moon (Gee & Co.), 1960, page 131

19) The Times 21/1/55 page 12

20) The Economist 22 January 1955, page 296. The Economist 12 February 1955 page 569

21) The Times 7/12/53 page 16

22) 1955 68 Harvard L.R. 1176 at 1180

23) Report of Mr. E. Milner Holland Q.C. on the Savoy Hotel Ltd. (H.M.S.O.), 1954, paragraph 14

24) Business Mergers and Take-over Bids by R.W. Moon (Gee & Co.), 1960, page 145

25) The Times 6/12/58 page 6

26) The Times 5/12/58 page 19

27) The Times 1/8/61 page 14. The Times 11/7/61 page 17

28) The Times 3/9/64 page 10

29) The Stock Exchange Official Year-book 1959 (Thomas Skinner) page 2184

30) The Stock Exchange Official Year-book 1959 (Thomas Skinner) page 3208

31) Take-overs and Amalgamations by M.A. Weinberg (Sweet & Maxwell), 1963, page 195, note 25.

32) Report of the Company Law Committee (H.M.S.O.), 1962, page 55

33) The Times 27/6/59 page 11

34) ibid.

35) Business Mergers and Take-over Bids by R.W. Moon (Gee & Co.), 1960, page 138

36) Take-overs and Amalgamations by M.A. Weinberg (Sweet & Maxwell), 1963, page 198, note 37

37) Take-over by W. Mennell (Lawrence & Wishart), 1962, page 47

38) Watney Mann Ltd. Annual Accounts for the Year Ended 30 September 1958

39) Watney Mann Ltd. Annual Accounts for the Year Ended 30 September 1959, page 6.

40) The Times 23/5/51 page 9

41) The Times 23/8/57 page 12

42) The Times 22/8/57 page 13

43) Bid For Power by G. Bull and A. Vice (Elek Books), 1961, page 175

44) The Times 20/8/59 page 13

45) The Times 27/1/61 page 19

46) The Times 3/9/64 page 10

47) The Times 11/10/58 page 11

48) The Times 20/7/62 page 20

49) Providing For Estate Duty (Estate Duties Investment Trust Ltd.), 1965 page 4

50) ibid. page 3

51) Thirteenth Annual Report of Estate Duties Investment Trust Ltd. For Year Ended 31st March 1964, page 5

52) Take-overs and Amalgamations by M.A. Weinberg (Sweet & Maxwell), 1963, page 198, note 39

53) The Times 5/8/57 page 11

54) The Times 13/5/56 page 13

55) The Financial Times 26/10/66 page 15

56) The Times 6/11/56 page 16

57) The Times 20/2/63 page 19

58) The Times 15/10/58 page 20

59)

	NAME OF OFFEREE COMPANY	VALUE OF BID PER ORDINARY SHARE	OFFEREE DIRECTORS' ESTIMATED VALUE PER ORDINARY SHARE
a.	Alliance Tea Company of Ceylon Ltd.	37s	70s
b.	Bluemel Bros. Ltd.	120s	150s 8d
c.	British Aluminium Company Ltd.	78s	120s
d.	Doom Dooma Tea Company Ltd.	45s	85s
e.	Kelani Valley Rubber Estates Ltd.	70s	100s
f.	Lewis's Investment Trust Ltd.	16s	25s
g.	London Necropolis Company Ltd.	50s	85s
h.	Panagula Rubber Company Ltd.	3s	4s
i.	The Army and Navy Investment Trust Company Ltd.	£640	£742
j.	The Fairey Company Ltd.	21s 6d	55s 2d
k.	Thomas & Evans Ltd.	41s 6d	50s
l.	Victoria Dwellings Associations Ltd.	£9	£10

References:

(a) The Times 6/11/56 page 16

(b) Investors Chronicle 25 October 1963 page 329. Investors Chronicle 15 November 1963 page 600

(c) The Times 6/12/58 page 6

(d) The Times 16/8/61 page 13

The Times 21/9/61 page 21

(e) The Times 7/12/56 page 16. The Times 8/12/56 page 12

(f) The Times 12/10/65 page 10. The Times 14/10/65 page 12

(g) The Times 20/6/55 page 14

(h) The Times 20/4/57 page 12. The Times 27/4/57 page 12

(i) The Times 27/5/59 page 14. The Times 6/6/59 page 11

(j) The Times 21/12/61 page 14. The Times 30/12/61 page 13

(k) The Times 25/7/58 page 13

(l) The Times 2/7/57 page 12

60) Appendix B. Numbers 55, 98, 110, 159, 184, 291, 313. Plus The Times 4/6/55 page 11

61) The Times 12/9/57 page 16

62) The Times 4/3/59 page 15

63) The Times 15/10/59 page 21

64) The Times 15/10/59 page 20 and page 23. The Times 1/10/59 page 18

65) The Times 1/10/59 page 18

66) The Times 11/1/61 page 12

67) The Times 2/4/60 page 11

68) The Times 14/2/61 page 18

69) The Economist 6 March 1965, page 1053

70) The Times 19/12/61 page 13

71) Take-overs and Amalgamations by M.A. Weinberg (Sweet & Maxwell), 1963, page 203, note 57.

72) The Times 19/12/61 page 13

73) Investors Chronicle 24 July 1959, page 2

74) The Times 1/3/61 page 17

75) The Times 15/10/60 page 11

76) Minutes of Evidence Taken Before the Company Law Committee (H.M.S.O.), 1960, page 532, paragraph 2691

77) For instance, Courtaulds Ltd. increased their dividend to 12½ per cent causing the market value to rise to 53s which exceeded The Imperial Chemical Industries Ltd. offer. The Times 15/2/62 page 19.

78) Bid For Power by G. Bull and A. Vice (Elek Books), 1961, page 156

79) The Times 20/2/61 page 19

80) The Times 5/8/60 page 13

81)

NAME OF OFFEREE COMPANY	DIVIDEND INCREASE
a. Bluemel Bros. Ltd.	20% to 30%
b. British Aluminium Company Ltd.	12% to 17½%
c. Burt, Boulton and Haywood Ltd.	11% to 16%
d. Courtaulds Ltd.	10% to 12½%
e. J. Sears & Co. (True-Form Boot Co.) Ltd.	22½% to 62½%
f. Manchester Royal Exchange Ltd.	11½% to 12½%
g. Mellor Bromley & Co. Ltd.	36½% to 55%
h. New River Company Ltd.	8% to 10%

i)	Odhams Press Ltd.	17½% to 37½%
j)	Scottish Motor Traction Company Ltd.	10% to 20%
k)	The Army and Navy Investment Trust Company Ltd.	21% to 28%
l)	The British Drug Houses Ltd.	12% to 24%
m)	The Fairey Company Ltd.	7½% to 15%
n)	The Mint, Birmingham Ltd.	12½% to 22½%

<u>References:</u>

(a) The Times 5/9/63 page 16

(b) The Times 20/12/58 page 9

(c) The Times 17/6/61 page 15

(d) The Times 15/2/62 page 12

(e) <u>Bid For Power</u> by G. Bull and A. Vice (Elek Books), 1961, page 120

(f) The Times 24/1/61 page 15

(g) The Times 12/3/54 page 12

(h) The Times 14/10/58 page 18

(i) The Times 10/2/61 page 20

(j) <u>Bid For Power</u> by G. Bull and A. Vice (Elek Books), 1961, page 132

(k) The Times 6/6/59 page 11

(l) The Times 18/2/60 page 19

(m) The Times 30/12/61 page 13

(n) The Times 18/6/63 page 18. The Times 8/6/63 page 15

82) Appendix B. Numbers 157, 184, 240, 275, 286, 291, 310, 313.

83) The Times 12/3/54 page 12

84) The Times 18/6/63 page 18

85) The Times 5/9/63 page 16

86) The Times 29/10/59 page 19

87) The Times 25/7/58 page 13

88) The Times 5/8/60 page 13

89) Investors Chronicle, 13 September 1963, page 915

90) The Times 20/8/63 page 13. Investors Chronicle 13/9/63 page 915

91) The Times 21/9/63 page 13

92) The Times 18/3/60 page 18

93) The Times 8/6/63 page 15

94) The Times 4/3/65 page 18

95) The Times 24/8/60 page 13

96) The Times 24/1/61 page 15

97) The Times 26/5/61 page 20

98) The Times 1/2/57 page 13. The Times 9/1/57 page 11

99) The Times 25/3/65 page 17

100) The Times 3/3/60 page 19

101) <u>Bid For Power</u> by G. Bull and A. Vice, (Elek Books), 1961, page 132 and The Times 17/5/56 page 17

102) The Times 24/8/60 page 13

103) The Times 25/3/65 page 17

104) The Times 20/1/62 page 13

105) The Times 25/1/62 page 16

106) Investors Chronicle, 16 February 1962 page 552

107) The Times 12/7/65 page 14

108) <u>Bid For Power</u> by G. Bull and A. Vice (Elek Books), 1961, page 167

109) The Times 26/5/61 page 20

110) The Times 16/8/63 page 13

111) The Times 26/5/61 page 20

112) The Times 1/4/66 page 22

113) The Times 12/9/62 page 14

114) Finance Act 1962, Part II, Chapter II.

115) Finance Act 1965, section 17 (1)

116) Finance Act 1965, section 20 (3)

117) Finance Act 1965, section 49 (1)

118) Finance Act 1965, schedule 7, paragraph 6 (1) and (2). Also <u>Capital Gains Tax</u> by G.S.A. Wheatcroft (Sweet & Maxwell), 1965, page 166

119) The Times 3/12/65 page 21

120) <u>Bid For Power</u> by G. Bull and A. Vice (Elek Books), 1961, page 133

121) The Times 2/2/66 page 17

122) The Times 1/1/59 page 8

123) The Times 17/2/58 page 15

124) The Times 25/4/59 page 11

125) <u>Commissioners of Inland Revenue v. Brebner</u> 1967 T.R. 21 at 23

126) ibid. 24

127) The Times 21/8/54 page 11

128) The Times 18/7/57 page 16

129) The Times 20/10/61 page 21

130) The Times 3/11/61 page 20

131) The Times 20/10/61 page 21

132) Investors Chronicle, 29 December 1961, page 1193

133) The Times 9/2/66 page 17

134) The Times 25/5/66 page 1

135) The Times 1/1/59 page 8

136) The Times 7/12/53 page 16

137) The Times 16/6/56 page 11

138) The Times 6/10/64 page 6

139) ibid.

140) The Times 1/7/54 page 8

141) The Times 19/11/66 page 14

142) The Accountant, 26 October 1963, page 531

143) Hogg v. Cramphorn Ltd. reported in The Times 19/10/63 page 12

144) <u>Business Mergers and Take-over Bids</u> by R.W. Moon (Gee & Co.), 160, page 130

145) <u>Business Mergers and Take-over Bids</u> by R.W. Moon (Gee & Co.), 160, page 131

146) The Times 20/6/59 page 11

147) The Times 30/6/59 page 15

148) The Times 17/7/67 page 17

149) The Financial Times 22/6/67 page 17

150) The Financial Times 1/7/67 page 11

151) The Financial Times 18/7/67 page 19

152) The Financial Times 17/7/67 page 1

153) The Times 17/7/67 page 17

154) The Financial Times 17/7/67 page 1

155) The Financial Times 20/7/67 page 1

CHAPTER EIGHT

CONCLUSIONS

The conclusions which can be drawn from a study of take-over activity may be divided into several classes. Firstly there are the abuses which have taken place in relation to take-overs, the steps which have been taken to remedy these mischiefs and the degree of success obtained by these measures. Secondly, opinions about take-overs and take-over bidders have changed since the early 1950's so one section deals with this evolution in public opinion. The third section touches on some of the results of 20 years of take-overs while the last section is an attempt at drawing the lessons which shareholders can learn from the take-over activity.

A. ABUSES IN TAKE-OVER PROCEDURE.

1) UNSATISFACTORY BEHAVIOUR BY THE BIDDERS.

a. BIDDER SENDS HIS OFFER STRAIGHT TO THE SHAREHOLDERS. There have been cases where a bidder has sent his offer directly to the shareholders without previously informing the offeree company's directors. For instance in 1958 Illingworth, Morris & Company Ltd. offered 7s cash for each of 4,000,000 shares in Salts (Saltaire) Ltd. at a time when the latter's shares were 5s 6d each. The Salts (Saltaire) directors were not given any prior intimation that the bid was being made.[1] In the same year H.H. Windsor (Holdings) Ltd. made an offer for Webley & Scott Ltd. without previously informing the offeree company's board,[2] while in 1959 the first which The Selukwe Gold Mining and Finance Company Ltd. directors knew of an offer for their company was when they saw a letter addressed to the other shareholders.[3]

In these cases the offeree company's directors in each instance did not have sufficient time to prepare the detailed information which shareholders need to judge the value of a bid.

The shareholders were, therefore, deprived of the full facts to which they should be entitled when making a decision.

The Notes on Amalgamations of British Businesses prepared by the Issuing Houses Association in October 1959 state that it is generally advisable that an offer, or an approach with a view to an offer, should be made in the first instance to the board of directors of the offeree company.(4) Also, The Licensed Dealers (Conduct of Business) Rules 1960, prepared by the Board of Trade, provide that a licensed dealer must deliver the terms of the offer to the offeree corporation not less than three clear days prior to the dispatch of the bid to the shareholders.(5)

There do not appear to have been any instances where these rules have been broken though in 1967 when the shares of Murex Ltd. started to rise as the result of a leak, The British Oxygen Company Ltd. board was forced to announce its intended bid without giving the Murex directors three days notice.(6)

b. BIDDER FAILS TO REVEAL HIS IDENTITY. In several instances the bidder has operated through an agent because he refused to reveal his identity. For instance, in 1953 both the bidder for Stag Line Ltd.(7) and the bidder for Slaters and Bodega Ltd.(8) refused to reveal their identities even when requested by the offeree companies' directors. The identity of the bidder could be of importance to an offeree company's shareholders because, although such an anonymous offer must be in cash, shareholders may want to know if the bidder is a foreigner because the transfer of the company to foreign control may be a factor which would influence their decision.

The Licensed Dealers (Conduct of Business) Rules 1960 provide that a licensed dealer, when making an offer for shares, must state whether he is making the offer as principal or agent, and if as an agent the name of his principal.(9) As the Prevention of Fraud (Investments) Act 1958 restricts the distribution of circulars containing offers to purchase securities to members of recognised stock exchanges, recognised dealers, exempted dealers, licensed dealers or other persons granted permission by the Board of Trade[10] the Licensed Dealers Rules have applied and since 1960 bidders have disclosed their identity.

c. BIDDER TRIES TO FORCE SHAREHOLDERS TO MAKE A HURRIED DECISION. Bidders have sometimes attempted to force shareholders to make a hasty decision by announcing that the offer is open for only a limited time. This does not allow the offeree company's board to prepare its recommendations nor does it give the shareholders time to consult their financial advisers properly.

For instance in 1959 Mr. B.J. Longman stated that he would purchase the first 10,000 shares in Drake & Mount Ltd. offered to him, at prices less than 25s, with preference given to the lowest tenders.[11]

To prevent this form of intimidation the Licensed Dealers (Conduct of Business) Rules 1960 provide that an offer shall remain open for acceptance by every offeree for at least 21 days[12] and the offer document must contain the words "If you are in any doubt about this offer you should consult your stockbroker, bank manager, solicitor or other professional adviser."[13]

But this rule has been evaded through the offering of a bonus for quick acceptance. For instance, in 1965 Westminster Bank Ltd.'s bid for Diners' Club Ltd. was expressed as an offer of 27s 6d per share plus another 2s 6d per share payable if Westminster Bank acquired control within the succeeding seven days.[14]

d. BIDDER DOES NOT HAVE SUFFICIENT CASH TO PAY ALL ASSENTING SHAREHOLDERS. There were several instances of this such as the Jasper Affair[15] and in 1961 the case where the Burgess brothers made a £21,000,000 offer which they could not afford for Bent's Brewery Company Ltd.[16] The Issuing Houses' recommendations provide that the offeree company's board is entitled to be assured that the offeror has the necessary cash to satisfy full acceptance of the offer.

Since the issuing of this recommendation there do not seem to have been any further instances of bidders failing to pay all the assenting shareholders.

e. BIDDER BUYS ON THE MARKET AT A PRICE WHICH IS HIGHER THAN HIS OFFER.
A shareholder may be disappointed if he accepts an offer then finds that he could have obtained a higher price by selling on the stock exchange: he will feel a sense of injustice if he discovers that the purchaser on the stock exchange was also the bidder. And this payment of different prices to different shareholders is unfair to those who accept an offer, naturally they believe that they are being offered the amount which the bidder is prepared to pay at that stage and they are entitled to assume that if the bidder pays a higher price to someone else his offer will be increased to that higher price. But there is another aspect of this in that it works a hardship on the non-assenting shareholders as well as those who did accept the offer because a bidder who obtains 90 per cent of the shares in a company can compulsorily acquire the other 10 per cent at the price of his bid. The bidder will have, therefore, not only paid a lower price than that at which he bought on the market to the assenting shareholders but he will also be able to force the non-assenting shareholders to accept a price which is lower than the one the bidder paid some shareholders.

For instance, in 1959 there was resentment because of the manner in which Sears Holdings Ltd. took over Mappin & Webb Ltd. In ten days the Mappin & Webb shares rose from 27s 6d to 47s 6d and it is suspected that this was due to heavy buying by Sears Holdings. Sears then made a bid of only 27s 6d [18] which was less than the price at which Sears had bought on the market. Also, in 1958 Reynolds Metals and Tube Investments Ltd. offered the equivalent of 83s per share for British Aluminium Ltd. [19] but Reynolds Metals purchased millions of shares on the stock exchange for 84s each. [20]

The Issuing Houses' recommendations state that where an offeror has acquired effective control by buying on the market or otherwise he should revise his existing offer at a fair price "having regard to the prices paid in the market".(21)

But this has not prevented the continuance of the practice. As late as June 1967 there was another case. Courtaulds Ltd. and Rodo Investment Trust Ltd. each bid 15s 3d per share for Wilkinson & Riddell (Holdings) Ltd.(22) but Rodo Investment Trust was acting on behalf of Macanie (London) Ltd. which proceeded to buy Wilkinson & Riddell shares on the market at prices in excess of 15s 3d. Eventually Courtaulds Ltd., in exasperation, announced that it too was going to purchase on the market and the resulting buying pushed the Wilkinson & Riddell share price up to 65s before Courtaulds decided to stop.(23) Also in June 1967 Watney Mann Ltd. and Bass, Mitchells & Butlers Ltd. made competing offers for Bent's Brewery Company Ltd. but both purchased shares on the market at prices substantially above their offers. When the Bent's Brewery board asked the bidders for an assurance that, in the event of control of Bent's being acquired as the result of purchases in the market, there would be made available to all holders offer terms not lower than the highest net prices paid in the market, by or on behalf of the successful party, Watney Mann gave such an assurance but Bass, Mitchells & Butlers, who succeeded, would not.(24)

f. BIDDER FAILS TO PROVIDE SUFFICIENT INFORMATION. A company which is quoted on the stock exchange must supply certain details to substantiate optimistic profit forecasts. But a company which is not listed can offer its own shares accompanied by optimistic though unspecific predictions of future earnings.

For instance, in 1966 Cope Allman International Ltd. offered the equivalent of 30s 9d, in its own shares, for each share in Lloyd's Packing Warehouses (Holdings) Ltd.(25) The Cope Allman offer referred to its own "many exciting and extremely profitable developments"(26), unaccompanied by any further explanation, and as Cope Allman was not listed on the London Stock Exchange, there was no necessity to provide details of these developments. The Stock Exchange Council, however, intervened in the interests of the Lloyd's Packing shareholders, asking Cope Allman to send a further circular to them, elaborating the Cope Allman claims and giving specific details.(27)

g. BID IS FOR SOME OF THE SHARES ONLY. There have been at least 13 cases where an offer has been made for a limited number only of a company's shares.(28) For instance, in 1959 an offer was made for only 50,000 units in Allagar Rubber Plantations Ltd.(29) Such an offer poses problems for the offeree company's shareholders. Seeing the possibility of being left as part of a permanent minority many shareholders may hurriedly accept even an inadequate offer rather than incur such a risk. And if the bid succeeds those shareholders who do not want to be part of a minority will find difficulty in selling their shares because others will probably share this reluctance.

And if shareholders think that it is worth staying on in the minority because their dividends will remain at least as high they can be wrong. Shareholders in Bairns-Wear Ltd. who decided to stay on as a minority by not accepting a 1963 bid from Courtaulds Ltd., thinking they could not be any worse off and maybe Courtaulds would offer them a higher price in the future, found that Courtaulds, after gaining control, cut the Bairns-Wear dividend from 10 per cent to 5 per cent and so the market value of Bairns-Wear shares fell to 7s 6d by 1967, compared with the offer price in 1963 of 10s 6d.(30) Courtaulds was not compelled to reduce the Bairns-Wear dividend because the reduced rate was covered 4.9 times by earnings.

No steps have been taken to prevent partial bids which have continued. In December 1965 an offer was made for 35 per cent only of the shares in Queen Anne's Hotels & Properties Ltd. on a first come first served basis.(31) And as late as August 1967 Courtaulds Ltd. made an offer for only 60 per cent of each holding in Lacanie (London) Ltd.(32)

h. BIDDER DECLARES HIS BID UNCONDITIONAL WITHOUT STATING THE NUMBER OF ACCEPTANCES. One way of intimidating shareholders is to declare an offer unconditional without announcing the number of acceptances as this implies that the bidder has nearly obtained control so some shareholders may accept the bid reluctantly rather than risk the possibility of being locked in as part of a minority.

The Issuing Houses Associations's 1963 Revised Notes on Company Amalgamations and Mergers state that an offeror declaring an offer unconditional should disclose immediately the number of shares he has acquired by that time.(33)

But this rule has been broken. As late as 1967 The British Oxygen Company Ltd. declared its bid for Murex Ltd. unconditional then delayed for six hours before disclosing the number of acceptances for its bid.(34)

2) UNSATISFACTORY BEHAVIOUR BY THE OFFEREE COMPANY'S DIRECTORS.

a. DIRECTORS OF OFFEREE COMPANY ALLOT A LARGE NUMBER OF UNISSUED SHARES TO A THIRD PARTY WITHOUT CONSULTING THEIR SHAREHOLDERS.

It is possible for directors to frustrate a bid by allotting a large number of unissued shares to a company which is friendly towards themselves. For instance, in 1958 the British Aluminium Company Ltd. board arranged to allot 4,500,000 unissued shares to Alcoa for 60s per share which would have given Alcoa one-third of British Aluminium's equity capital.(35) Before this deal was finalised Tube Investments approached the British Aluminium directors with an offer worth 78s for each share.(36) The British Aluminium board responded by finalising their negotiations with Alcoa; if Alcoa had been a British company that would have been the end of the matter but as it is an American firm the allotment required Treasury approval. This was deferred until after the British Aluminium shareholders had had an opportunity to consider the offer from Tube Investments. As this bid succeeded the contract with Alcoa became void.

But no steps were taken to prevent this recurring and in 1967 it did. Aberdare Holdings Ltd. had by July 1967 claimed 53.5 per cent acceptance of its offer for Metal Industries Ltd. but the Metal Industries Ltd. board had 4,720,000 unissued shares which they suddenly allotted to Thorn Electrical Industries Ltd. in exchange for one of that company's subsidiaries, increasing the Metal Industries Ltd. capital by 63 per cent, thus reducing the Aberdare holding from 53.5 per cent to 32 per cent of the enlarged capital.[37]

A further aspect was that these shares, allotted without consulting the Metal Industries Ltd. shareholders, were authorised in 1960 as the result of an arrangement which was explained by the board as follows. "The company will have a balance of unissued shares . . . . . it is not the intention of your directors, without the consent of the Ordinary stockholders, to issue any further share capital which will materially affect the control of the company ..."[38]

b. DIRECTORS OF OFFEREE COMPANY TRANSFER SOME OF THEIR COMPANY'S ASSETS OUTSIDE THE CONTROL OF THEIR SHAREHOLDERS. There have been two occasions where the boards of offeree companies have attempted to frustrate a bidder by transferring some of their companies' assets outside the control of shareholders so that even a successful bid would fail to gain control of these assets. In both cases this was done without seeking the prior approval of the shareholders concerned.

For instance, in 1953 the Savoy Hotel Ltd. board transferred control of the Berkeley to the Savoy Benevolent Staff Fund to thwart a bid[39] and in 1959, after Sears Holdings Ltd. had announced 53 per cent acceptance of its offer for Scottish Motor Traction Company Ltd., the Scottish Motor Traction board granted an option to Atholl Developments to purchase the Scottish Motor Traction properties then lease these back on 99 year leases.[40]

Both these schemes were withdrawn so the principle has not been judicially examined but no steps have been taken to prevent boards repeating this tactic.

B. UNSATISFACTORY FEATURES RESULTING FROM, OR REVEALED BY, TAKE-OVERS

1) LONG TERM SERVICE AGREEMENTS BETWEEN THE DIRECTORS AND THEIR COMPANY.

One way of deterring a bidder has been to grant the directors long term service agreements. A successful bidder wishing to replace the board would have to pay substantial compensation to the displaced directors and the longer the term of the agreements the more expensive is this compensation. But this deprives the shareholders of their right to consider a take-over offer.

Nothing was done concerning this practice until 1967 when Jersey-Kapwood Ltd.'s board carried it a stage further. The Jersey-Kapwood executive directors were given contracts which provided that in the event of a take-over the executive directors could sue the company for breach of contract if they could prove that in the years preceding the take-over the company's earning exceeded the average for textile firms. The Stock Exchange Council, however, ruled that these conditions were unacceptable and had to be altered because they constituted an unqualified contingent liability for the company.[41] This action constitutes an important precedent because all service contracts impose an unquantified contingent liability.

2) NON-VOTING SHARES. Some of the largest firms in Britain, such as Montague Burton Ltd.,[42] are controlled by one family through the use of non-voting shares. The raising of funds through issuing non-voting shares is one way of preventing a take-over because the family, through their ownership of the voting shares, can collectively refuse any offer. If the owners of the non-voting shares are primarily interested in dividends, not voting rights, they will presumably be satisfied so long as the company is managed profitably, though if the company is being unsuccessfully managed the non-voting shareholders have no means of changing the management.

But the non-voting shareholders did not become aware of the real significance of the importance of voting rights until the increased take-over activity in the 1950's. For instance, in 1958 Rembrandt Tobacco Company Ltd. offered 110s[43] for each Carreras Ltd. "A" (voting) share against a market price of 45s[44] but made no bid for the non-voting "B" shares. The "B" shareholders, therefore, saw the "A" shareholders receive a tax-free profit of 122 per cent while they themselves gained nothing.

Another factor was that the Baron family, which owned 75 per cent of the "A" shares, had, by accepting the Rembrandt offer sold control of Carreras Ltd. to a South African firm without the "B" shareholders, who provided 97 per cent of the ordinary capital,[45] having any say in the matter.

In the same year Ranks Ltd. took over Energen Foods Co. Ltd., paying 6d cash more for each voting share than the price paid for the non-voting shares.[46] This would seem to be anomalous because in the event of the liquidation of a company the non-voting shareholders, in the absence of anything to the contrary in the company's memorandum or articles, would be entitled to share equally in the assets available for distribution.[47]

There has been growing opposition to the principle of non-voting shares, particularly from institutional investors so that during the past decade some large companies, such as Marks & Spencer Ltd., have been induced to enfranchise their non-voting shares.[48] In the United States the opposition has been stronger and since October 1957 the New York Stock Exchange has refused to list shares with no voting rights or which have rights assigned to a trust.

But as late as 1967 there were still at least 10 firms, such as The Rank Organisation Ltd., and The News of the World Organisation Ltd., which had non-voting shares quoted on a United Kingdom exchange.[49]

3) LEAKAGE OF IMPENDING BIDS. In many cases security arrangements have been unsatisfactory and either the bidder or the offeree company's board has been responsible for allowing news of the intended bid to become known to others. This is anomalous as it enables those with

access to these leaks to buy shares and shortly afterwards sell them to the bidder at the expense of shareholders who have no knowledge of an intending bid. There were at least 54 occasions, between 1958 and January 1966, when the press commented on the fact that the price of an offeree company's shares had risen sharply in advance of the announcement of the bid.(50)

No steps appear to have been taken to prevent leakages so as late as April 1967 it was noticed that in the four weeks prior to the bid by the British Oxygen Company Ltd. for Lurex Ltd. the Lurex shares rose from 25s to 34s before the official announcement of the bid.(51)

4) BUYING A COMPANY WITH ITS OWN MONEY. One unsatisfactory feature has been the number of occasions when collusion between bidder and the offeree company's board has resulted in the bidder purchasing the company with the company's own money, defrauding the minority shareholders.

For instance, in 1958 F.M.S. Rubber Planters Estates was a shell whose only asset was £527,165 in cash. Mr. Charlton-Thomas who owned 75 per cent of the stock(52) was, therefore, entitled to three quarters, that is £395,374, of this but he sold his holding to Mr. Fairbank for £412,000.(53) Furthermore, he conspired to enable Mr. Fairbank to purchase F.M.S. Rubber Planters Estates with its own money by simply withdrawing £412,000 from the firm and handing over the remaining cash to Mr. Fairbank who proceeded to use it for his own purposes.(54) Of the £131,791 belonging to the minority shareholders £16,626 was taken by Mr. Charlton-Thomas and £115,165 by Mr. Fairbank. This action contravened section 54 (1) of the Companies Act 1948 but as the penalty for such a breach is that the company and every officer of the company which is in default shall be liable to a fine not exceeding one hundred pounds(55) this has little effect as a deterrent.

The Jenkins Committee recommended that section 54 should be recast so as to make it unlawful for a company to give financial assistance for the acquisition of its shares unless such transaction has been approved by a special resolution of the company and also provide that a dissentient minority holding ten per cent or more of any class of the shares should have the right, within 28 days of the passing of the necessary special resolution, to apply to the Court to prohibit the proposed transaction.[56] But these recommendations specificially exclude the payment of a dividend after the take-over as a way a bidder can obtain the company's cash so it has been suggested that there should be a prohibition on paying a dividend for a period of, say, six months after a company has been taken over.[57]

The Companies Act 1967 contained no provisions regarding this matter.

5) DIVIDEND STRIPPING. There were three main forms of dividend stripping, all a form of tax avoidance. The first involved the shareholders of a private company with excess cash selling the company to a dealer in shares thus receiving their accumulated dividends as tax free capital gains. The dealer would remove the excess cash by declaring a dividend then sell the company back to its original owners for a price which was the original transfer figure less the value of the dividend. The dealer was able to offset his dividend against the apparent loss he made when selling the company back to its original owners at the lower figure.[58] At attempt to stop this practice was made in the Finance (No. 2) Act 1955 which provided that if a dealer bought 10 per cent or more of the issued shares of any class in a company then the net amount of dividend would be brought into account as a trading receipt which had not borne tax.[59] But dividend strippers found ingenious methods of evading these provisions by using an exempt body instead of a share dealer, interposing another company between the company being "stripped" and the one doing the "stripping" and instead of selling shares, selling an interest in a company not limited by shares, as well as using a share dealer in another country. These more sophisticated forms were countered by provisions in the Finance Acts of

1960, 1962 and 1965.(60)

Another way was for the shareholders of a prosperous private company, acting as individuals, to take-over a company making current trading losses then proceed to accept an offer from the loss making firm. In a manoeuvre known as a reverse take-over the shareholders in the prosperous firm would exchange their shares for those in the losing one. The prosperous company, now a subsidiary of the other, would then pay a substantial dividend out of accumulated profits and the loss making parent, now an investment company, could offset this dividend against its recent trading losses, avoiding not only surtax but also income tax to some extent. This form of dividend stripping was ended by the Finance Act of 1958 which imposed restrictions on the offsetting of trading losses against dividends where the dividends were payable from shares purchased after 16 April 1958.(61)

A third type of dividend stripping involved a family which owned a company taking over another company then using the acquired company to make a take-over bid for their family business, offering debentures in exchange for the ordinary shares. The debentures were of a sufficient value to include not only the accumulated profits but also future profits as well. As a result of this "forward stripping" the shareholders, when the debentures matured, received their accumulated dividends in the form of a tax free capital repayment. Despite attempts to prevent this by section 28 of the Finance Act 1960 the Inland Revenue Commissioners in 1966 lost a case regarding this form of dividend stripping because the debentures were issued in 1953.(62)

6) UNSATISFACTORY NATURE OF ACCOUNTING INFORMATION. Because of the principles on which final accounts are prepared a company's balance sheet does not provide a satisfactory basis for estimating the current worth of company's assets. Shareholders have found, therefore, that the accounts give them little assistance when trying to assess the worth of a take-over bid for their shares.

For instance, the Manchester Royal Exchange Ltd. shareholders who received an offer worth £2,400,000 in 1961[63] found that the company's land, shown in the balance sheet at £1,500,000, was based on its cost in 1912.[64] The Manchester Royal Exchange directors hurriedly announced that a revaluation showed the site to be worth £2,650,000 but this figure did not appear in the accounts and it is doubtful if the shareholders would have known it if a take-over bid had not been made.

But shareholders cannot always assume that current market values will exceed the balance sheet values. When a bid was made for Taylor, Walker & Company Ltd. in 1959 the chairman stated that a recent valuation showed that at £12,336,568 the book value of the properties was perhaps a little high.[65]

It might be thought that frequent revaluations would provide the answer but even this can be misleading. For instance in 1959 the Harrods Ltd. board had their assets revalued to show a worth of £20,000,000 but[66] later that year bids for Harrods were worth almost twice that amount.[67] And sometimes the revaluation has been too high. When Litton Industries Inc. bid 12s 6d per share for The Imperial Typewriter Company Ltd. in 1966 The Imperial Typewriter board recommended acceptance because liquidation would not return even 12s 6d.[68] But the last balance sheet of the company showed the assets, at a revalued figure, equivalent to 23s 9d per ordinary share.

A start has been made with the Companies Act 1967 which provides that if land owned by a company has a market value which differs substantially from the amount at which it is shown in the balance sheet then the directors, if they think the difference is significant, should indicate in their report the difference with such degree of precision as is practicable.[69]

Another difficulty is that auditors are most reluctant to qualify their certificates so will usually manage to persuade directors to make such changes as are necessary to avoid a qualification. As a result, auditors' reports, with rare exceptions, appear to be identical whether the company is making large profits or none, being efficiently managed or poorly managed, has an efficient accounting system or not, thus giving the shareholder no assistance when deciding whether he should hold his shares or accept a bid. It has been suggested that the present, unsatisfactory certificate should be supplemented by more positive statements from the auditor, such as:

"I/We further report that in my/our opinion the company has

a proper	system of, financial control(s)
a satisfactory	administration
an adequate	standard costing
an unsatisfactory	and/or budgetary control
	integrated accounting"[70]

7) UNSATISFACTORY POSITION OF MINORITY SHAREHOLDERS. There have been at least three cases where a person acquiring a majority interest in a company has proceeded to appropriate to his own use the assets which belong to the minority shareholders.[71] It is difficult for minority shareholders to take any action which will prevent this. The Companies Act 1948 provides that any member of a company who complains that the company's affairs are being conducted in a manner oppressive to some part of the members (including himself) may make an application to the court which may make any order it thinks fit for regulating the company's affairs,[72] but this section does not appear to have produced the hoped for results.

As a result of this failure the Jenkins Committee recommended that section 210 of the Companies Act 1948 should be amended so as to make it clear that it covers isolated acts as well as a course of conduct and additionally, the section should be extended to cases where the affairs of the company are being conducted in a manner prejudicial, and not merely oppressive, to the interests of some members.[73] The Companies Act 1967 contained no provisions for improving the position of minority shareholders.

C. RESULTS OF TWENTY YEARS OF TAKE-OVERS.

1) EVOLUTION OF OPINIONS ABOUT TAKE-OVERS.

a. CRITICISM OF TAKE-OVER BIDDERS FOR MAKING SUBSTANTIAL PROFITS WITHOUT PROVIDING A BENEFIT TO THE COMMUNITY. One frequent criticism of take-over bidders in the early 1950's was that these men were not interested in operating their acquired companies but instead wanted control solely to sell the companies' assets for a personal profit. They were suspected of having no regard for the customers or staff of the companies which they took over or even for the public interest, hence such remarks as Lord Attlee's "Jungle red in tooth and claw, and particularly Clore".(74) In 1954 the chairman of Barclays Bank expressed a widely held attitude when he objected that "a mere financier" could buy a business and make a handsome profit by selling its assets. This, he declared, "is the apotheosis of the spiv, and the damnation of honest business men".(75)

The Economist, however, pointed out that if directors are using the company's resources in a way which will yield their best economic return they will be immune from the danger of a take-over. For there to be a margin of profit for the bidder he must be able to employ the company's resources more profitably or he would not be able to make an attractive offer for the shares. Moreover, if the bidder can in fact make better use of the resources, he "will generally be performing an economic service to the community".(76)

But despite this statement, as late as 1960 Sir Alan Herbert continued to criticise take-over bidders on principle by saying, "I notice a welcome calm in the cuckoo world - and about time too. I was beginning to fear that one of these great property magnates would offer to take over St. Paul's Cathedral, which undoubtedly stands on under-developed property, and might well make way for a much more profitable block of offices."(77)

b. CRITICISM THAT TAKE-OVERS WERE IMMORAL BECAUSE THEY REWARDED PERSONS WHO AVOIDED DIVIDEND RESTRAINT. One criticism of take-overs in the early 1950's was that if directors co-operated with the Government request for dividend restraint their company was liable to be taken over. And not only were these directors being penalised by losing their positions but the nature of taxation legislation was such that the take-over bidder, when he liquidated a company, made a tax free profit. The assenting shareholders also made a tax free profit thus avoiding dividend restraint. The only persons to suffer as the result of a take-over bid were the displaced directors who had complied with the Government request for dividend restraint. In 1953 Sir Cyril Osborne M.P. said "Are directors to be kicked out because of their public-spirited action in working with the Treasury at the request of the [Federation of British Industries]?"[78]

c. CRITICISM THAT TAKE-OVERS PROVIDED PROFITS WHICH WERE TAX FREE

In 1954 the President of the Society of the Incorporated Accountants also criticised the taxation system for favouring the capital gains made by take-over bidders, saying "One of the serious consequences of penal taxation was the unfortunate emphasis it gave to capital profits at the expense of hard earned real profits ... Businesses, with all that lay behind them in the way of workers, industrial equipment and experienced executives, were never intended to be the shuttlecock of those who commanded capital resources and whose main interest lay in exploiting businesses for capital gain. This trend, sometimes observable in 'take-over' bids, was not only regrettable but was certainly in most cases against the public interest."[79]

Mr. H. Wilson in 1959 proposed a motion in the Commons that the Government should investigate take-overs as well as other practices designed to avoid taxes[80] then went on to crticise the substantial compensation paid to the displaced directors and executives after some take-overs. Wilson said that the supporters of take-overs justified them on the grounds that take-overs ensured the better use of a company's resources. If this were true the directors supplanted were being handsomely compensated for their failure to make the best economic use of the assets which had been entrusted to them.(81) He mentioned eleven executives who had received "golden handshakes" totalling £575,000, pointing out that these sums, such as the £50,000 paid to Mr. Voss of Trinidad Oil and the £60,000 paid to Mr. Pate of Albion Motors were treated by the Government as capital payments and so were not taxable.

d. CRITICISM OF TAKE-OVERS AS LEADING TO REDUCTION OF COMPETITION, WITH SUBSEQUENT RISES IN PRICES. Concern has been expressed that take-overs, by reducing the number of firms in an industry, diminish competition, sometimes to the stage of a monopoly or oligopoly, with resultant higher prices. For instance William Kennell in his book Takeover (The Growth of Monopoly in Britain 1951-61) contends that take-overs have resulted in "a very large and rapid increase in the degree of centralisation of British industry - in the growth of monopoly".(82)

This concern that take-overs lead to monopolies is not confined to left-wingers, for instance in 1959 a Conservative Member of Parliament asked the President of the Board of Trade to appoint a select committee to investigate the economic consequences of the growing movement towards greater industrial and commercial amalgamations, to advise how far these were restricting consumers' freedom and to inquire what effect they were having on prices and distribution.(83)

e. CRITICISM OF TAKE-OVERS AS HAVING A DISRUPTIVE EFFECT ON INDUSTRY.

Another criticism was that take-over bidders were disrupting industry by distracting management and causing firms to distribute as dividends cash which was needed for development. For instance, in 1961 Mr. H. Wilson objected that as a result of the large number of take-overs that year British management was not able to concentrate on the export drive, because executives were busy looking over their shoulders to see which financier was about to make a bid for their business. As a consequence of this need to stave off a likely take-over some directors were not ploughing back their profits but were distributing most of them in order to avoid making the firm attractive to a bidder, thus depriving the company of cash needed for its development.[84]

f. CRITICISM OF TAKE-OVERS AS LEADING TO AN EXTENSION OF AMERICAN CONTROL OVER BRITISH INDUSTRY. The Labour Party, in particular, expressed concern that further take-overs would extend American control over British industry to an undesirable degree. For instance, in 1959 Mr. Edelman, M.P. for Coventry North, said workers were alarmed that as a result of take-overs by American companies British investment policy would pass from Westminster and Coventry to Wall Street and Detroit.[85]

g. ACCEPTANCE OF TAKE-OVERS. The Economist, an early supporter of take-overs,[86] was joined in 1958 by G. Bull and A. Vice who in their book Bid for Power claimed that take-overs were, in the main, beneficial as they caused assets to be used more efficiently if the company taken over had been inefficiently run. They contended that the take-overs were simply accelerating desirable changes, or as they put it, "The bidder acted like a short-circuit in an electrical system where the load was unevenly distributed, and he accomplished in a few years what the normal operation of market forces would have taken far longer to bring about."[87]

By 1967 take-overs had become such an accepted part of financial life that The Financial Times had a special "Bids and Deals" section each day while The Times published a "Takeovers Scoreboard" at regular intervals and The Sunday Times even listed those companies it thought most likely to receive an offer, together with advice as to how investors could most readily select possibly candidates for take-over offers.[88]

Most critics of take-over bidders seem to have not realised that in order to make his offer sufficiently attractive the bidder must be quite certain that he can employ the company's assets not only more profitably, but much more profitably, or there will be no residual gain for him. It does not matter whether he does this by continuing the business under more efficient management or whether he transforms an hotel to offices or converts a dormant rubber plantation company into a manufacturer of toys(89) the result is the same, the take-over has resulted in idle or under-employed resources being used more efficiently.

If the bidder fails to achieve his expected improved utilisation of the assets then he will have paid too high a price for the acquired company and this will dissuade him from making further bids. The very fact that British Shoe Corporation Ltd., Courtaults Ltd., Viyella International Ltd., Thorn Electrical Industries Ltd. and others have continued making take-overs seems sufficient proof that their previous acquisitions have been profitable to an extent which has enabled them to recover not only the premium paid to former shareholders but also to provide a worthwhile return for themselves.

There is a further aspect. Some share prices were deliberately depressed by the families which controlled quoted firms because they themselves were in the surtax bracket and did not stand to gain from increased dividends. In other cases dividend limitation, by depressing the market value, reduced the shareholders' liability for death duties so it was in the interests of the wealthier directors to keep the market value as low as possible. This was not fair to the shareholders if they were not in the same high income tax bracket as the directors but, because of the depressed dividend rates, these shareholders were unable to sell their shares for anything like their real worth - until a take-over bid was received. By accepting an offer the outside shareholders were able to obtain their deferred dividends in a lump capital sum; this may have been less than the full value but it exceeded what the shareholders could have otherwise expected. The criticism levelled at the take-over bidders who ended an undesirable situation to their own profit could have been directed with more justice at those directors who, by neglecting the interests of the majority of their shareholders, created the circumstances which led shareholders to sell their shares willingly for less than their full value.

The fundamental point, missed by many critics, is that a bidder does not coerce shareholders to sell but offers them a choice which they would not otherwise have.

2) PROBLEM OF EXECUTIVES DISPLACED BY A TAKE-OVER. In September 1961 it was stated that in London the problem of finding jobs for the executives displaced by take-overs had become acute. The manager of the City of London Employment Exchange said that take-overs had created "appalling difficulties" and almost overnight a man who had been earning £4,000 a year could find himself out on the street.(90)

3) CAPITAL GAINS TAX. It is likely that take-overs played a part in the introduction of a capital gains tax in Britain. The substantial sums paid to displaced directors as compensation for loss of office during the 1950's was the subject of criticism in Parliament and during 1959 these "golden handshakes" became larger and more numerous. The Finance Act 1960 limited the tax free amount of directors' compensation for loss of office to the first £5,000.(91)

In 1965 the Labour Government altered the capital gains legislation so as to include long-term, as well as short-term, capital gains. It seems likely, judging from speeches made by Labour leaders when in opposition, that this extension was motivated by their dislike of the ability of assenting shareholders to make tax free capital gains when accepting a bid. For instance, in 1954 Mr. Roy Jenkins introduced a motion in the Commons deploring the development of take-overs which had placed large untaxed profits in the hands of some shareholders.[92] And in 1959 Mr. Wilson introduced a motion that the Government should investigate take-overs as well as other practices designed to avoid taxes.[93]

4) LOSS OF PRESTIGE BY THE CITY. In several take-over bids the manoeuvres by both bidders and offeree companies' directors have been a disservice to the repute of the City,[94] and it has been suggested that one of the reasons for this behaviour has been the envy felt by certain merchant bankers at the success obtained by their younger and more progressive rivals.

One example was the consortium which came to the support of the British Aluminium Company Ltd. board. Mr. Olaf Hambro, chairman of Hambros Bank, stated that "The group which was referred to as against the take-over bid of the British Aluminium Company by the Tube Investments in joint account with the Reynolds Metals was designated as 14 but, in fact, I can now reveal that it was far more numerous .... practically the whole of the representatives of the City were supporting the British Aluminium Company and its resistance to the American dominated take-over".[95] This massive intervention was not, however, well received by the public and rejected by the shareholders. As a result of this ill-judged venture the City lost prestige and the merchant banks, which had hitherto been virtually immune to criticism, being regarded as experts in a highly specialised field, were shown to be capable of acting inexpertly.[96]

Other cases where the conduct of the merchant banks was criticised were the action of the financial advisers to The British Oxygen Company Ltd., who declared The British Oxygen offer for Murex Ltd. to be unconditional then waited for six hours before declaring the number of shares which British Oxygen held,[97] and Hambros Bank, financial advisers to Thorn Electrical Industries Ltd., who were associated with the tactic of selling one of Thorn Electrical's subsidiaries to Metal Industries Ltd. in exchange for a block of unallotted shares

TABLE ELEVEN BIDS AND CONCENTRATION 1955-60

SOURCE: The Financial Times 30/3/61 page 10.

Columns headed (a) show the position as it actually was in 1954, those headed (b) show the position as it would have been had later mergers already taken place.

INDUSTRY	PERCENTAGE OF GROUP ASSETS HELD BY			
	THE TOP 10 PER CENT OF FIRMS		THE TOP 20 PER CENT OF FIRMS	
	(a)	(b)	(a)	(b)
Bricks etc.	54	55	71	72
Chemicals	81	82	89	91
Clothing	45	64	56	75
Construction	33	33	52	52
Drink	54	64	69	78
Engineering	56	59	70	75
Entertainment	74	74	82	82
Food	61	64	80	86
Leather, Timber, Rubber, Plastics	63	65	74	77
Metal Manufacturing	62	69	76	85
Paper, Printing	60	67	75	81
Textiles	62	71	72	82
Transport and Other Services	57	58	71	72
Vehicles	58	65	76	86
Wholesalers	40	43	53	57

which reduced Aberdare Holdings holdings from 53 per cent of the previous capital to 32 per cent of the enlarged capital.[98]

As a result of these, and other, examples of breaches of the Issuing Houses' rules the financial editor of The Times went so far as to say that if the Stock Exchange did not take steps to prevent such practices then there would be immeasurable strengthening of the arguments of those who believed that the Government should set up a body similar to the United States Securities and Exchange Commission.[99]

5) INCREASE IN CONCENTRATION OF INDUSTRY. Take-overs have increased concentration in British industry, particularly in the drink sector, clothing and retailers. Breweries have been particularly active in take-overs, for instance Watney Mann took over 13 other listed breweries between 1945 and 1965,[100] Whitbread and Company Ltd. acquired 15 listed breweries,[101] Charrington United Breweries Ltd. absorbed 22 listed breweries,[102] while Allied Breweries Ltd. took over so many firms that by 1963 it was the largest brewery firm in the world.[103] The Financial Times, in 1961 published an analysis of the effects of take-overs and mergers on British industrial groups in the period between 1955 and 1960.[104] This showed that the assets owned by the top ten per cent of the companies in the drink industry in 1955 represented 54 per cent of the total assets for the industry, but by 1960 the top ten per cent of the companies owned 64 per cent of the industry's assets.[105]

There was considerable concentration in the textiles and clothing industries as a result of take-overs. For instance, Courtaulds Ltd. took over 25 listed companies[106] and Viyella International Ltd. acquired 14 listed companies.[107] The share of the total assets in the textiles industry owned by the top ten per cent of the firms increased from 62 per cent in 1955 to 71 per cent in 1960, while the effect of take-overs was even more noticeable in the Clothing industry. Whereas the top ten per cent of the firms in the Clothing industry owned only 45 per cent of the industry's total assets in 1955, by 1960 this had been increased to 64 per cent.[108]

Take-overs of property companies were numerous; Alliance Property Company Ltd. absorbed eight other listed property companies,[109] St. Martins Property Corporation Ltd. acquired five listed property companies and[110] City Centre Properties Ltd.'s seven acquisitions to 1961[111] made it the largest property company in Europe.[112]

In the Metal industry Delta Metal Company Ltd. took over 11 other listed firms[113] and Manganese Bronze Holdings Ltd. acquired another three.[114] The top ten per cent of the firms in the Metal industry increased their share of the industry's total assets from 62 per cent in 1955 to 69 per cent in 1960.[115]

In the retail sector Great Universal Stores Ltd. took over 29 listed companies[116], United Drapery Stores Ltd. acquired four,[117] and House of Fraser Ltd. seven,[118] increasing the proportion of the total assets in the Retailers trade held by the top ten per cent of the firms from 69 per cent in 1955 to 78 per cent in 1960.[119]

Cavenham Foods Ltd. took over eight listed companies,[120] Fitch Lovell Ltd., acquired six,[121] George Weston Holdings Ltd. twelve,[122] Ranks Hovis McDougall Ltd. eight listed companies[123], increasing the proportion of assets held by the top ten firms in the Food industry from 61 per cent in 1955 to 64 per cent by 1960.[124] Also, the Ross Group's three take-overs[125] made it, among other things, the largest chicken producer in Europe.[126]

The Financial Times survey showed that there was no significant increase in concentration in the construction or entertainment industries between 1955 and 1960[127] and there were very few take-overs in the entertainment industry and none, as far as can be discovered, in the construction industry.

6) TRANSFER TO OVERSEAS CONTROL. At least 27 British listed firms, with the bulk of their assets in overseas countries were taken over by foreigners between 1945 and 1965.[128] Some of these were rubber and tea estates but others were a men's clothing store in South Africa,[129]

a cotton factory in Pondicherry,[130] a coffee and cattle ranch in Brazil,[131] a brewery in Peru,[132] gold mines in Australia,[133] bankers in Mauritius and Hong Kong,[134] and tin mines in Nigeria.[135]

Additionally, there were at least another 29 companies, listed on a United Kingdom exchange and owning assets within Britain, which were taken over by foreign concerns.[136] These ranged from a manufacturing chemist taken over by Americans,[137] to a fruit and vegetable canner acquired by South Africans,[138] preserved provisions manufacturers taken over by a Swiss firm,[139] a domestic appliance manufacturer acquired by a Dutch firm,[140] a builders' merchant taken over by a United States company,[141] an hotel acquired by a Canadian company,[142] and a cotton spinner taken over by Iranians.[143]

7) IMPROVED POSITION OF SHAREHOLDERS. One result of the take-overs since World War II has been the strengthening of the shareholders' position.

It is noticeable how much more information shareholders receive when a take-over bid is made for their company. To take just one instance: before the unsuccessful offer for Watney Mann Ltd. in 1959, the Watney Mann accounts did not even make reference to the fact that the company was a brewery and there was no reference to the board's plans for development. The accounts immediately following the bid, however, showed a remarkable transformation; there were pictures of the firm's breweries, a considerable amount of information about the company's operations and details of future developments and whereas the accounts prior to the bid had shown the fixed assets at their 1929 valuation or cost since then, the accounts after the bid disclosed their current market value.

Before take-over bids became so prominent boards often treated their shareholders as a source of funds, not as the owners. Directors sometimes even ignored the shareholders interests by keeping dividends at a lower rate than they need have been and even making major changes without consulting the shareholders. Prior to the great increase in take-overs dissatisfied shareholders could do little but sell their shares but the take-over of British Aluminium showed that boards which angered their shareholders were susceptible to losing office if a take-over bid was made for the company. Take-overs have enabled shareholders to re-assert their authority as the real owners of the company for disappointed shareholders who sell on the market will not change the board but the acceptance of a take-over offer will usually cause the removal of the directors.

8) LESSONS FOR SHAREHOLDERS FROM TAKE-OVERS.

a. SHAREHOLDERS CANNOT ALWAYS RELY ON THEIR DIRECTORS' RECOMMENDATIONS.

There have been numerous occasions when directors' statements have misled their shareholders. For instance in 1959 the shares of Ford Motor Company Ltd. rose from 69s. to 85s on rumours that Ford of U.S.A. intended to buy out the 45 per cent minority interest.(144) The Chairman of Ford Motor Company denied that there was any truth in the rumour(145) and this denial was repeated 25 times during the next twelve months.(146) But several months after the last of these assertions Ford Motor Inc. did offer 145s cash for each share in its British subsidiary,(147) so those shareholders who sold at, say, 98s 9d in the belief thatthis was an artificially high price because the parent was not going to make an offer and, of course, no other company could, were misled by their directors and suffered in consequence.

In 1959 the directors of E.V. Industrials Ltd. advised their shareholders to reject a bid of 40s(148) because it was inadequate considering the potential earnings of the company.(149) The directors' real reason, however, was that they had been circulating optimistic, though unspecific profit forecasts so that they could sell some of their own shares at a high price. Their reason for recommending rejection of the bid was not that it was too low but rather because it was too high. When the bidder asked for more specific information to substantiate their optimistic forecasts the E.V. Industrials Ltd. directors were unable to do so and sought to avoid this difficulty by advising shareholders to reject the bid as inadequate.

There is also the case of Waterlow and Sons Ltd. where the board unsuccessfully tried to counter a bid by telling their shareholders that the company had converted the previous year's loss into a profit of £91,500 for the first six months of the current year. But after Purnell and Sons Ltd. had taken over the firm they discovered that Waterlow and Sons had actually made a loss of £77,000 for the first six months.(150) Waterlow shareholders would have suffered, therefore, had they rejected the offer in the belief that their board had found a way of preventing the company making losses.

But on two occasions boards have recommended acceptance of offers which were improved as a result of opposition from some of the shareholders. A group of dissatisfied shareholders in Singer Motors Ltd. managed to obtain a higher offer from Rootes Group Ltd. although the initial bid had been recommended by the Singer board(151) and a committee of shareholders in Union-Castle Mail Steamship Company Ltd., by strenuously opposing the initial proposals for merger with the Clan Line Steamers Ltd., obtained better terms despite the fact that the Union-Castle directors had approved the original offer.(152)

b. DIRECTORS REGARD THEIR RESPONSIBILITIES AS BEING TO THE COMPANY AND, THEREFORE, SOMETIMES PLACE THE INTERESTS OF THE COMPANY'S STAFF ABOVE THOSE OF THE SHAREHOLDERS. One of the most significant results of take-over activity has been to reveal the attitude of many board's towards their shareholders. For instance, in 1953 the Savoy Hotel Ltd. board frustrated a take-over, depriving their shareholders of an opportunity to consider the offer. The Savoy directors gave as part of their justification the fact that they were protecting the interests of the Berkeley Hotel's catering staff.(153)

An interesting development of this occurred in 1963. When Courtaulds Ltd. offered the equivalent of 10s 6d for each share in

Bairns-Wear[154] the Bairns-Wear directors recommended acceptance as earnings were not likely to improve to such an extent as to raise the market value to 10s 6d. One Bairns-Wear shareholder criticised the directors for recommending a bid which was worth a total of only £1,300,000 when the company's current assets exceeded the current liabilities by £1,500,000 in themselves and, therefore, the shareholders would do better in a liquidation of the company. The directors replied that they would not seriously consider liquidation as they had to consider the interests of the company's 2,000 employees.[155]

c. WHAT SHOULD SHAREHOLDERS DO WHEN THEY RECEIVE AN OFFER FOR THEIR COMPANY?

i) TAKE DIRECTORS' ADVICE AND ACCEPT BID. The acceptance of an offer, on the recommendation of the offeree company's board, is not always the most profitable course. For instance, in 1953 the directors of Max Stone Ltd. offered 18s per share for the shares they did not already own,[156] at a time when the shares stood at 11s 10½d.[157] Ninety four per cent of the shareholders accepted and these shares were then transferred to Firth Cleveland Ltd. which, ten years later, offered 148s for the remaining six per cent,[158] more than six times the first offer so those shareholders who ignored their directors' recommendation to sell and held their shares did better than those who were influenced by the board.

ii) IGNORE DIRECTORS' ADVICE TO ACCEPT THE BID? It can, however, be costly to ignore directors' advice. For instance, in 1956 the Veritys Ltd. board recommended acceptance of an offer worth 10s 3d[159] against a market value of 9s 6¾d.[160] The bid was rejected but, three years later, when the company went into liquidation the Veritys Ltd. shareholders received nothing.[161]

iii) TAKE DIRECTORS' ADVICE AND REJECT THE BID. At times shareholders have, at the urging of their directors, rightly rejected an apparently generous offer. For instance, the board of Harpenden (Selangor) Rubber Company Ltd. persuaded their shareholders to reject a 1957 bid of 20s per share as quite inadequate.(162) Two years later Sempah (Holdings) Ltd. successfully offered the equivalent of 59s 4d per share(163) proving that the shareholders had been wise to take their board's advice.

But there have been cases where shareholders have suffered by rejecting a bid, on their directors' recommendation. For instance, in 1963 the shareholders of Westinghouse Brake and Signal Company Ltd. rejected a bid from Thorn Electrical Industries Ltd. worth 28s 9d per share(164) against a market value before the bid of 20s 9d. Those shareholders, who acted on their directors' advice to reject the bid as "inadequate"(165) must have been disappointed to find that as late as August 1967 Westinghouse shares were still only 23s 1½d.(166)

iv) WHEN DIRECTORS ADVISE REJECTION OF A BID, SELL ON THE STOCK EXCHANGE. Sometimes shareholders have decided that the safest thing to do when the board recommends rejection of an offer is to sell on the market as soon as the market price rises substantially above the offer. This guarantees a profit whether or not the bid is successful and the seller does not have to consider whether or not the other shareholders will accept their directors' recommendation for rejection. In the case of the Thorn Electrical Industries Ltd. bid for Westinghouse Brake and Signal Company Ltd. this would have been the most profitable thing to do as when the offer of 28s 9d was made Westinghouse shares rose to 31s 9d(167) a price which they have not reached since.

But this is not always the most profitable course. For instance, when an offer of 12s 6d per share was made for General, London & Urban Properties Ltd.(168) against the market value of 10s 0¾d(169) the market value rose to 14s 10½d(170) at which point some shareholders were glad to sell but those who waited were able to accept an offer of 27s 6d the following month.(171) However, here again those who did best were those who sold on the market for

28s 3d a few weeks before the successful bid.[172]

v. WHEN A COUNTER BID IS MADE, WAIT AND ACCEPT THE HIGHEST OFFER.

If, on the other hand, a shareholder decides to wait as soon as a counter bid is made, deciding to accept the highest of the competing offers, that will not be the most profitable decision on all occasions.

For instance, in 1967 Courtaulds Ltd. offered 11s 6d per share for Wilkinson and Riddell (Holdings) Ltd. The Wilkinson directors, who owned 25 per cent of the shares[173] accepted for their own holdings and recommended the other shareholders to accept also.[174] This bid was, however, followed by a counter-offer of 15s 3d from Macanie (London) Ltd. which was matched by Courtaulds. But Macanie, then Courtaulds, started buying on the market which pushed the market price, at one stage, up to 65s per share[175] before Courtaulds withdrew. The Wilkinson shares then slumped back to 15s[176] when it was realised that the rival bidders had stopped their market buying. This left those who wished to sell no option but to accept either of the identical bids of 15s 3d[177] and so those who had sold on the market at prices ranging up to 65s had made the most profitable choice.

9) SUGGESTIONS FOR IMPROVING THE POSITION OF SHAREHOLDERS.

a. HOLDERS OF A LARGE NUMBER OF SHARES IN A COMPANY SHOULD BE REQUIRED TO STATE THEIR INTENTIONS FOR THEIR HOLDINGS. If anyone seeking, say, ten per cent or more of the issued capital of a company was forced to disclose his intentions regarding his holdings, shareholders would be given a greater degree of protection. This would cope with the situation where a party buys shares on the market preparatory to making a take-over bid or because it is realised that someone else is about to bid. Shareholders will thus be protected from selling their shares at a price which is lower than they would have accepted had they known of the pending bid.

Also when a bid is made shareholders, when deciding whether or not to accept, should know what are the bidder's intentions so they will realise the likely prospects if they become minority shareholders after a take-over.

b. PROPORTIONAL VOTING FOR ELECTIONS OF DIRECTORS. In Britain, a shareholder, or group, owning 51 per cent of the voting shares can elect 100 per cent of the board members, which means the minority shareholders have no opportunity to elect a representative to the board.

If cumulative, that is proportional, representation were introduced the minority shareholders, by combining into groups, would also be able to watch their interests. One of the difficulties faced by minority shareholders is that in cases such as F.M.S. Rubber Planters Estates Ltd., where the minority has been defrauded, they have not found this out until it has been too late to take effective action.

c. COMPULSORY FULL DISTRIBUTION OF PROFITS. Take-over bids have revealed that most boards do not regard their shareholders as the real owners of the company, even though this may be the case in law, and given present conditions it is difficult for most shareholders to behave as owners, except when a take-over bid is received. Minority shareholders lack the means to become, or elect, directors and do not receive sufficient detailed information to enable them to evaluate their directors' performance, except after a considerable delay. And the only decision which a dissatisfied shareholder can make is to sell his shares, which means he ceases to be an owner.

One solution has been suggested by Dr. Rubner.[178] It is that companies should be required to disburse the whole of their annual net profits, after the payment of taxes. This compulsory full distribution of profits as dividend would create as well as solve problems, but it would immeasurably improve the position of the average shareholder.

It may be objected that a company does not always have sufficient cash available to pay a dividend equal to the year's total net profit as inflation and general expansion will absorb cash into working capital and additional cash will be required for development. But this is one of the things which the board would have to explain to their shareholders, giving details of the amount of cash required and the purposes for which it would be used. At the present time boards decide the proportion of net profits which they will retain and recommend the distribution of the remainder, without giving specific details of the purposes to which the retained earnings will be put. If shareholders object that the directors are retaining too high a proportion of earnings they cannot, in most companies, increase the dividend to a rate higher than that recommended by the board; the only action which dissatisfied shareholders can take is to replace the board, which is difficult and unlikely.

However, if full distribution of earnings was made mandatory each shareholder would be able to decide what he wanted to do with his share of the company's earnings. Instead of the directors being able to decide this for him the shareholder would make his own assessment and the onus would be on the board to persuade him to re-invest some of his dividend by purchasing more shares in the company. This would show clearly the position as it really is - when a company retains earnings the shareholders are re-investing in the firm, though at present this may be involuntary. Currently, shareholders do not receive the degree of information about the investment of their retained earnings that new shareholders are given when a new share issue is made. With full distribution boards would need to provide the same amount of information when persuading shareholders to re-invest their dividends as they do when floating a new issue.

This could have important results because boards now tend to regard retained earnings as cheap funds and do not, therefore, appear to take as much care in investing them as they do with funds obtained from other sources, such as bank overdrafts, with the result that retained earnings seem to be usually invested less profitably than other funds.[179] Full disbursement of profits would force directors to prepare much more careful plans for investment and a firm wishing to expand would not be able to do this by using retained earnings without having to give an explanation of their intended use. Directors would have to give details of specific plans for investing the money they were trying to persuade shareholders to re-invest because boards would no longer be able to treat retained earnings as captive funds but would have to compete with other forms of investment by offering a specific return. The consequence would be that shareholders would have definite targets, set by the directors themselves, which could be used to evaluate the directors' performances. Those boards which failed to meet their targets would have difficulty in persuading shareholders to re-invest part of their dividend the following year.

Full disbursement would thus place shareholders in a position, annually, similar to that now obtained only when a take-over bid is made. Just as a take-over bid encourages the offeree company's board to release additional information about the company together with the plans for its development, that is treating the shareholders as the owners, so would full distribution of profits. Moreover, it would cause shareholders to behave as owners. By deciding which proportion, if any, of his dividend he wished to re-invest in the company each shareholder would have the power of, and be acting as an owner.

Currently the only opportunity most shareholders have of making a decision as an owner of the company is when they are considering a take-over offer, full disbursement would give them this opportunity each year. On the other hand, if no such provision is made, take-overs are likely to become more frequent for as the dichotomy between the owners of the companies and the boards which manage them becomes more obvious so will the opportunities for take-over bidders to take advantage of the situation.

1) The Times 21/10/58 page 15

2) The Times 29/9/58 page 16

3) The Times 21/12/59 page 11

4) Notes on Amalgamations of British Businesses (Issuing Houses Association), 1959, page 5. And Revised Notes on Company Amalgamations and Mergers (Issuing Houses Association), 1963, page 3.

5) Licensed Dealers (Conduct of Business) Rules 1960. Rule 1 (d)

6) The Financial Times 6/4/67 page 1

7) The Times 16/1/53 page 10

8) The Times 31/7/53 page 12

9) Licensed Dealers (Conduct of Business) Rules 1960. Rule 1 (a) (i) and (ii).

10) Prevention of Fraud (Investments) Act 1958, sections 14 (1) and 15.

11) The Times 3/3/59 page 15

12) Licensed Dealers (Conduct of Business) Rules 1960. First schedule, Part II, 1 (1)

13) ibid. Rule 1 (b)

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NAME OF OFFEREE COMPANY	PARTIAL BID OF
a. Allagar Rubber Plantations Ltd.	offer for 50,000 units only
b. Amber Chemical Industries Ltd.	offer for 70% of shares only
c. British Aluminium Company Ltd.	offer for half of each shareholder's holdings.
d. Brough, Nicholson & Hall Ltd.	offer for 52% of the shares only.
e. Drake & Mount Ltd.	the first 10,000 shares offered at less than 25s per share.
f. Great Southern Cemetery and Crematorium Company Ltd.	offer for a limited number of shares on a first come first served basis.
g. Ipoh Tin Dredging Ltd.	offer for 40% of shares only
h. Queen Anne's Hotels & Properties Ltd.	offer for 35% of shares on a first come first served basis.
i. R.A. Brand (Holdings) Ltd.	offer for 575,000 shares only.
j. Roads Reconstruction Ltd.	offer for half of each shareholder's holdings.
k. Salts (Saltaire) Ltd.	offer for 4,000,000 shares only.
l. South West Africa Company Ltd.	offer for 2 out of every 3 shares held.
m. Spiers & Pond Ltd.	offer for 200,000 units only.

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h. The Times 7/10/65 page 19
i. The Times 7/5/59 page 19
j. The Times 26/10/59 page 16
k. The Times 21/10/58 page 15
l. The Times 5/2/57 page 8
m. The Times 25/7/57 page 16.

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APPENDIX A CASES TRACED OF COMPANIES, LISTED IN THE STOCK EXCHANGE OFFICIAL YEAR BOOK, WHICH WERE TAKEN OVER IN THE PERIOD 1945 TO 1965

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES (SEYB refers to Stock Exchange Official Year Bo
1945					
March 1945	1	Kenward & Court Ltd.	Charles Hammerton & Company Ltd.	Since 1951 a subsidiary of Watney Mann Ltd.	SEYB 1945 p.3134
November 1945	2	W. B. Dick (Holdings) Ltd.	C. C. Wakefield & Co. Ltd.	Since 1966 a subsidiary of the Burmah Oil Company Ltd.	SEYB 1946 p.1038
1946					
January 1946	3	John Walsh Ltd.	Harrods Ltd.	Since 1959 a subsidiary of House of Fraser Ltd.	SEYB 1947 p.1912
	4	Mercia Estates Ltd.	The Land Securities Investment Trust Ltd.		SEYB 1946 p.3136
February 1946	5	British Quarrying Company Ltd.	Amalgamated Roadstone Corpn. Ltd.		SEYB 1946 p.3129
	6	Werneth Spinning Co. Ltd.	Investment Registry Ltd.		SEYB 1947 p.1928
July 1946	7	Tadcaster Tower Brewery Ltd.	Hammonds Bradford Brewery Ltd.	Since 1962 a subsidiary of Charrington United Breweries Ltd.	SEYB 1947 p. 656
September 1946	8	Jays Ltd.	Great Universal Stores Ltd.		SEYB 1947 p.1349
December 1946	9	Peter Robinson Ltd.	Greaterman's Stores Ltd.		SEYB 1947 p.1684
1947					
January 1947	10	John Fowler & Co. (Leeds) Ltd.	Marshall, Sons & Co. Ltd.		SEYB 1947 p 1167
February 1947	11	Henry Baker Ltd.	Maple and Co. Ltd.		SEYB 1948 p. 770

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
March 1947	12	Associated Provincial Picture Houses Ltd.	Gaumont-British Picture Corpn. Ltd.	A subsidiary of Odeon Cinema Holdings Ltd.	SEYB 1947 p.3397
April 1947	13	United Motors Ltd.	G. Hopkins & Sons Ltd.		SEYB 1948 p.1930
June 1947	14	Batak Rabit Rubber Estate Ltd.	Straits Rubber Co. Ltd.		SEYB 1948 p.3074
	15	North Queensland Mortgage and Investment Ltd.	Close Bros. Ltd.		SEYB 1948 p.1599
	16	Rhodeson Ltd.	David Whitehead & Sons Ltd.		SEYB 1948 p.1714
July 1947	17	City Property Investment Trust Corporation Ltd.	Gleniffer Finance Corporation Ltd.	A subsidiary of Stock Conversion and Investment Trust Ltd.	SEYB 1948 p.2196
	18	Cunard White Star Ltd.	Cunard Steam Ship Co. Ltd.		SEYB 1948 p.3226
August 1947	19	Natal Land & Colonization Co. Ltd.	British African Properties Ltd.	Since 1956 a subsidiary of Eagle Star Insurance Co. Ltd.	SEYB 1948 p.2278
September 1947	20	Arding and Hobbs Ltd.	United Drapery Stores Ltd.		SEYB 1948 p. 725
	21	Bengers Ltd.	Fisons Ltd.		SEYB 1948 p. 794
	22	Cluny Rubber Estates Ltd.	Lanadron Rubber Estates Ltd.	Since 1960 a subsidiary of the London Asiatic Rubber & Produce Co. Ltd.	SEYB 1948 p.3097
	23	Ledbury Rubber Estates Ltd.	Lanadron Rubber Estates Ltd.	Since 1960 a subsidiary of the London Asiatic Rubber & Produce Co. Ltd.	SEYB 1948 p.3144
	24	Rubber Estates of Johore Ltd.	Lanadron Rubber Estates Ltd.	Since 1960 a subsidiary of the London Asiatic Rubber & Produce Co. Ktd.	SEYB 1948 p.3176
	25	Sahang Rubber Selections Ltd.	Kapoewas Rubber Company Ltd.	Name Changed in 1960 to Pritchard Cleaners (Holdings) Ltd.	SEYB 1948 p.3178
November 1947	26	Sentinel (Shrewsbury) Ltd.	Metal Industries Ltd.		SEYB 1948 p.1771
	27	South Western Investment Trust Ltd.	Glasgow Industrial Finance Ltd.	A subsidiary of Industrial and Commercial Finance Corporation Ltd.	SEYB 1948 p.2662

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
December 1947	28	Polikoff Ltd.	Great Universal Stores Ltd.		SEYB 1948 p.1670
1948					
January 1948	29	Bushell, Watkins & Smith Ltd.	Taylor, Walker & Co. Ltd.	Since 1959 a subsidiary of Allied Breweries Ltd.	SEYB 1949 p. 533
	30	Press Caps Ltd.	Metal Box Company Ltd.		SEYB 1948 p.1678
	31	Veno Drug Company Ltd.	Eno Pty. Ltd.	A subsidiary of Beecham Group Ltd.	SEYB 1948 p.3448
February 1948	32	Crossley Motors Ltd.	Associated Commercial Vehicles Ltd.	Since 1962 a subsidiary of the Leyland Motor Corporation Ltd.	SEYB 1949 p.1971
	33	Dee Mill Ltd.	Fine Spinners and Doublers Ltd.	Since 1964 a subsidiary of Courtaulds Ltd.	SEYB 1948 p.3441
	34	Jacksons Ltd.	Saxone Shoe Co. Ltd.	Since 1962 a subsidiary of Sears Holdings Ltd.	SEYB 1948 p.1361
March 1948	35	Peter Robinson Ltd.	Montague Burton Ltd.		SEYB 1948 p.1727
April 1948	36	Imperial Smelting Corporation Ltd.	Zinc Corporation Ltd.	Since 1962 a subsidiary of the Rio Tinto-Zinc Corporation Ltd.	SEYB 1948 p.3453
	37	Maudslay Motor Company Ltd.	Associated Commercial Vehicles Ltd.	Since 1962 a subsidiary of the Leyland Motor Corporation Ltd.	SEYB 1949 p.2473
August 1948	38	Leslie's Stores Ltd.	Great Universal Stores Ltd.		SEYB 1949 p.2379
	39	Rochdale & Manor Brewery Ltd.	Saml. Smith Old Brewery Ltd.		SEYB 1949 p. 619
	40	Surrey Public-House Trust Ltd.	Trust Houses Ltd.		SEYB 1949 p.2836
October 1948	41	O-Cedar Consolidated Trust Ltd.	Private Individuals		SEYB 1949 p.3583
December 1948	42	King Line Ltd.	Union-Castle Mail Steamship Co. Ltd.	Since 1956 a subsidiary of the British & Commonwealth Shipping Company Ltd.	SEYB 1950 p.1168

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
1949					
January 1949	43	Bell and Co. Ltd.	Frederic Robinson Ltd.		SEYB 1950 p. 506
February 1949	44	George Beer and Rigden Ltd.	Fremlins Ltd.		SEYB 1950 p. 505
	45	Venezuelan Oil Concessions Ltd.	"Shell" Transport & Trading Co. Ltd		SEYB 1950 p. 985
March 1949	46	Phillips and Sons Ltd.	H. & G. Simonds Ltd.	Since 1960 a subsidiary of Courage, Barclay & Simonds Ltd.	SEYB 1950 p. 603
April 1949	47	Park Royal Vehicles Ltd.	Associated Commercial Vehicles Ltd	Since 1962 a subsidiary of the Leyland Motor Corporation Ltd.	SEYB 1950 p.2634
	48	Thomas Wethered & Sons Ltd.	Strong & Co. of Romsey Ltd		SEYB 1950 p. 647
	49	Walker & Homfrays Ltd.	Wilson & Walker Breweries Ltd.	Since 1960 a subsidiary of Watney Mann Ltd.	SEYB 1950 p.638
	50	Wilsons's Brewery Ltd.	Wilson & Walker Breweries Ltd.	Since 1960 a subsidiary of Watney Mann Ltd.	SEYB 1950 p. 651
May 1949	51	Carrick's (Caterers) Ltd.	Allied Bakeries Ltd.	A subsidiary of George Weston Holdings Ltd	SEYB 1950 p.1879
June 1949	52	Foreign Railways Investment Trust Ltd.	Private Individuals		SEYB 1950 p.3351
July 1949	53	Wildt and Co. Ltd.	Bentley Engineering Co. Ltd.	Since 1955 a subsidiary of Sears Holdings Ltd.	SEYB 1950 p.3064
August 1949	54	Jackson's Stores Ltd.	Great Universal Stores Ltd.		SEYB 1950 p.2333
November 1949	55	Anchor Line Ltd.	United Molasses Co. Ltd.	Since 1965 a subsidiary of Tate & Lyle Ltd.	SEYB 1950 p.1148 SEYB 1951 p.1252
	56	J. and J.E. Phillips Ltd.	J. W. Green Ltd.	Since 1962 a subsidiary of Whitbread and Company Ltd.	SEYB 1951 p. 583
	57	Parker's Burslem Brewery Ltd.	Ind Coope and Allsopp Ltd.	Name changed in 1963 to Allied Breweries Ltd.	SEYB 1950 p.1369

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
December 1949	58	Canada Company	Private Individuals		SEYB 1950 p.3150
1950					
January 1950	59	African City Properties Trust Ltd.	Glazer Brothers (of South Africa)		SEYB 1951 p.3161
February 1950	60	Milnrow Spinning Co. (1920) Ltd.	Co-operative Wholesale Society Ltd.		SEYB 1951 p.3652
March 1950	61	London United Grocers Ltd.	London Grocers Ltd.	Name changed in 1964 to Victor Value (Holdings) Ltd.	SEYB 1951 p.2462
	62	Jax Stores Ltd.	Great Universal Stores Ltd.		SEYB 1950 p.3652
May 1950	63	London Midland Associated Properties Ltd.	Regional Properties Ltd.		SEYB 1951 p.3280
September 1950	64	Sanders Bros. (Stores) Ltd.	Cromwell Industrial Securities Ltd		SEYB 1951 p.2804
	65	The Adelphi (London) Ltd.	United City Property Trust Ltd.	A subsidiary of the Land Securities Investment Trust Ltd.	SEYB 1951 p.3343
December 1950	66	Great Northern & Southern Stores Ltd.	Hide and Co. Ltd.	Since 1963 a subsidiary of The Calico Printers' Association Ltd.	SEYB 1951 p.2186
	67	London & Provincial Millinery Stores Ltd.	Hide and Co. Ltd.	Since 1963 a subsidiary of The Calico Printers' Association Ltd.	SEYB 1951 p.2455
	68	Meadow Dairy Company Ltd.	The Home & Colonial Stores Ltd.	Name changed in 1960 to Allied Suppliers Ltd.	SEYB 1951 p.2530
	70	Wright Brothers Ltd.	Hide and Co. Ltd.	Since 1963 a subsidiary of The Calico Printers' Association Ltd.	SEYB 1951 p.3142
1951					
January 1951	71	Henry Heath Ltd.	Montague Burton Ltd.		SEYB 1951 p.2245
	72	Lovering China Clays Ltd.	English China Clays Ltd.		SEYB 1952 p.2788
February 1951	73	Burntisland Shipbuilding Company. Ltd.	Alto Parana Development Co. Ltd.	Name changed in 1951 to Scottish & Mercantile Investment Co. Ltd.	SEYB 1951 p.1832
	74	Charles Hammerton & Co. Ltd.	Watney, Combe Reid Ltd.	Name changed in 1958 to Watney Mann Ltd.	SEYB 1952 p. 538

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
March 1951	75	Anglo-French Textile Company Ltd.	Anglo-French Textile Soc. Anon.		SEYB 1951 p.3703
May 1951	76	Albion Motors Ltd.	Leyland Motors Ltd.	Name changed in 1963 to the Leyland Motor Corporation Ltd.	SEYB 1952 p.1873
	77	Lily Mills Ltd.	Cyril Lord Ltd.		SEYB 1952 p.2760
	78	McDonalds Ltd.	House of Fraser Ltd.		SEYB 1952 p.2801
	79	United City Property Trust Ltd.	Land Securities Investment Trust Ltd		SEYB 1952 p. 873 TIMES 9/5/51 p.9
June 1951	80	Matador Land & Cattle Co. Ltd.	American Interests		SEYB 1952 p. 808
	81	Wells Watford Brewery Ltd.	Benskin's Watford Brewery Ltd.	Since 1957 a subsidiary of Allied Breweries Ltd.	SEYB 1952 p. 621
July 1951	82	Brahmapootra Tea Co. Ltd.	Mr. Haridas Mundhra, of India		TIMES 6/7/51 p.8 TIMES 26/9/51 p.9
	83	H. W. Phillips & Co. Ltd.	Private Individuals		SEYB 1952 p.3023
	84	Lawley Group Ltd.	Whitehall Securities Corporation Ltd.		SEYB 1952 p.2736
	85	Lloyds (Newport) Ltd.	Ansells Brewery Ltd.	Since 1961 a subsidiary of Allied Breweries Ltd.	SEYB 1952 p. 559
	86	Mining Trust Ltd.	Mount Isa Mines Ltd.	Since 1955 a subsidiary of American Smelting & Refining Co.	SEYB 1952 p.3597
	87	National Gas & Oil Engine Co. Ltd.	Brush Electrical Engineering Co. Ltd.	Since 1957 a subsidiary of Hawker Siddeley Group Ltd.	SEYB 1952 p.2925
	88	Selfridge (Holdings) Ltd.	Lewis's Investment Trust Ltd.	Since 1965 a subsidiary of Sears Holdings Ltd.	SEYB 1952 p.3165
September 1951	89	Maypole Dairy Co. Ltd.	Home & Colonial Stores Ltd.	Name changed in 1960 to Allied Suppliers Ltd	SEYB 1952 p.2852
October 1951	90	Lavells Ltd.	William Nuttall Ltd.	A subsidiary of Arthur Guinness Son & Co.Ltd	SEYB 1952 p.2734

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
October 1951	91	Mabie, Todd & Co. Ltd.	Bird Pens Ltd.	A subsidiary of Adwest Group Ltd.	SEYB 1952 p.2796
	92	Ocean Salvage & Towage Co. Ltd.	Singer and Friedlander Ltd.		SEYB 1952 p.2960
December 1951	93	Henry Meadows Ltd.	Associated British Engineering Ltd.		SEYB 1952 p.2854
1952					
January 1952	94	British & Burmese Steam Navigation Ltd.	Elder Dempster Lines Holdings Ltd.	Since 1965 a subsidiary of Ocean Steam Ship Co. Ltd.	SEYB 1953 p.1375
February 1952	95	Onions & Sons (Levellers) Ltd.	Vickers Ltd.		SEYB 1952 p.2974
June 1952	96	British & Continental Plantations Trust Ltd.	Eastern International Rubber & Produce Trust Ltd.	Name changed in 1955 to Eastern International Investment Trust Ltd.	SEYB 1953 p. 674
July 1952	97	Scottish Drapery Corporation Ltd.	House of Fraser Ltd.		SEYB 1953 p.2926
	98	Stanley Linings Ltd.	Standard Industrial Trust Ltd.	A subsidiary of Standard Industrial Group Ltd.	SEYB 1953 p.3008
August 1952	99	Beacon Insurance Co. Ltd.	Sea Insurance Co. Ltd.	Since 1965 a subsidiary of Sun Alliance & London Insurance Ltd.	SEYB 1953 p.1571
	100	E.K. & H. Fordham Ltd.	J. W. Green Ltd.	Since 1962 a subsidiary of Whitbread & Co.Ltd	SEYB 1953 p. 496
	101	Lumut Rubber Estates Ltd.	Golden Hope Rubber Estate Ltd.		SEYB 1953 p.1577
September 1952	102	William Whiteley Ltd.	Colonel Brighten		SEYB 1954 p.3251
November 1952	103	Lennards Real Property Co. Ltd.	Private Individuals		SEYB 1954 p. 737
December 1952	104	Cope Brothers & Co. Ltd.	Gallaher Ltd.		SEYB 1953 p.2051
	105	John Woodrow & Son Ltd.	Great Universal Stores Ltd.		SEYB 1953 p.3247

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
1953					
January 1953	106	Federated Employers' Insurance Association Ltd.	Refuge Assurance Co. Ltd.		SEYB 1954 p. 848
	107	John & James White Ltd.	Eaglescliffe Chemical Group Ltd.	Since 1965 a subsidiary of Albright & Wilson Ltd.	SEYB 1953 p.3472
February 1953	108	Binns Ltd.	House of Fraser Ltd.		SEYB 1953 p.3470
	109	St. Ivel Ltd.	Aplin & Barrett Ltd.	Since 1965 a subsidiary of Unigate Ltd.	SEYB 1954 p.2932 TIMES 14/2/53. 11
	110	J. Sears & Co. (True-form Boot Co) Ltd.	Mr. Charles Clore		SEYB 1953 p.3477
March 1953	111	Briggs Motor Bodies Ltd.	Ford Motor Company Ltd.		SEYB 1954 p.1847
	112	H. E. Randall Ltd.	Anglo-Scottish Securities Ltd.		SEYB 1953 p.3476
	113	Scottish Stamping & Engineering Co. Ltd.	Guest, Keen & Nettlefolds Ltd.		SEYB 1953 p.2929
	114	Tamplin & Son's Brewery, Brighton Ltd.	Watney, Combe Reid & Co. Ltd.	Name changed to Watney Mann Ltd. in 1958	SEYB 1954 p. 559
April 1953	115	Associated City Investment Trust Ltd.	L.W. Hammerson & Partners Ltd.		SEYB 1954 p. 907
	116	C. Davidson & Sons Ltd.	British Plaster Board Ltd.	Name changed in 1965 to BPB Industries Ltd.	SEYB 1954 p.2082
	117	Mount Elliott Ltd.	Kwahu Mining Co. (1925) Ltd.	Name changed in 1962 to the Kwahu Co. Ltd.	SEYB 1954 p.3407
	118	Rubber Securities Ltd.	G. T. S. Syndicate Ltd.		SEYB 1954 p.1303
	119	Wraysbury Sand & Gravel Co. Ltd.	Hall & Co. Ltd.	Since 1962 a subsidiary of Hall & Ham River Ltd.	SEYB 1954 p.3295
May 1953	120	Hatherley Works Ltd.	Gloucester Railway Carriage & Wagon Co. Ltd.	Since 1961 a subsidiary of Winget Gloucester Ltd.	SEYB 1954 p.2345

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
May 1953	121	Holborn & Frascati Ltd.	Private Individuals		SEYB 1954 p.2381
	122	John Crossley & Sons Ltd.	Carpet Trades Ltd.	Name changed in 1953 to John Crossley-Carpet Trades Holdings Ltd.	SEYB 1954 p.2067
June 1953	123	Bangrin Tin Dredging Co. Ltd.	Siamese Tin Syndicate Ltd.		SEYB 1954 p.3325
	124	Barnett-Hutton Ltd.	Hide & Co. Ltd.	Since 1963 a subsidiary of the Calico Printers' Association Ltd.	SEYB 1955 p.1734 TIMES 2/6/53 p.11
	125	Café Royal	Leadenhall Investments & Finance Ltd.	A subsidiary of Leadenhall-Sterling Investments Ltd.	SEYB 1954 p.1939
	126	Kelly & Kelly Ltd.	Argus Press Ltd.	A subsidiary of Argus Press Holdings Ltd.	SEYB 1954 p.2486
	127	Palmer's Stores (1903) Ltd.	Littlewoods Mail Order Stores Ltd		SEYB 1954 . 2779
	128	Prices Trust Company Ltd.	United Drapery Stores Ltd.		SEYB 1954 p. 2848
July 1953	129	A. I. Jones & Co. Ltd.	Imperial Tobacco Company (of Great Britain and Ireland) Ltd.		SEYB 1954 p.2473
	130	Central Wagon (Holdings) Ltd.	S. G. Warburg & Co. Ltd.	A subsidiary of Mercury Securities Ltd.	SEYB 1954 p.2652
	131	Jackson the Tailor Ltd.	Montague Burton Ltd.		SEYB 1954 p.2455
	132	Salmon & Gluckstein Ltd.	Imperial Tobacco Company (of Great Britain and Ireland) Ltd.		SEYB 1954 p. 2935
	133	William Harvey of Guildford Ltd.	Army & Navy Stores Ltd.		SEYB 1954 p. 2344
August 1953	134	Fisher & Ludlow Ltd.	British Motor Corporation Ltd.		SEYB 1954 p. 2209
	135	Portsmouth & Brighton United Breweries Ltd.	Brickwood & Co. Ltd.	Name changed in 1954 to Brickwoods Ltd.	SEYB 1954 p. 537 SEYB 1955 p. 520
	136	Read Brothers Ltd.	S. G. Warburg & Co. Ltd.	A subsidiary of Mercury Securities Ltd.	SEYB 1954 p. 2877
September 1953	137	British Industrial Corpn. Ltd.	S. G. Warburg & Co. Ltd.	A subsidiary of Mercury Securities Ltd.	SEYB 1954 p. 1550 SEYB 1955 p. 642

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
September 1953	138	Glasgow Alhambra Ltd.	Howard & Wydham Ltd.		SEYB 1954 p.2266
	139	John Barnes & Sons (Holdings) Ltd	David Whitehead & Sons (Holdings) Ltd.		SEYB 1954 p.1743
	140	Max Stone Ltd.	Firth Cleveland Ltd.		SEYB 1955 p.3089
	141	Rylands & Sons Ltd.	Mr. Charles Loos		TIMES 22/9/53p.12
	142	Soudan Mill Co. (Holdings) Ltd.	Cyril Lord Ltd.		SEYB 1954 p.3014
October 1953	143	Beck & Co. (Meters) Ltd.	Hattersley (Ormskirk) Ltd.		SEYB 1954 p.1759
	144	John Hetherington (Holdings) Ltd.	Glanfield Lawrence Ltd.		SEYB 1954 pp2365 and 3522
	145	Langham Hotel Co. Ltd.	Land Securities Investment Trust Ltd		SEYB 1954 p.2518
	146	Liverpool & North Wales Steamship Co. Ltd.	Mr. G.J. Innes & Mr. C.G. Mack		SEYB 1955 p.1351
November 1953	147	Aeroplane & Motor Aluminium Castings Ltd.	Associated Engineering Holdings Ltd.	Name changed in 1958 to Associated Engineering Ltd.	SEYB 1954 p.1636
	148	Briar Mill (Holdings) Ltd.	Lancashire Cotton Corpn. Ltd.	Since 1964 a subsidiary of Courtaulds Ltd	SEYB 1954 p.1844
	149	British Tea Shares Trust Ltd.	Minster Trust Ltd.		SEYB 1954 p. 645
	150	Chamberlain, King & Jones Ltd.	Henry Ansbacher & Co. Ltd.		SEYB 1954 p.1981
	151	Fourth City & Commercial Investment Trust Ltd.	Stocker, Mann & Co. Ltd.		SEYB 1955 p. 926
	152	Improved Wood Pavement Co. Ltd.	John Mowlem & Co. Ltd.		SEYB 1954 p.2432
	153	Lahat Mines Ltd.	Private Individuals		SEYB 1954 p.3388
	154	London & South American Investment Trust Ltd.	Sphere Investment Trust Ltd.		SEYB 1955. p 718

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
November 1953	155	New South Wales Land & Agency Company Ltd.	Scottish Australian Co. Ltd.		SEYB 1955 p. 741
December 1953	156	Melbourne, Hart & Co. Ltd.	Cohen, Weenen & Co. Ltd.	A subsidiary of Godfrey Phillips Ltd.	SEYB 1954 p.2340
	157	Rothmans Ltd.	Rembrandt Tobacco Corpn. (S.A.) Ltd		SEYB 1954 p.2914
	158	Thompson & Norris Manufacturing Company Ltd.	Albert E. Reed & Co. Ltd.	Name changed in 1963 to Reed Paper Group Ltd.	SEYB 1954 p.3528 SEYB 1955 p.3141
1954					
January 1954	159	Asia Mill Holdings Ltd.	Fine Spinners & Doublers Ltd.	Since 1964 a subsidiary of Courtaulds Ltd.	SEYB 1954 p.3515 SEYB 1955 p.1682
	160	Cambuhy Coffee & Cotton Estates Ltd.	Cia Agricola Fazendas Paulistas		SEYB 1955 p.1387
	161	Duncan, Gilmour & Co. Ltd.	Joshua Tetley & Son Ltd.	Since 1961 a subsidiary of Allied Breweries Ltd.	SEYB 1955 p. 473
	162	Maple Mill Ltd.	Fine Spinners & Doublers Ltd.	Since 1964 a subsidiary of Courtaulds Ltd.	SEYB 1954 p.2619
	163	Mazawattee Tea Co. Ltd.	General Bakeries Investment Co. Ltd.		SEYB 1954 p.2643
	164	Slaters & Bodega Ltd.	C.A. & M. Forte (Holdings) Ltd.	Namechanged in 1955 to Forte's (Holdings) Ltd.	SEYB 1955 p.3024
	165	Thomas Owen & Co. Ltd.	Wiggins Teape & Co. (1919) Ltd.		SEYB 1954 p.2770
February 1954	166	Backus & Johnston's Brewery Ltd.	Sociedad Agricola Y Commercial "Union" S.A.		SEYB 1955 p. 419
	167	Campbell Praed & Co. Ltd.	P. Phipps & Co. Ltd.	Since 1960 a subsidiary of Watney Mann Ltd	SEYB 1955 p.439
	168	Camwal Ltd.	Barclay, Perkins & Co. Ltd.	Since 1955 a subsidiary of Courage, Barclay & Simonds Ltd.	SEYB 1955 p.1941
	169	Dorland Estates Ltd.	Chesham House (Regent Street) Ltd.	Name changed in 1955 to City Centre Properties Ltd.	SEYB 1955 p. 674
	170	Mellor Bromley & Co. Ltd.	Bentley Engineering Ltd.	A subsidiary of Sears Holdings Ltd.	SEYB 1955 p.2648 SEYB 1955 p.2666

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
February 1954	171	Simo Rubber Company Ltd.	Private Individuals		SEYB 1955 p.1305
March 1954	172	British Malay Rubber Co. Ltd.	Oriental Rubber Co. Ltd.	Since 1960 a subsidiary of London Asiatic Rubber & Produce Co. Ltd.	SEYB 1955 p.1211
	173	Charles Brown Holdings Ltd.	Spillers Ltd.		SEYB 1954 p.3517
	174	J. W. Green Ltd.	Flower & Sons Ltd.	Since 1962 a subsidiary of Whitbread & Co. Ltd.	SEYB 1955 p. 467
	175	Sheffield Free Brewery Ltd.	Tennant Brothers Ltd. William Stones Ltd.	Since 1961 Tennant Bros. Ltd. has been a subsidiary of Whitbread & Co. Ltd.	SEYB 1955 p. 529
	176	Thomas Hart Ltd.	William Kenyon & Sons Ltd.		SEYB 1955 p.2348
April 1954	177	Hector Powe Ltd.	Hope Brothers Ltd.	Since 1957 a subsidiary of Great Universal Stores Ltd.	SEYB 1955 p.2864
	178	Kemp Town Brewery Brighton Ltd.	Charrington & Co. Ltd.	Since 1962 a subsidiary of Charrington United Breweries Ltd.	SEYB 1955 p. 494
May 1854	179	British Land Co. Ltd.	Private Individuals		SEYB 1955 p. 643
June 1954	180	Criterion Restaurants Ltd.	Monforte Holdings Ltd.		SEYB 1955.p.2054
	181	South Kalgurli Consolidated Ltd.	Gold Mines of Kalgoorlie (Aust) Ltd.		SEYB 1955 p.3503
July 1954	182	Cleveland Petroleum Co. Ltd.	Esso Petroleum Co. Ltd.		SEYB 1955 p.1170
	183	Ensor Mill Ltd.	Cyril Lord Ltd.		SEYB 1955 p.2175
	184	Toogood & Sons Ltd.	Finneys Seeds Ltd.	Since 1966 a subsidiary of E.C.(Holdings) Ltd.	SEYB 1955 p.3159
August 1954	185	Jones & Higgins Ltd.	Great Universal Stores Ltd.		SEYB 1955 p.2485
	186	Lilford & Amalgamated Weavers Ltd	English Sewing Cotton Co. Ltd.		SEYB 1955 p.2563

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
September 1954	187	Chellew Navigation Co. Ltd.	Eskgarth Shipping Co. Ltd.		SEYB 1955 p.1337
	188	Fuller's Earth Union Ltd.	Laporte Industries Ltd.		SEYB 1955 p.2241
	189	Henty & Constable (Brewers) Ltd.	Tamplin & Sons' Brewery Brighton Ltd.	A subsidiary of Watney Mann Ltd.	SEYB 1955 p.1541
	190	Odhams' Properties Ltd.	Odhams Press Ltd.	Since 1961 a subsidiary of International Publishing Corporation Ltd.	SEYB 1955 p.2780
October 1954	191	Harrison, McGregor & Guest Ltd.	David Brown Corporation Ltd.		SEYB 1955 p.2343
	192	Vyse Sons & Company Ltd.	Rylands & Sons Ltd.	A subsidiary of Great Universal Stores Ltd	SEYB 1955 p.3229
November 1954	193	Alexandre Ltd.	United Drapery Stores Ltd.		SEYB 1955 p.1638
	194	Bechuanaland Exploration Co. Ltd.	Glazer Bros.		SEYB 1955 p.3364
	195	Callard Stewart & Watt Ltd.	Fullers Ltd.	Since 1959 a subsidiary of Forte's (Holdings) Ltd.	SEYB 1955 p.1938
	196	F. Reddaway & Co. Ltd.	George Angus & Co. Ltd.		SEYB 1955 p.2906
	197	Kaye & Stewart Ltd.	Princes Investments Ltd.		SEYB 1955 p.2495 SEYB 1956 p.2507
	198	Nuthalls (Caterers) Ltd.	Leadenhall Investments & Finance Ltd.	A subsidiary of Leadenhall-Sterling Investments Ltd.	SEYB 1955 p.2771
	199	Siemens Brothers & Co. Ltd.	Associated Electrical Industries Ltd.		SEYB 1955 p.3012
	200	Town Tailors Ltd.	Great Universal Stores Ltd.		SEYB 1955 p. 3162
December 1954	201	H. W. Carter & Co. Ltd.	Beecham Group Ltd.		SEYB 1955 p.1962
	202	Riding's Stores Ltd.	Lloyds Retailers Ltd.		SEYB 1955 p.2921
	203	United Entertainments Ltd.	Eastern Counties Cinemas Ltd.		SEYB 1955 p.3195

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
December 1954	204	Wenlock Brewery Co. Ltd.	Bass, Ratcliff & Gretton Ltd.	Since 1961 a subsidiary of Bass, Mitchells & Butlers Ltd.	SEYB 1956 p. 552
1955					
January 1955	205	Albany Mill (Holdings) Ltd.	James Pickup & Co. (Holdings) Ltd	Since 1960 a subsidiary of J.H. Peck & Co. Ltd.	SEYB 1955 p.1633 SEYB 1956 p.1635
	206	Banks & Davis Ltd.	Private Individuals		SEYB 1955 p.1726
	207	British Shareholders Trust Ltd.	Philip Hill Investment Trust Ltd.		SEYB 1956 p. 635
	208	Grosvenor Caterers (Glasgow) Ltd	City Property Investment Trust Ltd.	A subsidiary of Stock Conversion & Investment Trust Ltd.	SEYB 1955 p.2310
	209	Linley Engineering Co. Ltd.	Mr. G. Heynes & Associates		SEYB 1955 p.2569
	210	Parsons Engineering Co. Ltd.	Associated British Engineering Ltd		SEYB 1955 p.2814
	211	Railway & General Engineering Co. Ltd.	H.J. Baldwin & Co. Ltd.	Since 1960 a subsidiary of Hartley Baird Ltd.	SEYB 1956 p.1123
	212	Star Explorations Ltd.	Exploration Co. Ltd.		SEYB 1955 p.3506
	213	Willsons (London & Provinces) Ltd	Great Universal Stores Ltd.		SEYB 1955 p.3305
February 1955	214	Aerated Bread Co. Ltd.	Allied Bakeries Ltd.	A subsidiary of George Weston Holdings Ltd	SEYB 1956 p.1627
	215	John J. Hunt Ltd.	J. W. Cameron & Co. Ltd.		SEYB 1956 p. 482
	216	Hong Kong & China Gas Co. Ltd.	Private Individuals		SEYB 1956 p. 793
	217	Sione Tin (F.M.S.) Ltd.	Minster Trust Ltd.		SEYB 1956 p.3531
March 1955	218	Alquife Ore Co. Ltd.	Minster Trust Ltd.		SEYB 1956 p.1050 SEYB 1958 p. 943

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
March 1955	219	International Linotype Ltd.	Linotype & Machinery Ltd.	A subsidiary of Mergenthaler Linotype Co. of New York	SEYB 1956 p.2465 SEYB 1958 p.2587
	220	Matthew Wells & Co. Ltd.	Snowdon, Sons & Co. Ltd.		SEYB 1955 p.3562
	221	Metalastic Ltd.	John Bull Rubber Co. Ltd.	Since 1958 a subsidiary of Dunlop Rubber Co. Ltd.	SEYB 1956 p.2690
	222	Modern Machine Tools Ltd.	Gas Purification & Chemical Co. Ltd.		SEYB 1956 p.2719
	223	Western Manufacturing (Reading) Ltd.	Adamant Engineering (Luton) Ltd.	Name changed in 1963 to Adwest Group Ltd.	SEYB 1955 p.3272
April 1955	224	Powers-Samas Accounting Machines Ltd.	Vickers Ltd.		SEYB 1956 p.2883
May 1955	225	Charles Baker Ltd.	Great Universal Stores Ltd.		SEYB 1956 p.1726
	226	Coupé Company & Motor Cab Company of Great Britain Ltd.	York Way Motors Ltd.		SEYB 1956 p.2049
	227	East African Lands & Development Co. Ltd	Private Individuals		SEYB 1956 p. 666
	228	Lamson Investments Ltd.	Lamson Industries Ltd.		SEYB 1956 p.2541
	229	Scammell Lorries Ltd.	Leyland Motors Ltd.	Name changed in 1963 to the Leyland Motor Corporation Ltd.	SEYB 1956 p.3003
June 1955	230	Burberrys Ltd.	Rylands Ltd.	A subsidiary of Great Universal Stores Ltd	SEYB 1956 p.1921
	231	Minimax Ltd.	Pyrene Company Ltd.		SEYB 1956 p.2712
	232	Neboda (Ceylon) Rubber & Tea Estates Ltd.	Private Individuals		SEYB 1956 p.1281 SEYB 1957 p.3136
	233	Waring & Gillow Ltd.	Great Universal Stores Ltd.		SEYB 1956 p.3282
	234	William Melhuish (Proprietors) Ltd.	E. Marriage & Son Ltd.	Since 1960 a subsidiary of Ranks Hovis McDougall Ltd.	SEYB 1956 p.2678

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June 1955	235	W. J. Brookes & Sons Ltd.	Private Individuals		SEYB 1956 p.1902
July 1955	236	Arnold & Hancock Ltd.	Ushers Wiltshire Brewery Ltd	Since 1960 a subsidiary of Watney Mann Ltd	SEYB 1956 p. 410
	237	Coventry Radiator & Presswork Holdings Ltd.	Associated Engineering Holdings Ltd	Name changed in 1958 to Associated Engineering Ltd.	SEYB 1956 p.2051
	238	Henry Lister & Sons Ltd.	Thomas Tilling Ltd.		SEYB 1958 p.2699 TIMES 23/7/55 p.9
	239	Milners Safe Company Ltd.	British Reinforced Concrete Engineering Co. Ltd.	A subsidiary of Hall Engineering Industries Ltd.	SEYB 1956 p.2709
	240	Pease & Partners Ltd.	Hart, Son & Company Ltd.	A subsidiary of Wood Hall Trust Ltd.	SEYB 1956 p.1121
	241	Textorial Holdings Ltd.	Whitworth & Mitchell Textorial Ltd		SEYB 1956 p.3167
	242	Wallarah Coal Co. Ltd.	J. & A. Brown and Aberman Seaham Collieries Ltd.		SEYB 1956 p.1151
August 1955	243	C.W. Randall & Co. Ltd.	B. G. R. Holdings Ltd.	A subsidiary of B.T.R. Industries Ltd.	SEYB 1956 p.2917
	244	Douglas (Kingswood) Ltd.	Westinghouse Brake and Signal Co. Ltd.		SEYB 1956 p.2120
	245	Galaha Ceylon Tea Estates and Agency Co. Ltd.	Brooke, Bond & Co. Ltd.		SEYB 1956 p.1408
	246	London & Provincial Bakeries Ltd	Allied Bakeries Ltd.	A subsidiary of George Weston Holdings Ltd	SEYB 1956 p.2594
	247	M. Cook & Son Ltd.	Hygrade Corrugated Cases Ltd.	A subsidiary of MacMillan, Bloedel & Powell River Ltd. of Canada	SEYB 1956 p.2039
	248	Pyne Bros. Ltd.	Great Universal Stores Ltd.		SEYB 1956 p.2905
	249	The Bentley Engineering Group Ltd	Sears Holdings Ltd.		SEYB 1956 p.1772
	250	Way-Halim (Sumatra) Estates Ltd.	Private Individuals		SEYB 1956 p.1329
September	251	Ben Evans & Co. Ltd.	Great Universal Stores Ltd.		SEYB 1956 p.2190

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September 1955	252	Bowlana Tea Estates Ltd.	Private Individuals		SEYB 1956 p.1387
	253	Gerard Brothers Ltd.	Cusson, Sons & Co. Ltd.		SEYB 1956 p.2272
	254	Plaster Products (Greenhithe) Ltd.	British Plaster Board (Holdings) Ltd.	Name changed in 1965 to BPB Industries Ltd	SEYB 1956 p.2869
October 1955	255	George Swift & Sons (Holdings) Ltd.	Asquith Machine Tool Corpn. Ltd.	Since 1966 a subsidiary of Staveley Industries Ltd	SEYB 1956 p. 3141
	256	Jowett Cars Ltd.	Blackburn & General Aircraft Ltd.	Since 1959 a subsidiary of Hawker Siddeley Ltd.	SEYB 1956 p.2499
	257	The Hill Top Foundry Co. Ltd.	Associated Electrical Industries Ltd		SEYB 1956 p.1102 SEYB 1957 p.1107
	258	The Hollins Mill Co. Ltd.	English Sewing Cotton Co. Ltd.		SEYB 1956 p.2405
November 1955	259	Anglo-Ecuadorian Oilfields Ltd.	Lobitos Oilfields Ltd. South American Gold & Platinum Co. Ltd.		SEYB 1956 p.1537
	260	Millspaugh Ltd.	Hadfields Ltd.		SEYB 1956 p.2709
	261	Stapley & Smith Ltd.	Rylands Ltd.	A subsidiary of Great Universal Stores Ltd	SEYB 1956 p.3098
December 1955	262	Alton Court Brewery Co. Ltd.	The Stroud Brewery Co. Ltd.	Since 1963 a subsidiary of Whitbread & Co. Ltd.	SEYB 1957 p. 413
	263	George Dobie & Son Ltd.	Grossacre Investments Ltd.		SEYB 1956 p.2114
	264	George Spencer, Moulton & Co. Ltd.	Avon India Rubber Co. Ltd.	Name changed in 1963 to Avon Rubber Co. Ltd	SEYB 1956 p.3085
	265	Juru Estates Ltd.	Private Individuals		SEYB 1957 p.1437
	266	Singer Motors Ltd.	Rootes Motors Ltd.		SEYB 1956 p.3046 TIMES 14/12/55p13
	267	Truswell's Brewery Co. Ltd.	Hope & Anchor Breweries Ltd.	Since 1962 a subsidiary of Charrington United Breweries Ltd.	SEYB 1957 p. 547

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
1956					
January 1956	268	Benefit Footwear Ltd.	Lilley & Skinner (Holdings) Ltd.	Since 1962 a subsidiary of Sears Holdings Ltd.	SEYB 1956 p.1767
	269	Hamiltons Hotel & Catering Co. Ltd	Levy & Franks Ltd.		SEYB 1956 p.2338
	270	Manchester Commercial Building Co. Ltd.	Metropolitan Estate & Property Corporation Ltd.		SEYB 1956 p.3592
	271	Nantyglo & Blaina Estates Ltd.	Mr. B. A. A. Thomas		SEYB 1957 p. 730
	272	Shawclough Mill (1920) Ltd.	Combined English Mill (Spinners) Ltd.	Since 1964 a subsidiary of Viyella Inter-National Ltd.	SEYB 1956 p.3028
	273	The Owl Mill Holdings Ltd.	Private Individuals		SEYB 1956 p.2811
February 1956	274	A. J. White Ltd.	Smith, Kline & French		SEYB 1956 p.3595
	275	Cartwright & Edwards (Longton) Ltd.	Private Individuals		SEYB 1957 p.2152
	276	Daejan Samoedra Estates Ltd.	Private Individuals		SEYB 1957 p.1415
	277	Kali (Java) Rubber Plantations Ltd.	Marvan Investment Trust Ltd.		SEYB 1957 p.1438
	278	Red Tower Lager Brewery Ltd.	Scottish Brewers Ltd.	Name changed in 1960 to Scottish & Newcastle Breweries Ltd.	SEYB 1957 p. 519
	279	Seager, Evans & Co. Ltd.	Strathblane Holdings Ltd.		SEYB 1957 p. 526
	280	Surprise Mining and Finance Co. Ltd.	Private Individual		SEYB 1956 p.3541
	281	The Bristol United Breweries Ltd.	Bristol Brewery Georges & Co. Ltd.	Since 1961 a subsidiary of Courage, Barclay & Simonds Ltd.	SEYB 1957 p. 428
March 1956	282	Beans Industries Ltd.	Standard Motor Co. Ltd.	Since 1960 a subsidiary of the Leyland Motor Corporation Ltd.	SEYB 1957 p.1941
	283	Capital & Provincial Property Trust Ltd.	Unicos Property Corporation Ltd.	Since 1958 a subsidiary of Central and District Properties Ltd.	SEYB 1957 p. 647

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCE
March 1956	284	Haigh & Hamer Ltd.	Cranleigh Development Corporation Ltd.	A subsidiary of Cranleigh Group Ltd.	SEYB 1957 p.2512
	285	Hungarian Restaurant Ltd.	Elmsdale Finance Ltd.	A subsidiary of Forte's (Holdings) Ltd.	SEYB 1957 p.2620
	286	Linley Engineering Company Ltd.	Modern Engineering Machine Tools Ltd.		SEYB 1956 p.3591 SEYB 1958 p.2825
May 1956	287	Baxter's Leather Company Ltd.	Rubber Improvement Ltd.		SEYB 1957 p.2542
	288	Beaufort Borneo Rubber Company Ltd.	Private Individuals		SEYB 1957 p.1397
	289	Hobbs, Hart and Co. Ltd.	Chubb & Son's Lock and Safe Company Ltd.		SEYB 1957 p.2580
	290	Palace Hotel (Lancaster Gate) Ltd	Private Individuals		SEYB 1957 p.3399
	291	Refells Bexley Brewery Ltd.	Courage and Barclay Ltd.	Name changed in 1960 to Courage, Barclay & Simonds Ltd.	SEYB 1957 p. 519
	292	Scottish Motor Traction Company Ltd.	Sears Holdings Ltd.		SEYB 1957 p.3188
	293	The Hartman Fibre Company Ltd.	Diamond Match Ltd.	A subsidiary of British Match Corporation Ltd	SEYB 1957 p.2542
	294	The Malay United Rubber Estates Ltd.	Private Individuals		SEYB 1957 p.1731 TIMES 17/5/56 p17
	295	Youngs, Crawshay and Youngs Ltd.	Bullard & Sons Ltd.	Since 1963 a subsidiary of Watney Mann Ltd	SEYB 1957 p. 567
June 1956	296	Airports Ltd.	The Hammerson Property and Investment Trust Ltd.		SEYB 1957 p. 937
	297	Associated Tea Estates of Ceylon Ltd.	Private Individuals		SEYB 1957 p.1565
	298	Batavia Rubber and Tea Estates Ltd	Private Individuals		SEYB 1957 p.1726
	299	Clarkson's Old Brewery Barnsley Ltd.	Tennant Brothers Ltd.	Since 1961 a subsidiary of Whitbread and Company Ltd.	SEYB 1957 p. 445

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June 1956	300	McMichael Radio Ltd.	Radio & Allied (Holdings) Ltd.	Since 1961 a subsidiary of the General Electric Company Ltd.	SEYB 1957 p.2807
	301	Pindenioya Rubber and Tea Estates (1934) Ltd.	Private Individuals		SEYB 1957 p.1474
	302	Revo Electric Co. Ltd.	Duport Ltd.		SEYB 1957 p.3116
	303	Segari Rubber Ltd.	Mr. John de Vere Hunt		SEYB 1957 p.1485
	304	The Ceylon Cocoa and Rubber Company Ltd.	Hallamshire Industrial Finance Trust Ltd.		SEYB 1957 p.1410
	305	Trinidad Oil Company Ltd.	The Texas Company		SEYB 1957 p.1734
July 1956	306	Bukit Lintang Rubber Estates Ltd	Marvan Investment Trust Ltd.		SEYB 1957 p.1404
	307	Preanger (Java) Rubber Company Ltd	Mr. J. F. Thomasson		SEYB 1957 p.1475 SEYB 1958 p.2981
	308	Quicktho (1928) Ltd.	Mr. Gordon Heynes		SEYB 1958 p.3006 TIMES 30/8/56p12
	309	Robinson and Cleaver Ltd.	City Centre Properties Ltd.		SEYB 1957 p.3130
	310	The Victoria Flour Company Ltd.	Private Individuals		SEYB 1957 p.3431
	311	United Collieries Ltd.	Hart, Son and Co. Ltd.	A subsidiary of Wood Hall Trust Ltd.	SEYB 1957 p.1148
	312	Wood Rozelaar & Wilkes Ltd.	Rubber Improvement Ltd.		SEYB 1957 p.3531
August 1956	313	Colthrop Board & Paper Mills Ltd.	Albert E. Reed & Company Ltd.	Name changed in 1963 to Reed Paper Group Ltd.	SEYB 1957 p.2209
	314	Cropper & Company Ltd.	Albert E. Reed & Company Ltd.	Name changed in 1963 to Reed Paper Group Ltd.	SEYB 1957 p.2247
	315	Manfield and Sons Ltd.	Sears Holdings Ltd.		SEYB 1958 p.2753 TIMES 11/8/56p12

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August 1956	316	New Buluwayo Syndicate Ltd.	Hart, Son & Co. Ltd.	A subsidiary of Wood Hall Trust Ltd.	SEYB 1957 p.1264
	317	Sheffield Cabinet Company Ltd.	Hallamshire Industrial Finance Trust Ltd.		SEYB 1957 p.3209
September 1956	318	Ascotts Pharmacies Ltd.	Private Individuals		SEYB 1957 p.1872
	319	Associated Insulation Products Ltd.	Elliott Borthers Ltd.	Since 1957 a subsidiary of Elliott-Automation Ltd.	SEYB 1957 p.1887
	320	Chesham & Brackley Breweries Ltd.	Taylor, Walker & Co. Ltd.	Since 1959 a subsidiary of Allied Breweries Ltd.	SEYB 1957.p 442
	321	Connaught Hotel Ltd.	Savoy Hotel Ltd.		SEYB 1957 p.2215
	322	Dolcis Ltd.	Sears Holdings Ltd.		SEYB 1957 p.2297
	323	Elkington & Co. Ltd.	Delta Metal Company Ltd.		SEYB 1957 p.2345
	324	Ever-rest Shoe Company Ltd.	Futura Holdings Ltd.		SEYB 1957 p.2375
	325	Glendon Rubber Company Ltd.	Messrs. F.M. and C.S. Dalton		SEYB 1957 p.1425
	326	Grand Hotel (Harrowgate) Ltd.	Mr. Maxwell Joseph		SEYB 1957 p.2482
	327	Java Para Rubber Estates Ltd.	Private Individuals		SEYB 1959 p.1386
	328	Larmuth & Bulmer Ltd.	Mono Pumps Ltd.	A subsidiary of Gallaher Ltd.	SEYB 1957 p.2730
	329	Mansill, Booth & Co. Ltd.	Delta Metal Company Ltd.		SEYB 1957 p.2830
	330	New Dimbula Company Ltd.	United Planters' Company of Ceylon Ltd.	Since 1960 a subsidiary of United Planters' Holdings Ltd.	SEYB 1957 p.1614
	331	Stream-line Filters Ltd.	Neamist Investments Ltd.		SEYB 1957 p.3160
	332	Tekka-Taiping Ltd.	Camp Bird Ltd.		SEYB 1957p.1322

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
October 1956	333	A. D. Wimbush & Son Ltd.	Private Individuals		SEYB 1957 p.3518
	334	Alliance Tea Company of Ceylon Ltd.	Private Individuals in Ceylon		SEYB 1958 p.1524
	335	Charles Kinloch & Co. Ltd.	Courage and Barclay Ltd.	Name changed in 1960 to Courage, Barclay & Simonds Ltd.	SEYB 1957 p.2709
	336	Imperial Ceylon Tea Estates Ltd.	Private Individuals in Ceylon		SEYB 1958 p.1562
	337	Langkapoera (Sumatra) Rubber Estate Ltd.	Private Individuals		SEYB 1957 p.1729
	338	Le Grand, Sutcliffe and Gell Ltd	Platt Brothers & Co. (Holdings) Ltd.	Name changed in 1958 to Stone-Platt Industries Ltd.	SEYB 1957 p.2736
	339	Lightalloys Ltd.	The Manganese Bronze and Brass Company Ltd.	Name changed in 1963 to Manganese Bronze Holdings Ltd.	SEYB 1957 p.2756
	340	Rosterman Gold Mines Ltd.	Private Individuals		SEYB 1957 p.1300
	341	Seremban Ltd.	Private Individuals		SEYB 1957 p.1305
	342	The Carolina Tea Company of Ceylon Ltd.	Private Individuals in Ceylon		SEYB 1958 p.1540
	343	Trinidad Petroleum Development Company Ltd.	The British Petroleum Company Ltd.		SEYB 1957 p.1734
	344	Weber, Smith & Hoare Ltd.	Wm. Cory and Son Ltd.		SEYB 1957 p.3469
November 1956	345	Acme Tea Chest Company Ltd.	Venesta Ltd.		SEYB 1957 p.1811
	346	British and Dominions Film Corporation Ltd.	The Rank Organisation Ltd.	A subsidiary of Odeon Cinema Holdings Ltd	SEYB 1957 p.2045
	347	British Borneo Para Rubber Company Ltd.	Hart, Son & Co. Ltd.	A subsidiary od Wood Hall Trust Ltd.	SEYB 1958 p.1367
	348	Cardiff Collieries Ltd.	Avenue Finance Ltd.		SEYB 1958 p. 966
	349	City of Aberdeen Property and General Investment Trust Ltd.	Guardian Assurance Company Ltd.		SEYB 1958 p. 605

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
November 1956	350	Claymore Shipping Company(Holdings) Ltd.	Avenue Finance Ltd.		SEYB 1958 p.1488
	351	James L. Denman and Co. Ltd.	Private Individuals		SEYB 1958 p.2221
	352	Lilley & Skinner (Holdings) Ltd.	Saxone Shoe Company Ltd.	Since 1962 a subsidiary of Sears Holdings Ltd	SEYB 1958 p.3100
	353	The Garing (Malacca) Rubber Estate Ltd.	Private Individuals		SEYB 1958 p.1389
	354	The Ulster Spinning Company Ltd.	The Linen Thread Company Ltd.	Name changed in 1961 to Lindustries Ltd.	SEYB 1957 p.3394
	355	Ulu Rantau Rubber Estates Ltd.	Private Individuals		SEYB 1958 p.1474
December 1956	356	Bukit Nilai Rubber Estates Ltd.	Private Individuals		SEYB 1958 p.1371
	357	Cotton Plantations Ltd.	Private Individuals		SEYB 1958 p. 610
	358	Foster, Porter and Company Ltd.	Great Universal Stores Ltd.		SEYB 1958 p.2363
	359	Frontino Gold Mines Ltd.	South American Gold and Platinum Company.		SEYB 1958 p.1089
	360	Greenlees & Sons ("Easiephit") Footwear) Ltd.	Great Universal Stores Ltd.		SEYB 1957 p.2494
	361	H. J. Searle & Son Ltd.	Great Universal Stores Ltd.		SEYB 1957 p.3192
	362	Humber Graving Dock and Engineering Company Ltd.	Richardsons, Westgarth & Co. Ltd.		SEYB 1958 p. 539
	363	Java United Plantations Ltd.	"Priory" Tea & Coffee Co. Ltd.		SEYB 1958 p.1400
	364	Rogalls (Candyland) Ltd.	Elizabeth Shaw (Holdings) Ltd.	Since 1957 a subsidiary of H.S. Whiteside & Co. Ltd.	SEYB 1957 p.3137
	365	Sungei Purun (F.M.S.) Rubber Company Ltd.	Sungei Batu (Malaya Rubber) Estates Ltd. United Patani (Malaya) Rubber Estates Ltd.		SEYB 1958 p.1464
	366	World Natural Sponge Suppliers Ltd.	Hallamshire Industrial Finance Trust Ltd.		SEYB 1957 p.3539

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
1957					
January 1957	367	Austin & Pickersgill Ltd.	Lambert Brothers Ltd.		SEYB 1958 p. 947
	368	Chota Rubber Estates Ltd.	Private Individuals Ltd.		SEYB 1958 p.1295
	369	Mundakayam Valley Rubber Company Ltd.	Private Individuals		SEYB 1960 p.1408
	370	Naraguta Tin Mines Ltd.	Bisichi Tin Company (Nigeria) Ltd.		SEYB 1958 p.1136
	371	P. H. Galloway Ltd.	Eucryl Ltd.		SEYB 1957 p.2440
	372	The Hotel York Ltd.	The Honywood Hotels Ltd.		SEYB 1957 p.2603
February 1957	373	Battalgalla Estate Company Ltd.	Poonagella Valley Ceylon Co. Ltd.		SEYB 1958 p.1533
	374	Benskin's Watford Brewery Ltd.	Ind Coope & Allsopp Ltd.	Name changed in 1963 to Allied Breweries Ltd.	SEYB 1958 p. 394
	375	Filani (Nigeria) Tin Mining Company Ltd.	Private Individuals		SEYB 1957 p.3573 TIMES 6/2/57 p14
	376	John Broadbent & Sons Ltd.	Cranleigh Development Corporation Ltd.	Since 1958 a subsidiary of Cranleigh Group Ltd.	SEYB 1957 p.3568
	377	Morrisons Holdings Ltd.	Great Universal Stores Ltd.		SEYB 1957 p.3572
	378	Quaglino's Ltd.	Queen Anne's Mansions and Hotel Ltd.	Since 1965 a subsidiary of Trust Houses Ltd.	SEYB 1957 p.3083
	379	Quirk, Barton & Company Ltd.	Goodlass Wall and Lead Industries Ltd.		SEYB 1957 p.3086
	380	R. P. Lawson & Sons Ltd.	The Lancashire Cotton Corporation Ltd.	Since 1964 a subsidiary of Courtaulds Ltd	SEYB 1957 p.3570
	381	Shaw & Kilburn Ltd.	Sears Holdings Ltd.		SEYB 1957 p.3205
	382	South West Africa Company Ltd,	New Consolidated Gold Fields Ltd Anglo American Corporation of South Africa Ltd. British South Africa Co.		SEYB 1958 p.1184

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFENCES
February 1957	383	The Balijan Tea Company Ltd.	The Dekhari Tea Company Ltd.	Since 1963 a subsidiary of Warren Tea Holdings Ltd.	SEYB 1958 p.1530
March 1957	384	Alexandra Building Services Ltd.	Thomas Tilling Ltd.		SEYB 1957 p.3567
	385	Allagar Rubber Plantations Ltd.	Banir Rubber Estates Ltd. Eow Seng Rubber Company Ltd. James Warren & Co. Ltd.	Since 1959 a subsidiary of Anglo Oriental Plantations Ltd. Since 1959 a subsidiary of James Warren & Co. Ltd.	SEYB 1958 p.1352
	386	Beaufort Borneo Rubber Company Ltd.	Hampton & Sons Ltd.	A subsidiary of Camp Bird Ltd.	SEYB 1958 p.1363
	387	Bukit Kajang Rubber Estates Ltd.	The London Asiatic Rubber and Produce Company Ltd.		SEYB 1958 p.1370
	388	Capital & Provincial News Theatres Ltd.	Private Individuals		SEYB 1958 p.2082
	389	City of San Paulo Improvements and Freehold Land Company Ltd.	Deltec Investment Development S.A.		SEYB 1958 p. 606
	390	Harry Walton (Holdings) Ltd.	C.H.B. (Manchester) Ltd.	Since 1962 a subsidiary of Alliance Brothers Ltd.	SEYB 1958 p.3369
	391	Howards (Newcastle) Ltd.	Phillips Furnishing Stores Ltd.		SEYB 1957 p.3570
	392	Lowland Investment Company Ltd.	Greenfriar Investment Company Ltd.	Since 1962 a subsidiary of Witan Investment Company Ltd.	SEYB 1958 p. 852
	393	Parsons Marine Turbine Ltd.	Richardsons, Westgarth & Co. Ltd.		SEYB 1959 p.1002 TIMES 19/3/57p14
	394	The Alor Pongsu Amalgamated Estates Ltd.	Bank of Europe Ltd.	A subsidiary of Cranleigh Group Ltd.	SEYB 1958 p.1352
	395	The Rajah Alli Tea Estates Ltd.	The Dekhari Tea Company Ltd.	Since 1963 a subsidiary of Warren Tea Holdings Ltd.	SEYB 1958 p.1583
	396	The Second Edinburgh Investment Trust Ltd.	The Edinburgh Investment Trust Ltd.		SEYB 1959 p. 791 TIMES 23/3/57p12
	397	The Third Edinburgh Investment Trust Ltd.	The Edinburgh Investment Trust Ltd.		SEYB 1959 p.791 TIMES 23/3/57p12

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
April 1957	398	Hewagam Rubber Company Ltd.	M. Samuel & Co. Ltd.		SEYB 1958 p.1395
	399	Kuala-Nal Kelantan Rubber Company Ltd.	Java Para Rubber Estates Ltd.		SEYB 1958 p.1412 TIMES 11/4/57p15
	400	Limit Engineering Group Ltd.	Camp Bird Ltd.		SEYB 1958 p.2691
	401	Mitchell & Muil Ltd.	Allied Bakeries Ltd.	A subsidiary of George Weston Holdings Ltd	SEYB 1958 p.2822
	402	Mount Charlotte (Kalgoorlie) Gold Mines Ltd.	Mr. R. Lever		SEYB 1958 p.1131
	403	Paterson Engineering Company Ltd.	Portals Ltd.	Name changed in 1964 to Portal Holdings Ltd.	SEYB 1958 p.2934
	404	Rhodesia Railways Trust Ltd.	British South Africa Co.	Since 1964 a subsidiary of Charter Consolidated Ltd.	SEYB 1958 p. 873
	405	Sempah Rubber Estates Ltd.	Private Individuals		SEYB 1958 p.1452
	406	Silver Line Ltd.	Dene Shipping Company Ltd.		SEYB 1958 p.1514
	407	The Brush Group Ltd.	Hawker Siddeley Group Ltd.		SEYB 1958 p.2044
	408	The Hornsey Tea Estates Ltd.	Central Province Ceylon Tea Company Ltd.		SEYB 1958 p.1561
	409	United Motor Finance Corporation Ltd.	Mercantile Credit Company Ltd.		SEYB 1958 p. 672
May 1957	410	English Velvets Ltd.	Mr. Michael Lewis and Others		SEYB 1958 p.2267
	411	Foster, Yates and Thom Ltd.	Hick, Hargreaves and Company Ltd.		SEYB 1958 p.2364
	412	Frome & Lamb Ltd.	Ushers Wiltshire Brewery Ltd. The Stroud Brewery Company Ltd.	Since 1960 a subsidiary of Watney Mann Ltd Since 1963 a subsidiary of Whitbread and Company Ltd.	SEYB 1958 p. 439
	413	Harpenden (Selangor) Rubber Company Ltd.	Private Individuals		SEYB 1959 p.1380
	414	Hunt Partners Ltd.	The Bowater Paper Corporation Ltd.		SEYB 1958 p.2562

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
May 1957	415	Kelani Valley Rubber Estates Ltd.	Private Individuals		SEYB 1958 p.1690
	416	Kern Oil Company Ltd.	The Rio Tinto Company Ltd.	Since 1962 a subsidiary of the Rio Tinto-Zinc Corporation Ltd.	SEYB 1958 p.1258
	417	London Labourers' Dwellings Society Ltd.	Alliance Property Company Ltd.		SEYB 1958 p.1316
	418	Sherwoods Paints Ltd.	Donald MacPherson & Co. Ltd.		SEYB 1958 p.3129
	419	Sidne Tin (F.M.S.) Ltd.	Minster Trust Ltd.		TIMES 11/5/57 p12
	420	The Edinburgh and Canadian Investment Trust Ltd.	The Scottish and Dominions Trust Ltd.	Since 1960 a subsidiary of Scottish Ontario Investment Company Ltd.	SEYB 1958 p. 802
June 1957	421	British Celanese Ltd.	Courtaulds Ltd.		SEYB 1958 p.1994
	422	Charles Neil & Company Ltd.	Private Individuals		SEYB 1958 p.2860
	423	Free. Rodwell & Co. Ltd.	Ind, Coope and Allsopp Ltd.	Name changed in 1963 to Allied Breweries Ltd.	SEYB 1958 p. 436
	424	George Lee & Sons Ltd.	Fielding & Johnson Ltd.	Since 1964 a subsidiary of Lister & Co. Ltd	SEYB 1958 p.2674
	425	John G. Murdoch & Co. Ltd.	Broadmead Wireless Co. Ltd.		SEYB 1958 p.2849
	426	Williamsons Ltd.	Tesco Stores (Holdings) Ltd.		SEYB 1958 p.3424
July 1957	427	Anti-attrition Metal Company Ltd.	Beyer, Peacock & Co. Ltd.		SEYB 1958 p.1806
	428	Caledonian Insurance Company	Guardian Assurance Company Ltd.		SEYB 1958 p. 696
	429	Control Systems Ltd.	Lamson Industries Ltd.		SEYB 1958 p.2161
	430	Elizabeth Shaw (Holdings) Ltd.	H. S. Whiteside & Co. Ltd.		SEYB 1958 p.3123
	431	John Harper (Meehanite) Ltd.	John Harper & Company Ltd.		SEYB 1958 p. 990

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
July 1957	432	L. Rose & Co. Ltd.	Schweppes Ltd.		SEYB 1958 p.3062
	433	Mechans Ltd.	Horseley Bridge & Thomas Piggot Ltd		SEYB 1958 p.2784
	434	Pantiya Tea and Rubber Company Ltd.	Bank of Europe Ltd.	A subsidiary of Cranleigh Group Ltd.	SEYB 1958 p.1436
	435	The Houndsditch Warehouse Company Ltd.	Great Universal Stores Ltd.		SEYB 1958 p.2544
	436	The Sengat Rubber Estate Ltd.	Private Individuals		SEYB 1958 p.1452
	437	United Canners Ltd.	Standard Canners & Packers Ltd.		SEYB 1958 p.3316
	438	United Fireclay Products Ltd.	Woodall-Duckham Ltd.		SEYB 1958 p.3320
	439	United Patani (Malaya) Rubber Estates Ltd.	Pahang Para Rubber Syndicate Ltd.	Name changed in 1957 to Paragon Holdings Ltd.	SEYB 1958 p.1475
August 1957	440	Climax Rock Drill and Engineering Works Ltd.	Holman Brothers Ltd.		SEYB 1958 p.2132
	441	Deamoolie Tea Company Ltd.	Pabbojan Tea Company Ltd.	Since 1963 a subsidiary of Warren Tea Holdings Ltd.	SEYB 1958 p.1547
	442	Duamara Tea Company Ltd.	Pabbojan Tea Company Ltd.	Since 1963 a subsidiary of Warren Tea Holdings Ltd.	SEYB 1958 p.1554
	443	East Anglian Breweries Ltd.	Steward & Patteson Ltd.	Since 1963 a subsidiary of Watney Mann Ltd.	SEYB 1958 p. 431
	444	Eastern Bank Ltd.	The Chartered Bank		SEYB 1958 p. 338
	445	James Booth & Company Ltd.	Delta Metal Company Ltd.		SEYB 1958 p.1950
	446	J. A. Prestwich Industries Ltd.	The Villiers Engineering Company Ltd.	Since 1965 a subsidiary of Manganese Bronze Holdings Ltd.	SEYB 1958 p.2986
	447	John Barker and Company Ltd.	House of Fraser Ltd.		SEYB 1958 p.1870
	448	Latifiyah (Iraq) Estates Ltd.	Private Individuals		SEYB 1958 p. 632

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
August 1957	449	Madingley (Malay) Rubber Estates Ltd.	Private Individuals		SEYB 1958 p.1422
	450	Oldham Paper Staining Company Ltd.	Smith and Walton Ltd.	Since 1965 a subsidiary of Reed Paper Group Ltd.	SEYB 1959 p.2902
	451	Openshaw Brewery Company Ltd.	Hope and Anchor Breweries Ltd.	Since 1962 a subsidiary of Charrington United Breweries Ltd.	SEYB 1958 p. 484
	452	Pahang Para Rubber Syndicate Ltd	Private Individuals		SEYB 1958 p.1435
	453	Pahi Plantations Ltd.	Private Individuals		SEYB 1959 p.1422
	454	Sunnygama Company Ltd.	Pahang Para Rubber Syndicate Ltd.	Name changed in 1957 to Paragon Holdings Ltd.	SEYB 1959 p.1451
	455	The Rupai Tea Company Ltd.	Pabbojan Tea Company Ltd.	Since 1963 a subsidiary of Warren Tea Holdings Ltd.	SEYB 1958 p.1586
	456	The Tara Tea Company Ltd.	Pabbojan Tea Company Ltd.	Since 1963 a subsidiary of Warren Tea Holdings Ltd.	SEYB 1958 p.1592
	457	Vantona Textiles Ltd.	Private Individuals		SEYB 1958 p.3340
	458	Whiteaway, Laidlaw & Co. Ltd.	Great Universal Stores Ltd.		SEYB 1958.p.3405
September 1957	459	Dobson and Barlow (Securities) Ltd.	Capital & Counties Property Company Ltd		SEYB 1958 p.2237
	460	F.M.S. Rubber Planters Estates Ltd	Mr. Charlton-Thomas and Friends		TIMES 28/9/57 p12 Investigation Para. 11
	461	Grahams Trading Company Ltd.	Camp Bird Ltd.		SEYB 1958 p.2419
	462	Hay & Robertson Ltd.	Rubber Improvement Ltd.		SEYB 1958 p.2487
	463	Kay & Company (Engineers) Ltd.	Charterhouse Industrial Development Co. Ltd.	A subsidiary of The Charterhouse Investment Trust Ltd.	SEYB 1958 p.2627
	464	Lewis & Burrows Ltd.	Private Individuals		SEYB 1958 p.2682

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
September 1957	465	Merton Rubber Syndicate Ltd.	Private Individuals		SEYB 1958 p.1429
	466	Motor & Electronics Corporation Ltd.	Simms Motor Units (1920) Ltd.	Name changed in 1957 to Simms Motor & Electronics Corporation Ltd.	SEYB 1958 p.2846
	467	P.P.K. (Ceylon) Rubber Estates Ltd.	Private Individuals		SEYB 1958 p.1434
	468	Railway and General Engineering Company Ltd.	Thos. W. Ward Ltd.		SEYB 1958 p.1009
	469	St. James' Court Estate Ltd.	Feuchtwanger (London) Ltd.		SEYB 1958 p.1335
	470	Serom Rubber Estates Ltd.	Private Individuals		SEYB 1958 p.1454 SEYB 1959 p.1665
	471	The Northern Theatres Company Ltd.	Essoldo Circuit (Control) Ltd.		SEYB 1958 p.2886
	472	The Wallsend Slipway and Engineering Company Ltd.	Swan, Hunter & Wigham Richardson Ltd.		SEYB 1958 p.1035
October 1957	473	Bennis Combustion Ltd.	James Hodgkinson (Salford) Ltd.	Since 1966 a subsidiary of The Hodge Group Ltd.	SEYB 1958 p.1901
	474	H. Kaufmann Ltd.	Qualcast Ltd.		SEYB 1958 p.2626
	475	J. H. Peck & Company Ltd.	Private Individuals		SEYB 1958 p.2941
	476	Kuala Muda Rubber Estates Ltd.	Paragon Holdings Ltd.		SEYB 1958 p.1690 SEYB 1959 p.1399
	477	New Columbia Rubber Company Ltd.	Private Individuals		SEYB 1958 p.1431 SEYB 1959 p.1418
	478	Pelepah Rubber Company Ltd.	Private Individuals		SEYB 1958 p.1438
	479	S. Gibson & Sons Ltd.	H. Jasper and Co.		SEYB 1958 p.2398
	480	Victoria Dwellings Association Ltd.	Mr. F. C. Thrush		SEYB 1958 p.1344

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
November 1957	481	Barlow, Taylor & Company Ltd.	Phillips Furnishing Stores Ltd.		SEYB 1958 p.1873
	482	Bartholomew (London) Ltd.	John Holt & Company (Liverpool) Ltd.		SEYB1958 p.1881
	483	Brookwood Estates Realisation Company Ltd.	Alliance Property Company Ltd.		SEYB 1958 p.2033
	484	Erinoid Ltd.	O. & M. Kleeman Ltd.	In 1961 taken over by Socony Mobil Oil Inc.	SEYB 1958 p.2308
	485	Hope Brothers Ltd.	Great Universal Stores Ltd.		SEYB 1958 p.2538
	486	Ionian Bank Ltd.	Private Individuals		SEYB 1958 p. 349 SEYB 1959 p. 347
	487	Oriental Telephone and Electric Company Ltd.	Henry Ansbacher & Co.		SEYB 1958 p.1692
	488	Sanbra Ltd.	Delta Metal Company Ltd.		SEYB 1958 p.3089
	489	South Western Dairies Ltd.	United Dairies Ltd.	Since 1959 a subsidiary of Unigate Ltd.	SEYB 1958 p.3171
	490	Yorkshire Amalgamated Products Ltd.	Yorkshire Brick Company Ltd.		SEYB 1958 p.3468
December 1957	491	Argentine Northern Land Company Ltd.	S.G. Warburg and Company Ltd.	A subsidiary of Mercury Securities Ltd.	SEYB 1959 p. 582
	492	Berrow's Newspapers Ltd.	"News of the World" Ltd.		SEYB 1958 p.1908
	493	British Photographic Industries Ltd.	Franco-British & General Trust Ltd.		SEYB 1958 p.2012
	494	Jong-Landor Rubber Estates Ltd.	Comcor Ltd.		SEYB 1959 p.1389
	495	Lubok Rubber Estates Ltd.	Sidcup Securities Ltd.	A subsidiary of Sempah (Holdings) Ltd.	SEYB 1959 p. 842 TIMES 7/12/57 p12
	496	Shakomato Tea Estates Ltd.	The Eastern Assam Tea Company Ltd.	Since 1963 a subsidiary of Warren Tea Holdings Ltd.	SEYB 1959 p.1569

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
December 1957	497	Southalls (Birmingham) Ltd.	Smith & Nephew Associated Companies Ltd.		SEYB 1958 p.3171
	498	Taylor & Lodge Ltd.	Investment Registry Ltd.	A subsidiary of New Century Finance Co. Ltd	SEYB 1958 p.3244
	499	Thomas Danks and Company Ltd.	Sigma Securities Ltd.		SEYB 1958 p.2207
	500	Brotherton & Company Ltd.	British Chrome & Chemicals (Holdings) Ltd.	Since 1965 a subsidiary of Albright & Wilson Ltd.	SEYB 1958 p.2034
	501	Bruseh Rubber Estates Ltd.	Private Individuals		SEYB 1959 p. 867
1958					
January 1958	502	Arthur Berton Ltd.	Smith & Nephew Associated Companies Ltd.		SEYB 1958 p.1910 SEYB 1959 p.1894
	503	Arusha Plantations Ltd.	Contanglo Banking & Trading Co. Ltd		SEYB 1959 p.1801
	504	Higgoda Rubber Estate Ltd.	Private Individuals		SEYB 1959 p. 796
	505	Sankey Green Wire Weaving Company Ltd.	N. Greening & Sons Ltd.		SEYB 1958 p.3094
	506	Selama (Malaya) Rubber Estates Ltd.	Comcor Ltd.		SEYB 1959 p.1435
	507	The Looksan Tea Company Ltd.	Lungla (Sylhet) Tea Company Ltd.	Since 1964 a subsidiary of Longbourne Holdings Ltd.	SEYB 1959 p.1552
	508	Wright Saddle Company Ltd.	Tube Investments Ltd.		SEYB 1958 p.3459
February 1958	509	Banteng (Selangor) Rubber Estates Ltd.	Private Individuals		SEYB 1959 p.1350
	510	Chipatoojah Java Rubber Company Ltd.	Selected Plantation & General Securities Investment Trust Ltd.		SEYB 1959 p.1368
	511	Harold Holdsworth & Co. (Wakefield) Ltd.	Bolton Eagle (Holdings) Ltd.	A subsidiary of Bulmer & Lumb Holdings Ltd.	SEYB 1958 p.3487
	512	Hurst, Nelson & Company Ltd.	Charles Roberts & Co. Ltd.		SEYB 1959 p.2547

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	513	John Bull Rubber Company Ltd.	Dunlop Rubber Company Ltd.		SEYB 1958 p.2609
	514	Langkon North Borneo Rubber Ltd.	Private Individuals		SEYB 1960 p.1396
	515	Russells and Wragham Ltd.	Melbourne Brewery (Leeds) Ltd.	Since 1963 a subsidiary of Allied Breweries Ltd.	SEYB 1959 p. 484
	516	The Besoeki Plantations Ltd.	Anglo-French Trust Ltd.	A subsidiary of Amalgamated Anthracite Holdings Ltd.	SEYB 1959 p.1355
	517	The Tangoel Rubber Estates Ltd.	Private Individuals		SEYB 1959 p.1454
	518	Waldorf Hotel Company Ltd.	Forte's & Co. Ltd.		SEYB 1958 p.3357
March 1958	519	Arthur & Company Ltd.	House of Fraser Ltd.		SEYB 1958 p.3481
	520	Harrison, Barber and Company Ltd.	Smithfield Animal Products Ltd.	Name changed in 1962 to Smithfield & Zwanenberg Group Ltd.	SEYB 1959 p.2457
	521	Mann, Crossman and Paulin Ltd.	Watney Mann Ltd.		SEYB 1959 p. 464
	522	Old Gate Estates Ltd.	Alliance Property Company Ltd.		SEYB 1959 p.1312
	523	Ransomes & Rapier Ltd.	Newton Chambers & Company Ltd.		SEYB 1959 p.1000
	524	R. Hood Haggie & Son Ltd.	British Ropes Ltd.		SEYB 1959 p.2435 SEYB 1960 p.2425
	525	Sun Cycle & Fittings Company Ltd.	Tube Investments Ltd.		SEYB 1958 p.3491
	526	Theatre Royal Drury Lane Ltd.	Associated Theatre Properties (London) Ltd.	A subsidiary of Associated Television Ltd	SEYB 1958 p.3491 SEYB 1959 p.3245
April 1958	527	Energen Foods Co. Ltd.	Ranks Ltd.	Name changed in 1962 to Ranks Hovis McDougall, Ltd.	SEYB 1958 p.3485
	528	Gadong Coconut Plantations Ltd.	Jugra Estate Ltd.	Since 1958 a subsidiary of Anglo Oriental Plantations Ltd.	SEYB 1959 p.1377

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April 1958	529	Hayes Candy & Crockers Ltd.	Hickson, Lloyd and King Ltd.	Since 1960 a subsidiary of Great Universal Stores Ltd.	SEYB 1959 p.2472
	530	Monckton Coke & Chemical Company Ltd.	Ocean Wilsons (Holdings) Ltd.		SEYB 1959 p. 994
	531	Sungei Puntar Rubber Estate Ltd.	Henrietta Rubber Estate Ltd.		SEYB 1959 p.1448
May 1958	532	B. Morris & Sons Ltd.	Private Individuals		SEYB 1959 p.2796
	533	Cavendish Mortgage Company Ltd.	Private Individuals		SEYB 1959 p.1271
	534	Prudential Mortgage Company Ltd.	Private Individuals		SEYB 1959 p.1319
	535	Mulliners (Holdings) Ltd.	The Standard Motor Company Ltd.	Since 1960 a subsidiary of The Leyland Motor Corporation Ltd.	SEYB 1959 p.2829
	536	Parnall (Yate) Ltd.	Radiation Ltd.		SEYB 1959 p.2908
	537	Teetgen & Company Ltd.	Mr. L. Stern		SEYB 1959 p.3236
	538	The Freehold and Leasehold Investment Company Ltd.	Hallmark Securities Ltd.		SEYB 1959 p.1286
	539	Waterloo Investment Trust Ltd.	Equity & Share Co. (London) Ltd.		SEYB 1959 p. 917
June 1958	540	Aengsono (Java) Rubber Plantations Ltd.	Private Individuals		SEYB 1959 p.1341
	541	Morib Plantations Ltd.	Private Individuals		SEYB 1959 p.1416
	542	Vallambrosa Rubber Company Ltd.	Highlands and Lowlands Para Rubber Company Ltd.		SEYB 1959 p.1461
July 1958	543	A Peachey and Company	Bell London and Provincial Properties Ltd.	Name changed in 1958 to Peachey Property Corporation Ltd.	SEYB 1959 p.1314
	544	Cellon Ltd.	Courtaulds Ltd.		SEYB 1959 p.2085
	545	Entesee Trust Ltd.	Pactolus (Holdings) Ltd.	A subsidiary of Ionian Bank Ltd.	SEYB 1959 p.1284

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
July 1958	546	H. & J. Wilson Ltd.	The Calico Printers' Association Ltd		SEYB 1959 p.3413
	547	Hesketh Estates Ltd.	Henry Ansbacher & Co.		SEYB 1959 p.1292
	548	Kingston House Ltd.	Property Holdings & Investment Trust Ltd		SEYB 1959 p.1296
	549	London Cremation Co. Ltd.	Amalgamated Tobacco Corporation Ltd.	Name changed in 1961 to London & Midland Industrials Ltd.	SEYB 1959 p.2639
	550	Lovell & Christmas Ltd.	Fitch & Son Ltd.	Name changed in 1958 to Fitch Lovell Ltd	SEYB 1959 p.2700
	551	Thomas & Evans Ltd.	Beecham Group Ltd.		SEYB 1959 p.3247
August 1958	552	Associated Talking Pictures Ltd.	Associated British Picture Corporation Ltd.		SEYB 1959 p.1824
	553	Brough, Nicholson & Hall Ltd.	Francis Sumner (Holdings) Ltd.		SEYB 1959 p.2014
	554	Forward Trust Ltd.	Midland Bank Ltd.		SEYB 1959 p.1668
	555	Henry Berry & Co. Ltd.	Clayton, Son & Co. (Holdings) Ltd.		SEYB 1959 p. 945
	556	J. Berry & Sons Ltd.	Engdra Investments Ltd.		SEYB 1959 p.1892
	557	Kramat Pulai Ltd.	Malayan Tin Dredging Ltd.		SEYB 1959 p.1098
	558	Metropolitan Industrial Dwellings Company Ltd.	Alliance Property Company Ltd.		SEYB 1959 p.1308
	559	North Central Wagon & Finance Company Ltd.	National Provincial Bank Ltd.		SEYB 1959 p. 647
	560	Olds Discount Company Ltd.	Scottish Midland Guarantee Trust Ltd.	A subsidiary of the National Bank of Scotland Ltd.	SEYB 1959 p.1673
	561	Padang Langkat Rubber Estates Ltd.	Private Individuals		SEYB 1959 p.1422
	562	Peter Keevil & George Walker Ltd.	Allied Bakeries Ltd.	A subsidiary of George Weston Holdings Ltd.	SEYB 1959 p.2614

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
August 1958	563	Thompson Brothers (Bilston) Ltd.	John Thompson Ltd.		SEYB 1959 p.3247
September 1958	564	Associated Automatic Machine Corporation Ltd.	Lockhart, Smith and Company Ltd.		SEYB 1959 p.1806
	565	Castle Bros. (Furniture) Ltd.	E. Gomme Ltd.	Name changed in 1959 to E. Gomme Holdings Ltd.	SEYB 1959 p.2078
	566	H.A. & D. Taylor Ltd.	Associated British Malsters Ltd.		SEYB 1959 p.3230
	567	Heidleberg Estates and Exploration Company Ltd.	Private Individuals		SEYB 1959 p.1669
	568	Hudson & Wright Ltd.	Yorkshire Imperial Metals Ltd.	A subsidiary of Imperial Chemical Industries Ltd.	SEYB 1959 p.2536
	569	Mumbles Railways and Pier Company Ltd.	The South Wales Transport Co. Ltd.	A subsidiary of the British Electric Traction Company Ltd.	SEYB 1959 p.1673
	570	Peerless & Ericsson Ltd.	Smaden Investments Ltd.		SEYB 1959 p.2922
	571	Royal Agricultural Hall Company Ltd.	Alliance Property Company Ltd.		SEYB 1959 p.3050
	572	Spreckley Brothers Ltd.	Cheltenham Brewery Holdings Ltd.	Since 1963 a subsidiary of Whitbread and Company Ltd.	SEYB 1959 p.1674
	573	Sussex Brick Company Ltd.	Redland Holdings Ltd.		SEYB 1959 p.3212
	574	Swansea & Mumbles Railways Ltd.	The South Wales Transport Co. Ltd.	A subsidiary of the British Electric Traction Company Ltd.	SEYB 1959 p.1675
	575	The Anglo-French Phosphate Company Ltd.	Robert Benson, Lonsdale & Co. Ltd.	Since 1961 a subsidiary of Kleinwort, Benson, Lonsdale Ltd.	SEYB 1959 p.1782
	576	Trafford Park Cold Storage Ltd.	Trafford Park Estates Ltd.		SEYB 1959 p.3271
	577	Walkers Dyers and Cleaners Ltd.	Tip Top Cleaners Ltd.		SEYB 1959 p.3345
	578	W. & R. Wallace Industries Ltd.	Inns & Company Ltd.	Since 1965 a subsidiary of Redland Holdings Ltd.	SEYB 1959 p.3348
	579	Webley & Scott Ltd.	R.H. Windsor (Holdings) Ltd.		SEYB 1959 p.3367 TIMES 29/9/58p.16

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
September 1958	580	Willowbrook Ltd.	Duple Motor Bodies Ltd.		SEYB 1959 p.3409
October 1958	581	British Van Heusen Company Ltd.	Amalgamated Cotton Mills Trust Ltd.	Since 1963 a subsidiary of Viyella International Ltd.	SEYB 1959 p.2003
	582	Changkat Salak Rubber and Tin Ltd	Highlands and Lowlands Para Rubber Company Ltd.		SEYB 1959 p.1366
	583	Emerald Rubber and Cocoanut Company Ltd,	Highlands and Lowlands Para Rubber Company Ltd.		SEYB 1959 p.1375
	584	Gordon (Malaya) Rubber Estates Ltd	Futura Rubber Ltd.	A subsidiary of Ever-rest Shoe Company Ltd.	SEYB 1959 p.1668 SEYB 1960 p.1373
	585	Heawood Tin and Rubber Estate Ltd.	Highlands and Lowlands Para Rubber Company Ltd.		SEYB 1959 p.1381
	586	Holborn Viaduct Land Company Ltd.	Central and District Properties Ltd.		SEYB 1960 p.1284
	587	Metropolitan Property Association	Alliance Property Company Ltd.		SEYB 1960 p.1301
	588	Midland Counties Motor Finance Ltd.	Bowmaker Ltd.		SEYB 1960 p. 624
	589	Rockwell Engineers Ltd.	Coventry Gauge and Tool Company Ltd.		SEYB 1959 p.3038
	590	Salts (Saltaire) Ltd.	Illingworth, Morris & Company Ltd.		SEYB 1959 p.3069
	591	Selangor Rubber Company Ltd.	Highlands and Lowlands Para Rubber Company Ltd.		SEYB 1959 p.1436
	592	Slazengers' Ltd.	Dunlop Rubber Company Ltd.		SEYB 1959 p.3129
	593	Sungei Way (Selangor) Rubber Company Ltd.	Highlands and Lowlands Para Rubber Company Ltd.		SEYB 1959 p.1450
	594	Temperance Billiard Halls Ltd.	H. Jasper & Co. Ltd.		SEYB 1959 p.3239
	595	W.T. Henley's Telegraph Works Company Ltd.	Associated Electrical Industries Ltd.		SEYB 1959 p.2484

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
November 1958	596	Betts and Company Ltd.	Group Developments Ltd.	A subsidiary of Courtaulds Ltd.	SEYB 1959 p.1895
	587	British Aluminium Company Ltd.	Tube Investments Ltd.		SEYB 1959 p.1971
	598	Carreras Ltd.	Rembrandt Tobacco Corporation (S.A.) Ltd.		SEYB 1959 p.2069
	599	Evos Ltd.	Private Individuals		SEYB 1959 p.2299
	600	H. L. Groom & Son Ltd.	Ranks Ltd.	Name changed in 1962 to Ranks Hovis McDougall Ltd.	SEYB 1959 p.2425
	601	I. Beer & Sons Ltd.	Fitch Lovell Ltd.		SEYB 1959 p.1877
	602	Investment Company Ltd.	Alliance Property Company Ltd.		SEYB 1960 p.1286
	603	Iris Mill Ltd.	Equity & Share Co. (London) Ltd.		SEYB 1959 p.2574
	604	John Wright and Sons (Veneers) Ltd.	Calders Ltd.	Since 1963 a subsidiary of Beautility Ltd.	SEYB 1959 p.3441
	605	Labis Bahru Rubber Estates Ltd.	Bank of Europe Ltd.	A subsidiary of Cranleigh Group Ltd.	SEYB 1960 p.1394
	606	Lilac Mill Ltd.	Fine Spinners and Doublers Ltd.	Since 1964 a subsidiary of Courtaulds Ltd.	SEYB 1959 p.2674
	607	Mercantile Bank Ltd.	The Hongkong and Shanghai Banking Corporation		SEYB 1960 p. 342
December 1958	608	Jugra Estate Ltd.	Anglo Oriental Plantations Ltd.		SEYB 1960 p.1382
	609	London Necropolis Company Ltd.	Alliance Property Company Ltd.		SEYB 1959 p.2694
	610	Perry & Company (Holdings) Ltd.	Renold Chains Ltd.		SEYB 1959 p.2928
	611	Prean Holdings Ltd.	Pillar Holdings Ltd.		SEYB 1959 p.2958
	612	Reads Ltd.	Group Developments Ltd.	A subsidiary of Courtaulds Ltd.	SEYB 1959 p.3004

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
December 1958	613	Sungei Batu (Malaya) Rubber Estates Ltd.	Bedong (Malaya) Rubber Ltd.	A subsidiary of Cranleigh Group Ltd.	SEYB 1960 p.1434
	614	Telegraph Construction and Maintenance Company Ltd.	British Insulated Callender's Cables Ltd.		SEYB 1959 p.3238
	615	Telok (F.M.S.) Rubber Company Ltd.	Highlands and Lowlands Para Rubber Company Ltd.		SEYB 1960 p.1443
	616	The Amalgamated Press Ltd.	Daily Mirror Newspapers Ltd.	Since 1962 a subsidiary of International Publishing Corporation Ltd.	SEYB 1959 p.1774
	617	The London Electric Wire Company and Smiths Ltd.	Associated Electrical Industries Ltd.		SEYB 1959 p.2692 SEYB 1960 p.2684
	618	The Zambesia Exploring Company Ltd.	Kentan Gold Areas Ltd.	Since 1962 a subsidiary of Rhodesia-Katanga Company Ltd.	SEYB 1960 p.1189
	619	Yorkshire Dyeing & Proofing Company Ltd.	J. Chadwick and Co. Ltd.	A subsidiary of Viyella International Lts.	SEYB 1960 p.3449
1959					
January 1959	620	Balstone, Cooke and Rayonese Ltd.	Vantona Textiles Ltd.		SEYB 1959 p.3464
	621	Barrow Haematite Steel Company Ltd	Arusha Industries Ltd.	Name changed in 1962 to General & Engineering Industries Ltd.	SEYB 1960 p. 934
	622	Bidor Rubber Estate Ltd.	Hart, Son & Company Ltd.	A subsidiary of Wood Hall Trust Ltd.	SEYB 1960 p.1351
	623	D. Smith & Sons Ltd.	Giltspur Investment & Finance Company Ltd.		SEYB 1959 p.3474
	624	E.J. Baker & Company (Dorking) Ltd	Dorada Holdings Ltd.		SEYB 1959 p.1844
	625	E.V. Industrials Ltd.	Private Individuals		SEYB 1959 p.3468
	626	F. Perkins Ltd.	Massey-Ferguson Ltd.	A subsidiary of Massey-Ferguson Holdings Ltd.	SEYB 1959 p.2926
	627	Hiram Wild (Holdings) Ltd.	Private Individuals		SEYB 1959 p.3399

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
January 1959	628	Karak Rubber Company Ltd.	Private Individuals		SEYB 1960 p.1386
	629	Kitchen & Wade Ltd.	Asquith Machine Tool Corporation Ltd	Since 1966 a subsidiary of Staveley Industries Ltd.	SEYB 1959 p.2634
	630	O.J. Bradbury & Son Ltd.	The British Plaster Board (Holdings) Ltd.	Name changed in 1965 to B.P.B. Industries Ltd	SEYB 1959 p.1950
	631	Sir Elkanah Armitage and Sons Ltd.	James Pickup and Company (Textile Machinery) Ltd.	A subsidiary of J.H. Peck & Company Ltd.	SEYB 1959 p.3463
	632	South of England Dairies Ltd.	Cow & Gate Ltd.	Since 1959 a subsidiary of Unigate Ltd.	SEYB 1959 p.3153
	633	Strathisla (Perak) Rubber Estates Ltd.	The Pataling Rubber Estates Ltd.		SEYB 1960 p.1432
	634	The Stroud Brewery Company Ltd.	West Country Brewery Holdings Ltd.	Since 1963 a subsidiary of Whitbread and Company Ltd.	SEYB 1960 p. 487
	635	White House (Regent's Park) Ltd.	City Centre Properties Ltd.		SEYB 1960 p.1254
February 1959	636	Bent & Son Ltd.	Ellis & Goldstein Ltd.		SEYB 1959 p.3465
	637	Clinical and General Industries Ltd.	Mr. J. M. Goldsmith		SEYB 1960 p.2097
	638	Consolidated Sisal Estates of East Africa Ltd.	Bird & Co. (Africa) Ltd.		SEYB 1960 p.2125
	639	Hyde's Seeds R. Hyde and Company Ltd.	Mellins Food Ltd.		SEYB 1959 p.2549
	640	John C. Hamer Ltd.	Mr. C. L. Walker		SEYB 1959 p.2443
	641	John Rowell & Son Ltd.	The Newcastle Breweries Ltd.	Since 1960 a subsidiary of Scottish & Newcastle Breweries Ltd.	SEYB 1960 p. 473
	642	Joseph Travers & Sons Ltd.	S. & W. Berisford Ltd.		SEYB 1959 p.3475
	643	Kali Glagah Rubber Company Ltd.	Private Individuals		SEYB 1960 p.1383
	644	Lower Perak Rubber Estates Ltd.	Private Individuals		SEYB 1960 p.1400

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February 1959	645	Radio and Television Trust Ltd.	Crompton Parkinson Ltd.		SEYB 1959 p.3473
	646	R.H. Neal and Company Ltd.	Steel & Co. Ltd.	Name changed in 1965 to The Steel Group Ltd	SEYB 1959 p.2840
	647	Sendayan (F.M.S.) Rubber Company Ltd.	Port Dickson-Lukat (F.M.S.) Rubber Estates Ltd.	Since 1965 a subsidiary of The Guthrie Corporation Ltd.	SEYB 1960 p.1427
	648	Worksop and Retford Brewery Company Ltd.	Tennant Brothers Ltd.	Since 1961 a subsidiary of Whitbread and Company Ltd.	SEYB 1960 p. 516
March 1959	649	Avo Ltd.	Metal Industries Ltd.		SEYB 1959 p.3464
	650	Bath Cabinet Makers Ltd.	Yatton Furniture Ltd.		SEYB 1959 p.3465
	651	Buntar Rubber Estates Ltd.	Kepong (Malay) Rubber Estates Ltd.	Since 1959 a subsidiary of Kuala Lumpur-Kepong Amalgamated Ltd	SEYB 1960 p.1357
	652	Burma Electric Supply Company Ltd	British Trusts Association Ltd. Singer & Friedlander Ltd.		SEYB 1960 p. 537
	653	Drake & Mount Ltd.	Private Individuals		SEYB 1960 p.2216
	654	Henry Widnell & Stewart Ltd.	A.F. Stoddard and Company Ltd.		SEYB 1959 p.3476 SEYB 1960 p.3393
	655	House of Dalton Ltd.	Ranks Ltd.	Name changed in 1962 to Ranks Hovis McDougall Ltd.	SEYB 1959 p.3470
	656	Hulton Press Ltd.	Odhams Press Ltd.	Since 1961 a subsidiary of International Publishing Corporation Ltd.	SEYB 1959 p.3470
	657	Hunasgeria Tea Company Ltd.	Mr. Leo. C. Toppin and Associates		SEYB 1960 p.1529
	658	Independent Dairies Ltd.	Express Dairy Company Ltd.		SEYB 1960 p.2553
	659	Jamesons Chocolates Ltd.	Robertson & Woodcock Ltd.		SEYB 1960 p.2576
	660	James Pascall Ltd.	Beecham Group Ltd.		SEYB 1960 p.2902
	661	J. & N. Phillips & Company Ltd.	First Scottish Mutual Investment Trust Ltd.	A subsidiary of Drage's Ltd.	SEYB 1960 p.2923

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March 1959	662	Java Rubber Plantations Ltd.	Amalgamated Rubber & Industrial Products Ltd.		SEYB 1960 p.1380
	663	John Barbour & Company Ltd.	Herdmans Ltd.		SEYB 1959 p.3464
	664	John Fraser & Sons Ltd.	Cumberland Curled Hair Manufacturing Co. Ltd.		SEYB 1959 p.3469
	665	L. Hall (Edmonton) Ltd.	Gabriel Wade & English Ltd.		SEYB 1960 p.2431
	666	Mambau (F.M.S.) Rubber Company Ltd.	Private Individuals		SEYB 1960 p.1404
	667	Maxima Lubricants Ltd.	United Lubricants Ltd.	Name changed in 1964 to United Guarantee (Holdings) Ltd.	SEYB 1960 p.1228
	668	Orion Property Trust Ltd.	Central and District Properties Ltd.		SEYB 1960 p.1307
	669	Pharaoh Gane & Company Ltd.	Claude Alexander Ltd.	A subsidiary of Drage's Ltd.	SEYB 1960 p.2922
	670	Raeburn Trust Ltd.	Romney Trust Ltd.		SEYB 1960 p. 851
	671	Sheffield and District Cinematograph Theatres Ltd.	Mappin & Webb Ltd.	Since 1959 a subsidiary of Sears Holdings Ltd.	SEYB 1959 p.3474
	672	Soember Ajoe Rubber Estates Ltd.	Amalgamated Rubber and Industrial Products Ltd.		SEYB 1960 p.1429
	673	The Lindley Thompson Transformer & Service Company Ltd.	Pye Ltd.	Since 1967 a subsidiary of Philips' Incandescent Lamp Works Holding Company	SEYB 1960 p.2669
	674	United Indigo and Chemical Company Ltd.	Private individuals		SEYB 1960 p.3302
	675	Wests and Moultons Ltd.	R.H.O. Hills Ltd.	Name changed in 1966 to Gorringes Department Stores Ltd.	SEYB 1960 p.3378
April 1959	676	Aplin & Barrett Ltd.	Unigate Ltd.		SEYB 1959 p.3463 SEYB 1960 p.1779
	677	British Timken Ltd.	The Timken Roller Bearing Co. (U.S.A.)		SEYB 1960 p.1988
	678	Enfield Cables Ltd.	Enfield Rolling Mills Ltd.	Since 1963 a subsidiary of Delta Metal Company Ltd.	SEYB 1960 p.2267

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April 1959	679	Eustace Watkins Ltd.	Stewart & Ardern Ltd.		SEYB 1960 p.3358
	680	Faudels Ltd.	Great Universal Stores Ltd.		SEYB 1960 p.2300
	681	George Newnes Ltd.	Odhams Press Ltd.	Since 1961 a subsidiary of International Publishing Corporation Ltd.	SEYB 1960 p.2844
	682	Harbens Ltd.	Courtaulds Ltd.		SEYB 1960 p.2439
	683	John Aitchison & Company Ltd.	Hammonds United Breweries Ltd.	Since 1962 a subsidiary of Charrington United Breweries Ltd,	SEYB 1960 p. 375
	684	Lister & Co. Ltd.	Mr. I. E. Kornberg		SEYB 1960 p.2673
	685	Meters Ltd.	Glover and Main Ltd.	Since 1965 a subsidiary of Thorn Electrical Industries Ltd.	SEYB 1960 p.2773
	686	Scottish Malayan Estates Ltd,	Highland and Lowlands Para Rubber Company Ltd.		SEYB 1960 p.1423
	687	Steel Coulson & Company Ltd.	Vaux and Associated Breweries Ltd.		SEYB 1960 p. 484
	688	Swinnertons Ltd.	Lawley Group Ltd.	A subsidiary of S. Pearson Industries Ltd.	SEYB 1960 p.3212
	689	The Anglo-French Phosphate Company Ltd.	H. Jasper & Co. Ltd.		SEYB 1960 p.1316 TIMES 9/4/59 p.17
May 1959	690	Alfred Case & Co. Ltd.	Delta Metal Company Ltd.		SEYB 1960 p.2060
	691	Atkinson's Brewery Ltd.	Mitchells and Butlers Ltd.	Since 1961 a subsidiary of Bass, Mitchells & Butlers Ltd.	SEYB 1960 p. 377
	692	Bristol Industries Ltd.	Transport Development Group Ltd.		SEYB 1960 p.1957
	693	Campbells and Stewart & McDonald Ltd.	Charles Rattray & Company Ltd.		SEYB 1960 p.2041
	694	Cooper, McDougall & Robertson Ltd.	The Wellcome Foundation Ltd.		SEYB 1960 p.2131
	695	Grand Hotel Company, Bristol Ltd.	Nuthalls (Caterers) Ltd.	Since 1961 a subsidiary of Mount Charlotte Investments Ltd.	SEYB 1960 p.2395

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May 1959	696	Griffith & Diggens Ltd.	Wiggins, Teape & Co. Ltd.		SEYB 1960 p.2414
	697	Malayan Para Rubber Company Ltd.	Private Individuals		SEYB 1960 p.2576
	698	Paterson, Simons & Co. Ltd.	Paterson, Ewart Group Ltd.	A subsidiary of Wood Hall Trust Ltd.	SEYB 1960 p.2906
	699	Pugh, Davies & Company Ltd.	P.M.D.T. (Manchester) Ltd.		SEYB 1960 p.2966
	700	R.A. Brand (Holdings) Ltd.	Melbray Group Ltd.		SEYB 1960 p.1945
	701	R. Middlesmass & Son Ltd.	Wright's Biscuits Ltd.		SEYB 1960 p.2778
	702	Sawers Ltd.	Private Individuals		SEYB 1960 p.3074
	703	S.E. Opperman Ltd.	E.V. Industrials Ltd.	Name changed in 1965 to Electrical and Industrial Securities Ltd.	SEYB 1960 p.2879
	704	Sifta Salt Ltd.	Cerebos Ltd.		SEYB 1960 p.3109
	705	Sungei Matang Rubber Estate Ltd.	Private Individuals		SEYB 1960 p.1436
	706	Sylko Paper Converters Ltd.	Private Individuals		SEYB 1960 p.3214
	707	Vigilant Investments Ltd.	Arusha Industries Ltd.	Name changed in 1962 to General & Engineering Industries Ltd.	SEYB 1960 p. 654
	708	Waxed-Papers Ltd.	Wiggins, Teape & Co. Ltd.		SEYB 1960 p.3360
	709	Wyman & Sons Ltd.	John Menzies (Holdings) Ltd.		SEYB 1960 p.3441
	710	Vent-Axia Ltd.	Hall-Thermotank Ltd.		SEYB 1960 p.3323
June 1959	711	Chivers & Sons Ltd.	Schweppes Ltd.		SEYB 1960 p.2082
	712	City & Provincial Stores Ltd.	Eva Brothers Ltd.		SEYB 1960 p.2088

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June 1959	713	Harrods Ltd.	House of Fraser Ltd.		SEYB 1960 p.2450
	714	Porter Paints Ltd.	Sissons Brothers & Co. Ltd.	A subsidiary of Reckitt & Colman Holdings Ltd.	SEYB 1960 p.2946
	715	R.E. Jones Ltd.	Tildet Investments Ltd.	A subsidiary of Lintang Investments Ltd.	SEYB 1960 p.2594
	716	Scottish Cables Ltd.	British Insulated Callender's Cables Ltd.		SEYB 1960 p.3080
	717	Scottish Motor Traction Company Ltd.	Sears Holdings Ltd.		SEYB 1960 p.3082
	718	Scottish Union and National Insurance Company Lts.	Norwich Union Fire Insurance Society Ltd.	A subsidiary of Norwich Union Life Insurance Society.	SEYB 1960 p. 718
	719	Sedenak Rubber Estates Ltd.	Malaya General Company Ltd.		SEYB 1960 p.1424
	720	Sheffield Steel Products Ltd.	Arusha Industries Ltd.	Name changed in 1962 to General & Engineering Industries Ltd.	SEYB 1960 p.3102
	721	Taylor, Walker & Company Ltd.	Ind Coope Ltd.	Name changed in 1963 to Allied Breweries Ltd	SEYB 1960 p. 490
	722	The Amherst Estates (Selangor) Rubber Company Ltd.	Anglo Oriental Plantations Ltd.		SEYB 1960 p.1339
	723	Theatre Tickets & Messengers Ltd.	Keith, Prowse & Company Ltd.		SEYB 1960 p.3241
	724	The Hardwick Industries Ltd.	W.E. & F. Dobson Ltd.	Name changed in 1961 to Dobson Hardwick Ltd.	SEYB 1960 p.2441
	725	Thorne and Company Ltd.	Haighton Holdings Ltd.	A subsidiary of Textile Investment Co. Ltd	SEYB 1960 p.3247
	726	Waite & Son Ltd.	Private Individuals		SEYB 1960 p.3336
July 1959	727	Anglo-French Exploration Company Ltd.	The Consolidated Gold Fields of South Africa Ltd.		SEYB 1960 p. 565
	728	Bahru Selangor Rubber Company Ltd.	Seafield Amalgamated Rubber Company Ltd.		SEYB 1960 p.1344
	729	Bernham-Perak Rubber Plantations Ltd.	Apex Properties Ltd.		SEYB 1960 p.1350

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July 1959	730	Brand & Co. Ltd.	Cerebos Ltd.		SEYB 1960 p.1945
	731	Bukit Badang Rubber Company Ltd.	Seafield Amalgamated Rubber Company Ltd.		SEYB 1960 p.1354
	732	Bukit Cloh Rubber Company Ltd.	Seafield Amalgamated Rubber Company Ltd.		SEYB 1960 p.1354
	733	Crown Brewing Company Ltd.	Dutton's Blackburn Brewery Ltd.	Since 1964 a subsidiary of Whitbread and Company Ltd.	SEYB 1960 p. 405
	734	Folland Aircraft Ltd.	Hawker Siddeley Group Ltd.		SEYB 1960 p.2327
	735	Gossard Holdings Ltd.	Courtaulds Ltd.		SEYB 1960 p.2391
	736	H.E. Proprietary Ltd.	The Associated Gold Fields of South Africa Ltd.		SEYB 1960 p.1072
	737	Kemsley Newspapers Ltd.	Thomson Scottish Associates Ltd.		SEYB 1960 p.3244
	738	Kendall & Gent Ltd.	W.E. Sykes Ltd.		SEYB 1960 p.2610
	739	Kirby Rubber Estates Ltd.	Seafield Amalgamated Rubber Company Ltd.		SEYB 1960 p.1389
	740	London & Colonial Investment Corporation Ltd.	The Law Debenture Corporation Ltd		SEYB 1960 p. 816
	741	Mappin & Webb Ltd.	Sears Holdings Ltd.		SEYB 1960 p.2733 TIMES 8/8/59 p.11
	742	Midland Employers' Mutual Assurance Ltd.	Eagle Star Insurance Company Ltd.		SEYB 1960 p. 700
	743	Pilmoor Rubber Company Ltd.	Seafield Amalgamated Rubber Company Ltd.		SEYB 1960 p.1415
	744	Raja Musa (Selangor) Rubber and Coconuts Ltd.	Seafield Amalgamated Rubber Company Ltd.		SEYB 1960 p.1416
	745	Rosevale Rubber Company Ltd.	Seafield Amalgamated Rubber Company Ltd.		SEYB 1960 p.1434
	746	Sungei Buloh Rubber Company Ltd.	Seafield Amalgamated Rubber Company Ltd.		SEYB 1960 p.1434

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July 1959	747	Teluk Piah Rubber Estate (1914) Ltd.	Seafield Amalgamated Rubber Company Ltd.		SEYB 1960 p.1444
	748	The Bolton Textile Mill Company Ltd.	Anglo-African Finance Company Ltd.		SEYB 1960 p.1919
	749	Union Securities and Properties Ltd.	City Centre Properties Ltd.		SEYB 1960 p.1329
August 1959	750	Allagar Rubber Plantations Ltd.	James Warren & Company Ltd.		SEYB 1960 p.1338
	751	Atlas Assurance Company Ltd.	Royal Exchange Assurance		SEYB 1960 p. 670
	752	Banir Rubber Estates Ltd.	Anglo Oriental Plantations Ltd.		SEYB 1960 p.1345
	753	Blair & Co. (Alloa) Ltd.	George Younger and Son Ltd.	Since 1962 a subsidiary of Charrington United Breweries Ltd.	SEYB 1960 p. 385
	754	Brough, Nicholson & Hall Ltd.	Francis Sumner Holdings Ltd.		TIMES 24/8/59p.13 SEYB 1960 p.2001
	755	Cordova Land Company Ltd.	Private Individuals		SEYB 1961 p. 582
	756	Edward Taylor Ltd.	Robinson & Sons Ltd.		SEYB 1960 p.3225
	757	Eow Seng Rubber Company Ltd.	James Warren & Company Ltd.		SEYB 1960 p.1369
	758	Eron Investments Ltd.	City Centre Properties Ltd.		SEYB 1960 p.1273
	759	Singapore United Rubber Plantations Ltd.	Bukit Sembawang Rubber CompanyLtd.		SEYB 1960 p.1429 SEYB 1961 p.1384
	760	The Southern Counties Dairies Company Ltd.	Unigate Ltd.		SEYB 1960 p.3148
	761	The Yeoman Trust Ltd.	The Investment Loan and Agency Ltd	Name changed in 1960 to Yeoman Investment Trust Ltd.	SEYB 1960 p. 912
	762	Webley & Scott Ltd.	Arusha Industries Ltd.	Name changed in 1962 to General & Engineering Industries Ltd.	SEYB 1960 p.3364

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
September 1959	763	Bieckert Investment Trust Ltd.	Imperial Colonial Investment Trust Ltd.		SEYB 1960 p.1654
	764	De Vere Hotels Ltd.	Private Individuals		SEYB 1960 p.2184
	765	Jeram Rubber Estates Ltd.	Kuala Lumpur Rubber Company Ltd.	Name changed in 1960 to Kuala Lumpur-Kepong Amalgamated Ltd.	SEYB 1960 p.1380
	766	J.H. Senior & Company (Holdings) Ltd.	Nurdin & Peacock Ltd.		SEYB 1960 p.3091
	767	John Dale Ltd.	Metal Closures Ltd.		SEYB 1960 p.2171
	768	Joseph Hoyle & Son Ltd.	Lister & Co. Ltd.		SEYB 1960 p.1362
	769	Maroc Ltd.	Private Individuals		SEYB 1960 p. 620
	770	Southsea Hotels Ltd.	Mr. J. L. Titchmarsh		SEYB 1960 p.3149
	771	Tamiang Rubber Estates Ltd.	Kuala Lumpur Rubber Company Ltd.	Name changed in 1960 to Kuala Lumpur-Kepong Amalgamated Ltd.	SEYB 1960 p.1440
	772	The African Mercantile Company Ltd.	Dalgety and Company Ltd.	Name changed in 1961 to Dalgety and New Zealand Loan Ltd.	SEYB 1960 p.1740
	773	The Northern Stockholders Investment Trust Ltd.	Lake View Investment Trust Ltd.		SEYB 1960 p. 845
October 1959	774	British Benzol and Coal Distillation Ltd.	Henry Briggs Son & Co. (Trust) Ltd.		SEYB 1960 p.1962 TIMES 8/10/59p.19
	775	Clarence Gate Holdings Ltd.	City Centre Properties Ltd.		SEYB 1960 p.1265
	776	County Hotel (Blackpool) Ltd.	The Blackpool Tower Company Ltd.		SEYB 1960 p.2139
	777	Fullers Ltd.	Forte's Holdings Ltd.		SEYB 1960 p.2346
	778	Garrard and Company Ltd.	Mappin & Webb Ltd.	A subsidiary of Sears Holdings Ltd.	SEYB 1960 p.2356
	779	Kinta Tin Mines Ltd.	Gopeng Consolidated Ltd.		SEYB 1960 p.1059

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
October 1959	780	Scottish Dyers & Cleaners (London) Ltd.	Achille Serre Ltd.		SEYB 1960 p.3080
	781	Wm. P. Hartley Ltd.	Schweppes Ltd.		SEYB 1960 p.2454
	782	Wm. Whitaker & Co. Ltd.	Joshua Tetley and Son Ltd.	Since 1961 a subsidiary of Allied Breweries Ltd.	SEYB 1960 p. 506
	783	The Caledonian Trust Ltd.	The Scottish Western Investment Company Ltd.		SEYB 1961 p. 756
November 1959	784	Allied Dairies Ltd.	Express Dairy Company Ltd.		SEYB 1960 p.1753
	785	Alquife Investments Ltd.	Maroc Ltd.	Since 1964 a subsidiary of St. Martins Property Corporation Ltd.	SEYB 1960 p.1244 SEYB 1961 p.1211
	786	Bowater-Eburite Ltd.	The Bowater Paper Corporation Ltd.		SEYB 1960 p.1932
	787	Eastern Sumatra Rubber Estates Ltd.	Kuala Lumpur Rubber Company Ltd.	Name changed in 1960 to Kuala Lumpur-Kepong Amalgamated Ltd.	SEYB 1961 p.1335
	788	Gopeng (Perak) Rubber Estates Ltd.	Kulim Rubber Plantations		SEYB 1961 p.1340
	789	Indestructible Paint Company Ltd.	Ault and Wiborg Ltd.		SEYB 1960 p.2554
	790	Kapala Rubber Estates of Malaya Ltd.	Kulim Rubber Plantations Ltd.		SEYB 1961 p.1348
	791	Mansell, Hunt, Catty and Company Ltd.	Sylko Paper Converters Ltd.	Since 1965 a subsidiary of Cavenham Investments Ltd.	SEYB 1960 p.2731
	792	New Crocodile River (Selangor) Rubber Company Ltd.	Golden Hope Rubber Estate Ltd.		SEYB 1960 p.1410 SEYB 1961 p.1368
	793	Rolls Razor Ltd.	Equity & Share Company (London) Ltd.		SEYB 1960 p.3031
	794	Spring Valley Ceylon Estates Ltd.	Ouvah Ceylon Tea Investments Ltd.		SEYB 1960 p.1557
	795	Sungei Sipit Rubber Plantations Ltd.	Bukit Mertajam Rubber Company Ltd.		SEYB 1961 p.1391

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
November 1959	796	Tarslag Ltd	Tarmac Ltd.		SEYB 1960 p.3220
	797	The "Sanitas" Trust Ltd.	Mr. Charles Sweeny		SEYB 1960 p.3068
	798	The Victoria Wine Company Ltd.	Ind, Coope & Allsopp Ltd.	Name changed in 1963 to Allied Breweries Ltd.	SEYB 1960 p.3326
	799	W. Butler & Co. Ltd.	Mitchells and Butlers Ltd.	Since 1961 a subsidiary of Bass, Mitchells & Butlers Ltd.	SEYB 1961 p. 391
	800	The British Bank of the Middle East	The Hongkong and Shanghai Banking Corporation		SEYB 1961 p. 313
December 1959	801	Armstrong, Stevens & Son Ltd.	Heenan Group Ltd.		SEYB 1960 p.1786
	802	Associated Bakeries & General Investment Company Ltd.	Allied Bakeries Ltd.	A subsidiary of George Weston Holdings Ltd	SEYB 1960 p. 561
	803	Blackburn and General Aircraft Ltd	Hawker Siddeley Group Ltd.		SEYB 1960 p.1900
	804	Bukit Selangor Rubber Estates (1920) Ltd.	Brooklands Selangor Rubber Company Ltd.	Since 1965 a subsidiary of Plantation Holdings Ltd.	SEYB 1961 p.1325
	805	Crosse & Blackwell (Holdings) Ltd	Nestlé Alimentana Company (Sté.An.)		SEYB 1960 p.2158
	806	De Havilland Holdings Ltd.	Hawker Siddeley Group Ltd.		SEYB 1960 p.2183
	807	Derby Investment Holdings Ltd.	The British Land Company Ltd.		SEYB 1961 p. 749
	808	Foster Clark Ltd.	St. Martin Preserving Company Ltd.		SEYB 1960 p.2333
	809	General, London & Urban Properties Ltd.	Holborn Viaduct Land Co. Ltd.	A subsidiary of Central and District Properties Ltd.	SEYB 1961 p.1245
	810	Harpenden (Selangor) Rubber Company Ltd.	Sempah (Holdings) Ltd.		SEYB 1961 p.1340
	811	International Twist Drill Company Ltd.	The Tap & Die Corporation Ltd.		SEYB 1960 p.2564
	812	Jackson & Steeple Ltd.	Schofield Preston & Co. Ltd.		SEYB 1960 p.2571

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
December 1959	813	James Buchanan & Son (Liverpool) Ltd.	P. Winn (Barking) Ltd.	Name changed in 1961 to Winn Industries Ltd	SEYB 1960 p.2010
	814	John Groves & Sons Ltd.	J.A. Devenish & Company Ltd.		SEYB 1961 p. 423
	815	Kelantan Rubber Estates Ltd.	Malakoff Rubber Estates Ltd.		SEYB 1961 p.1349
	816	Lancashire Dynamo Holdings Ltd.	Metal Industries Ltd.		SEYB 1960 p.2636
	817	Outram (Investments) Ltd.	Loyds Retailers Ltd.		SEYB 1960 p.2881
	818	Pinchin, Johnson & Associates Ltd.	Courtaulds Ltd.		SEYB 1960 p.2934
	819	Richard Lloyd Ltd.	The British Rollmakers Corporation Ltd		SEYB 1960 p.2677
	820	Semenyih Rubber Estate Ltd.	Brooklands Selangor Rubber Company Ltd	Since 1965 a subsidiary of Plantation Holdings Ltd.	SEYB 1960 p.1426 SEYB 1961 p.1382
	821	Sheffield Pure Ice and Cold Storage Company Ltd.	Transport Development Group Ltd.		SEYB 1960 p.3101
	822	Tarun (Malay) Rubber Estates Ltd.	Brooklands Selangor Rubber Company Ltd	Since 1965 a subsidiary of Plantation Holdings Ltd.	SEYB 1960 p.1442 SEYB 1961 p.1394
	823	The Klabang Rubber Company Ltd.	The Muar River Rubber Company Ltd.		SEYB 1961 p.1351
	824	The Manchester North Borneo Rubber Ltd.	The Muar River Rubber Company Ltd.		SEYB 1961 p.1364
	825	The Oriental Rubber Company Ltd.	The London Asiatic Rubber and Produce Company Ltd.		SEYB 1961 p.1369
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January 1960	826	A. Boake, Roberts and Company Ltd	Albright & Wilson Ltd.		SEYB 1960 p.1915
	827	Bootle Cold Storage Company Ltd.	Transport Development Group Ltd.		SEYB 1960 p.1924

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
January 1960	828	Bukit Rajah Rubber Company Ltd.	Seafield Amalgamated Rubber Company Ltd.		SEYB 1961 p.1325
	829	Bright & Colson Ltd.	J. J. Allen Ltd.	A subsidiary of Maryon Fashion Group Ltd.	SEYB 1960 p.1952
	830	Dima Tea Company Ltd.	Buxa Dooars Tea Company Ltd.		SEYB 1961 p.1470
	831	Fleming, Reid & Company Ltd.	Patons & Baldwins Ltd.	Since 1960 a subsidiary of J. & P. Coats, Patons & Baldwins Ltd.	SEYB 1960 p.2321
	832	Griffiths Hughes Proprietaries Ltd	Aspro-Nicholas Ltd.		SEYB 1960 p.2414
	833	Jugra Land and Carey Ltd.	The Pataling Rubber Estates Ltd.		SEYB 1961 p.1346
	834	Naraguta Extended Areas Ltd.	Forum Mines		SEYB 1961 p.1082
	835	O-Cedar Ltd.	The Prestige Group Ltd.	A subsidiary of Ekco Products Co.	SEYB 1960 p.2866
	836	Orient Steam Navigation Company Ltd.	Peninsular and Oriental Steam Navigation Company		SEYB 1961 p.1433
	837	The Realisation and Debenture Corporation of Scotland Ltd.	The British Investment Trust Ltd.		SEYB 1961 p. 830
	838	Westoe Breweries Ltd.	Keg Investments Co. Ltd.	A subsidiary of Charrington United Breweries Ltd.	SEYB 1961 p. 505
February 1960	839	Albion Drop Forgings Company Ltd.	J. Brockhouse & Co. Ltd.		SEYB 1960 p.3461
	840	Central Perak Rubber Company Ltd.	Kulim Rubber Plantations Ltd.		SEYB 1961 p.1327
	841	E. Marriage & Son Ltd.	Hovis-McDougall Ltd.	Since 1962 a subsidiary of Ranks Hovis McDougall Ltd.	SEYB 1960 p.3466 SEYB 1961 p.2697
	842	Floor Treatments Ltd.	Reckitt & Colman Holdings Ltd.		SEYB 1960 p.2324
	843	H. & G. Simonds Ltd.	Courage and Barclay Ltd.	Name changed in 1960 to Courage, Barclay & Simonds Ltd.	SEYB 1961 p. 476

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
February 1960	844	Holyrood Knitwear Ltd.	Thomas Tilling Ltd.		SEYB 1960 p.2509
	845	Jasin (Malacca) Rubber Estates Ltd.	Merlimau Pegou Ltd.		SEYB 1961 p.1344
	846	Kapoewas Rubber Company Ltd.	Private Individuals		SEYB 1961 p.1348
	847	Mengkibol (Central Johore) Rubber Company Ltd.	Malaya General Company Ltd.		SEYB 1961 p.1365
	848	Modern Engineering Developments Ltd.	K.G. (Holdings) Ltd.	Name changed in 1964 to Crown House Investments Ltd.	SEYB 1961 p.2754
	849	North Hummock (Selangor) Rubber Company Ltd.	See Hoy Chan Ltd.		SEYB 1961 p.1369
	850	Oliver & Gurden Ltd.	Scribbans-Kemp Bakery Holdings Ltd.	A subsidiary of Scribbans-Kemp Ltd.	SEYB 1961 p.2829
	851	Parkers (Ancoats) Ltd.	May & Hassell Ltd.		SEYB 1960 p.2896
	852	Redler Industries Ltd.	Cozens & Sutcliffe (Holdings) Ltd.		SEYB 1960 p.3001
	853	Sapong Rubber Estates Ltd.	The Muar River Rubber Company Ltd.		SEYB 1961 p.1380
	854	Spratts Patent Ltd.	Spillers Ltd.		SEYB 1960 p.3160
	855	Sungkap Para Plantations Ltd.	Kulim Rubber Plantations Ltd.		SEYB 1961 p.1392
	856	Weinbergs Weatherproofs Ltd.	Mr. Lionel Black		SEYB 1960 p.3365
	857	Wessex Associated News Ltd.	Westminster Press Provincial News Ltd.	A subsidiary of S. Pearson Industries Ltd.	SEYB 1960 p.3369
	858	Wilmer Lea Foundries (Holdings) Ltd.	Charles Karen & Son (Holdings) Ltd.		SEYB 1960 p.3407
	859	Wrights Cakes Ltd.	Wright's Biscuits Ltd.		SEYB 1960 p.3440

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
March 1960	860	Damansara (Selangor) Rubber Company Ltd.	Seafield Amalgamated Rubber Company Ltd.		SEYB 1961 p.1332
	861	David Roberts and Sons Ltd.	William Hancock and Company Ltd.		SEYB 1961 p. 470
	862	Eclipse Mill Company Ltd.	James Pickup & Co. (Textile Machinery) Ltd.	A subsidiary of J.H. Peck & Company Ltd.	SEYB 1961 p.2201
	863	J. D. Marsden Ltd.	Moores Stores Ltd.		SEYB 1961 p.2698
	864	Johnson, Cole, Brier & Cordey Ltd.	Transport Development Group Ltd.		SEYB 1960 p.2586
	865	Nico Light Engineering Company Ltd.	General Provincial Investment Trust Ltd.		SEYB 1960 p.2849
	866	Rambutan Rubber Estates Ltd.	Henrietta Rubber Estate Ltd.		SEYB 1961 p.1374
	867	The Scottish and Dominions Trust Ltd.	Scottish Ontario Investment Company Ltd.		SEYB 1961 p. 838
	868	United Caterers Ltd.	Associated British Foods Ltd.	A subsidiary of George Weston Holdings Ltd.	SEYB 1961 p.3248
	869	Waterlow and Sons Ltd.	Purnell and Sons Ltd.	Name changed in 1964 to The British Printing Corporation Ltd.	SEYB 1960 p.3356
	870	Phipps Northampton Brwery Company Ltd.	Watney Mann Ltd.		SEYB 1961 p. 465
April 1960	871	George Younger and Son Ltd.	Northern Breweries of Great Britain Ltd.	Since 1962 a subsidiary of Charrington United Breweries Ltd.	SEYB 1961 p. 515
	872	Hickson, Lloyd & King Ltd.	Rylands & Son Ltd.	A subsidiary of Great Universal Stores Ltd	SEYB 1961 p.2443
	873	Hope and Anchor Breweries Ltd.	Northern Breweries of Great Britain Ltd.	Since 1962 a subsidiary of Charrington United Breweries Ltd.	SEYB 1961 p. 434
	874	Kayser, Ellison & Company Ltd.	Sanderson Brothers and Newbould Ltd.		SEYB 1961 p. 953
	875	K. V. Properties Ltd.	Park Investments Ltd.	Since 1964 a subsidiary of St. Martins Property Corporation Ltd.	SEYB 1961 p.1256
	876	Lanadron Rubber Estates Ltd.	The London Asiatic Rubber and Produce Company Ltd		SEYB 1961 p.1356

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
April 1960	877	Moors' and Robson's Breweries Ltd.	Hewitt Brothers Ltd.	Since 1962 a subsidiary of Charrington United Breweries Ltd.	SEYB 1961 p. 455
	878	North Malay Rubber Estates Ltd.	Henrietta Rubber Estate Ltd.		SEYB 1961 p.1369
	879	Raleigh Industries Ltd.	Tube Investments Ltd.		SEYB 1961 p.2934
	880	Tekka Ltd.	Gopeng Consolidated Ltd.		SEYB 1961 p.1135
	881	Wembley Stadium Ltd.	Associated-Rediffusion Ltd.		SEYB 1960 p.3368 SEYB 1961 p.3319
	882	William Murray & Company Ltd.	Northern Breweries of Great Britain Ltd.	Since 1962 a subsidiary of Charrington United Breweries Ltd.	SEYB 1961 p. 457
May 1960	883	Dennistown Rubber Estates Ltd.	Merlimou Pegoh Ltd.		SEYB 1961 p.1332
	884	Green, Hearn & Company Ltd.	Mr. L. Reginald Adler		SEYB 1961 p.2655
	885	London-American Maritime Trading Company Ltd.	Caledonia Investments Ltd.		SEYB 1961 p.1425
	886	Majestic Theatres Corporation Ltd.	Amalgamated Investment & Property Co. Ltd.		SEYB 1961 p.2674
	887	Melbourne Brewery (Leeds) Ltd.	Joshua Tetley and Son Ltd.	Since 1961 a subsidiary of Allied Breweries Ltd.	SEYB 1961 p. 453
	888	The Hyde Park Hotel Ltd.	Queen Anne's Mansions and Hotels Ltd.	Since 1965 a sunsidiary of Trust Houses Ltd.	SEYB 1960 p.2540 SEYB 1961 p.2496
	889	The Power Gas-Corporation Ltd.	Davy-Ashmore Ltd.		SEYB 1961 p.2900
	890	The United Turkey Red Company Ltd.	The Calico Printers' Association Ltd.		SEYB 1961 p.3260
	891	Ushers Wiltshire Brewery Ltd.	Watney Mann Ltd.		SEYB 1961 p. 494
	892	W. & R. Jacob & Company (Liverpool) Ltd.	Associated Biscuit Manufacturers Ltd		SEYB 1961 p. 2529

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
June 1960	893	A. Kershaw & Sons Ltd.	Radio Television and General Trust Ltd.	A subsidiary of Odeon Cinema Holdings Ltd.	SEYB 1961 p.2573
	894	E. Shipton & Co. (Holdings) Ltd.	Mr. Colin Will		SEYB 1961 p.3059
	895	Horrockses, Crewsdon & Company Ltd.	J. & N. Philips & Company Ltd.	A subsidiary of First Scottish Mutual Investment Trust Ltd.	SEYB 1961 p.2476
	896	Manchester Oil Refinery (Holdings) Ltd.	Lobitos Oilfields Ltd.	Since 1962 a subsidiary of the Burmah Oil Company Ltd.	SEYB 1961 p.1197
	897	Mountsorrel Holdings Ltd.	Redland Holdings Ltd.		SEYB 1961 p.2774
	898	Permoglaze Holdings Ltd.	Blundell, Spence and Company Ltd.		SEYB 1961 p.2872
	899	Rivet, Bolt and Nut Company Ltd.	Acton Bolt Ltd.	Since 1962 a subsidiary of Guest, Keen and Nettlefolds Ltd.	SEYB 1961 p. 969
	900	Robert Younger Ltd.	Scottish Breweries Ltd.	Name changed in 1960 to Scottish and Newcastle Breweries Ltd.	SEYB 1961 p. 515
	901	Rubana Rubber Estates Ltd.	Straits Rubber Company Ltd.		SEYB 1961 p.1377
	902	Southern Tronoh Tin Dredging Ltd.	Tronoh Mines Ltd.		SEYB 1961 p.1127
	903	The United Kingdom Tea Company Ltd.	Moores Stores Ltd.		SEYB 1961 p.3255
July 1960	904	Bilston Foundries Ltd.	Allied Ironfounders Ltd.		SEYB 1961 p.1839
	905	Fillerys Toffees Ltd.	J.A. & P. Holland Ltd.	Since 1965 a subsidiary of Cavenham Investments Ltd.	SEYB 1961 p.2263
	906	J.F. Willis (Cinderella Shoes) Ltd.	Great Universal Stores Ltd.		SEYB 1961 p.3355
	907	London Trading Estates Ltd.	Lex Garages Ltd.		SEYB 1961 p.2643
	908	Lynedoch Investments Ltd.	The Westburn Sugar Refineries Ltd.	Since 1965 a subsidiary of Manbré and Garton Ltd.	SEYB 1961 p.2655

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
July 1960	909	Phoenix Telephone and Electric Holdings Ltd.	Combined Telephone Holdings Ltd.		SEYB 1961 p.2881
	910	Sabrang Rubber Estate Ltd.	Straits Rubber Company Ltd.		SEYB 1961 p.1378
	911	Siebe, Gorman & Company Ltd.	The Fairey Company Ltd.		SEYB 1961 p.3061
	912	Telephone Manufacturing Company Ltd.	Pye Ltd.	Since 1967 a subsidiary of Philips' Incandescent Lamp Works Holding Company	SEYB 1961 p.3185
	913	The Newcastle Breweries Ltd.	Scottish Breweries Ltd.	Name changed in 1960 to Scottish and Newcastle Breweries Ltd.	SEYB 1961 p. 458
	914	The Rheostatic Company Ltd.	Elliott-Automation Ltd.		SEYB 1961 p.2965
	915	The United Lankat Plantations Company Ltd.	London Sumatra Plantations Ltd.		SEYB 1961 p.1397
	916	Webbs (Aberbeeg) Ltd.	Northern Breweries of Great Britain Ltd.	Since 1962 a subsidiary of Charrington United Breweries Ltd	SEYB 1961 p. 501
	917	Withins Paper Staining Company Ltd.	Imperial Chemical Industries Ltd.		SEYB 1961 p.3369
	918	Wilson & Walker Breweries Ltd.	Watney Mann Ltd.		SEYB 1961 p. 508
August 1960	919	Cross Bone Fertilizers Ltd.	Hargreaves (Leeds) Ltd.		SEYB 1961 p.2112
	920	Gibbons (Dudley) Ltd.	Wellington Tube Holdings Ltd.		SEYB 1961 p.2325
	921	Jenson & Nicholson Group Ltd.	Lewis Berger & Sons Ltd.	Name changed in 1960 to Berger, Jenson & Nicholson Ltd.	SEYB 1961 p.2534
	922	Lacrinoid Products Ltd.	F. Francis & Sons (Holdings) Ltd.		SEYB 1961 p.2585
	923	Morphy-Richards Ltd.	Electric & Musical Industries Ltd.		SEYB 1961 p.2765
	924	Quartons (Holdings) Ltd.	Melbray Group Ltd.		SEYB 1961 p.2927

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
August 1960	925	R. Gunner Ltd.	Fitch Lovell Ltd.		SEYB 1961 p.2376
	926	Tecka (Argentina) Land Company Ltd.	Private Argentinians		SEYB 1961 p. 635
	927	The Sea Insurance Company Ltd.	The London Assurance	Since 1965 a subsidiary of Sun Alliance and London Insurance Ltd.	SEYB 1961 p. 694
September 1960	928	Ada (Halifax) Ltd.	Philips Electrical Industries Ltd.	A subsidiary of Philips' Incandescent Lamp Works Holding Company	SEYB 1961 p.1682
	929	A. & J. MacNab Ltd.	Scottish and Universal Investments Ltd.		SEYB 1961 p.2668
	930	Apex (Trinidad) Oilfields Ltd.	The British Petroleum Company Ltd.		SEYB 1961 p.1185 SEYB 1962 p.1167
	931	Charles Early & Co. Ltd.	Marriott & Sons Ltd.	Name changed in 1960 to Charles Early and Marriott (Witney) Ltd.	SEYB 1961 p.2193
	932	Ederapolla Tea Company of Ceylon Ltd.	South Perak Rubber Syndicate Ltd.	Name changed in 1961 to Mitre Trust Ltd.	SEYB 1961 p.1474
	933	Hardypick Ltd.	Laycock Engineering Ltd.	Since 1966 a subsidiary of Guest, Keen & Nettlefolds Ltd.	SEYB 1961 p.2398
	934	James Calder & Company (Brewers) Ltd.	Northern Breweries of Great Britain Ltd.	Since 1962 a subsidiary of Charrington United Breweries Ltd.	SEYB 1961 p. 392
	935	Malgavita Ltd.	Charterhouse Industrial Holdings Ltd.	A subsidiary of The Charterhouse Group Ltd.	SEYB 1961 p.2676
	936	Pickering & West Ltd.	Fisons Ltd.		SEYB 1961 p.2882
	937	Small and Parkes Ltd.	Cape Asbestos Company Ltd.		SEYB 1961 p.3076
October 1960	938	Brutton, Mitchell Toms Ltd.	Charrington and Company Ltd.	Since 1962 a subsidiary of Charrington United Breweries Ltd.	SEYB 1962 p. 387
	939	Coventry Machine Tool Works Ltd.	Wickman Ltd.	A subsidiary of John Brown and Company Ltd.	SEYB 1961 p. 209
	940	Garrard Engineering and Manufacturing Company Ltd.	The Plessey Company Ltd.		SEYB 1961 p.2313

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
October 1960	941	Johore River Rubber Plantations Ltd.	Craigielea Rubber Plantations Ltd.		SEYB 1962 p.1340
	942	Layang Rubber Plantations Ltd.	Craigielea Rubber Plantations Ltd.		SEYB 1962 p.1350
	943	Middleton Tower Holiday Camp Ltd.	Pontin's Ltd.		SEYB 1961 p.2733
	944	Moss' Empires Ltd.	Stoll Theatres Corporation Ltd.	Since 1964 a subsidiary of Associated Television Ltd.	SEYB 1961 p.2771
	945	People's Refreshment House Association Ltd.	Charrington and Company Ltd.	Since 1962 a subsidiary of Charrington United Breweries Ltd.	SEYB 1961 p.2869
	946	Sperryn and Company Ltd.	Delta Metal Company Ltd.		SEYB 1961 p.3107
	947	Spiers & Pond Ltd.	Express Dairy Company Ltd.		SEYB 1961 p.3108
	948	Walford Lines Ltd.	Grafton Investment Trust Ltd.		SEYB 1961 p.1605 SEYB 1962 p.1430
	949	Walters' "Palm" Toffee Ltd.	J.A. & P. Holland Ltd.	Since 1965 a subsidiary of Cavenham Investments Ltd.	SEYB 1961 p.3299
	950	Winterbottom Industries Ltd.	Venesta Ltd.		SEYB 1961 p.3366
November 1960	951	Balfour Williamson & Co. Ltd.	Bank of London & South America Ltd.		SEYB 1962 p. 289
	952	Caledonian (Selangor) Rubber Company Ltd.	Kuala Lumpur-Kepong Amalgamated Ltd.		SEYB 1961 p.1322
	953	Churchill Machine Tool Company Ltd.	Birmingham Small Arms Company Ltd.		SEYB 1961 p.2037
	954	Colonial & Eagle Wharves Ltd.	Butler's Wharf Ltd.	Name changed in 1961 to Wharf Holdings Ltd.	SEYB 1961 p.2070
	955	Drey, Simpson & Co. Ltd.	Armitage & Rigby (Holdings) Ltd.	Name changed in 1964 to Armitage Industrial Holdings Ltd.	SEYB 1961 p.2174
	956	First Garden City Ltd.	The Hotel York Ltd.	A subsidiary of Mostyn (London) Ltd.	SEYB 1962 p.1231

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
November 1960	957	Ford Motor Company Ltd.	Ford Motor Co. (of U.S.A.)		SEYB 1961 p.2286
	958	Frederick Gorringe Ltd.	Gresham Ltd.	Since 1965 a subsidiary of Bingham Investment Trust Ltd	SEYB 1961 p.2347
	959	Glen Muar Estates Ltd.	Kuala Lumpur-Kepong Amalgamated Ltd.		SEYB 1961 p.1334
	960	Hardman & Holden Ltd.	Borax (Holdings) Ltd.		SEYB 1961 p.2396
	961	Kepong (Malay) Rubber Estates Ltd	Kuala Lumpur-Kepong Amalgamated Ltd.		SEYB 1961 p.1343
	962	Kuala Kangsar Plantations Ltd.	Kuala Lumpur-Kepong Amalgamated Ltd.		SEYB 1961 p.1345
	963	The Crookes Laboratories Ltd.	Arthur Guinness Son & Company Ltd.		SEYB 1961 p.2110
	964	The Tanjong Malim Rubber Company Ltd.	Kuala Lumpur-Kepong Amalgamated Ltd.		SEYB 1961 p.1381
December 1960	965	London and Lancashire Insurance Company Ltd.	Royal Insurance Company Ltd.		SEYB 1962 p. 663
	966	Morgans Brewery Company Ltd.	(Steward and Patteson Ltd. (Bullard & Sons Ltd.	Since 1963 a subsidiary of WatneyyMann Ltd Since 1963 a subsidiary of Watney Mann Ltd	SEYB 1962 p. 451
	967	North of Scotland, Orkney and Shetland Shipping Company Ltd.	Coast Lines Ltd.		SEYB 1962 p.1418
	968	Standard-Triumph International Ltd	Leyland Motors Ltd.	Name changed in 1963 to The Leyland Motor Corporation Ltd.	SEYB 1961 p.3421 SEYB 1962 p.3094
<u>1961</u>					
January 1961	969	Asiatic Steam Navigation Company Ltd.	Peninsular and Oriental Steam Navigation Company Ltd		SEYB 1962 p.1391
	970	Boulton Paul Aircraft Ltd.	Dowty Group Ltd.		SEYB 1962 p.1860
	971	Bournemouth-Swanage Motor Road and Ferry Company	Raglan Property Trust Ltd.		SEYB 1961 p.3415

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
January 1961	972	British Industrial Plastics Ltd.	Turner & Newall Ltd.		SEYB 1962 p.1903
	973	Cater, Stoffel and Fortt Ltd.	John Harvey & Sons Ltd.	Since 1965 a subsidiary of Showerings, Vine Products & Whiteways Ltd.	SEYB 1961 p.2014
	974	City & Central Investments Ltd.	City Centre Properties Ltd.		SEYB 1962 p.1214
	975	Evans Medical Ltd.	Glaxo Laboratories Ltd.		SEYB 1961 p.2238
	976	Gainsborough Cornard Ltd.	William Hollins & Company Ltd.	Name changed in 1961 to Viyella International Ltd.	SEYB 1961 p.2305
	977	General Theatre Corporation Ltd.	Gaumont British Ltd.	A subsidiary of Odeon Cinema Holdings Ltd.	SEYB 1961 p.2322
	978	H.H. & S. Budgett & Co. Ltd.	Scribbans-Kemp Ltd.		SEYB 1961 p.1961
	979	Howard & Sons Ltd.	Laporte Industries Ltd.		SEYB 1961 p.2481
	980	Isle of Man Bank Ltd.	National Provincial Bank Ltd.		SEYB 1962 p. 332
	981	Manchester Royal Exchange Ltd.	City Centre Properties Ltd.		SEYB 1961 p.2683 SEYB 1962 p.2664
	982	Odhams Press Ltd.	Daily Mirror Newspapers Ltd.	Name changed in 1962 to International Publishing Corporation Ltd.	SEYB 1961 p.3422
	983	Richard Haworth & Co. (Holdings) Ltd.	Messrs. B. & J. Glass		SEYB 1961 p.2419
	984	The Bristol Brewery Georges & Company Ltd.	Courage Barclay & Simonds Ltd.		SEYB 1962 p. 385
	985	The British Xylonite Company Ltd.	The Distillers Company Ltd.		SEYB 1962 p.1920
February 1961	986	East AfricanEstates Ltd.	Private Individuals		SEYB 1962 p. 577
	987	Edinburgh Rubber Estates Ltd.	Highland and Lowlands Para Rubber Company Ltd.		SEYB 1962 p.1331

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
February 1961	988	Nuthalls (Caterers) Ltd.	Mount Charlotte Investments Ltd.		SEYB 1961 p.3422
	989	S. Parkinson & Son (Doncaster) Ltd	J.A. & P. Holland Ltd.	Since 1965 a subsidiary of Cavenham Investments Ltd.	SEYB 1961 p.2851
	990	Sweetenhams Ltd.	London Grocers Ltd.	Name changed in 1964 to Victor Value (Holdings) Ltd.	SEYB 1961 p.3165 SEYB 1962 p.3249
	991	Vitbe Flour Mills Ltd.	Associated British Foods Ltd.	A subsidiary of George Weston Holdings Ltd	SEYB 1961 p.3281
	992	W.J. Bush & Co. Ltd.	Albright & Wilson Ltd.		SEYB 1961 p.1974
	993	Wells and Winch Ltd.	Greene, King & Sons Ltd.		SEYB 1962 p. 494
March 1961	994	Badenoch Rubber Estates Ltd.	Straits Rubber Company Ltd.		SEYB 1962 p.1311
	995	Bagan Serai Rubber Estates Ltd.	Straits Rubber Company Ltd.		SEYB 1962 p.1311
	996	Bretts' Stamping Company Ltd.	J. & H.B. Jackson Ltd.		SEYB 1962 p.1879
	997	Hector Whaling Ltd.	The Clan Line Steamers Ltd.	A subsidiary of The British & Commonwealth Shipping Company Ltd.	SEYB 1962 p.1408
	998	Radio & Allied (Holdings) Ltd.	The General Electric Company Ltd.		SEYB 1962 p.2909
	999	S. Bottomley and Bros. Ltd.	Lister & Co. Ltd.		SEYB 1962 p.1858
	1000	Sterling Poultry Products Ltd.	Ross Group Ltd.		SEYB 1962 p.3107
	1001	The Rock Investment Company Ltd.	The Beumont Property Trust Ltd.		SEYB 1962 p.1282
	1002	The Sunderland Shipbuilding Dry Docks and Engineering Company Ltd	William Doxford and Sons Ltd.	Name changed in 1961 to Doxford and Sunderland Shipbuilding and Engineering Company Ltd.	SEYB 1962 p.3131

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
April 1961	1003	Ansells Brewery Ltd.	Ind Coope Ltd.	Name changed in 1963 to Allied Breweries Ltd	SEYB 1962 p. 374
	1004	Bonsoir Ltd.	Spark Holdings Ltd.		SEYB 1962 p.1852
	1005	Dufay Ltd.	Mr. Marcel Martin		SEYB 1962 p.2161
	1006	E.H. Bentall & Co. Ltd.	Acrow (Engineers) Ltd.		SEYB 1962 p.1809
	1007	Martinez, Gassiot & Company (Portugal) Ltd.	John Harvey & Sons Ltd.	Since 1965 a subsidiary of Showerings, Vine Products & Whiteways Ltd.	SEYB 1962 p.2684
	1008	The British Darjeeling Company Ltd	The Lebong Tea Company Ltd.		SEYB 1962 p.1446
May 1961	1009	A.B. Hemmings Ltd.	Associated British Foods Ltd.	A subsidiary of George Weston Holdings Ltd	SEYB 1962 p.2410
	1010	Groves & Whitnall Ltd.	Greenall, Whitley and Company Ltd.		SEYB 1962 p. 419
	1011	J.H. Sankey & Son (Holdings) Ltd.	British Sisalcraft Ltd.	A subsidiary of St. Regis Paper (U.S.A.)	SEYB 1962 p.3000
	1012	O. & M. Kleeman Ltd.	Mobil Holdings Ltd.	A subsidiary of Socony Mobil Oil Company (U.S.A.)	SEYB 1962 p.2560
	1013	Pulsometer Engineering Company Ltd	Booker Brothers, McConnell & Co. Ltd.		SEYB 1962 p.3040
	1014	Settle Limes Ltd.	Imperial Chemical Industries Ltd.		SEYB 1962 p.3023
	1015	Thomas Bolton & Sons Ltd.	British Insulated Callender's Cables Ltd.		SEYB 1962 p.1852
	1016	W.H. Dorman & Co. Ltd.	The English Electric Company Ltd.		SEYB 1962 p.2148
June 1961	1017	Bajoe Kidoel Rubber and Produce Company Ltd.	London Sumatra Plantations Ltd.		SEYB 1962 p.1312
	1018	Central Sumatra Rubber Estates Ltd	London Sumatra Plantations Ltd.		SEYB 1962 p.1323
	1019	Davis and Timmins Ltd.	Delta Metal Company Ltd.		SEYB 1962 p.2122

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
June 1961	1020	Djasinga Rubber and Produce Company Ltd.	London Sumatra Plantations Ltd.		SEYB 1962 p.1329
	1021	Harper Paper Group Ltd.	J.A. & P. Holland Ltd.	Since 1965 a subsidiary of Cavenham Investments Ltd.	SEYB 1962 p.2322
	1022	Pusing Rubber and Tin Ltd.	PrivatebIndividuals		SEYB 1962 p.1584
	1023	Ryder and Son (1920) Ltd.	R. & G. Cuthbert Ltd.		SEYB 1962 p.2984
	1024	Spa Brushes Ltd.	The "Sanitas" Trust Ltd.		SEYB 1962 p.3077
	1025	Squires Gate Blackpool Holiday Camp Ltd.	Pontin's Ltd.		SEYB 1962 p.3089
	1026	The Bah Lias Rubber Estates Ltd.	London SumatraPlantations Ltd.		SEYB 1962 p.1311
	1027	The Cornbrook Brewery Company Ltd.	United Breweries Ltd.	Since 1962 a subsidiary of Charrington United Breweries Ltd.	SEYB 1962 p. 398
	1028	The Sialang Rubber Estates Ltd.	London Sumatra Plantations Ltd.		SEYB 1962 p.1373
	1029	The Superheater Company Ltd.	International Combustion (Holdings) Ltd.		SEYB 1962 p.3133
July 1961	1030	A. C. Cossor Ltd.	Raytheon Company (U.S.A.)		SEYB 1962 p.2069
	1031	Catterall and Swarbricks Brewery Ltd.	United Breweries Ltd.	Since 1962 a subsidiary of Charrington United Breweries Ltd.	SEYB 1962 p. 394
	1032	Sterling Industries Ltd.	The Cayzer Trust Co. Ltd.		SEYB 1962 p.3106 SEYB 1963 p.3093
	1033	Vantona Textiles Ltd.	Richard Haworth & Co. (Holdings) Ltd.		SEYB 1962 p.3243
August 1961	1034	Doom Dooma Tea Company Ltd.	Brooke, Bond & Co. Ltd.		SEYB 1962 p.1460
	1035	Lincoln Hotels Ltd.	Stanwell Oil & Gas Ltd. (Canada)		SEYB 1962 p.2604

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
August 1961	1036	Pinoya Holdings Ltd.	Unilever Ltd.		SEYB 1962 p.2865
September 1961	1037	Carmo (Holdings) Ltd.	Scottish Motor Traction Ltd.	A subsidiary of Sears Holdings Ltd.	SEYB 1962 p.1982
	1038	Chesters Brewery Company Ltd.	Threlfall's Brewery Company Ltd.	Name changed in 1961 to Threlfalls Chesters Ltd.	SEYB 1963 p. 382
	1039	Corinthian Investments Ltd.	The City of London Real Property Ltd.		SEYB 1963 p.1206
	1040	Grainger & Smith Ltd.	A. Whyman Ltd.	A subsidiary of United Drapery Stores Ltd	SEYB 1962 p.2331
	1041	John Barran & Sons Ltd.	Hart & Levy Ltd.	Since 1964 a subsidiary of Beekman Investments Ltd	SEYB 1962 p.1782
	1042	Lydenburg Estates Ltd.	Anglo American Corporation of South Africa Ltd.		SEYB 1962 p.1582
October 1961	1043	Aberdeen Ice Company Ltd.	Transport Development Group Ltd.		SEYB 1962 p.1657
	1044	Batu Tiga (Selangor) Rubber Company Ltd.	NG. Eng Hiam Plantations Ltd.		SEYB 1962 p.1577
	1045	British Enka Ltd.	Courtaulds Ltd.		SEYB 1962 p.1899
	1046	Davis Securities Ltd.	Charterbridge Corporation Ltd.	Since 1965 a subsidiary of St. Martins Corporation Ltd.	SEYB 1962 p.1578
	1047	Heinemann Publishers Ltd.	Thomas Tilling Ltd.		SEYB 1962 p.2407
	1048	Holmes Homalloy Ltd.	John Brown and Company Ltd.		SEYB 1962 p.2444
	1049	James Laing Son & Co. (M/C) Ltd.	Manbré and Garton Ltd.		SEYB 1962 p.2565
	1050	Nevett Ltd.	Waterlow and Sons Ltd.	Since 1962 a subsidiary of The British Printing Corporation Ltd.	SEYB 1962 p.2772
	1051	Specialloid Ltd.	Clifford Motor Components Ltd.	Since 1965 a subsidiary of T.R.W. Inc.	SEYB 1962 p.3079

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
October 1961	1052	Thomas Wallis and Company Ltd.	Macowards Ltd.		SEYB 1962 p.3269
	1053	W.D. Evans Golden Produce Ltd.	Fitch Lovell Ltd.		SEYB 1962 p.2220
	1054	W. Ottway & Co. Ltd.	Hilger & Watts Ltd.		SEYB 1962 p.2816
November 1961	1055	Follsain Ltd.	Clayton Dewandre Holdings Ltd.		SEYB 1962 p.2264
	1056	Gloucester Railway Carriage and Wagon Ltd.	Winget Ltd.	Name changed in 1961 to Winget Cloucester Ltd.	SEYB 1962 p.2316
	1057	Green's Store (Ilford) Ltd.	Fitch Lovell Ltd.		SEYB 1962 p.2348
	1058	Illustrated Newspapers Ltd.	The Thomson Organization Ltd.	A subsidiary of Thomson Scottish Associates Ltd.	SEYB 1962 p.2480
	1059	Lodge Plugs Ltd.	S. Smith & Sons (England) Ltd.	Name changed in 1965 to Smiths Industries Ltd	SEYB 1962 p.2617
	1060	Luskerpore Tea Company Ltd.	Surmah Valley Tea Company Ltd.		SEYB 1965 p.1451
	1061	Stewart & Son of Dundee Ltd.	John Harvey & Sons Ltd.	Since 1965 a subsidiary of Showerings, Vine Products & Whiteways Ltd.	SEYB 1963 p. 457
	1062	Town Investments Ltd.	Metropolitan Estate and Property Corporation Ltd.		SEYB 1963 p.1288
	1063	Wallis Tin Stamping Company Ltd.	The Metal Box Company Ltd.		SEYB 1962 p.3270
	1064	William Whiteley Ltd.	United Drapery Stores Ltd.		SEYB 1962 p.3309
December 1961	1065	Ceramic Holdings Ltd.	J. & J. Dyson Ltd.		SEYB 1962 p.2005 SEYB 1963 p.1984
	1066	Charles H. Pugh Ltd.	Qualcast Ltd.		SEYB 1962 p.2897
	1067	Edward Denison (Yeadon) Ltd.	David Dixon and Son Ltd.		SEYB 1962 p.2125

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
December 1961	1068	Eglinton Hotels (Scotland) Ltd.	Grand Hotels (Mayfair) Ltd.	Since 1962 a subsidiary of Grand Metropolitan Hotels Ltd.	SEYB 1962 p.2188
	1069	Grout and Company Ltd.	Carrington and Dewhurst Ltd.		SEYB 1962 p.2354
	1070	Hewitt Brothers Ltd.	United Breweries Ltd.	Since 1962 a subsidiary of Charrington United Breweries Ltd.	SEYB 1963 p. 412
	1071	Hovis-McDougall Ltd.	Ranks Ltd.	Name changed in 1962 to Ranks Hovis McDougall Ltd.	SEYB 1962 p.2458
	1072	James Rothwell Ltd.	Europa Textiles Ltd.		SEYB 1962 p.2969
	1073	J.P. Hall & Sons (Holdings) Ltd.	W.H. Allen Sons & Company Ltd.		SEYB 1962 p.2368
	1074	Kingston Steam Trawling Company Ltd.	Associated Fisheries Ltd.		SEYB 1962 p.2556
	1075	Lockhart Group Ltd.	Trust Houses Ltd.		SEYB 1962 p.2616
	1076	Minton Hollins Ltd.	The Campbell Tile Company Ltd.	Name changed in 1964 to Richards-Campbell Tiles Ltd.	SEYB 1962 p.2728
	1077	Piccadilly Theatre Ltd.	Donmar Productions Ltd.	A subsidiary of T.W.W. Ltd.	SEYB 1962 p.2861
	1078	Tennant Brothers Ltd.	Whitbread and Company Ltd.		SEYB 1963 p. 462
	1079	Warwicks and Richardsons Ltd.	John Smith's Tadcaster Brewery Company Ltd.		SEYB 1963 p. 472
	1080	Zwanenberg Associated Food Companies Ltd.	The Smithfield Animal Products Company Ltd.	Name changed in 1962 to Smithfield & Zwanenberg Group Ltd.	SEYB 1962 p.3376
1962					
January 1962	1081	Henry Balfour and Company Ltd.	Pfandler Permutit Inc. (U.S.A.)		SEYB 1963 p.1751
	1082	J. & A. Churchill Ltd.	The Financial News Ltd.	A subsidiary of S. Pearson Industries Ltd	SEYB 1962 p.2017 SEYB 1963 p.1995
	1083	J.F. and H. Roberts Ltd.	Amalgamated Cotton Mills Trust Ltd.	Since 1963 a subsidiary of Viyella International Ltd.	SEYB 1962 p.2954

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
January 1962	1084	Key Glassworks Ltd.	United Glass Ltd.		SEYB 1962 p.2552
	1085	Kinnear Moodie (Civil Engineering) Ltd.	Mitchell Construction Co. Ltd.		SEYB 1962 p.2557
	1086	Martin Bros. (Machinery) Ltd.	George H. Alexander Machinery Ltd.		SEYB 1962 p.2683
	1087	Saxone, Lilley & Skinner (Holdings) Ltd.	British Shoe Corporation Ltd.	A subsidiary of Sears Holdings Ltd.	SEYB 1962 p.3006
	1088	Stedall & Company Ltd.	Pillar Holdings Ltd.		SEYB 1962 p.3099 SEYB 1963 p.3085
February 1962	1089	D. Morgan Rees & Sons Ltd.	British Ropes Ltd.		SEYB 1962 p.2936
	1090	Fulford, Trumps & Co. Ltd.	Ranks Hovis McDougall Ltd.		SEYB 1962 p.2281
	1091	Grand Hotels (Mayfair) Ltd.	Mount Royal Ltd.	Name changed in 1962 to Grand Metropolitan Hotels Ltd.	SEYB 1963 p.2317
	1092	Prima Industries Ltd.	Mr. V.D. Royston and Mr. T.C.Lathe		SEYB 1962 p.2891 SEYB 1963p. 2875
March 1962	1093	Beaulahs (Kings Lynn) Canners Ltd	Peter Keevil and George Walker Ltd.	A subsidiary of George Weston Holdings Ltd	SEYB 1963 p.1775
	1094	Greenfriar Investment Company Ltd.	Witan Investment Company Ltd.		SEYB 1963 p. 752
	1095	Halkyn District United Mines Ltd.	Courtaulds Ltd.		SEYB 1963 p.1016
	1096	Norman & Pring Ltd.	Whitbread and Company Ltd.		SEYB 1963 p. 439
	1097	Pathini Tea Company Ltd.	Atlas Corporation Ltd.		SEYB 1963 p.1461
	1098	Spencer (Melksham) Ltd.	Elliott-Automation Ltd.		SEYB 1962 p.3395
	1099	Willoughby's Consolidated Company Ltd.	London and Rhodesian Mining and Land Company Ltd.	Name changed in 1963 to Lonrho Ltd.	SEYB 1963 p.1118

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
April 1962	1100	Block, Anderson & Kolok Ltd.	Ozalid Company Ltd.		SEYB 1963 p.1821
	1101	Flowers Breweries Ltd.	Whitbread and Company Ltd.		SEYB 1963 p. 396
	1102	Gilbeys Ltd.	United Wine Traders Ltd.	Name changed in 1962 to International Distillers and Vintners Ltd.	SEYB 1963 p. 401
	1103	Murphy Radio Ltd.	The Rnak Organization Ltd.	A subsidiary of Odeon Cinema Holdings Ltd	SEYB 1963 p.2901
	1104	Stratford-on-Avon Produce Canners Ltd.	United Yeast Co. Ltd.	A subsidiary of The Distillers Company Ltd.	SEYB 1963 p.3107
May 1962	1105	Albert E. Mallandain Ltd.	Associated Paper Mills Ltd.		SEYB 1963 p.2637
	1106	Eastwoods Ltd.	The Rugby Portland Cement Company Ltd.		SEYB 1963 p.2160
	1107	Expandite Ltd.	Castrol Ltd.	Since 1966 a subsidiary of The Burmah Oil Company Ltd.	SEYB 1963 p.2205
	1108	Hardy's Crown Brewery Ltd.	United Breweries Ltd.	Since 1962 a subsidiary of Charrington United Breweries Ltd.	SEYB 1963 p. 410
	1109	Heatrae Ltd.	Centramic U.K. Ltd.	Since 1965 a subsidiary of Charter Consolidated Ltd	SEYB 1963 p.2387
	1110	Land Revenues Trust Ltd.	Grand Junction Company Ltd.		SEYB 1963 p.1234
	1111	Prang Besar Rubber Estate Ltd.	Golden Hope Rubber Estate Ltd.		SEYB 1963 p.1348
	1112	Temoh Tin Dredging Ltd.	Jipoh Investments Ltd.		SEYB 1963 p.1098
	1113	The Straits Plantations Ltd.	Golden Hope Rubber Estate Ltd.		SEYB 1963 p.1356
	1114	Tyspane Tea Holdings Ltd.	Robertson, Bois and Co. Ltd.	A subsidiary of Eastern Produce (Holdings) Ltd.	SEYB 1963 p.1475
	1115	Vigzol Oil Company Ltd.	Amoco International S.A.	A subsidiary of Standard Oil Company (Indiana).	SEYB 1963 p.1169

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
June 1962	1116	Associated Commercial Vehicles Ltd.	The Leyland Motor Corporation Ltd.		SEYB 1963 p.1713
	1117	Jalinga Tea Company Ltd.	G. Ambalal (Export) Private Ltd. (Calcutta)		SEYB 1963 p.1447
	1118	Jerome Ltd.	Winfield Investment Trust Ltd.		SEYB 1963 p.2493
	1119	Kirklees Ltd.	Courtaulds Ltd.		SEYB 1963 p.2539
	1120	The Birkenhead Brewery Company Ltd.	Threlfalls Chesters Ltd.		SEYB 1963 p. 370
July 1962	1121	Anderston Foundry Company Ltd.	F.R. Evans (Leeds) Ltd.		SEYB 1963 p. 881 TIMES 10/7/62p19
	1122	British Coated Board & Paper Mills Ltd.	Purnell and Sons Ltd.	Name changed in 1964 to The British Printing Corporation Ltd.	SEYB 1963 p.1872
	1123	Dussek Brothers & Company Ltd.	Lobitos Oilfields Ltd.		SEYB 1963 p.2150
	1124	Foster-Probyn Ltd.	Young and Co.'s Brewery Ltd.		SEYB 1963 p.2253
	1125	Hogg & Mitchell (Holdings) Ltd.	British Van Heusen Corporation Ltd.	Since 1963 a subsidiary of Viyella International Ltd.	SEYB 1963 p.2420
	1126	Kentan Gold Areas Ltd.	Rhodesia-Katanga Ltd.		SEYB 1963 p.1566 SEYB 1964 p.1027
	1127	Lansil Ltd.	Monsanto Chemicals Ltd.	A subsidiary of Monsanto Chemical Co. (U.S.A.)	SEYB 1963 p.2553
	1128	Leonard Hughes Ltd.	S. & U. Stores Ltd.		SEYB 1963 p.2446
	1129	Raphael Tuck & Sons Ltd.	Purnell and Sons Ltd.	Name changed in 1964 to The British Printing Corporation Ltd.	SEYB 1963 p.3188
	1130	Simpson & Godlee Ltd.	Alliance Brothers Ltd.		SEYB 1963 p.3034

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
August 1962	1131	Dawes Radio Group Ltd.	Radio Rentals Ltd.		SEYB 1963 p.2094
	1132	District Bank Ltd.	National Provincial Bank Ltd.		SEYB 1964 p. 341
	1133	E.F. Fairburn Holdings Ltd.	Ross Group Ltd.		SEYB 1963 p.2210
	1134	E.N.V. Engineering Company Ltd.	Eaton Manufacturing Co. (U.S.A.)		SEYB 1963 p.2153
	1135	Isaac Holden & Sons Ltd.	Woolcombers Ltd.		SEYB 1963 p.2421
	1136	John Oakey & Sons Ltd.	English Abrasives Corporation Ltd.		SEYB 1963 p.2785
	1137	Kenwell Property Holdings Ltd.	London Shop Property Trust Ltd.		SEYB 1964 p.1230
	1138	Lobitos Oilfields Ltd.	The Burmah Oil Company Ltd.		SEYB 1963 p.1156
	1139	Padley & Venables Ltd.	Derbyshire Stone Ltd.		SEYB 1963 p.2804
	1140	Quorn Specialties (Holdings) Ltd.	F.W. Hampshire & Co. Ltd.	Since 1965 a subsidiary of Reckitt & Colman Holdings Ltd.	SEYB 1963 p.2892
	1141	Rio de Janeiro Land, Mortgage and Investment Agency Company Ltd.	London Shop Property Trust Ltd.		SEYB 1964 p.1269
	1142	William Willett Ltd.	The Westminster Trust Ltd.		SEYB 1963 p.1297
September 1962	1143	Fardons Vinegar Company Ltd.	Horlicks Ltd.		SEYB 1963 p.2215
	1144	F.T. Products Ltd.	United Dot Products Ltd.	A subsidiary of United-Carr Fastener Corporation (U.S.A.)	SEYB 1963 p.2210
	1145	Jas. Williamson & Son Ltd.	Michael Nairn & Greenwich Ltd.	Name changed in 1962 to Nairn & Williamson (Holdings) Ltd.	SEYB 1963 p.3313
	1146	J. Whittingham & Sons Ltd.	Claude Alexander Ltd.	A subsidiary of Drage's Ltd.	SEYB 1963 p.3298

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
October 1962	1147	Bakelite Ltd.	Bakelite Xylonite Ltd.	A subsidiary of Union Carbide (U.S.A.)	SEYB 1963 p.1747
	1148	Edge Tool Industries Ltd.	Eva Industries Ltd.		SEYB 1963 p.2162
	1149	Enfield Cycle Company Ltd.	E. & H.P. Smith Ltd.		SEYB 1963 p.2185
	1150	Headrow Clothes Ltd.	Great Universal Stores Ltd.		SEYB 1963 p.2385
	1151	J. Weiner Ltd.	The News of the World Organisation Ltd.		SEYB 1963 p.3273
	1152	South Wales Cinemas Ltd.	Gwent and West of England Enterprises Ltd.	A subsidiary of Hodge & Co. (Insurance) Ltd.	SEYB 1963 p.3062
	1153	Starkey, Knight and Ford Ltd.	Whitbread and Company Ltd.		SEYB 1965 p. 475
	1154	Stephen Smith & Company Ltd.	Emu Wine Company Ltd.	A subsidiary of Chaplin Holdings Ltd.	SEYB 1963 p.3049
	1155	Thomas Preston Ltd.	Melbray Group Ltd.		SEYB 1963 p.2868
November 1962	1156	Acton Bolt Ltd.	Guest, Keen and Nettlefolds Ltd.		SEYB 1963 p.1642
	1157	Bagshaw Morris Ltd.	Grafton Industrial Securities Ltd.	Since 1963 a subsidiary of Pillar Holdings Ltd.	SEYB 1963 p.1744
	1158	British Oil Shipping Company Ltd.	Anglo-American Shipping Company Ltd.	A subsidiary of Anglo Norness Shipping Company Ltd.	SEYB 1964 p.1370
	1159	Car Mart Ltd.	Kennings Ltd.		SEYB 1963 p.1958
	1160	Cavendish House (Cheltenham) Ltd.	J. J. Allen Ltd.		SEYB 1963 p.1976
	1161	Dubarry Perfumery Company Ltd.	William R. Warner & Co. Ltd.	A subsidiary of Warner Lambert Pharmaceuticals (U.S.A.).	SEYB 1963 p.2137
	1162	Northgate Group Ltd.	Canadian & English Stores Ltd.	Name changed in 1962 to Northgate & English Stores Ltd	SEYB 1963 p.2777
	1163	Sungei Tiram Rubber Estate Ltd.	Private Individuals		SEYB 1963 p.1360

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
December 1962	1164	Chinnor Industries Ltd.	The Rugby Portland Cement Company Ltd.		SEYB 1963 p.1991
	1165	Kardomah Ltd.	Forte's (Holdings) Ltd.		SEYB 1963 p.2513
	1166	Manley and Regulus Ltd.	Delta Metal Company Ltd.		SEYB 1963 p.2647
	1167	Singleton Benda & Co. Ltd.	Anning, Chadwick & Kiver Ltd.	Since 1966 a subsidiary of Wood Hall Trust Ltd.	SEYB 1963 p.3037
	1168	The Whitehead Iron and Steel Company Ltd.	Richard Thomas & Baldwins Ltd.	A subsidiary of Iron & Steel Holdings & Realisation Agency	SEYB 1964 p. 970
<u>1963</u>					
January 1963	1169	Bylock Electric Ltd.	Rolls Razor Ltd.		SEYB 1963 p.3372
	1170	Pinners Hall (Austin Friars) Ltd.	St. Martins Property Corporation Ltd		SEYB 1964 p.1260
	1171	S.M.F. (Holdings) Ltd.	George Nott Industries Ltd.		SEYB 1963 p.2976
	1172	Shuresta (A. Mirecki) Ltd.	Lines Bros. Ltd.		SEYB 1963 p.3026
	1173	Willer and Riley (1910) Ltd.	Hugon & Company Ltd.	Since 1963 a subsidiary of Cerebos Ltd.	SEYB 1963 p.3308
February 1963	1174	Ambrose Shardlow & Co. Ltd.	Guest, Keen and Nettlefolds Ltd.		SEYB 1964 p.3012
	1175	Ashton Vale Iron Company Ltd.	Eldonwall Investments Ltd.		SEYB 1963 p.1702
	1176	"Belle Vue" (Manchester) Ltd.	Forte's (Holdings) Ltd.		SEYB 1964 p.1803 TIMES 13/2/63p18
	1177	Colombo Commercial Company Ltd.	Hunasgeria Tea Co. Ltd.	Name changed in 1963 to Consolidated Commercial Company Ltd.	SEYB 1964 p.2035 TIMES 20/2/63p19
	1178	Gale and Polden Ltd.	Purnell and Sons Ltd.	Name changed in 1964 to The British Printing Corporation Ltd.	SEYB 1963 p.3374

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
February 1963	1179	James Howell and Company Ltd.	Gwent and West of England Enterprises Ltd.	A subsidiary of Hodge & Co. (Insurance) Ltd.	SEYB 1963 p.3376
	1180	Joseph Terry and Sons Ltd.	Forte's (Holdings) Ltd.		SEYB 1963 p.3146
	1181	Overton (Holdings) Ltd.	De Vere Hotels Ltd.	Name changed in 1963 to Oxley Industries Ltd.	SEYB 1964 p.2796
	1182	Sun Real Estates Ltd.	Rodwell London & Provincial Properties Ltd.		SEYB 1964 p.1284
	1183	The Blackpool Pier Company	Forte's (Holdings) Ltd.		SEYB 1963 p.3371
	1184	Walter Somers Ltd.	Mitchell, Shackleton & Company Ltd.	Name changed in 1963 to Mitchell Somers Ltd.	SEYB 1964 p. 952
March 1 963	1185	Blythe Colour Works Ltd.	Johnson, Matthey & Co. Ltd.		SEYB 1964 p.1840
	1186	Coates Fencing Ltd.	Banbury Buildings Ltd.		SEYB 1964 p.2024
	1187	Colliers Stores Ltd.	Macowards Ltd.		SEYB 1964 p.2033
	1188	Corrall & Associated Companies Ltd.	Powell Duffryn Ltd.		SEYB 1964 p. 918
	1189	Gerrard Industries Ltd.	(The United Steel Companies Ltd. (Acme Steel Co. (Chicago)		SEYB 1964 p.2286
	1190	Holophane Ltd.	Private Individuals		SEYB 1963 p.3375
	1191	Smethwick Drop Forgings Ltd.	Guest, Keen and Nettlefolds Ltd.		SEYB 1963 p.3384 SEYB 1964 p.3037
	1192	Smith's Stamping Works (Coventry) Ltd.	Guest, Keen and Nettlefolds Ltd.		SEYB 1964 p.3048
	1193	W. N. Froy & Sons Ltd.	Redland Holdings Ltd.		SEYB 1963 p.3374

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
April 1963	1194	British Feeding-Meals Company Ltd.	Spillers Ltd.		SEYB 1964 p.1892
	1195	Cave, Austin & Company Ltd.	Burton, Son & Sanders Ltd.		SEYB 1964 p.1985
	1196	George Hodsman & Sons (1928) Ltd.	Hargreaves Group Ltd.		SEYB 1964 p.2418
	1197	The London Aluminium Company Ltd.	Midland Aluminium Company Ltd.		SEYB 1964 p.2594
	1198	The Wilkinson Property Investment Trust Ltd.	Amalgamated Securities Ltd.		SEYB 1964 p.1298
	1199	Valentine & Sons Ltd.	John Waddington Ltd.		SEYB 1964 p.3220
May 1963	1200	Byard Manufacturing Company Ltd.	Mr. James J. Murphy		SEYB 1964 p.1951
	1201	Conway Stewart & Co. Ltd.	Devobond Investments Ltd.		SEYB 1964 p.2046
	1202	Foister, Clay & Ward Ltd.	Courtaulds Ltd.		SEYB 1964 p.2246
	1203	J. & R. Tennent Ltd.	Charrington United Breweries Ltd.		SEYB 1964 p. 481
	1204	L. Harris (Harella) Ltd.	Selincourt & Sons Ltd.		SEYB 1964 p.2365
	1205	Tootal Ltd.	English Sewing Cotton Company Ltd.		SEYB 1964 p.3165
June 1963	1206	Bairns-Wear Ltd.	Courtaulds Ltd.		SEYB 1964 p.1767
	1207	British Rayophane Ltd.	British Sidac Ltd.		SEYB 1964 p.1902
	1208	Enfield Rolling Mills Ltd.	Delta Metal Company Ltd.		SEYB 1964 p.2187
	1209	G. & T. Bridgewater Ltd.	Smith's Potato Crisps Ltd.	Since 1966 a subsidiary of General Mills Inc.	SEYB 1964 p.3096

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
July 1963	1210	Max Stone Ltd.	Firth Cleveland Ltd.		SEYB 1964 p.3096
	1211	National United Laundries Corporation Ltd.	Sunlight Laundries (Loud & Western) Ltd.	Name changed in 1963 to National Sunlight Laundries Ltd.	SEYB 1964 p.2747
	1212	West Country Brewery Holdings Ltd.	Whitbread and Company Ltd.		SEYB 1964 p. 493
August 1963	1213	Drayton Controls Ltd.	Spirax-Sarco Engineering Ltd.		SEYB 1964 p.2138
	1214	E.G. Brown & Co. Ltd.	Winn Industries Ltd.		SEYB 1964 p.1925
	1215	Swallow Raincoats Ltd.	S. & U. Stores Ltd.		SEYB 1964 p.3114
September 1963	1216	City Business Properties Ltd.	London City and Westcliff Properties Ltd.		SEYB 1965 p.1202
	1217	J. Nimmo and Son Ltd.	Whitbread and Company Ltd.		SEYB 1964 p.1589
	1218	John Binns & Sons Ltd.	Viyella International Ltd.		SEYB 1964 p.1821
	1219	Three Hands Ltd.	Jeyes' Sanitary Compounds Company Ltd.	Name changed in 1965 to Jeyes Group Ltd.	SEYB 1964 p.3150
October 1963	1220	Grafton Industrial Securities Ltd.	Pillar Holdings Ltd.		SEYB 1964 p.2313
	1221	Grosvenor House (Park Lane) Ltd.	Trust Houses Ltd.		SEYB 1964 p.2336
	1222	Henry Head & Company Ltd.	Sedgwick, Collins (Holdings) Ltd.		SEYB 1965 p. 645
	1223	Hugon & Company Ltd.	Cerebos Ltd.		SEYB 1964 p.2446
	1224	Lillywhites Ltd.	Charles Forte Investments Ltd.		SEYB 1964 p.2579
	1225	Spicers Ltd.	Reed Paper Group Ltd.		SEYB 1964 p.3065
	1226	Susan Small Holdings Ltd.	Courtaulds Ltd.		SEYB 1964 p.3113

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
October 1963	1227	Swan Investment Trust Ltd.	Discount and General Investment Company Ltd.		SEYB 1964 p.1592
	1228	Thomas Robinson Sons and Co. Ltd.	Melbray Group Ltd.		SEYB 1964 p.2946
November 1963	1229	British Van Heusen Corporation Ltd.	Viyella International Ltd.		SEYB 1964 p.1912
	1230	Bullard & Sons Ltd.	Watney Mann Ltd.		SEYB 1965 p. 405
	1231	City and West End Properties Ltd.	Trafalgar House Ltd.		SEYB 1965 p.1202
	1232	Consolidated London Properties Ltd.	Capital & Counties Property Company Ltd.		SEYB 1965 p.1209
	1233	Friary-Meux Ltd.	Allied Breweries Ltd.		SEYB 1965 p. 428
	1234	Harold Wesley Ltd.	Purnell and Sons Ltd.	Name changed in 1964 to The British Printing Corporation Ltd.	SEYB 1964 p.3268
	1235	Hide & Co. Ltd.	The Calico Printers' Association Ltd		SEYB 1964 p.2404
	1236	James Nelson Ltd.	Courtaulds Ltd.		SEYB 1964 p.2751
	1237	Meridian Ltd.	Courtaulds Ltd.		SEYB 1964 p.2681
	1238	Metropolitan Properties Company Ltd.	Freshwater Family Holdings Ltd.		SEYB 1965 p.1259
	1239	Steward and Patteson Ltd.	Watney Mann Ltd.		SEYB 1965 p. 476
	1240	Wright's Ropes Ltd.	British Ropes Ltd.		SEYB 1964 p.3338
December 1963	1241	Amal Ltd.	Imperial Metal Industries Ltd.	A subsidiary of Imperial Chemical Industries Ltd	SEYB 1964 p.1691
	1242	Burlington Estates Ltd.	The Land Securities Investment Trust Ltd.		SEYB 1965 p.1189

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
December 1963	1243	George Brettle & Company Ltd.	Courtaulds Ltd.		SEYB 1964 p.1872
	1244	Hazell Sun Ltd.	Purnell and Sons Ltd.	Name changed in 1964 to The British Printing Corporation Ltd.	SEYB 1964 p.2383
	1245	Joshua Hoyle and Sons Ltd.	Illingworth, Morris & Company Ltd.		SEYB 1964 p.2443
	1246	S.D. Stretton & Sons Ltd.	Whitworth and Mitchell Textorial Ltd.		SEYB 1964 p.3102
	1247	Victoria Property and Investment Company Ltd.	Allied Land and Investment Company Ltd.		SEYB 1965 p.1302
<u>1964</u>					
January 1964	1248	British Alkaloids Ltd.	Pfizer Ltd.		SEYB 1965 p.1920 TIMES 18/1/64p12
	1249	Frank Cooper Ltd.	Brown & Polson Ltd.	A subsidiary of Corn Products Refining Company (U.S.A.)	SEYB 1964 p.2048
	1250	Lyle & Scott Ltd.	Wolsey Ltd.		SEYB 1964 p.3385
	1251	Henry C. Stevens Ltd.	The Equity Corporation (U.S.A.)		SEYB 1964 p.3085
	1252	Mellowes & Company Ltd.	Pillar Holdings Ltd.		SEYB 1964 p.2677
	1253	The Buxted Chicken Co. Ltd.	Nitrovit Ltd.	Name changed in 1964 to Allied Farm Foods Ltd.	SEYB 1964 p.3362
	1254	Thomas Ramsden & Son Ltd.	Allied Breweries Ltd.		SEYB 1965 p. 465
	1255	W. & J. Lawley Ltd.	Valor Company Ltd.		SEYB 1964 p.2556
February 1964	1256	Doloo Tea Company Ltd.	G. Ambalal (Export) Private Ltd. (Calcutta).		SEYB 1965 p.1437
	1257	Federated Foundries Ltd.	Allied Ironfounders Ltd.		SEYB 1965 p. 937

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
February 1964	1258	Fras. Hinde & Sons Ltd.	Courtaulds Ltd.		SEYB 1964 p.2411
	1259	Johnson and Phillips Ltd.	Delta Metal Company Ltd.		SEYB 1964 p.2498
	1260	Meccano Ltd.	Lines Bros. Ltd.		SEYB 1964 p.2673 SEYB 1965 p.2738
	1261	Nathan Brown Estates Ltd.	The Land Securities Investment Trust Ltd.		SEYB 1965 p.1189
March 1964	1262	Donaldson Textiles Ltd.	Pasolds Ltd.	Since 1965 a subsidiary of J.&.P.Coats, Patons & Baldwins Ltd.	SEYB 1965 p.2175
	1263	E.W. Tarry and Co. Ltd.	Williams, Hunt South Africa Ltd.		SEYB 1965 p.3199
	1264	Park Investments Ltd.	St. Martins Property Corporation Ltd.		SEYB 1965 p.1268
	1265	Technicolor Ltd.	Technicolor Corporation of America		SEYB 1965 p.3210
April 1964	1266	Kamna Ltd.	Mr. J.A. Wells and Mr. S.C. Weiner		SEYB 1964 p.2510 SEYB 1965 p.2077
	1267	Thomas Marshall (Marlbeck) Ltd.	Private Individuals		SEYB 1965 p.2724
May 1964	1268	Cannon (Holdings) Ltd.	The General Electric Company Ltd.		SEYB 1965 p.2004
	1269	Premier Dyeing and Finishing (Holdings) Ltd.	Courtaulds Ltd.		SEYB 1965 p.2928
	1270	Stanhope Steamship Company Ltd.	George Nott Industries Ltd.		SEYB 1965 p.1409
	1271	Thomas C. Wild & Sons Ltd.	Allied English Potteries Ltd.	A subsidiary of S. Pearson Industries Ltd	SEYB 1965 p.3383
	1272	Woodheads Brewery Ltd.	Charrington United Breweries Ltd.		SEYB 1965 p. 495
	1273	Yeatman and Company Ltd.	Carsons Ltd.	A subsidiary of Cavenham Investments Ltd	SEYB 1965 p.3432

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
June 1964	1274	Craigmore Holdings Ltd.	Cane Ltd.		SEYB 1965 p.1433
	1275	Darlington Wire Mills Ltd.	Aurora Gear and Engineering Company Ltd.		SEYB 1965 p.2138
	1276	Ether Controls Ltd.	Pye of Cambridge Ltd.	Since 1967 a subsidiary of Philips' Incandescent Lamp Works Holding Company	SEYB 1965 p.2247
	1277	Field, Sons and Company Ltd.	Reed Paper Group Ltd.		SEYB 1965 p.2274
	1278	Malay Coconut Estates Ltd.	Mr. William McPhail		SEYB 1965 p.1348
	1279	Oswald Tillotson Ltd.	Wiles Group Ltd.		SEYB 1965 p.3230
	1280	Procea Products Ltd.	Carsons Ltd.	A subsidiary of Cavenham Investments Ltd.	SEYB 1965 p.2942
	1281	Remfield Trust Ltd.	Messrs. A.J. and R.K. Richards		SEYB 1965 p. 838
	1282	R.F. Brookes Ltd.	Avana Group Ltd.		SEYB 1965 p.1958
	1283	The Bradford Dyers' Association Ltd.	Viyella International Ltd.		SEYB 1965 p.1900
	1284	The Pullin Group Ltd.	The Rank Organisation Ltd.	A subsidiary of Odeon Cinema Holdings Ltd.	SEYB 1965 p.2946
	1285	Webb's Crystal Glass Company Ltd.	Crown House Investments Ltd.		SEYB 1965 p.3348
	1286	William Tatton & Co. Ltd.	Carrington and Dewhurst Group Ltd.		SEYB 1965 p.3203
July 1964	1287	Barlow and Jones Ltd.	English Sewing Cotton Company Ltd.		SEYB 1965 p.1819
	1288	Caird and Rayner Ltd.	Mount Row Holdings Ltd.		SEYB 1965 p.1994
	1289	Combined English Mills (Spinners) Ltd.	Viyella International Ltd.		SEYB 1965 p.2078

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
July 1964	1290	Dutton's Blackburn Brewery Ltd.	Whitbread and Company Ltd.		SEYB 1965 p. 422
	1291	Fine Spinners and Doublers Ltd.	Courtaulds Ltd.		SEYB 1965 p.2279
	1292	Glacier Metal Company Ltd.	Associated Engineering Ltd.		SEYB 1965 p.2340
	1293	Indo-China Steam Navigation Company Ltd.	Jardine, Matheson & Co. Ltd. (Hong Kong).		SEYB 1965 p.1395
	1294	Lancashire Cotton Corporation Ltd.	Courtaulds Ltd.		SEYB 1965 p.2610
	1295	Mountain Copper Company Ltd.	Stauffer Chemical Co. (U.S.A.)		SEYB 1966 p.1051 TIMES 10/7/64p18
	1296	Neuchatel Asphalte Company Ltd.	Derbyshire Stone Ltd.		SEYB 1965 p.2817
	1297	Oxendale & Co. (Proprietors) Ltd.	The Calico Printers' Association Ltd.		SEYB 1965 p.2863
	1298	Rentaset Ltd.	Radio Rentals Ltd.		SEYB 1965 p.2996
	1299	Tonibell Manufacturing Co. Ltd.	British-American Tobacco Company Ltd.		SEYB 1965 p.3240
	1300	Waterside Mill Co. (Bury) Ltd.	Deering Milliken Inc. (U.S.A.)		SEYB 1965 p.3342
August 1964	1301	Birtwistle and Leigh Ltd.	Viyella International Ltd.		SEYB 1965 p.1866
	1302	B. Whitaker & Sons Ltd.	Redland Holdings Ltd.		SEYB 1965 p.3368
	1303	Dolland & Aitchison Ltd.	T.W.W. Ltd.		SEYB 1965 p.2174
	1304	Hall Bros. (Whitefield) Ltd.	William R. Warner & Co. Ltd.	A subsidiary of William R. Warner (U.S.A.)	SEYB 1965 p.2400
	1305	Marcus Estates Ltd.	Real & Leasehold Estates Investment Society Ltd.	A subsidiary of Orchard Securities Ltd.	SEYB 1965 p.1256

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
August 1964	1306	Plastic Engineers Ltd.	Birmid Industries Ltd.		SEYB 1965 p.2914
	1307	Projectile and Engineering Company Ltd.	Guest, Keen and Nettlefolds Ltd.		SEYB 1965 p. 953
	1308	Waterworth Bros. Ltd.	Ross Group Ltd.		SEYB 1965 p.3343
	1309	W. Barratt and Co. Ltd.	Stylo Shoes Ltd.		SEYB 1965 p.1823
September 1964	1310	Allynugger Tea Company Ltd.	Longbourne Holdings Ltd.		SEYB 1965 p.1415
	1311	Amo Tea Company Ltd.	Longbourne Holdings Ltd.		SEYB 1965 p.1417
	1312	Bolling Investments Ltd.	Hardman Street Property & Investment Co. Ltd.		SEYB 1965 p.1881
	1313	Carr & Company Ltd.	Cavenham Foods Ltd.	A subsidiary of Cavenham Investments Ltd.	SEYB 1965 p.2013
	1314	Dawber, Townsley & Company Ltd.	Crossley Building Products Ltd.		SEYB 1965 p.2143
	1315	George Outram & Company Ltd.	Scottish and Universal Investments Ltd.		SEYB 1965 p.2861
	1316	John Holroyd & Company Ltd.	Renold Chains Ltd.		SEYB 1965 p.2481
	1317	Lungla (Sylhet) Tea Company Ltd.	Longbourne Holdings Ltd.		SEYB 1965 p.1451
	1318	Thames Estates and Investments Ltd.	The City of London Real Property Company Ltd.		SEYB 1966 p.1294
	1319	The Heckmondwike Manufacturing Company Ltd.	Barry and Staines Linoleum Ltd.	Name changed in 1965 to Barry Staines Ltd.	SEYB 1965 p.2441
	1320	Vydra Restaurants Ltd.	De Vere Hotels and Restaurants Ltd.		SEYB 1964 p.1292 SEYB 1965 p.3317
	1321	William Simmons Ltd.	Ranks Hovis McDougall Ltd.		SEYB 1965 p.3099

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
October 1964	1322	Amalgamated Industrials Ltd.	E. and H.P. Smith Ltd.		SEYB 1965 p.1726
	1323	Budla Beta Tea Company Ltd.	The Assam Frontier Tea Company Ltd.		SEYB 1966 p.1423
	1324	Charles Phillips & Company Ltd.	Tesco Stores (Holdings) Ltd.		SEYB 1965 p.2902
	1325	Farmers' Investment Trust Ltd.	Halma Investments Ltd.		SEYB 1966 p. 750
	1326	Fishers' Foils Ltd.	Alcan Industries Ltd.	A subsidiary of Aluminium Ltd. (Canada)	SEYB 1965 p.2284
	1327	Hart, Levy & John Barran Ltd.	Beekman Investments Ltd.		SEYB 1965 p.2423
	1328	Hope Tea Holdings Ltd.	Assam-Dooars Holdings Ltd.		SEYB 1965 p.1607
	1329	Jhanzie Tea Holdings Ltd.	Jokai Tea Holdings Ltd.		SEYB 1965 p.1613
	1330	Lankapara Tea Company Ltd.	Assam-Dooars Holdings Ltd.		SEYB 1965 p.1607
	1331	Manchester Tinning Company Ltd.	Dental Manufacturing Company Ltd.		SEYB 1965 p.2709
	1332	Stoll Theatres Corporation Ltd.	Associated Television Ltd.		SEYB 1965 p.3168
November 1964	1333	Hindley Brothers (Holdings) Ltd.	Carrington and Dewhurst Group Ltd.		SEYB 1965 p.2465
	1334	James Laidlaw & Sons Ltd.	Scottish Homes Investment Co. Ltd.		SEYB 1965 p.2604
	1335	Mutual Mills Ltd.	Lister & Co. Ltd.		SEYB 1965 p.2804
	1336	Twining Crosfield & Co. Ltd.	Associatee British Foods Ltd.	A subsidiary of George Weston Holdings Ltd.	SEYB 1965 p.3263
December 1964	1337	Fielding & Johnson Ltd.	Lister & Co. Ltd.		SEYB 1965 p.2275

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
December 1964	1338	John Duckworth & Son (Blackburn) Ltd.	Viyella International Ltd.		SEYB 1965 p.2189
	1339	Joseph Sunderland Sons & Company Ltd.	Courtaulds Ltd.		SEYB 1965 p.3185
	1340	Lewis & Burrows Ltd.	Gula Investments Ltd.		SEYB 1965 p.2631
	1341	Romac Industries Ltd.	Holt Products Ltd.		SEYB 1965 p.3022
	1342	Spurling Motor Bodies Ltd.	Bristol Street Group Ltd.		SEYB 1965 p.3143
	1343	Thomas Taylor and Brother Ltd.	Thomas Bond Worth and Sons Ltd.		SEYB 1965 p.3206
	1344	Whittingham and Mitchel Ltd.	Woods of Colchester Ltd.	A subsidiary of The General Electric Company Ltd.	SEYB 1965 p.3377
1965					
January 1965	1345	Angbur Investment Trust Ltd.	Anglo-French Exploration Co. Ltd.	A subsidiary of Consolidated Gold Fields Ltd.	SEYB 1966 p. 680
	1346	Cadena Cafés Ltd.	Tesco Stores (Holdings) Ltd.		SEYB 1965 p.3458
	1347	C. Townsend Hook and Company Ltd.	The News of the World Organisation Ltd.		SEYB 1965 p.2486
	1348	Drybrough & Company Ltd.	Watney Mann Ltd.		SEYB 1966 p. 419
	1349	Gresham Trust Ltd.	Bingham Investment Trust Ltd.		SEYB 1966 p. 569
	1350	Hunt, Edmunds and Company Ltd.	Bass, Mitchells & Butlers Ltd.		SEYB 1966 p. 441
	1351	J.A. Weir Ltd.	Gestetner Ltd.		SEYB 1965 p.3350
	1352	Offilers' Brewery Ltd.	Charrington United Breweries Ltd.		SEYB 1966 p. 457

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
January 1965	1353	Pasolds Ltd.	J. & P. Coats, Patons & Baldwins Ltd.		SEYB 1965 p.2882
	1354	Roberts & Birch (Burton) Ltd.	Fitch Lovell Ltd.		SEYB 1965 p.3012
	1355	William MacDonald and Sons (Biscuits) Ltd.	United Biscuits Ltd.		SEYB 1965 p.2686
February 1965	1356	Associated Chemical Companies Ltd.	Albright & Wilson Ltd.		SEYB 1965 p.3450
	1357	Charterbridge Corporation Ltd.	St. Martins Property Corporation Ltd		SEYB 1966 p.1196
	1358	Daintifyt Brassiere (Holdings) Ltd.	Northgate & English Stores Ltd.		SEYB 1966 p.2136
	1359	John Arnott and Company of Belfast Ltd.	Paquin Ltd.		SEYB 1966 p.1738
	1360	London and Provincial Laundries Ltd.	Bayview Investments Ltd.		SEYB 1965 p.3477
	1361	Nelson Preserving Company Ltd.	Associated British Foods Ltd.	A subsidiary of George Weston Holdings Ltd.	SEYB 1965 p.2815
	1362	Prior Stokers Ltd.	Biscayne Investments Ltd.	A subsidiary of Ionian Bank Ltd.	SEYB 1965 p.2941 SEYB 1966 p.2969
	1363	Saml. Hanson & Son Ltd.	Cerebos Ltd.		SEYB 1965 p.2410
	1364	The Cliffe Hill Granite Company Ltd.	Tarmac Ltd.		SEYB 1965 p.2053 SEYB 1966 p.2054
	1365	Welloo Electric Ltd.	Hawkins Developments Ltd.		SEYB 1965 p.3351
March 1965	1366	Alfred Dunhill Ltd.	John Sinclair Ltd.	A subsidiary of Rembrandt Tobacco Corporation (S.A.) Ltd.	SEYB 1966 p.2199
	1367	Bank of West Africa Ltd.	The Standard Bank Ltd.		SEYB 1966 p. 316
	1368	Bollington Textile Printers Ltd.	Great Universal Stores Ltd.		SEYB 1965 p.3455

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
March 1965	1369	Glover and Main Ltd.	Thorn Electrical Industries Ltd.		SEYB 1966 p.2362
	1370	Great Swan Investments Ltd.	Triumph Investment Trust Ltd.		SEYB 1966 p. 569
	1371	Motor Rail Ltd.	Loco Holdings Ltd.		SEYB 1966 p.2821
	1372	North of England School Furnishing Company Ltd.	Hocroft Trust Ltd.	A subsidiary of Keyser, Ullmann Ltd.	SEYB 1965 p.3480
	1373	Peppers Motor Group Ltd.	Oliver Rix Ltd.		SEYB 1966 p.2920
	1374	Plaza Palais de Danse (Glasgow) Ltd.	Mecca Ltd.		SEYB 1965 p.2915
	1375	Polycell Holdings Ltd.	Reed Paper GroupLtd.		SEYB 1966 p.2947
	1376	Port of Manchester Warehouses Ltd.	Trafford Park Estates Ltd.		SEYB 1966 p.2950
	1377	Stem Properties Ltd.	Peachey Property Corporation Ltd.		SEYB 1966 p.1290
	1378	The United Molasses Company Ltd.	Tate & Lyle Ltd.		SEYB 1966 p.3329
	1379	Wall Paper Manufacturers Ltd.	Reed Paper Group Ltd.		SEYB 1965 p.3490
	1380	W.H. Sanders (Electronics) Ltd.	Marconi Intruments Ltd.	A subsidiary of The General Electric Company Ltd.	SEYB 1966 p.3085
April 1965	1381	Aldford House (Park Lane) Ltd.	Union Property Holdings (London) Ltd.		SEYB 1966 p.1167
	1382	Craven Brothers (Manchester) Ltd.	Staveley Industries Ltd.		SEYB 1966 p.2114
	1383	Fitzroy Finance Ltd.	Mercantile Credit Company Ltd.		SEYB 1966 p. 566
	1384	F.W. Hampshire & Co. Ltd.	Reckitt & Sons Ltd.	A subsidiary of Reckitt & Colman Holdings Ltd	SEYB 1966 p.2423

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
April 1965	1385	Geo. & R. Dewhurst Ltd.	Haighton Holdings Ltd.	A subsidiary of Textile Investment Co. Ltd.	SEYB 1966 p.2167
	1386	Mekay (Holdings) Ltd.	Viyella International Ltd.		seyb 1966 p.2760
	1387	R.A. Lister & Company Ltd.	Hawker Siddeley Group Ltd.		SEYB 1966 p.2673
	1388	Royton Textile Corporation Ltd.	Highams Ltd.		SEYB 1966 p.3065
	1389	The Gordon Hotels Ltd.	Grand Metropolitan Hotels Ltd.		SEYB 1966 p.2373
	1390	The Telegraph Condenser Company Ltd.	The Plessey Company Ltd.		SEYB 1966 p.3251
	1391	The Westburn Sugar Refineries Ltd.	Manbré & Garton Ltd.		SEYB 1966 p.3398
May 1965	1392	Bohm & Company Ltd.	Viyella International Ltd.		SEYB 1966 p.1871
	1393	F.H. Wheeler & Co. Ltd.	Crown House Investments Ltd.		SEYB 1966 p.3409
	1394	Fryer and Company (Nelson) Ltd.	Scribbans-Kemp Ltd.		SEYB 1966 p.2324
	1395	J.A. & P. Holland Ltd.	Cavenham Foods Ltd.	A subsidiary of Cavenham Investments Ltd.	SEYB 1966 p.2494
	1396	Royal Mail Lines Ltd.	Furness, Withy and Company Ltd.		SEYB 1966 p.1405
	1397	The Liverpool Warehousing Company Ltd.	Transport Development Group Ltd.		SEYB 1966 p.2676
	1398	The London Assurance	Sun Alliance Insurance Ltd.		SEYB 1966 p. 643
	1399	The Villiers Engineering Company Ltd.	Manganese Bronze Holdings Ltd.		SEYB 1966 p.3352
	1400	Wailes Dove Bitumastic Ltd.	Dufay Bitumastic Ltd.		SEYB 1966 p.3363

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
June 1965	1401	Alvis Ltd.	Rover Company Ltd.	Since 1967 a subsidiary of The Leyland Motor Corporation Ltd.	SEYB 1966 p.1704
	1402	Rael-Brook Holdings Ltd.	The Calico Printers' Association Ltd.		SEYB 1966 p.2990
July 1965	1403	Hillhead Hughes Ltd.	Tarmac Ltd.		SEYB 1966 p.2481
	1404	J.H. Lavery and Company Ltd.	D.C.A. Industries Ltd.		SEYB 1966 p.2638
	1405	Pressed Steel Company Ltd.	The British Motor Corporation Ltd.		SEYB 1966 p.2958
	1406	Robert Lawson & Sons (Holdings) Ltd.	Unilever Ltd.		SEYB 1966 p.2640
	1407	Tragasol Products Ltd.	General Mills Inc.		SEYB 1966 p.3282
	1408	The Endeavour Trust Ltd.	Triumph Investment Trust Ltd.		SEYB 1966 p. 743
August 1965	1409	British Paints (Holdings) Ltd.	Amcel (United Kingdom) Ltd.	A subsidiary of Celanese Corporation of America	SEYB 1966 p.1931
	1410	Cope Allman & Co. Ltd.	Midland & Northern Counties Investments Ltd.	Name changed in 1965 to Cope Allman International Ltd.	SEYB 1966 p.2092
	1411	Harper Engineering & Electronics Ltd.	Midland & Northern Counties Investments Ltd.	Name changed in 1965 to Cope Allman International Ltd.	SEYB 1966 p.2431
	1412	J. W. Young & Sons Ltd.	Midland & Northern Counties Investments Ltd.	Name changed in 1965 to Cope Allman International Ltd.	SEYB 1966 p.3483
	1413	Liner Holdings Company Ltd.	Ocean Steam Ship Company		SEYB 1966 p.1395
	1414	R. W. Crabtree & Sons Ltd.	Vickers Ltd.		SEYB 1966 p.2110
	1415	Stephen Cann and Company Ltd.	Carrington and Dewhurst Group Ltd.		SEYB 1966 p.1999
September 1965	1416	Derby and Midland Mills (1935) Ltd.	Courtaulds Ltd.		SEYB 1966 p.2161
	1417	Grierson, Oldham & Adams Ltd.	John Holt & Co. (Liverpool) Ltd.		SEYB 1967 p. 443

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
September 1965	1418	Joshua Bigwood & Son Ltd.	B. & S. Massey & Sons Ltd.		SEYB 1966 p.1850
	1419	Range Boilers Ltd.	Imperial Metal Industries Ltd.	A subsidiary of Imperial Chemical Industries Ltd	SEYB 1966 p.2993
	1420	The Star Brewery Company Ltd.	Courage, Barclay & Simonds Ltd.		SEYB 1967 p. 480
	1421	Sturtevant Engineering Company Ltd.	Drake and Gorham, Scull Ltd.		SEYB 1966 p.3218
October 1965	1422	Clifford Motor Components Ltd.	T.R.W. Inc.		SEYB 1966 p.2055
	1423	Hoscote Rubber Estates Ltd.	Golden Hope Plantations Ltd.		SEYB 1966 p.1596
	1424	Lewis's Investment Trust Ltd.	British Shoe Coporation Ltd.	A subsidiary of Sears Holdings Ltd.	SEYB 1966 p.2655
	1425	Queen Anne's Hotels & Properties Ltd.	Trust Houses Ltd.		SEYB 1966 p.2982
November 1965	1426	Alex Cowan & Sons Ltd.	Reed Paper Group Ltd.		SEYB 1966 p.2106
	1427	Hailwood Industries Ltd.	Clayton Dewandre Holdings Ltd.		SEYB 1966 p.2414
	1428	Kayser Bondor Ltd.	Courtaulds Ltd.		SEYB 1966 p.2597
	1429	The National Bank of New Zealand	Lloyds Bank Ltd.		SEYB 1967 p. 373
	1430	Sam Kay and Co. Ltd.	W.W. Chamberlain (Associated Companies) Ltd.		SEYB 1966 p.2595
December 1965	1431	Clapton Stadium Ltd.	Greyhound Racing Association Trust Ltd.		SEYB 1966 p.2047
	1432	Harveys of Bristol Ltd.	Showerings, Vine Products & Whiteways Ltd		SEYB 1966 p.2445
	1433	Inns & Company Ltd.	Redland Holdings Ltd.		SEYB 1966 p.2547
	1434	Diners' Club Ltd.	The Diners' Club Inc.		SEYB 1966 p.217
	1435	London and Coastal Oil Wharves Ltd.	Transport Development Group Ltd.		SEYB 1966 p.26[illegible]

APPENDIX B

COMPANIES LISTED IN THE STOCK EXCHANGE OFFICIAL YEAR BOOK FOR WHICH APPARENTLY UNSUCCESSFUL BIDS HAVE BEEN TRACED IN THE YEARS 1945 TO 1965

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
1945				
November 1945	1	Sentinel Waggon Works (1936) Ltd.	Metal Industries Ltd.	TIMES 27/11/45 p.9
1948				
August 1948	2	Australian Estates Company Ltd.	Aberdeen Assets Ltd.	TIMES 21/8/48 p.7
1949				
April 1949	3	South-Western Gas and Water Corporation Ltd.	Close Brothers Ltd.	TIMES 29/4/49 p.9
1951				
February 1951	4	Jones' Sewing Machine Company Ltd.	British Sewing Machines Ltd.	TIMES 6/2/51 p.11
August 1951	5	Cumberland Property Investment Trust Ltd.	Not Stated	TIMES 10/8/51 p.8
November 1951	6	Hide and Co. Ltd.	Frederick Gorringe Ltd.	TIMES 1/11/51 p.10
	7	Wraysbury Sand and Gravel Company Ltd.	Not Stated	TIMES 17/11/51p.9
1952				
July 1952	8	Grosvenor House (Park Lane) Ltd.	Hilton Hotels International Inc.	TIMES 12/7/52 p.8

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
August 1952	9	Latin American Investment Trust Ltd.	Singer and Friedlander Ltd.	TIMES 16/8/52 p.8
	10	William Whiteley Ltd.	Not Stated	TIMES 29/8/52 p.9
September 1952	11	The Pekin Syndicate Ltd.	Not Stated	TIMES 17/9/52 p.10
December 1952	12	Kawie (Java) Rubber Estates Ltd.	Not Stated	TIMES 24/12/52p.10
1953				
January 1953	13	Easterns Ltd.	United Drapery Stores Ltd.	TIMES 5/1/53 p.10
	14	The Wenlock Brewery Company Ltd.	Bass, Ratcliff & Gretton Ltd.	TIMES 9/1/53 p.10
March 1953	15	E. G. Brown & Co. Ltd.	Aurochs Investment Co. Ltd.	TIMES 27/3/53 p.13
	16	The Gordon Hotels Ltd.	Grosvenor House (Park Lane) Ltd.	TIMES 13/3/53 p.13
May 1953	17	Wraysbury Sand and Gravel Company Ltd.	Thames Grit and Aggregates Ltd.	TIMES 7/5/53 p.13
June 1953	18	J. J. Allen Ltd.	Mr. A. E. Allnatt	TIMES 16/6/53 p.11
	19	J. J. Allen Ltd.	Anglo Federal Banking Corporation Ltd.	TIMES 26/6/53 p.11
July 1953	20	Hampstead Garden Suburb Trust Ltd.	Mr. I. D. Hillman	TIMES 10/7/53 p.11
	21	Kuala Geh Plantations Ltd.	Not Stated	TIMES 4/7/53 p.10
	22	Pelton Steamship Company Ltd.	Not Stated	TIMES 10/7/53 p.11
	23	Slaters and Bodega Ltd.	The Equitable Debenture and Assets Corporation Ltd.	TIMES 17/7/53 p.11

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
October 1953	24	Criterion Restaurants Ltd.	Mr. Charles Forte	TIMES 2/10/53 p.10
November 1953	25	Foreign Securities Investment Trust Ltd.	Street Securities Ltd.	TIMES 7/11/53 p.11
December 1953	26	E. G. Brown & Co. Ltd.	Singer & Friedlander Ltd.	TIMES 8/12/53 p.12
	27	Henry Bucknall & Sons Ltd.	Not Stated	TIMES 29/12/53 p.10
<u>1954</u>				
March 1954	28	Dorland Estates Ltd.	Raglan Property Trust Ltd.	TIMES 9/3/54 p.11
	29	Vyse, Sons and Company Ltd.	Private Company Finance Ltd.	TIMES 29/3/54 p.10
April 1954	30	Hampstead Garden Suburb Trust Ltd.	Co-partnership Tennants Ltd.	TIMES 12/4/54 p.12
July 1954	31	Dangan Rubber Estates Ltd.	Anglo-Scottish Amalgamated Corporation Ltd.	TIMES 16/7/54 p.12
August 1954	32	Jones and Higgins Ltd.	Macowards Ltd.	TIMES 21/8/54 p.11
October 1954	33	Coupé Company and Motor Cab Company of Great Britain Ltd.	York Way Motors Ltd.	SEYB 1955 p.3556
November 1954	34	Victoria Dwellings Association Ltd.	Street Securities Ltd.	TIMES 23/11/54 p.11
December 1954	35	C.S.C. Investment Trust Ltd.	The Federated Trust and Finance Corporation Ltd.	TIMES 1/12/54 p.14
	36	Crusader Insurance Ltd.	C. T. Bowring & Co.	TIMES 1/12/54 p.14
	37	H. W. Carter & Co. Ltd.	Reckitt & Colman Holdings Ltd.	TIMES 10/12/54 p.11
	38	Illingworth Morris & Company Ltd.	Bulmer & Lumb Ltd.	TIMES 6/12/54 p.12

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
1955				
January 1955	39	Borax Consolidated Ltd.	An American Group	TIMES 14/1/55 p.12
	40	Rivoli Cinemas Ltd.	Hart, Son & Co. Ltd.	TIMES 14/1/55 p.12
February 1955	41	Pelton Steamship Company Ltd.	Not Stated	TIMES 2/2/55 p.12
May 1955	42	East African Lands and Development Company Ltd.	L. A. Seligman	TIMES 30/5/55 p.11
June 1955	43	Burberrys Ltd.	Mr. M. Miller	TIMES 24/6/55 p.16
August 1955	44	Tanah Estates Ltd.	Not Stated	TIMES 19/8/55 p.10
September 1955	45	Hackney & Hendon Greyhounds Ltd.	Leadenhall Investments & Finance Ltd.	TIMES 24/9/55 p.11
October 1955	46	Anglo-Ecuadorian Oilfields Ltd.	South American Gold & Platinum Company	TIMES 19/10/55 p.14
	47	Anglo-Ecuadorian Oilfields Ltd.	Lobitos Oilfields Ltd.	TIMES 19/10/55 p.14
November 1955	48	The Owl Mill Holdings Ltd.	Hallamshire Industrial Finance Trust	TIMES 26/11/55 p.11
December 1955	49	Brookwood Estates Realisation Company Ltd.	George Brodie and Co. Ltd.	TIMES 20/12/55 p.11
1956				
January 1956	50	George Dobie & Son Ltd.	Gallaher Ltd.	TIMES 20/1/56 p.15
	51	South Perak Rubber Syndicate Ltd.	Not Stated	TIMES 20/1/56 p.15
	52	World Natural Sponge Suppliers Ltd.	The Ely Brewery Company Ltd.	TIMES 14/1/56 p.11
March 1956	53	Victoria Dwellings Association Ltd.	Not Stated	TIMES 28/3/56 p.16

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
April 1956	54	H. Lass Ltd.	Hart, Son & Company Ltd.	TIMES 21/4/56 p.12
May 1956	55	Inch Kenneth Kajang Rubber Ltd.	Savard and Hart	TIMES 13/5/56 p.13
June 1956	56	Hammersmith Palais Ltd.	Mecca Ltd.	TIMES 20/6/56 p.15
	57	Kelani Valley Rubber Estates Ltd.	Marvan Investment Trust Ltd.	TIMES 1/6/56 p.15
	58	The Kintyre Tea Estates Company Ltd.	George Brodie and Co. Ltd.	TIMES 26/6/56 p.15
July 1956	59	Doranakande Rubber Estates Ltd.	National Securities Corporation	TIMES 26/7/56 p.14
	60	City of San Paulo Improvements and Freehold Land Company Ltd.	Singer & Friedlander Ltd.	TIMES 26/7/56 p.14
	61	Francis Sumner (Holdings) Ltd.	Not Stated	TIMES 30/7/56 p.12
September 1956	62	Commercial and Producers Investment Trust Ltd.	Not Stated	TIMES 20/9/56 p.15
	63	Domestic and General Investment Trust Ltd.	The Hammerson Property and Investment Trust Ltd.	TIMES 12/9/56 p.14
	64	The Hotel York Ltd.	St. Ermin's (Westminster) Ltd.	TIMES 12/9/56 p.14
	65	The Hotel York Ltd.	R. E. Jones Ltd.	TIMES 25/9/56 p.16
October 1956	66	Chenderiang Tin Dredging Ltd.	Camp Bird Ltd.	SEYB 1957 p.1726
	67	Gopeng Consolidated Ltd.	Camp Bird Ltd.	SEYB 1957 p.1726
	68	Hongkong Tin Ltd.	Camp Bird Ltd.	SEYB 1957 p.1726
	69	Ipoh Tin Dredging Ltd.	Camp Bird Ltd.	SEYB 1957 p.1726

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
October 1956	70	Kent (F.M.S.) Tin Dredging Ltd.	Camp Bird Ltd.	SEYB 1957 p.1726
	71	Killinghall Tin Ltd.	Camp Bird Ltd.	SEYB 1957 p.1726
	72	Kinta Kellas Tin Dredging Company Ltd.	Camp Bird Ltd.	SEYB 1957 p.1726
	73	Malaysiam Tin Ltd.	Camp Bird Ltd.	SEYB 1957 p.1726
	74	Meru Tin Ltd.	Camp Bird Ltd.	SEYB 1957 p.1726
	75	Ozalid Company Ltd.	Ilford Ltd.	TIMES 20/10/56 p.12
	76	Pengkalen Ltd.	Camp Bird Ltd.	SEYB 1957 p.1726
	77	Rambutan Ltd.	Camp Bird Ltd.	SEYB 1957 p.1726
	78	Renong Tin Dredging Company Ltd.	Camp Bird Ltd.	SEYB 1957 p.1726
	79	Selayang Tin Dredging Ltd.	Camp Bird Ltd.	SEYB 1957 p.1726
	80	Sempah Rubber Estates Ltd.	Kuala Lumpur Rubber Company Ltd.	TIMES 15/10/56 p.18
	81	Sungei Kinta Tin Dredging Ltd.	Camp Bird Ltd.	SEYB 1957 p.1726
	82	Tanjong Tin Dredging Ltd.	Camp Bird Ltd.	SEYB 1957 p.1726
	83	Tekka Ltd.	Camp Bird Ltd.	SEYB 1957 p.1726
	84	Temoh Tin Dredging Ltd.	Camp Bird Ltd.	SEYB 1957 p.1726
	85	Veritys Ltd.	Limit Engineering Ltd.	TIMES 12/10/56 p.16

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
November 1956	86	Meux's Brewery Company Ltd.	Not Stated	TIMES 2/11/56 p.14
December 1956	87	Derby Tea Company Ltd.	Not Stated	TIMES 7/12/56 p.16
	88	Kelani Valley Rubber Estates Ltd.	Marvan Investment Trust Ltd.	TIMES 7/12/56 p.16
	89	H. J. Searle & Son Ltd.	Gresham Trust Ltd.	TIMES 18/12/56 p.10
	90	Merton Rubber Sundicate Ltd.	Savard & Hart	TIMES 19/12/56 p.12
1957				
January 1957	91	George Rice Ltd.	Not Stated	TIMES 19/1/57 p.12
	92	South West Africa Company Ltd.	Tsumeb Corporation of South West Africa	TIMES 17/1/57 p.14
	93	Townsend Ferries & Shipping Ltd.	S.M.F. (Holdings) Ltd.	TIMES 9/1/57 p.11
February 1957	94	Quaglino's Ltd.	Oddenino's Hotel and Restaurants Ltd.	TIMES 9/2/57 p.12
	95	S. Guiterman & Company Ltd.	Not Stated	TIMES 23/2/57 p.11
March 1957	96	City of San Paulo Improvements and Freehold Land Company Ltd.	Unicos Property Corporation Ltd.	TIMES 8/3/57 p.16
	97	United Patani (Malaya) Rubber Estates Ltd.	Not Stated	TIMES 28/3/57 p.16
April 1957	98	Panagula Rubber Company Ltd.	Leadenhall Investments	TIMES 2/4/57 p.15
	99	Sunnygama Company Ltd.	Messrs. Crawley and De Reya	TIMES 11/4/57 p.15
	100	The Remfield Rubber Estates Ltd.	Not Stated	TIMES 16/4/57 p.15

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
May 1957	101	Gadong Coconut Plantations Ltd.	Not Stated	TIMES 4/5/57 p.11
	102	The Hornsey Tea Estates Company Ltd.	Seton Trust Ltd.	TIMES 1/5/57 p.15
	103	Federated (Selangor) Rubber Company (1932) Ltd.	Not Stated	TIMES 18/5/57 p.11
	104	The Central Mining & Investment Corporation Ltd.	Glazer Brothers	TIMES 25/5/57 p.11
June 1957	105	British Photographic Industries Ltd.	Leadenhall Investments & Finance Ltd.	TIMES 11/6/57 p.15
July 1957	106	Josiah Smale & Son Ltd.	Ridge Securities Ltd.	TIMES 24/7/57 p.13
	107	London and Rhodesian Mining and Land Company Ltd.	Glazer Brothers	TIMES 25/7/57 p.16
	108	Spiers & Pond Ltd.	Chicken Inns (London) Ltd.	TIMES 25/7/57 p.16
	109	Standard Motor Company Ltd.	Massey-Harris-Ferguson Ltd.	TIMES 18/7/57 p.16
	110	Victoria Dwellings Association Ltd.	Not Stated	TIMES 2/7/57 p.12
August 1957	111	Melbourne and General Investment Trust Ltd.	London Commercial and Mercantile Ltd.	TIMES 20/8/57 p.12
	112	The United Kingdom Tea Company Ltd.	London Grocers Ltd.	TIMES 17/8/57 p.11
	113	Vantona Textiles Ltd.	Boardman, Marden Ltd.	TIMES 29/8/57 p.14
September 1957	114	Josiah Smale & Son Ltd.	Finsbury Circus Registrars Ltd.	TIMES 3/9/57 p.16
	115	Monument Securities Ltd.	Not Stated	TIMES 10/9/57 p.15
	116	North British Rayon Ltd.	Hallamshire Industrial Finance Trust Ltd.	TIMES 12/9/57 p.16
	117	S. Instone & Co. Ltd.	Federated Securities Ltd.	TIMES 7/9/57 p.12

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
September 1957	118	St. James' Court Estate Ltd.	Mr. Maxwell Joseph	TIMES 7/9/57 p.12
	119	St. James' Court Estate Ltd.	Alliance Property Company Ltd.	TIMES 28/9/57 p.12
	120	Victoria Dwellings Association Ltd.	Dyson & Co. Ltd.	TIMES 20/9/57 p.14
October 1957	121	Barclay and Sons Ltd.	Incorporated Securities Ltd.	TIMES 29/10/57p.16
	122	Djember Rubber Estates Ltd.	Sungei Kruit Rubber Estates Ltd.	TIMES 23/10/57p.16
	123	St. James' Court Estate Ltd.	Mostyn (London) Ltd.	TIMES 2/10/57 p.16
	124	St. James' Court Estate Ltd.	Hammerson Properties Ltd.	TIMES 4/10/57 p.16
	125	The Gordon Hotels Ltd.	Eglinton Hotels (Scotland) Ltd.	TIMES 7/10/57 p.15
	126	Hide and Co. Ltd.	L. Harris (Harella) Ltd.	TIMES 3/10/57 p.17
November 1957	127	Hope Brothers Ltd.	Debenhams Ltd.	TIMES 15/11/57p.17
	128	Kuala Muda Rubber Estates Ltd.	Messrs. Charles Caplin & Co.	TIMES 15/11/57p.17
	129	Ledang Bahru Ltd.	Not Stated	TIMES 30/11/57p.12
	130	Sarawak Rubber Estates Ltd.	Electrical and General Industrial Trust Ltd.	TIMES 5/11/57 p.16
December 1957	131	Lubok Rubber Estate Ltd.	L. W. Hammerson and Partners	TIMES 6/12/57 p.18
	132	Lubok Rubber Estate Ltd.	Federated Securities Ltd.	TIMES 6/12/57 p.18

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCE
<u>1958</u>				
January 1958	133	British Photographic Industries Ltd.	Federated Securities Ltd.	TIMES 3/1/58 p.13
	134	Pandan Tea Company (1933) Ltd.	Not Stated	TIMES 3/1/58 p.14
	135	Russells & Wrangham Ltd.	Melbourne Brewery (Leeds) Ltd.	TIMES 29/1/58 p.12
February 1958	136	Raphael Tuck & Sons Ltd.	Pena Industries Ltd.	TIMES 13/2/58 p,13
	137	Raphael Tuck & Sons Ltd.	Mr. Desmond Tuck	TIMES 17/2/58 p.15
	138	Hesketh Estates Ltd.	Not Stated	TIMES 14/2/58 p.14
	139	Russells & Wrangham Ltd.	Mr. J. M. Guthrie and Associates	TIMES 6/2/58 p.14
	140	Selangor Rubber Company Ltd.	Not Stated	TIMES 12/2/58 p.15
March 1958	141	Brick Investments Ltd.	Not Stated	TIMES 4/3/58 p.13
	142	Sun Cycle & Fittings Company Ltd.	Franco-British and General Trust Ltd.	TIMES 4/3/58 p.13
April 1958	143	Hide and Co. Ltd.	Montague Burton Ltd.	TIMES 24/4/58 p.10
	144	Selangor Rubber Company Ltd.	Not Stated	TIMES 7/4/58 p.11
June 1958	145	National Mining Corporation Ltd.	Premier Consolidated Oilfields Ltd.	TIMES 4/6/58 p.16
July 1958	146	Stothert and Pitt Ltd.	Spencer (Melksham) Ltd.	TIMES 15/7/58 p.14
August 1958	147	Aberdeen Cemetry Company Ltd.	Contanglo Banking and Trading Company Ltd.	TIMES 18/8/58 p.13
	148	Batang Consolidated Rubber Estates Ltd.	Not Stated	TIMES 26/8/58 p.1[illegible]

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
August 1958	149	Granada Group Ltd.	Investment Registry Ltd.	TIMES 16/8/58 p.9
	150	Henry Berry & Co. Ltd.	Knitmaster Holdings Ltd.	TIMES 26/8/58 p.12
	151	St. Martin's Le Grand Property Co. Ltd.	Metropolitan Estate and Property Corporation Ltd.	TIMES 16/8/58 p.9
	152	Thomas & Evans Ltd.	Schweppes Ltd.	TIMES 12/8/58 p.11
September 1958	153	Associated Automatic Machine Corporation Ltd.	Camp Bird Ltd.	TIMES 16/9/58 p.13
	154	Bertram Consolidated Rubber Company Ltd.	London Commercial Investment Ltd.	TIMES 4/9/58 p.15
	155	Castle Brothers (Furniture) Ltd.	Not Stated	TIMES 16/9/58 p,13
October 1958	156	Alliance Economic Investment Company Ltd.	Alliance Property Company Ltd.	TIMES 28/10/58p.15
	157	New River Company Ltd.	McNeill Ross	TIMES 7/10/58 p.15
	158	The United Turkey Red Company Ltd.	Hebe-Jacqmar Holdings Ltd.	TIMES 7/10/58 p.15
	159	White City (Glasgow) Ltd.	Mutual Associates Ltd.	TIMES 15/10/58p.20
November 1958	160	Investment Company Ltd.	H. Jasper and Company Ltd.	TIMES 8/11/58 p.11
	161	Kuala Kuba Rubber Estate Ltd.	Not Stated	TIMES 17/11/58p.16
	162	Temperance Billiard Halls Ltd.	Alliance Property Company Ltd.	TIMES 22/11/58p.12
December 1958	163	Brown, Muff and Co. Ltd.	Not Stated	TIMES 13/12/58p.11

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
1959				
February 1959	164	British and American Film Press Ltd.	Franco-British & General Trust Ltd.	TIMES 6/2/59 p.19
	165	Kalidjeroek Rubber Company Ltd.	Not Stated	TIMES 23/2/59 p.14
	166	Tin Fields of Nigeria Ltd.	Not Stated	TIMES 23/2/59 p.14
	167	Wardle & Davenport Ltd.	Finance for Trade Ltd.	TIMES 19/2/59 p.15
	168	Westover Garage Ltd.	Not Stated	TIMES 18/2/59 p.14
March 1959	169	Drake & Mount Ltd.	Mr. B. J. Longman	TIMES 3/3/59 p.15
	170	Drake & Mount Ltd.	H. Jasper & Co. Ltd.	TIMES 20/3/59 p.19
	171	New River Company Ltd.	H. Jasper & Co. Ltd.	TIMES 26/3/59 p.19
April 1959	172	Anglo-Burma Tin Company Ltd.	Not Stated	TIMES 11/4/59 p.11
	173	Bagdad Light & Power Company Ltd.	Rea Brothers	TIMES 21/4/59 p.18
	174	George Newnes Ltd.	"News of the World" Ltd.	TIMES 16/4/59 p.20
	175	Great Southern Cemetry and Crematorium Company Ltd.	Amalgamated Tobacco Corporation Ltd.	TIMES 25/4/59 p.11
	176	Lister & Co. Ltd.	West Riding Worsted and Woollen Mills Ltd.	TIMES 21/4/59 p.18
	177	Royton Textile Corporation (Holdings) Ltd.	Not Stated	TIMES 21/4/59 p.18

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
May 1959	178	Lister & Co. Ltd.	Homfray & Company Ltd.	TIMES 1/5/59 p.18
	179	Pugh, Davies & Company Ltd.	C.C.L. Textiles Ltd.	TIMES 15/5/59 p.18
	180	Rubens-Rembrandt Associated Hotels Ltd.	Not Stated	TIMES 14/5/59 p.18
	181	Sheffield Steel Products Ltd.	Gloucester Railway Carriage and Wagon Company Ltd.	TIMES 12/5/59 p.15
	182	Short's Ltd.	Leadenhall Investments & Finance Ltd.	TIMES 23/5/59 p.11
	183	Stoll Theatres Corporation Ltd.	Moss' Empires Ltd.	TIMES 6/5/59 p.17
	184	The Army and Navy Investment Trust Company Ltd.	Not Stated	TIMES 27/5/59 p.14
	185	Watney Mann Ltd.	Sears Holdings Ltd.	TIMES 26/5/59 p.15
June 1959	186	Bukit Tupah Rubber Estates Ltd.	Not Stated	SEYB 1960 p.1357
	187	Chivers & Sons Ltd.	St. Martin Preserving Company Ltd.	TIMES 13/6/59 p.11
	188	City & Provincial Stores Ltd.	Not Stated	TIMES 13/6/59 p.13
	189	Doloi Tea Company Ltd.	Franco-British and General Trust Ltd.	TIMES 5/6/59 p.27
	190	Gas Purification and Chemical Company Ltd.	E.V. Industrials Ltd.	TIMES 4/6/59 p.19
	191	Harrods Ltd.	Debenhams Ltd.	TIMES 23/6/59 p.15
	192	Harrods Ltd.	United Drapery Stores Ltd.	TIMES 26/6/59 p.17
	193	Kirby Rubber Estates Ltd.	Anglo Oriental Plantations Ltd.	TIMES 20/6/59 p.11

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
June 1959	194	R. E. Jones Ltd.	Contanglo Banking and Trading Company Ltd.	TIMES 27/6/59 p.11
	195	Scottish Union and National Insurance Company	The Yorkshire Insurance Company Ltd.	TIMES 13/6/59 p.13
	196	The Hardwick Industries Ltd.	Acrow (Engineers) Ltd.	TIMES 20/6/59 p.11
	197	Vitamins Ltd.	The United Molasses Company Ltd.	TIMES 27/6/59 p.11
July 1959	198	Joseph Hoyle & Son Ltd.	Not Stated	TIMES 23/7/59 p.10
	199	Kingsley and Thackeray Hotels Ltd.	Grand Hotels (Mayfair) Ltd.	TIMES 25/7/59 p.10
	200	Klinger Manufacturing Company Ltd.	Not Stated	TIMES 14/7/59 p.10
	201	Lintang Investments Ltd.	H. Jasper & Co. Ltd.	TIMES 9/7/59 p.10
	202	The United Lankat Plantations Company Ltd.	Not Stated	TIMES 23/7/59 p.10
August 1959	203	Banir Rubber Estates Ltd.	Robert Fraser & Partners Ltd.	TIMES 25/8/59 p.15
	204	Blair (Alloa) Ltd.	Not Stated	TIMES 25/8/59 p.12
	205	E.V. Industrials Ltd.	Camp Bird Ltd.	TIMES 29/8/59 p.9
	206	Jackson & Steeple Ltd.	Not Stated	TIMES 8/8/59 p.11
	207	London Shop Property Trust Ltd.	Not Stated	TIMES 25/8/59 p.12
	208	Second City and Commercial Investment Trust Ltd.	Not Stated	TIMES 5/8/59 p.12
	209	The Fields of Nigeria Ltd.	Not Stated	TIMES 21/8/59 p.16
	210	Wallis & Company (Costumiers) Ltd.	Ridge Securities Ltd.	TIMES 8/8/59 p.12

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
September 1959	211	Chimpul (F.M.S.) Rubber Estates Ltd.	Not Stated	SEYB 1960 p.1362
	212	E.V. Industrials Ltd.	Bank of Alderney Ltd.	TIMES 1/9/59 p.13
	213	John Dale Ltd.	Not Stated	TIMES 26/9/59 p.11
	214	Stewart & Wight Ltd.	Not Stated	TIMES 3/9/59 p.15
	215	Webley & Scott Ltd.	Franco-British Trust Ltd.	TIMES 10/9/59 p.18
October 1959	216	Barlow Brothers & Greenwood Ltd.	Finance for Trade Ltd.	TIMES 1/10/59 p.17
	217	Greencoat Properties Ltd.	Alliance Property Company Ltd.	TIMES 15/10/59 p.20
	218	Roads Reconstruction (1934) Ltd.	Thomas Roberts (Westminster) Ltd.	TIMES 26/10/59 p.16
	219	Settle Speakman & Company Ltd.	Henry Briggs Son and Company Ltd.	TIMES 24/10/59 p.11
November 1959	220	Mansell, Hunt, Catty and Company Ltd.	Knitmaster Holdings Ltd.	TIMES 6/11/59 p.21
	221	Suburb Leaseholds Ltd.	Metrovincial Properties Ltd.	TIMES 14/11/59 p.11
	222	The Ely Brewery Company Ltd.	Rhymney Breweries Ltd.	TIMES 12/11/59 p.20
December 1959	223	Consolidated Tin Mines of Burma Ltd.	Not Stated	TIMES 9/12/59 p.19
	224	Crosse & Blackwell (Holdings) Ltd.	Fisons Ltd.	TIMES 17/12/59 p.17
	225	General, London & Urban Properties Ltd.	Woodgate Investment Trust Ltd.	TIMES 19/12/59 p.11
	226	General, London & Urban Properties Ltd.	Estates Property Investment Ltd.	TIMES 21/12/59 p.11

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
December 1959	227	Jackson & Steeple Ltd.	Ace Investments Ltd.	TIMES 5/12/59 p.11
	228	Mergui Crown Estates Ltd.	Hart Son & Company Ltd.	TIMES 18/12/59 p.16
	229	The Selukwe Gold Mining and Finance Company Ltd.	Not Stated	TIMES 21/12/59 p.11
1960				
January 1960	230	Foster Clark Ltd.	Seton Trust Ltd.	TIMES 13/1/60 p.17
	231	General, London & Urban Properties Ltd.	Central & District Properties Ltd.	TIMES 30/1/60 p.13
	232	General, London & Urban Properties Ltd.	Calgary & Edmonton Land Company Ltd.	TIMES 30/1/60 p.13
	233	Lancashire Dynamo Holdings Ltd.	Electric & Musical Industries Ltd.	TIMES 14/1/60 p.18
February 1960	234	Butts Mills Ltd.	Gresham Ltd.	TIMES 10/2/60 p.19
	235	Central Perak Rubber Company Ltd.	See Hoy Chan	TIMES 12/2/60 p.18
	236	Kingston Steam Trawling Company Ltd.	Ross Group Ltd.	TIMES 16/2/60 p.18
	237	Mengkibol (Central Johore) Rubber Company Ltd.	Not Stated	TIMES 19/2/60 p.19
	238	Redler Industries Ltd.	Ley's Foundries & Engineering Ltd.	TIMES 6/2/60 p.11
	239	Sungkap Para Plantations Ltd.	See Hoy Chan	TIMES 17/2/60 p.16
	240	The British Drug Houses Ltd.	Fisons Ltd.	TIMES 3/2/60 p.17
March 1960	241	Henry Simon (Holdings) Ltd.	Electric and Musical Industries Ltd.	TIMES 3/3/60 p.19
	242	J. D. Marsden Ltd.	Associated British Foods Ltd.	TIMES 5/3/60 p.11

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
March 1960	243	Luskerpore Tea Company Ltd.	Rukong-Mangal Tea Ltd.	TIMES 5/3/60 p.11
	244	United Caterers Ltd.	Leadenhall Investments & Finance Ltd.	TIMES 30/3/60 p.18
May 1960	245	Mellin's Food Ltd.	Super Investments Ltd.	TIMES 4/5/60 p.19
June 1960	246	Broadweir & Southern Properties Ltd.	Amalgamated Properties Ltd.	TIMES 10/6/60 p.22
	247	Mountsorrel Holdings Ltd.	Inns & Company Ltd.	TIMES 22/6/60 p.17
	248	Sabrang Rubber Estates Ltd.	Not Stated	TIMES 2/6/60 p.21
	249	Sabrang Rubber Estates Ltd.	R. G. Shaw and Company Holdings Ltd.	TIMES 2/6/60 p.21
July 1960	250	Macowards Ltd.	A. Wilson's Stores (Holdings) Ltd.	TIMES 27/7/60 p.14
	251	Macowards Ltd.	James Howell and Company Ltd.	TIMES 28/7/60 p.15
	252	Telephone Manufacturing Company Ltd.	(Associated Electrical Industries Ltd. (Automatic Telephone & Electric Company Ltd. (Ericsson Telephones Ltd. (Marconis Wireless Telegraph (Standard Telephones and Cables Ltd. (The General Electric Company Ltd. (The Plessey Company Ltd.	TIMES 5/7/60 p.20
August 1960	253	Gibbons (Dudley) Ltd.	Wellman Smith Owen Engineering Corporation Ltd.	TIMES 12/8/60 p.14
	254	Jantar Nigeria Company Ltd.	The Bisichi Tin Company (Nigeria) Ltd.	TIMES 16/8/60 p.12
September 1960	255	Bukit Pulai Rubber Estate Ltd.	Leighton (Lowestoft)	SEYB 1961 p.1325

YEAR	NO.	NAME OF OFFEREE	BID MADE BY	REFERENCES
October 1960	256	Brutton, Mitchell Toms Ltd.	Courage Barclay & Simonds Ltd.	THE ECONOMIST p.395 October 22,1960
November 1960	257	Moss' Empires Ltd.	(Mr. Charles Clore (Mr. Jack Cotton (Mr. Bernard Delfont	TIMES 2/11/60 p.12
	258	Colonial & Eagle Wharves Ltd.	Not Stated	TIMES 23/11/60 p.18
	259	Frederick Gorringe Ltd.	Army & Navy Stores Ltd.	TIMES 29/11/60 p.19
December 1960	260	Piccadilly Theatre Ltd.	Mr. Bernard Delfont	TIMES 23/12/60 p.11
1961				
January 1961	261	Associated Fisheries Ltd.	Ross Group Ltd.	TIMES 19/1/61 p.18
	262	Bristol Brewery Georges & Company Ltd.	United Breweries Ltd.	TIMES 31/1/61 p.14
	263	Evans Medical Ltd.	Fisons Ltd.	TIMES 4/1/61 p.12
	264	Royal Worcester Ltd.	Not Stated	TIMES 19/1/61 p.18
February 1961	265	Ipoh Tin Dredging Ltd.	Raybar Holdings Ltd.	TIMES 17/2/61 p.23
	266	Shelford Rubber Estate Ltd.	Highlands & Lowlands Para Rubber Company Ltd.	TIMES 15/2/61 p.18
	267	Sogomana Rubber Estate Ltd.	Highlands & Lowlands Para Rubber Company Ltd.	TIMES 15/2/61 p.18
	268	The City of London Real Property Company Ltd.	City Centre Properties Ltd.	TIMES 3/2/61 p.10
	269	Trolak Estates Ltd.	Highlands & Lowlands Para Rubber Company Ltd.	TIMES 15/2/61 p.18

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
March 1961	270	Associated Book Publishers Ltd.	McGibbon & Key Ltd.	SEYB 1962 p.1727
	271	Hector Whaling Ltd.	South Georgia	TIMES 24/3/61 p.22
	272	Stevenson & Howell Ltd.	The "Sanitas" Trust Ltd.	TIMES 3/3/61 p.20
April 1961	273	Bent's Brewery Company Ltd.	Anglasi Nominees Ltd.	TIMES 7/4/61 p.21
May 1961	274	Bengal United Tea Company Ltd.	Phillips Investment Ltd.	TIMES 3/5/61 p.19
	275	Burt, Boulton and Haywood Ltd.	Horlicks Ltd.	TIMES 10/5/61 p.18
	276	Sterling Industries Ltd.	Vokes Group Ltd.	TIMES 9/5/61 p.23
June 1961	277	The Royal Exchange Company Leeds Ltd.	Town Centre Securities Ltd.	TIMES 13/6/61 p.18
	278	The Royal Exchange Company Leeds Ltd.	Bernard Sunley Investment Trust Ltd.	TIMES 13/6/61 p.18
September 1961	279	Marling and Evans Ltd.	Not Stated	TIMES 1/9/61 p.15
	280	Oceana Development Company Ltd.	Lt. Col. A. B. Scrase	TIMES 22/9/61 p.21
October 1961	281	Koliabur & Seconée Tea Company Ltd.	East African Estates Ltd.	TIMES 20/10/61p.21
	282	The Reinsurance Corporation Ltd.	Mercantile and Generak Reinsurance Company Ltd.	TIMES 14/10/61p.13
November 1961	283	Koliabur & Seconée Tea Company Ltd.	Indian Interests	TIMES 3/11/61 p.20
	284	Lodge Plugs Ltd.	The Morgan Crucible Company Ltd.	TIMES 24/11/61p.20
	285	The New River Company Ltd.	Alliance Property Company Ltd.	TIMES 23/11/61p.21

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
December 1961	286	Courtaulds Ltd.	Imperial Chemical Industries Ltd.	TIMES 19/12/61 p.13
	287	Grout and Company Ltd.	Treforest Textile Holdings Ltd.	TIMES 21/12/61 p.15
	288	Hogg & Mitchell Holdings Ltd.	Rael-Brook Holdings Ltd.	TIMES 20/12/61 p.14
	289	Ipoh Tin Dredging Ltd.	Raybar Holdings Ltd.	SEYB 1963 p.1021
	290	Minton Hollins Ltd.	Mr. David Wickens	TIMES 23/12/61 p.11
	291	The Fairey Company Ltd.	(Westland Aircraft Ltd. (Bristol Aeroplane Company Ltd.	TIMES 21/12/61 p.14
1962				
January 1962	292	Kinnear Moodie (Civil Engineering) Ltd.	Lapley Properties Ltd.	TIMES 6/1/62 p.15
	293	Martin Bros. (Machinery) Ltd.	B. Elliott & Company Ltd.	TIMES 26/1/62 p.22
February 1962	294	Weingarten Brothers Ltd.	(Minster Trust Ltd. (Mr. D. Prenn (Lintafoam Industries Ltd.	TIMES 22/2/62 p.18
April 1962	295	Temoh Tin Dredging Ltd.	Raybar Holdings Ltd.	TIMES 2/4/62 p.17
	296	The Gordon Hotels Ltd.	Messrs. E.J. and H.L. Danzinger	TIMES 19/4/62 p.19
May 1962	297	The Straits Plantations Ltd.	United Plantations (incorporated in Malaya)	TIMES 11/5/62 p.29
	298	Third Mile Investment Company Ltd.	Hambros Investment Trust Ltd.	TIMES 11/5/62 p.24
	299	Tyspane Tea Holdings Ltd.	Molton Investments Ltd.	TIMES 8/5/62 p.21

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
July 1962	300	Anderston Foundry Company Ltd.	Thos. W. Ward Ltd.	TIMES 10/7/62 p.19
	301	Jerome Ltd.	(Dixons Photographic Ltd. (Elysiam Investments Ltd.	TIMES 30/7/62 p.16
September 1962	302	R. Atcherley & Co. Ltd,	Avana Associated Bakeries Ltd.	TIMES 12/9/62 p.14
November 1962	303	Car Mart Ltd.	Bristol Street Motors Ltd.	TIMES 9/11/62 p.12
December 1962	304	The Whitehead Iron and Steel Company Ltd.	Stewarts and Llpyds Ltd.	TIMES 13/12/62 p.10
<u>1963</u>				
January 1963	305	Pinners Hall (Austin Friars) Ltd.	Capital & Counties Property Company Ltd.	TIMES 19/1/63 p.13
February 1963	306	Brilliant Signs Ltd.	Mr. J. Spreckley	TIMES 12/2/63 p.17
June 1963	307	Amber Chemical Industries Ltd.	Marvan Investment Trust Ltd.	TIMES 15/6/63 p.13
	308	Byard Manufacturing Company Ltd.	British Steel Constructions (Birmingham) Ltd.	TIMES 5/6/63 p.17
	309	The Burmah Oil Company Ltd.	(The "Shell" Transport and Trading Company Ltd. (The British Petroleum Company Ltd.	TIMES 28/6/63 p.14
	310	The Mint, Birmingham Ltd.	E. & H. P. Smith Ltd.	INVESTORS CHRONICLE June 7,1963 p.1048
	311	Highams Ltd.	Ashton Brothers & Company (Holdings) Ltd.	TIMES 27/6/63 p.19
July 1963	312	The British Drug Houses Ltd.	Wellcome Foundation	TIMES 3/7/63 p.10
August 1963	313	Bleumel Bros. Ltd.	London & Midland Industrials Ltd.	TIMES 20/8/63 p.13
	314	Drayton Controls Ltd.	Bruce Peebles and Co. Ltd.	TIMES 17/8/63 p.11

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
August 1963	315	G. & T. Bridgewater Ltd.	Burton, Son & Sanders Ltd.	TIMES 8/8/63 p.14
September 1963	316	City Business Properties Ltd.	Capital & Counties Property Company Ltd.	TIMES 20/9/63 p.19
October 1963	317	Selayang Tin Dredging Ltd.	Fortress Trust Ltd.	TIMES 2/10/63 p.20
November 1963	318	Consolidated London Properties Ltd.	Trafalgar House Ltd.	TIMES 22/11/63p.17
	319	Henry C. Stephens Ltd.	Not Stated	TIMES 19/11/63p.19
	320	Hide and Co. Ltd.	Selincourt & Sons Ltd.	INVESTORS CHRONICLE Nov. 15, 1963 p.600
	321	Joshua Hoyle and Sons Ltd.	Ralli Brothers Ltd.	TIMES 26/11/63 p.17
	322	Metropolitan Properties Company Ltd.	Trafalgar House Ltd.	TIMES 22/11/63 p.17
	323	Opperman Gears (Holdings) Ltd.	Renold Chains Ltd.	TIMES 29/11/63 p.22
December 1963	324	Charles Phillips & Company Ltd.	Tesco Stores (Holdings) Ltd.	TIMES 6/12/63 p.18
	325	D. W. Price & Son Ltd.	Faulkner Greene & Company Ltd.	TIMES 3/12/63 p.18
	326	Hazell Sun Ltd.	The News of the World Organisation Ltd.	TIMES 19/12/63 p.14
	327	Westinghouse Brake and Signal Company Ltd.	Thorn Electrical Industries Ltd.	TIMES 7/12/63 p.13
<u>1964</u>				
January 1964	328	Lyle & Scott Ltd.	William Baird & Company Ltd.	TIMES 9/1/64 p.15
February 1964	329	Rambutan Ltd.	Fraser Nominees Ltd.	TIMES 7/2/64 p.20

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
February 1964	330	The Buxstead Chicken Co. Ltd.	Ross Group Ltd.	TIMES 11/2/64 p.16
April 1964	331	Mountstuart Dry Docks Ltd.	Richardsons, Westgarth & Co. Ltd.	TIMES 7/4/64 p.16
May 1964	332	Wailes Dove Bitumastic Ltd.	British Paints (Holdings) Ltd.	TIMES 14/5/64 p.21
June 1964	333	E. Fogarty & Company Ltd.	E. C. Holdings Ltd.	TIMES 16/6/64 p.17
	334	Mecca Ltd.	The Rank Organisation Ltd.	TIMES 10/6/64 p.19
	335	The Malaysia Rubber Company Ltd.	Not Stated	TIMES 5/6/64 p.22
	336	Wailes Dove Bitumastic Ltd.	(Dufay Ltd (Mr. John James	TIMES 17/6/64 p.16
July 1964	337	Craigmore Holdings Ltd.	Brooke, Bond & Co. Ltd.	TIMES 9/7/64 p.17
	338	Nedeem Tea Company Ltd.	K. C. Sethia (1944)	TIMES 3/7/64 p.19
August 1964	339	E. H. Tomkins Ltd.	Musical and Plastic Industries Ltd.	TIMES 19/8/64 p.13
	340	The Empire Rib Company Ltd.	Musical and Plastic Industries Ltd.	TIMES 19/8/64 p.13
	341	W. Barratt and Co. Ltd.	S. Phillips Shoes Ltd.	TIMES 15/8/64 p.11
	342	W. Barratt and Co. Ltd.	British Shoe Corporation Ltd.	TIMES 29/8/64 p.11
September 1964	343	Carr & Company Ltd.	J. Lyons & Company Ltd.	TIMES 29/9/64 p.16
	344	George Outram & Company Ltd.	Thomson Scottish Associates Ltd.	TIMES 3/9/64 p.10
October	345	Stoll Theatres Corporation Ltd.	Howard & Wyndham Ltd.	TIMES 12/10/64 p.18

YEAR	NO.	NAME OF OFFEREE COMPANY	BID MADE BY	REFERENCES
November 1964	346	Twining-Crosfield & Co. Ltd.	Beech-Nut Life Savers Inc.	TIMES 7/11/64 p.13
<u>1965</u>				
February 1965	347	Diners Club Ltd.	Diners Club Inc.	TIMES 25/2/65 p.22
	348	The Cliffe Hill Granite Company Ltd.	Hoveringham Gravels Ltd.	TIMES 10/2/65 p.17
	349	Wall Paper Manufacturers Ltd.	(Courtaulds Ltd. (Reed Paper Group Ltd.	TIMES 11/2/65 p.10
March 1965	350	The Villiers Engineering Company Ltd.	E. & H. P. Smith Ltd.	TIMES 3/3/65 p.18
April 1965	351	Lloyds Retailers Ltd.	Not Stated	TIMES 6/4/65 p.17
May 1965	352	The London Assurance	Phoenix Assurance Company Ltd.	TIMES 7/5/65 p.14
	353	Wailes Dove Bitumastic Ltd.	British Paints (Holdings) Ltd.	TIMES 6/5/65 p.19
July 1965	354	Harveys of Bristol Ltd.	Showerings, Vine Products & Whiteways Ltd.	TIMES 8/7/65 p.18
	355	Roads Reconstruction Ltd.	Inns & Company Ltd.	TIMES 6/7/65 p.17
September 1965	356	Harper Engineering & Electronics Ltd.	Cooper Industries Ltd.	TIMES 30/9/65 p.17
October 1965	357	Queen Anne's Hotels & Properties Ltd.	The Danzi Brothers	TIMES 7/10/65 p.19
	358	Queen Anne's Hotels & Properties Ltd.	Grand Metropolitan Hotels Ltd.	TIMES 9/10/65 p.15
December 1965	359	Associated Fisheries Ltd.	Ross Group Ltd.	TIMES 15/12/65p.14
	360	Harveys of Bristol Ltd.	Beecham Group Ltd.	TIMES 3/12/65 p.19

APPENDIX C

1) CALCULATION OF MAXIMUM VALUE OF CONFECTIONERY LTD. TO TOBACCO LTD., ASSUMING A COST OF CAPITAL OF 9%

(a) Present value of Net Cash Flow, discounted at 9%

Formula is $P = \frac{A}{(1+r)} + \frac{A}{(1+r)^2} + \frac{A}{(1+r)^3} \ldots \frac{A}{(1+r)^n}$

So the present value of the net cash flow for the first three years

is $\frac{15,000}{(1.09)} + \frac{24,000}{(1.09)^2} + \frac{27,200}{(1.09)^3}$

$= 13,761 + 20,200 + 21,003 = 54,964.$ 54,964

The present value of £24,800 in perpetuity, discounted at 9% is

$P = \frac{1}{r} = \frac{24,800}{.09} = 275,555$

But this does not begin until the fourth year, so deduct £24,800 for the first three years.

$v_{\overline{n}|r} = \frac{1-(1+r)^{-n}}{r} = 24,800 \times 2.5313 = \underline{62,776}$ 212,781

267,745

Therefore present net value of the discounted cash flow is £268,000

(b) Present value of the cost to Tobacco Ltd. of establishing a new confectionery factory, discounted at 9%.

i) Present value of new buildings costing £95,000 to be erected during the first year

$v_{\overline{n}|r} = (1+r)^{-n} = \frac{95,000}{1.09} =$ 87,000

ii) Present value of spending £80,000 on plant in the second year $v_{\overline{n}|r} = (1+r)^{-n} = \frac{80,000}{(1.09)^2} =$ 67,000

Present value of spending £40,000 on plant in the third year is $\frac{40,000}{(1.09)^3} = \underline{31,000}$ 98,000

iii) Present value of spending £20,000 on vehicles in the second year is $\frac{20,000}{(1.09)^2} =$ 17,000

(c) Present value of the cost of future replacements.

i) Buildings - cost of replacing in 15 years' time

is $\frac{95,000}{(1.09)^{15}}$ = 95,000 x 0.274538 = 26,000

cost of replacement every 50 years is $\frac{A}{(1 + r)^k - 1}$

where k is the interval at which replacement takes

place, so $\frac{95,000}{(1.09)^{50} - 1} = \frac{95,000}{74.389 - 1}$ = £1294

But this series does not commence until fifteen years'

time, so the present values of this commitment

is $\frac{1294}{(1.09)^{15}}$ = 1294 x 0.274538 = 355

26,355

Present value, discounted at 9% of future replacement of

buildings is £27,000

ii) Present value of replacing plant in 7 years is

$\frac{120,000}{(1.09)^7}$ = 120,000 x 0.547034 = 66,000

cost of replacing every 10 years thereafter is

$$\frac{A}{(1 + r)^k - 1} = \frac{120,000}{(1.09)^{10} - 1} = \frac{120,000}{2.367 - 1} = £87,783$$

but this series does not begin until 7 years' time so

the present value of this future commitment

is $\frac{87,783}{(1.09)^7}$ = 48,000

£114,000

iii) Present value of replacing vehicles every year

is $\frac{6,000}{.09}$ = £67,000

(d) Present value of assuming liabilities

£20,000 of 6% debentures: Interest on these is £1,200 per year for 19 years but debenture interest is allowable as an expense, so corporation tax at 40% can be deducted so net liability is £720 per year.

Formula is $a_{\overline{n}|r} = \dfrac{1-(1+r)^{-n}}{n}$ so is 720 x 8.95011 = 6,000

The present value of redeeming the debentures in 19 years' time is $\dfrac{20,000}{(1.09)^{19}}$ = 20,000 x 0.19449 = 4,000

2) CALCULATION OF MAXIMUM VALUE OF CONFECTIONERY LTD. TO TOBACCO LTD. IF TOBACCO LTD. HAD A COST OF CAPITAL OF 10%

(a) The estimated net cash, discounted at 10%, for the first three years would be:

$$\frac{15,000}{(1.1)} + \frac{24,000}{(1.1)^2} + \frac{27,200}{(1.1)^3}$$

= 13,636 + 19,835 + 20,436 = 54,000

Present value of £24,800 in perpetuity, discounted at 10% is $\dfrac{24,800}{0.1}$ = 248,000

But since the series does not begin until the fourth year deduct £24,800 per year for the first three years $a_{\overline{n}|r} = \dfrac{1-(1+r)^{-n}}{r}$

= 24,800 x 2.48685 = 62,000 186,000

£240,000

(b) Present value of establishing a new confectionery factory, discounted at 10%.

i) Present value of new buildings costing £95,000 to be erected during the first year $v_{\overline{n}|r} = (1+r)^{-n}$

= 95,000 x 0.909091 = 86,000

ii) Present value of spending £80,000 on plant in the second year $v_{\overline{n}|r} = (1+r)^{-n}$

= 80,000 x 0.826446 = 66,000

Present value of spending £40,000 on plant in the third year is 40,000 x 0.751315 30,000 96,000

iii) Present value of spending £20,000 on vehicles in the second year is 20,000 x 0.826446 = 17,000

(c) Present value of the cost of Replacements

i) Buildings - cost of replacing in 15 years' time

is 95,000 x 0.239392 = 22,742

Cost of replacing every 50 years is:

$$\frac{95,000}{(1.1)^{50}-1} = \frac{95,000}{117.35 - 1.0} = £816$$

But this series does not begin until 15 years' time

so present value is 816 x 0.239392 = 195

£22,547

So present value of replacing buildings every 50 years is £23,000.

ii) Present value of replacing plant in 7 years is

120,000 x 0.513158 = 62,000

Cost of replacing thereafter every ten years is

$$\frac{120,000}{(1.1)^{10}-1} = \frac{120,000}{2.593 - 1.0} = 75,300$$

But as the series does not commence for 7 years the present value is 75,300 x 0.513158 = 39,000

£101,000

iii) Present value of replacing vehicles at the rate of £6,000 per year in perpetuity $= \frac{6,000}{0.1} =$ £60,000

(d) Present value of assuming liabilities

Net interest of £720 per year for 19 years, discounted at 10% is $a_{\overline{n}|r} = \frac{1 - (1 + r)^{-n}}{r}$ = 720 x 8.3649 = £6,000

Present value of redeeming debentures in 19 years' time is $\frac{20,000}{(1.1)^{19}}$ = 20,000 x 0.163508 = 3,000

£9,000

Therefore the present value of Confectionery Ltd. for Tobacco Ltd. if the latter's cost of capital were 10% is:

Discounted Net Cash Flow (a) above			240,000
Value of Assets: Buildings	86,000		
Plant	96,000		
Vehicles	17,000		
Working capital provided. ..	13,000		212,000
			£452,000
Less: Present Value of Cost of Replacement;			
Buildings	23,000		
Plant	101,000		
Vehicles	60,000		
Working Capital	19,000	203,000	
Present value of liabilities			
Debentures		9,000	212,000
Maximum value of Confectionery Ltd.			£240,000

Therefore maximum price which Tobacco Ltd. could offer for the shares in Confectionery Ltd., assuming a cost of capital of 10% for Tobacco Ltd. is $\frac{£240,000}{100,000}$ = 48s.

3) CALCULATION OF MAXIMUM VALUE OF CONFECTIONERY LTD. TO A BIDDER, WITH A COST OF CAPITAL OF 9%, THAT DOES NOT EXPECT TO BE ABLE TO INCREASE PRE-TAX EARNINGS BEYOND THE PRESENT £10,000 PER YEAR.

Present situation is: Gross margin, before taxation		
and after deducting depreciation		10,000
Less Corporation Tax at 40%		4,000
		6,000
Add back depreciation		14,000
Net Cash Flow		£20,000
Present value of £20,000 per year in perpetuity is $\frac{20,000}{.09}$	=	£222,000
The discounted cash flow for Tobacco Ltd's estimate was		£268,000
Reduction	=	-46,000

But to maintain the higher profits Tobacco Ltd. would need to increase working capital to	19,000	
But without increased profits, working capital would need to be no more than	13,000	+ 6,000

So the maximum value to this bidder would be:

Tobacco Co. Ltd's valuation	246,000
Less lower value for discounted cash flow	46,000
	200,000
Plus reduced amount of working capital required	6,000
	£206,000

So the maximum value this bidder could offer for Confectionery Ltd.

would be $\frac{£206,000}{100,000}$ = <u>41s. per share.</u>

	NAME OF OFFEREE COMPANY	RISE IN SHARE PRICE PRIOR TO ANNOUNCEMENT OF BID	BID PRICE
29)	Nevett Ltd.	47s 6d to 50s 0d	60s 0d
30)	Pinchin, Johnson & Associates Ltd	31s 9d to 34s 6d	42s 1d
31)	Radio & Allied (Holdings) Ltd.	20s 6d to 31s 0d	33s 6d
32)	R. A. Lister & Company Ltd.	49s 6d to 57s 9d	59s 0d
33)	Ralli Brothers Ltd.	24s 0d to 34s 3d	43s 0d
34)	Roberts & Birch (Burton) Ltd.	3s 0d to 5s 9d	3s 6d
35)	Rylands and Sons Ltd.	14s 0d to 22s 0d	40s 0d
36)	Scottish Union and National Insurance Company Ltd.	78s 0d to 104s 0d	118s 3d
37)	Spicers Ltd.	50s 0d to 57s 0d	79s 0d
38)	Spiers & Pond Ltd.	25s 0d to 44s 0d	47s 6d
39)	Spratt's Patent Ltd.	17s 0d to 19s 3d	21s 3d
40)	Susan Small Holdings Ltd.	31s 3d to 37s 6d	41s 3d
41)	The Bristol Brewery Georges & Company Ltd.	105s 6d to 115s 6d	139s 0d
42)	The British Xylonite Company Ltd	62s 6d to 79s 6d	82s 6d
43)	The Burmah Oil Company Ltd.	50s 9d to 56s 6d	61s 9d
44)	The City of London Real Property Company Ltd.	66s 0d to 80s 6d	78s 3d
45)	The London Assurance	37s 0d to 53s 0d	54s 9d
46)	The United Molasses Company Ltd.	26s 3d to 29s 6d	34s 3d
47)	Tootal Ltd.	25s 6d to 28s 6d	31s 5d
48)	Vigzol Oil Company Ltd.	6s 4½d to 7s 3d	7s 6d
49)	W. Barratt and Co. Ltd.	12s 3d to 16s 3d	18s 0d
50)	W. Butler & Co. Ltd.	37s 6d to 51s 0d	56s 9d
51)	West Country Brewery Holdings Ltd	104s 6d to 116s 0d	140s 0d
52)	Westinghouse Brake and Signal Company Ltd.	20s 9d to 26s 9d	28s 9d
53)	W. J. Bush & Co. Ltd.	60s 0d to 76s 0d	93s 0d
54)	Zwanenberg Associated Food Companies Ltd.	9s 0d to 15s 6d	18s 0d

REFERENCES

1) The Times 11/5/61 page 26

2) The Times 23/1/60 page 13 The Times 26/1/60 page 16

3) The Times 6/9/60 page 18

4) The Times 4/1/66 pp 12 & 14

5) The Times 2/3/65 page 17

6) The Times 21/1/61 page 11

7) The Times 18/12/63 page 15

8) The Times 29/5/64 page 18

9) The Times 9/11/62 page 12

10) The Times 21/12/61 page 15 The Times 4/11/61 page 15

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12) The Times 20/9/63 page 19 The Times 19/9/63 page 22

13) The Times 15/7/64 page 15 The Times 1/7/64 page 16

14) The Times 4/5/62 page 22 The Times 4/4/62 page 20

15) The Times 6/8/59 page 12

16) The Times 12/6/64 page 18

17) The Times 23/7/59 page 10 The Times 15/11/60 page 19

18) The Times 18/7/58 page 16

19) The Times 20/6/59 page 11 The Times 23/6/59 page 15

20) The Times 19/11/63 page 19

21) The Times 18/1/66 page 13

22) The Times 28/11/61 page 18

23) The Times 22/5/63 page 16 Investors Chronicle 24 May 1963, page 803

24) The Times 12/10/65 page 10

25) The Times 14/8/65 page 11

26) The Times 27/7/60 page 14 The Times 2/7/60 page 13

27) The Times 29/7/59 page 12

28) The Times 16/11/63 page 13 The Times 15/11/63 page 25
The Times 1/11/63 page 20

29) The Times 26/10/61 pp 21 & 22

30) The Times 12/1/60 page 17

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31) The Times 1/3/61 page 17

32) The Times 2/4/65 page 19

33) The Times 18/2/61 page 13

34) The Times 22/1/65 page 19

35) The Times 30/6/53 page 11 The Times 22/9/53 page 12

36) The Times 13/6/59 page 13

37) The Times 25/10/63 page 17

38) The Times 15/10/60 page 11

39) The Times 9/2/60 page 17

40) Investors Chronicle 25 October 1963, page 329

41) The Times 31/1/61 page 14

42) The Times 1/3/61 page 17

43) The Times 28/6/63 page 14 The Times 27/6/63 page 21
The Times 1/6/63 page 15

44) The Times 3/2/61 page 10

45) The Times 7/5/65 page 14

46) The Times 12/3/65 page 20

47) The Times 1/5/63 page 12

48) The Times 11/5/62 page 23 The Times 1/5/62 page 21

49) The Times 15/8/64 page 11

50) The Times 14/11/59 page 11 The Times 2/10/59 page 21

51) The Times 20/7/63 page 13

52) The Times 7/12/63 page 13

53) The Times 1/3/61 page 17

54) Investors Chronicle 8 December 1961, page 921

YEAR	NO.	NAME OF COMPANY TAKEN OVER	TAKEN OVER BY		REFERENCES
April 1957	398	Hewagam Rubber Company Ltd.	M. Samuel & Co. Ltd.		SEYB 1958 p.1395
	399	Kuala-Nal Kelantan Rubber Company Ltd.	Java Para Rubber Estates Ltd.		SEYB 1958 p.1412 TIMES 11/4/57p15
	400	Limit Engineering Group Ltd.	Camp Bird Ltd.		SEYB 1958 p.2691
	401	Mitchell & Muil Ltd.	Allied Bakeries Ltd.	A subsidiary of George Weston Holdings Ltd	SEYB 1958 p.2822
	402	Mount Charlotte (Kalgoorlie) Gold Mines Ltd.	Mr. R. Lever		SEYB 1958 p.1131
	403	Paterson Engineering Company Ltd.	Portals Ltd.	Name changed in 1964 to Portal Holdings Ltd.	SEYB 1958 p.2934
	404	Rhodesia Railways Trust Ltd.	British South Africa Co.	Since 1964 a subsidiary of Charter Consolidated Ltd.	SEYB 1958 p. 873
	405	Sempah Rubber Estates Ltd.	Private Individuals		SEYB 1958 p.1452
	406	Silver Line Ltd.	Dene Shipping Company Ltd.		SEYB 1958 p.1514
	407	The Brush Group Ltd.	Hawker Siddeley Group Ltd.		SEYB 1958 p.2044
	408	The Hornsey Tea Estates Ltd.	Central Province Ceylon Tea Company Ltd.		SEYB 1958 p.1561
	409	United Motor Finance Corporation Ltd.	Mercantile Credit Company Ltd.		SEYB 1958 p. 672
May 1957	410	English Velvets Ltd.	Mr. Michael Lewis and Others		SEYB 1958 p.2267
	411	Foster, Yates and Thom Ltd.	Hick, Hargreaves and Company Ltd.		SEYB 1958 p.2364
	412	Frome & Lamb Ltd.	Ushers Wiltshire Brewery Ltd. The Stroud Brewery Company Ltd.	Since 1960 a subsidiary of Watney Mann Ltd Since 1963 a subsidiary of Whitbread and Company Ltd.	SEYB 1958 p 439
	413	Harpenden (Selangor) Rubber Company Ltd.	Private Individuals		SEYB 1959 p.1380
	414	Hunt Partners Ltd.	The Bowater Paper Corporation Ltd.		SEYB 1958 p.2562