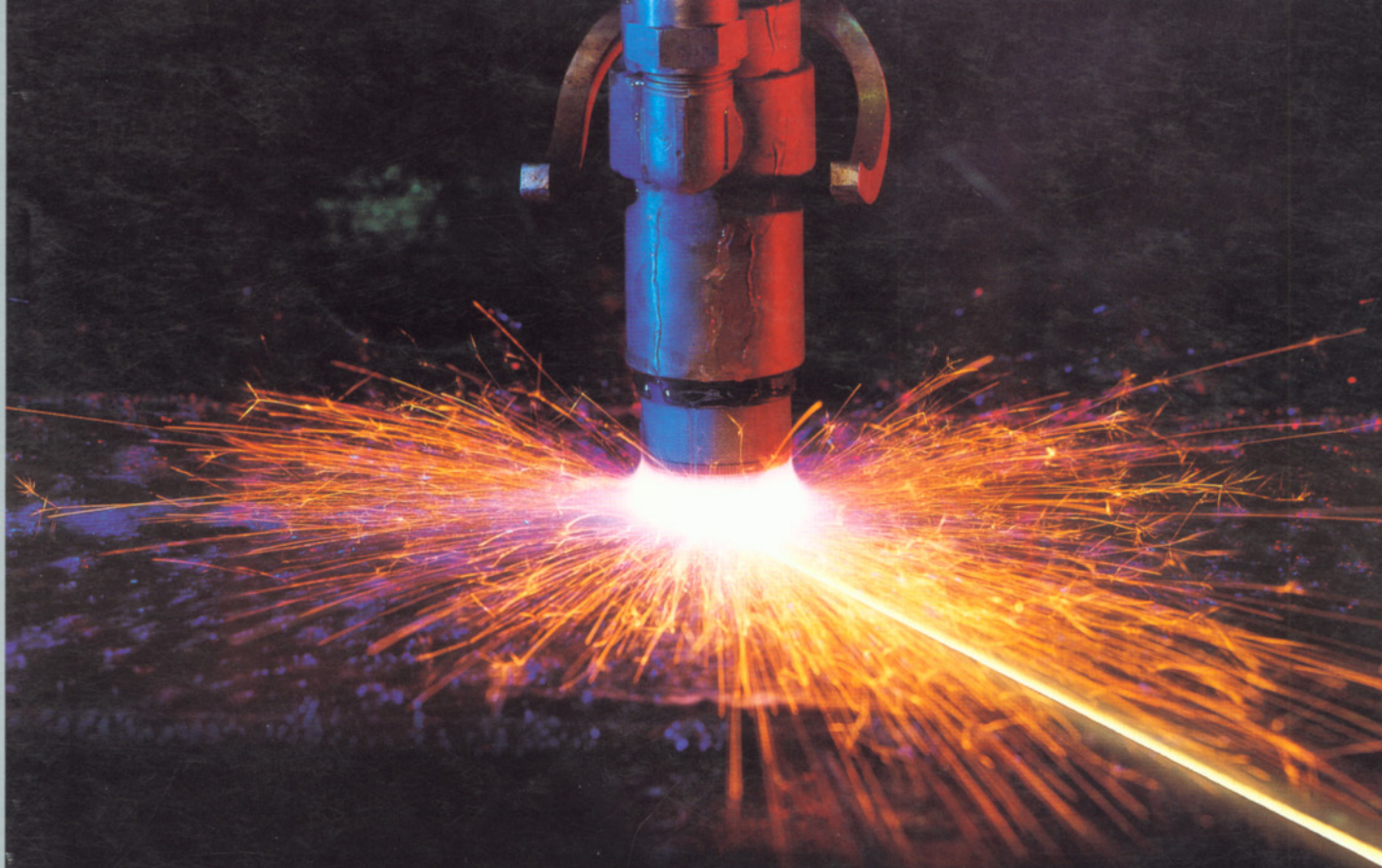


STEEL & TUBE HOLDINGS LIMITED Annual Report 1993



annual  
report  
1993

*Steel & Tube*

*Holdings Limited*





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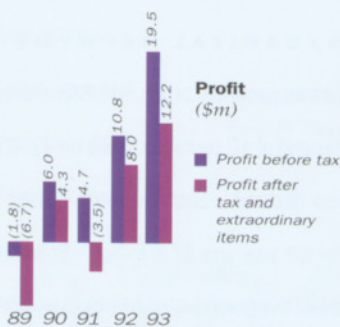
**APRIL 1992** Acquisition of the Stewart Steel steel merchandising branches. Sale of the ordinary shares in New Zealand Steel Limited.

**JUNE** Acquisition of Taylor Industries steel roofing and cladding operations. **AUGUST** Acquisition by Motorcorp Holdings Limited of Jaguar wholesale cars and parts franchise for New Zealand.

**OCTOBER** Sale of the four remaining trading businesses of MacEwans

Machinery. **DECEMBER** Acquisition by Motorcorp Holdings Limited of

Archibald and Shorter, Auckland, retailer of Jaguar cars. ■ Announcement of the intended capital restructuring of Steel & Tube Holdings Limited with half the Company's shares to be cancelled and a payment to shareholders of 60 cents for each share cancelled. ■ Expansion of Merchandising Division computer facilities.



**MARCH 1993** Extraordinary meeting of shareholders approves resolutions to reduce capital and make payment to shareholders. ■ Relocation to new premises by Steel & Tube Napier Branch. ■ Relocation to new premises and consolidation of Motorcorp Holdings Limited wholesale and retail activities.

**JUNE** Announcement of the 1992/93 profit of \$12.3 million, an increase of 54% on the previous year.

Total Sales

increased by 10%

to \$275 million.

Net Profit After Tax

up 54% to

\$12.3 million

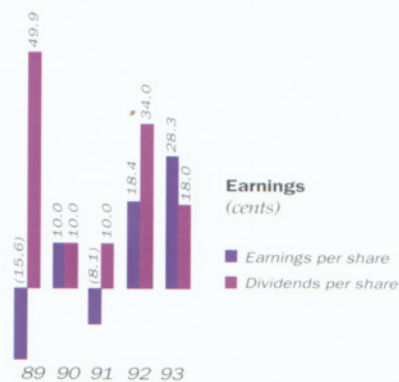
highlights  
of the  
year



The profit after tax of \$12.3 million was 54% ahead of last year's profit of \$8.0 million. This result was achieved on a sales increase of 10% from \$251 million to \$275 million and after property write downs of \$1.3 million. (\$1.1 million in 91/92).

Sales in steel merchandising were ahead of the previous year with the acquisition of Stewart Steel and Taylor Industries providing most of the increase. The contracting operations had a profitable year, although trading conditions remain difficult with major contracts still being deferred. Motorcorp Holdings Limited had a profitable year in contrast to the experience of recent years. The Group was able to contain its operating costs during the period and was assisted by declining interest rates on borrowings. Trading conditions improved in the later part of the financial year which helped to boost the overall results. This trend has continued into the first months of 1993/94.

**DIVIDENDS / CAPITAL REPAYMENT** The Directors declared an interim dividend of 4 cents per share on 86,848,838 shares which was paid in December 1992. A second interim dividend of 10 cents per share on 43,425,533 shares which is payable on 28 June 1993 was also declared. Both dividends carried full imputation credits and the total dividend payment for the year was \$7.8 million. Shareholders approved a cancellation of half of the issued shares of the Company at an Extraordinary General Meeting in March 1993 with the payment of \$26.0 million being made to shareholders on 7 May 1993.



**STRATEGIC ACTION AND DEVELOPMENTS** The acquisition of Stewart Steel in April 1992 and Taylor Industries in June 1992, were important additions to the core activity of steel service centres. In March 1993 the Napier Branch of Steel & Tube was relocated to a new purpose built warehouse. The opening of this new facility was the first time in over a decade that a merchandising warehouse had been built and it was the major upgrading in the modernisation programme. The four trading divisions of MacEwans Machinery were sold in October and the 25% investment in Wrightcel Packaging was sold in November.



*New Steel & Tube Merchandising Branch at Napier.*

To strengthen the 50/50 joint venture of Motorcorp Holdings Limited, the assets of the wholesale operations of Jaguar New Zealand Limited were acquired in August 1992 and the retail arm, Archibald and Shorter in December 1992. Following this, the three trading operations were consolidated at one site at Greenlane with consequent savings in overhead and considerable benefits in efficiency and service to customers.

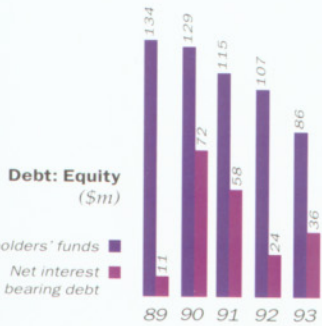
*New Motorcorp Holdings Limited combined complex at Greenlane.*



**FINANCIAL POSITION** At year end the Shareholders' Funds stood

at \$86.4 million allowing for the capital reduction of \$26.0 million approved by shareholders at the Extraordinary General Meeting on 5 March 1993. The Group had \$26.2 million on short term deposit at 31 March 1993 in readiness for the payment to shareholders in respect of the capital reduction. If that amount was excluded from assets at 31 March 1993, the Shareholders' Funds at that date would have represented 54% of total assets compared with 68% at the end of the previous year.

**OUTLOOK** An increase in demand for the Company's products which began in November 1992 has continued beyond Balance Date and would seem to confirm that the economic recovery is of substance. Although there is currently some softness in the markets for the Company's automotive and contracting operations, improvements are expected in due course. The Group with its restructuring behind it, is now benefiting from this recovery.



**HUMAN RESOURCES** The number of employees has been reduced from 795 to 672 at year end. This is the seventh consecutive year that a reduction has occurred. Reductions in the contracting activities were partly offset by an increase in employees in steel merchandising mainly because of the acquisitions made. The Directors acknowledge the contribution of its loyal and competent staff to the improved performance of the Company during the year and look forward to sharing further success with them in the new year.

*Roofing at Napier - supplied by G W Taylor Industries.*



**DIRECTORS** In accordance with the Articles of Association, Messrs A B Daniels and D H Tudhope retire by rotation and being eligible offer themselves for re-election.

**CAPITAL RESERVES** Following the capital reduction, issued capital stands at \$21,712,766 (1992 \$43,424,419). Paid up capital is \$21,712,766 (1992 \$43,401,000). Total Shareholders' Funds at year end stand at \$86,462,000. The decrease of \$21,474,000 is made up as follows:

	\$000s
Capital reduction .....	26,055
Dividend of .....	
4 cents paid December 1992 on 86,848,838 shares .....	3,474
10 cents to be paid on 28 June 1993 on 43,425,533 shares .....	4,342
Sub Total .....	33,871
Less	
Profit for the year .....	12,282
Call on Senior Executive Shares .....	114
Additional shares issued in relation to capital reduction .....	1
	\$21,474

*K T Cocks*  
K T COCKS, Chairman

*N Calavrias*  
N CALAVRIAS, Chief Executive

4 June 1993

**AUDITORS** The Company's Auditors, Coopers & Lybrand, remain in office in accordance with Section 163(3) of the Companies Act 1953 and it remains for the members to authorise the Directors to fix their remuneration.

**MR K T COCKS** *Appointed Chairman in 1989 and a Director since 1987. Mr Cocks was an Executive Director of Tubemakers of Australia Limited and of several of its associate companies prior to retirement in February 1992.*

**MR N CALAVRIAS** *In September 1990 Mr Calavrias was appointed an Executive Director following the acquisition of the Acorn Pacific Corporation Group of which he was Managing Director. He was appointed Chief Executive Officer of the Group from 1 July 1991.*

**MR A B DANIELS** *A Director since 1985, Mr Daniels is Managing Director of Tubemakers of Australia Limited and several of its associated and subsidiary companies. He is Chairman of JAS-ANZ, the joint accreditation system of Australia and New Zealand. In Australia he is a member of the Business Council of Australia and a Director of the National Training Board.*

**MR R L EVERY** *Mr Every was appointed to the Board from Tubemakers of Australia Limited as an Executive Director in 1988. A metallurgist by profession, his experience with Tubemakers has been mainly in steel merchandising. He was Chief Executive Officer of Steel & Tube Holdings Limited from 1 August 1989 until 30 June 1991. In July 1991 he returned to Australia and is now Group General Manager Merchandising with Tubemakers of Australia Limited. He continues as a non-executive Director.*

**MR A S PATERSON** *Appointed a Director in 1975, Mr Paterson is Chairman of Horowhenua Energy and a director of Rangatira Limited, New Zealand Petroleum Limited, Nelson Fisheries Limited, and Tru-Test Corporation Limited. Mr Paterson is a Chartered Accountant by profession, but has spent most of his working life in industry and commerce.*

**MR D H TUDHOPE** *CMG, DFC Appointed a Director in 1986, Mr Tudhope was Chairman and Managing Director of Shell Oil New Zealand Limited prior to his retirement. He retired as Chairman of the National Bank of New Zealand Limited in March 1992.*

**MR A C CANDY** *Appointed Company Secretary in February 1992, Mr Candy joined the Company as Financial Controller of the Merchandising Division in 1988.*

MR A S PATERSON

MR R L EVERY

MR A C CANDY

MR D H TUDHOPE

*Company Secretary*

MR N CALAVRIAS

*Chief Executive Officer*

MR A B DANIELS

MR K T COCKS

*Chairman*

# board of directors



**STEEL & TUBE HOLDINGS LIMITED**

15 - 17 Kings Crescent, Lower Hutt.

Private Box 30-543, Lower Hutt

Chief Executive Officer . . . . . Mr N Calavrias

Company Secretary . . . . . Mr A C Candy

**MERCHANDISING AND****CONTRACTING TRADING AS:**

Aitchison Black Fasteners

CP Steel

Steel Service Centre

Fastening Supplies (1988)

John Stansfield-Smith, Melbourne

Metal Sales

Nuts and Bolts and Screws

Steel &amp; Tube New Zealand

Stewart Steel

G W Taylor Industries

Wellington Fasteners

Wellington Steel

**CP Reinforcing**

15-17 Kings Crescent, Lower Hutt

P O Box 38-887,

Wellington Mail Centre

General Manager

Mr R J O'Neill

**Robt Stone & Company**

525 Great South Road,

Penrose, Auckland

P O Box 40, Auckland

General Manager

Mr T R Donaldson

**Steel & Tube New Zealand**

15-17 Kings Crescent,

Lower Hutt

Private Box 30-543, Lower Hutt

Chief Executive Officer

Mr N Calavrias

**AUTOMOTIVE****Motorcorp Holdings  
Limited**

550 Great South Road,

Greenlane, Auckland

P O Box 17 019,

Greenlane, Auckland

General Manager

Mr M R Fowler

**Trustees for  
Debenture Holders**  
The Trustees Executors  
& Agency Company of  
New Zealand Limited  
National Mutual Life  
Nominees Limited

**Auditors**  
Coopers & Lybrand

**Share and  
Debenture Registry**  
Registry Managers (New  
Zealand) Limited Private  
Bag 92 119, Auckland 1020

**Principal Bankers**  
ANZ Banking Group  
(New Zealand) Limited  
National Bank of  
New Zealand Limited



MERCHANDISING



REINFORCING



review of  
operations

ROBT STONE & COMPANY



MOTORCORP HOLDINGS LIMITED



GUAR



*Merchandising Management Team  
L/R: T Carter, A Candy, N Calavria  
P Wells, B Sim, P Burrows*

**MERCHANDISING** The acquisition of Stewart Steel Limited in April assisted the Steel Merchandising Division to record its first increase in sales volumes for a number of years. A noticeable lift in market demand since November, coupled with efficiency gains obtained in previous years and lower interest costs, enabled the division to increase its profits.

The acquisition of G W Taylor Industries in June 1992 brought the Company into the steel cladding industry and enables it to provide a total building package from the foundations to the roof. During the year \$600,000 was spent on expanding computer facilities to enable recent acquisitions to be accommodated and to provide better management and customer services. A continuing emphasis is being placed on the benefits of Total Quality Management (TQM) and the Division is working towards accreditation to ISO 9002.

**REINFORCING** The Reinforcing Division encountered a further year of depressed activity, however, due to the cost saving measures taken in previous years, the losses for this Division were considerably reduced. All reinforcing branches have now relocated into the premises of the merchandising operations giving a more efficient use of Group resources. A lift in volumes towards the end of the year and the success in obtaining the Parliamentary Services refurbishment and Ewen Bridge Contracts, should ensure that this Division returns to profit in the coming year.

**ROBT STONE & COMPANY** Robt Stone produced acceptable returns similar to last year in a market with limited opportunities and the scarcity of major new projects. A number of significant projects connected to the oil industry were completed successfully during the year with the most notable being, extensive modifications to the Maui A platform while it was fully operational.

The Company continued to manage the Maintenance Contract for Shell Todd Oil Services Limited in Taranaki encompassing the production stations at Oaonui, Kapuni and the Maui A Platform.

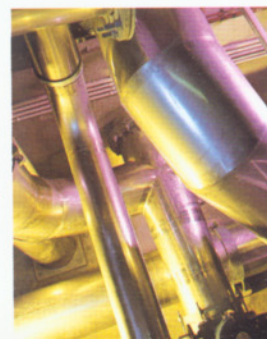
*CP Reinforcing product  
at the Parliament  
Refurbishment Site.*



*Hokitika Bridge, one of the longest  
in the country, totally supported  
with Steel & Tube product.*



*Filter Gallery - Stainless  
Steel Pipework at the  
Wellington Regional  
Council Water Treatment  
Plant at Wainuiomata.*





*Steel Merchandising  
records an increase  
in sales volumes  
for the first time in a  
number of years.*

*Parliamentary Services  
Refurbishment and  
Ewen Bridge contracts  
secured by the  
Reinforcing Division.*

*Ductile Iron Pipe being prepared  
for despatch to the Mt Albert  
Tunnel project in Wellington.*



*Maui B Platform where  
Robt Stone manage  
the Maintenance Contract*



Extensive maintenance programmes were also undertaken at the New Zealand Refinery at Marsden Point. A number of successful contracts were undertaken in the Pacific Islands during the period which helped to provide a steady load for the workshop.

The Company's Occupational Safety and Health Policy and Procedures are continuing to reduce accidents. Major extensions to the onshore production station at Oaonui were completed without any lost time accidents and helped to reduce the overall lost time frequency rate to 1.2 accidents per 100,000 hours worked compared to 2.7 the previous year. A Continuous Improvement Programme was introduced during the year as part of the Total Quality Management plan and progress was being made towards the accreditation to ISO 9002.

**MOTORCORP HOLDINGS LIMITED** The new car market in New Zealand continues to operate at depressed levels due to the Government allowing unrestricted imports of second hand cars, mainly from Japan. This policy has encouraged Motorcorp to concentrate in the higher priced vehicle segment of the market, resulting in the strategic acquisition of the New Zealand Jaguar franchise in August and the retail operations of Archibald and Shorter in Auckland in December. Motorcorp further rationalised its operations and consolidated its three Auckland based operations into premises which allows its Head Office and Retail and Wholesale, for both vehicle and spare parts, to operate on the one site at Greenlane.

*Jaguar Sport displayed in  
Cornwall Park, Auckland.*



*The 1993 Range Rover Vogue SE  
with electronic air suspension  
and traction control.*

The continued success of the Range Rover and Discovery models as well as the contribution from Jaguar since August, has seen the Company return to profit.

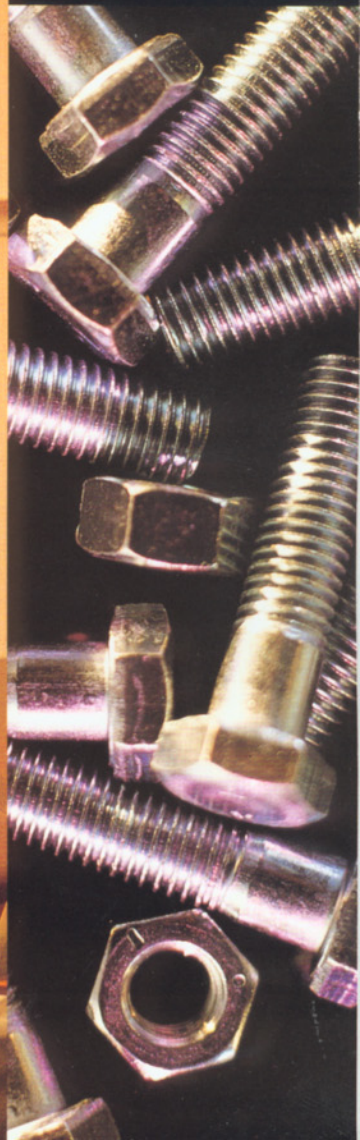
The introduction of the new 800 series Rover was delayed until February and with the 400 and 600 series models to be released during 1993, the Rover Marque will enhance the operations considerably.

In August the Managing Director, Mr Ross Hinton, resigned and was replaced by Mr Nicholas Calavrias as Chief Executive Officer. Mr Malcolm Fowler who was previously General Manager of Jaguar (NZ) Limited, was appointed in August to the new position of General Manager, Motorcorp Holdings Limited.



*Robt Stone completed major extensions to the onshore production site at Oaonui without any lost time accidents. Continued success of Range Rover and Discovery models together with contribution from Jaguar acquisition sees Motorcorp Holdings return to profit.*

*Ray Brown, Robt Stone & Co. foreman, atop the Odour Control System Pipebridge at James Hardie, Penrose.*



**C O N S O L I D A T E D   S T A T E M E N T   O F  
P R O F I T   A N D   L O S S**

*of Steel & Tube Holdings Limited and its subsidiaries  
for the year ended 31 March 1993*

	Notes	1993		1992	
		\$000s	\$000s	\$000s	\$000s
<b>SALES</b>	<b>3</b>	<b>275,249</b>		250,641	
Profit before tax	4	<b>19,515</b>		10,807	
Less Tax	5	<b>6,824</b>		4,007	
Profit after tax		<b>12,691</b>		6,800	
Minority interests share of profit/(loss)		<b>305</b>		(1,012)	
		<b>12,386</b>		7,812	
Share of profits of associate companies		<b>201</b>		391	
Less tax		<b>76</b>		162	
		<b>125</b>		229	
Less dividends received		<b>229</b>		40	
			<b>(104)</b>	189	
<b>PROFIT AFTER TAX</b>					
<b>ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>7</b>	<b>12,282</b>		8,001	
Retained Profits at 1 April		<b>14,238</b>		20,991	
		<b>26,520</b>		28,992	
Dividends	8	<b>(7,816)</b>		(14,754)	
<b>RETAINED PROFITS AT 31 MARCH</b>	<b>12</b>	<b>\$18,704</b>		\$14,238	

*This statement is to be read in conjunction with the notes on pages 17 to 25 and the Audit Report on page 26.*

# C O N S O L I D A T E D   B A L A N C E   S H E E T

*of Steel & Tube Holdings Limited and its subsidiaries  
as at 31 March 1993*

	<i>Notes</i>	<i>1993 \$000s</i>	<i>1992 \$000s</i>
<b>SHAREHOLDERS' FUNDS</b>			
Issued and Paid Up Capital	10	21,713	43,401
Capital reserves	11	46,045	50,297
Retained profits	12	18,704	14,238
		<b>86,462</b>	107,936
<b>MINORITY INTERESTS</b>		<b>1,214</b>	909
<b>TERM LIABILITIES</b>	13	<b>10,000</b>	10,000
<b>CURRENT LIABILITIES</b>			
Bank overdrafts		618	5,303
Accounts payable	14	30,762	25,693
Bills payable	15	25,173	8,992
Proposed interim dividend	8	4,342	-
Capital distribution to shareholders	10	26,055	-
Provision for tax		123	-
		<b>87,073</b>	39,988
		<b>\$184,749</b>	\$158,833
<b>NON CURRENT ASSETS</b>	16	<b>48,993</b>	45,507
<b>INVESTMENTS</b>			
Associate companies	17	-	1,451
Other investments	18	38	6,974
		<b>38</b>	8,425
<b>GOODWILL</b>	19	<b>9,875</b>	7,754
<b>DEFERRED TAX</b>	6	<b>1,751</b>	4,508
<b>CURRENT ASSETS</b>			
Short term deposits		26,352	14,964
Accounts receivable and prepayments	20	45,101	36,044
Inventory and work in progress	21	52,639	41,631
		<b>124,092</b>	92,639
		<b>\$184,749</b>	\$158,833

*For the Directors*



.....  
**K T COCKS**  
Chairman



.....  
**N CALAVRIAS**  
Chief Executive Officer

*This statement is to be read in conjunction with the notes on pages 17 to 25 and the Audit Report on page 26.*

## BALANCE SHEET

of Steel & Tube Holdings Limited  
as at 31 March 1993

	Notes	1993 \$000s	1992 \$000s
<b>SHAREHOLDERS' FUNDS</b>			
Issued and Paid Up Capital	10	21,713	43,401
Capital reserves	11	46,302	50,297
Retained profits	12	18,447	14,238
		<b>86,462</b>	107,936
<b>TERM LOANS FROM SUBSIDIARIES</b>		<b>173,875</b>	160,474
<b>TERM LIABILITIES</b>	13	<b>10,000</b>	10,000
<b>CURRENT LIABILITIES</b>			
Bank overdrafts		1,350	5,663
Accounts payable	14	21,140	19,916
Bills payable	15	21,600	5,692
Due to subsidiaries		139	637
Proposed interim dividend	8	4,342	-
Capital distribution to shareholders	10	26,055	-
		<b>74,626</b>	31,908
		<b>\$344,963</b>	\$310,318
<b>NON CURRENT ASSETS</b>	16	<b>9,519</b>	8,655
<b>INVESTMENTS</b>			
Shares in subsidiaries	22	150,407	142,605
Advances to subsidiaries		70,814	69,644
Associate companies	17	-	1,451
Other investments	18	38	38
		<b>221,259</b>	213,738
<b>DEFERRED TAX</b>	6	<b>1,596</b>	2,467
<b>GOODWILL</b>		<b>2,954</b>	1,755
<b>CURRENT ASSETS</b>			
Short term deposits		26,200	14,964
Accounts receivable and prepayments	20	40,845	33,628
Inventory and work in progress	21	41,516	34,789
Due from subsidiaries		21	322
Tax refund due		1,053	-
		<b>109,635</b>	83,703
		<b>\$344,963</b>	\$310,318

For the Directors



K T COCKS  
Chairman



N CALAVRIAS  
Chief Executive Officer

This statement is to be read in conjunction with the notes on pages 17 to 25 and the Audit Report on page 26.



## STATEMENT OF CASH FLOWS

*of Steel & Tube Holdings Limited and its subsidiaries  
for the year ended 31 March 1993*

	1993		1992	
	\$000s	\$000s	\$000s	\$000s
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash was provided from:				
Receipts from customers	266,072		256,599	
Interest received	1,111		233	
Dividend from associates	229		40	
Dividend income from investments	-		7,465	
	<u>267,412</u>		<u>264,337</u>	
Cash was disbursed to:				
Payments to suppliers and employees	(248,404)		(220,798)	
Taxes paid	(3,890)		-	
Interest paid on debt	(2,140)		(4,081)	
Net cash flow from operating activities	<u>(254,434)</u>	<u>12,978</u>	<u>(224,879)</u>	<u>39,458</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash was provided from:				
Proceeds from sale of investments & assets	11,367		28,178	
Cash was applied to:				
Purchase of fixed assets	(7,833)		(2,937)	
Acquisitions (Note 19)	(11,219)		-	
Restructuring costs	(1,200)		(2,262)	
	<u>(20,252)</u>		<u>(5,199)</u>	
Net cash flow from/(to) investing activities		<u>(8,885)</u>		<u>22,979</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Cash was provided from:				
Proceeds from short term borrowings	16,181		-	
Proceeds from term liabilities	-		10,000	
Proceeds from call on shares	115		16	
	<u>16,296</u>		<u>10,016</u>	
Cash was applied to:				
Settlement of short term liabilities	-		(45,843)	
Settlement of term liabilities	(842)		-	
Payment of dividend	(3,474)		(19,094)	
	<u>(4,316)</u>		<u>(64,937)</u>	
Net cash flow from/(to) financing activities		<u>11,980</u>		<u>(54,921)</u>
Net increase in cash held		<u>16,073</u>		<u>7,516</u>
Opening cash brought forward		<u>9,661</u>		<u>2,145</u>
Closing cash carried forward		<u>\$25,734</u>		<u>\$9,661</u>
Cash is comprised of:				
Bank Overdraft		<u>(618)</u>		<u>(5,303)</u>
Short term deposits		<u>26,352</u>		<u>14,964</u>
		<u>\$25,734</u>		<u>\$9,661</u>

**RECONCILIATION OF NET PROFIT AFTER TAX  
TO CASH FLOW FROM OPERATING ACTIVITIES**

*of Steel & Tube Holdings Limited and its subsidiaries  
for the year ended 31 March 1993*

	1993 \$000s	1992 \$000s
Profit after tax	<b>12,691</b>	6,800
Add/(less) non-cash items:		
Depreciation	<b>3,591</b>	3,473
Amortisation of goodwill	<b>1,443</b>	1,059
Provisions for losses on non current assets	<b>1,284</b>	1,120
Loss on disposal of assets	-	749
Surplus on disposal of assets	-	(1,907)
Decrease in deferred tax	<b>2,757</b>	3,705
Net increase in working capital	<b>(8,788)</b>	24,459
	<b>\$12,978</b>	\$39,458

*This statement is to be read in conjunction with the notes on pages 17 to 25 and the Audit Report on page 26.*

# NOTES TO THE ACCOUNTS

## 1 STATEMENT OF ACCOUNTING POLICIES

### ACCOUNTING ENTITY

The accounts presented are those of Steel & Tube Holdings Limited and its subsidiaries.

### GENERAL ACCOUNTING POLICIES

The General accounting policies recognised as appropriate in the preparation of these financial statements are:

The measurement base adopted is that of historic cost except that land, buildings and investments have been revalued.

Reliance has been placed on the assumption that the entity is a going concern.

Revenues earned are matched with expenses incurred using accrual accounting.

The following particular accounting policies which materially affect the financial position have been applied and are unchanged from last year:

#### (a) BASIS OF CONSOLIDATION

The consolidated financial statements are prepared from the accounts of the parent company and its subsidiaries as at 31 March 1993. The purchase method is applied for the purpose of consolidation and all significant intercompany transactions are eliminated on consolidation. The revaluation of assets reserve in the parent company reflects the increase in its share of the subsidiaries' shareholders' funds since acquisition.

For associate companies (see note 17) the Group adopts the equity method of accounting.

#### (b) GOODWILL

The excess of the cost of shares in subsidiary companies over the fair value of net assets acquired is capitalised. Provided that the directors are satisfied as to the goodwill it is carried forward and amortised over a period of ten years. These matters are reviewed by the directors annually.

#### (c) NON CURRENT ASSETS

**Fixed Assets** Land and buildings have been previously revalued to 90% of market value as certified by independent registered valuers or in particular circumstances, at a lesser value considered to be appropriate by the directors. All land and buildings were revalued at 31 March 1991.

The Group does not intend to update valuations. Land and buildings will continue to be carried in the balance sheet at the gross carrying amount determined by revaluation in March 1991 with subsequent additions at cost less total depreciation charged on buildings to date. Plant and other assets are recorded at cost less accumulated depreciation.

**Other Non Current Assets** Land and buildings held for sale are recorded in the financial statements at their carrying amount at the date the properties were identified as available for sale except where the carrying amount is greater than net realisable value. In these circumstances the properties are written down to their net realisable value and the difference charged in the Profit and Loss statement.

#### (d) DEPRECIATION

Depreciation of all fixed assets, except freehold land, is calculated on the straight line method at rates which will write off their cost or valuation less their estimated residual values over their expected useful lives. The following are the assessed lives of the major categories of fixed assets:

Buildings	Average 50 years
Motor vehicles	5 to 8 years
Plant and machinery	3 to 10 years
Office equipment	3 to 10 years

#### (e) INVESTMENTS (see notes 17 and 18)

Investments in subsidiary companies are revalued to reflect the parent company's share of their net underlying assets. Investments in associate companies are valued at cost plus subsequent increases to equate to the Group's share of their net underlying assets.

Other investments are at valuation.

#### (f) STOCK AND WORK IN PROGRESS

Stock is valued at the lower of cost and net realisable value. Cost is established principally on the average cost method which approximates actual cost determined on a FIFO basis. Stocks of own manufacture are valued at direct costs of labour, materials and overhead. Full provision is made for all defective, obsolete and slow moving stock. Long term contracts are valued by application of the percentage of completion method reduced by progress payments received or receivable. Other work in progress is valued at direct cost plus related overheads. Where losses have been identified full provision is made in respect of the estimated loss on the entire contract.

#### (g) DEBTORS

Debtors are valued at expected realisable value.

#### (h) TAX

The liability method of tax-effect accounting is used. The tax charged against the profit for the period is the estimated total liability in respect of that profit calculated at the present rate of company tax after allowance for permanent differences. This is the comprehensive basis for the calculation of deferred tax.

Tax losses are recognised to the extent that they will be recovered in the foreseeable future.

**(i) LEASING COMMITMENTS**

Leasing commitments are charged as expenses when incurred.

**(j) OVERSEAS CURRENCY**

Overseas currency balances are converted at the rates of exchange ruling at balance date. Exchange gains and losses on overseas currency loans are regarded as part of funding costs and all differences, both realised and unrealised, are treated as arising from the ordinary activities of the business in the period in which the exchange rate changes.

**2 BUSINESS ACTIVITIES DURING THE YEAR**

The principal business activities of the group during the year included:

- the merchandising of steel products
- the fabrication and installation of steelwork and mechanical plant
- the marketing, installation and servicing of technical products, processes and engineered systems
- the distribution of motor vehicles, parts and accessories

1993	1992
\$000s	\$000s

**3 SALES**

Total turnover of Group companies	<b>277,581</b>	252,382
less sales to companies within the Group	<b>2,332</b>	1,741
Sales to external customers (including export sales of \$3,815,000 [1992 \$1,972,000])	<b>\$275,249</b>	<b>\$250,641</b>

**4 PROFIT BEFORE TAX**

Profit before tax has been arrived at:

**After charging:**

Amortisation of goodwill	<b>1,443</b>	1,059
Audit fees	<b>247</b>	311
Currency losses/(gains)	<b>1</b>	(103)
Depreciation	<b>3,591</b>	3,473
Directors' fees	<b>135</b>	110
Interest - Fixed loans	<b>712</b>	435
- Other	<b>1,454</b>	3,696
Net loss on disposal of assets	<b>107</b>	749
Provisions for losses on sale of non current assets	<b>1,284</b>	1,120
Rent and leasing costs	<b>2,764</b>	2,574

**After Crediting:**

Consulting services	-	1,084
Dividends	-	1,300
Dividends from associates	<b>229</b>	40
Interest	<b>1,111</b>	233
Net surplus on disposal of investments	-	1,907

	1993		1992
	\$000s	\$000s	\$000s

**5 TAX**

Profit before tax	<b>\$19,515</b>	\$10,807
Tax at 33%	<b>6,440</b>	3,566
Plus/(less) tax effect of		
Non-assessable income	<b>(213)</b>	(1,253)
Non-deductible expenditure	<b>930</b>	945
Under provision in prior years	<b>21</b>	81
Benefit of tax losses not recognised	<b>(354)</b>	668
	<b>384</b>	441

	1993	1992
	\$000s	\$000s
<b>5 TAX CONT...</b>		
Profit and loss tax charge	<b>\$6,824</b>	\$4,007
The tax charge is represented by:		
Tax payable in respect of the current year	<b>4,269</b>	302
Benefit of tax losses not recognised	<b>(202)</b>	-
Deferred tax	<b>2,757</b>	3,705
	<b>\$6,824</b>	\$4,007
There are no tax losses to carry forward (1992 \$8,706,000) although there are losses available (subject to confirmation by the Inland Revenue Department) in a subsidiary totalling \$2,626,000 (1992 \$3,102,000) which are not available to the Group.		
	1993	1992
	\$000s	\$000s
<b>6 DEFERRED TAX</b>		
<b>Parent Company</b>		
Deferred tax 1 April	<b>2,467</b>	1,169
Transferred to Profit and Loss Account	<b>(871)</b>	1,298
	<b>\$1,596</b>	\$2,467
<b>Consolidated</b>		
Deferred tax 1 April	<b>4,508</b>	8,213
Transferred to Profit and Loss Account	<b>(2,757)</b>	(3,705)
	<b>\$1,751</b>	\$4,508
<b>7 PROFIT FOR YEAR AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS</b>		
Included in the Group result for the year dealt with in the accounts of Steel & Tube Holdings Limited is a profit of \$12,020,702 (1992 a profit of \$7,443,374)		
<b>8 DIVIDENDS</b>		
Interim dividend of 4 cents per share (8%) on 86,848,838 shares from retained profits. (Last year 7 cents per share (14%) on 86,788,838 shares from retained profits)	<b>3,474</b>	6,075
Proposed interim dividend of 10 cents per share (20%) on 43,425,533 shares from retained profits	<b>4,342</b>	-
(Last year special dividend of 10 cents per share (20%) on 86,788,838 shares from retained profits.)	-	8,679
	<b>\$7,816</b>	\$14,754
<b>9 IMPUTATION CREDIT ACCOUNT</b>		
Balance 1 April	-	-
plus/(less):		
Income tax paid	<b>4,126</b>	-
Imputation credits attached to dividends paid to shareholders	<b>(1,711)</b>	-
	<b>\$2,415</b>	-
Imputation credits directly and indirectly available to the members as at 31 March:		
Parent	<b>2,415</b>	-
Subsidiaries	<b>450</b>	16
	<b>\$2,865</b>	\$16

1993  
\$000s

1992  
\$000s

10 SHARE CAPITAL

Authorised capital 76,575,581 (1992 120,000,000) ordinary shares at 50 cents each	<b>\$38,288</b>	\$60,000
Issued capital 1 April	<b>43,424</b>	43,424
Less uncalled capital (senior executive share purchase scheme)	-	23
	<b>43,424</b>	43,401
Capital reduction	<b>(21,712)</b>	-
Issue of additional capital	<b>1</b>	-
Issued and paid up capital 31 March	<b>\$21,713</b>	\$43,401
	<b>Shares</b>	Shares
Shares on issue 31 March	<b>43,425,533</b>	86,848,838

Shares issued under the senior executive share purchase scheme qualified for bonus issues but did not have dividend or voting entitlements until fully paid.

On 5 March 1993, the shareholders, by way of Extraordinary General Meeting, approved the reduction of the Company's share capital by the cancellation of 43,423,305 ordinary shares of 50 cents each.

The proceeds of the cancelled shares were applied towards a return of share capital by way of a payment of 60 cents for each cancelled share (comprising the par value of 50 cents and 10 cents of the premium paid on each such share) to the respective holders of the cancelled shares.

Subsequent to balance date the proceeds were paid to shareholders on the 7 May 1993.

1993  
\$000s

1992  
\$000s

1993  
\$000s

1992  
\$000s

11 CAPITAL RESERVES

Parent Company

Share premium account

Balance 1 April	<b>45,269</b>	45,257
Call on Senior Executive Shares	<b>90</b>	12
	<b>45,359</b>	45,269
Capital reduction (Note 10)	<b>(4,342)</b>	-
Balance 31 March	<b>41,017</b>	45,269

This account comprises the amount by which the price of shares issued has exceeded the par value of 50 cents per share, less distributions made to shareholders in previous years.

Capital replacement fund

Balance 31 March	<b>5,004</b>	5,004
------------------	--------------	-------

Previous High Court approvals to make distributions from the share premium account were conditional upon equivalent amounts being transferred from revenue sources to this fund. The balance equates to the amount distributed from the above premium account.

Revaluation of assets reserve

Shares in subsidiaries: Balance 1 April	-	-
Write up/(down) of investment to equate share of tangible assets	<b>257</b>	(10,573)
	<b>257</b>	(10,573)
Transfer of revaluations	-	10,573
Balance 31 March	<b>257</b>	-
Investments: Balance 31 March	<b>24</b>	24
<b>Total parent company capital reserves as at 31 March</b>	<b>\$46,302</b>	\$50,297

	1993		1992	
	\$000s	\$000s	\$000s	\$000s
<b>11 CAPITAL RESERVES CONT...</b>				
<b>Consolidated Share premium account</b>				
Balance 1 April	<b>45,269</b>		45,257	
Call on Senior Executive Shares	<b>90</b>		12	
		<b>45,359</b>		45,269
Capital reduction (Note 10)		<b>(4,342)</b>		-
		<b>41,017</b>		45,269
<b>Capital replacement fund</b>				
Balance 31 March		<b>5,004</b>		5,004
<b>Revaluation of assets reserves</b>				
Land & buildings: Balance 1 April	-		558	
Write-down to current valuation	-		(558)	
Balance 31 March		-		-
Investments: Balance 31 March		<b>24</b>		24
<b>Total consolidated capital reserves as at 31 March</b>		<b>\$46,045</b>		\$50,297
			1993	1992
			\$000s	\$000s

**12 RETAINED PROFITS**

<b>Parent Company:</b>				
Capital profits			<b>11,639</b>	11,470
Revenue profits			<b>6,808</b>	2,768
			<b>\$18,447</b>	\$14,238
<b>Consolidated:</b>				
Capital profits			<b>27,393</b>	28,711
Revenue profits			<b>(8,689)</b>	(15,717)
Share of associate companies retained profits			-	1,244
			<b>\$18,704</b>	\$14,238

**13 TERM LIABILITIES (Unsecured)**

<b>Parent Company</b>				
Term loan due for repayment within two years			<b>\$10,000</b>	\$10,000
The interest rate on the term loan is 7.5% (1992 8.7%)				
<b>Consolidated</b>				
Term loan due for repayment within two years			<b>\$10,000</b>	\$10,000
The interest rate on the term loan is 7.5% (1992 8.7%)				

In 1986 the Group entered into an arrangement with the Bankers Trust Pacific Limited which resulted in the obligations for future interest payments and principal repayments under three debenture trust deeds being taken over by that company. As at the 31 March 1993 the residual amount of debt under this arrangement, which is guaranteed by the Rural and Industries Bank of Western Australia, excluded from the consolidated balance sheet and the parent company balance sheet is \$2,185,000. (1992 Consolidated balance sheet \$3,667,000 parent \$2,185,000).

1993      1992  
\$000s      \$000s

● **14 ACCOUNTS PAYABLE**

<b>Parent Company</b>		
Accounts payable	<b>20,991</b>	19,693
Capital profit deferred on defeasance of debt	<b>149</b>	223
	<b>21,140</b>	19,916
<b>Subsidiaries</b>		
Accounts payable	<b>7,504</b>	2,414
Provision for restructuring costs	<b>2,118</b>	3,363
	<b>\$30,762</b>	\$25,693

● **15 BILLS PAYABLE**

<b>Parent Company</b>		
Commercial bills	<b>21,600</b>	4,764
Trade bills	-	928
	<b>21,600</b>	5,692
<b>Subsidiaries</b>		
Commercial bills	<b>3,573</b>	3,300
	<b>\$25,173</b>	\$8,992

Interest rates on commercial and trade bills ranged from 7% to 9% during the year (1992 8% to 12%).

● **16 NON CURRENT ASSETS**

*Non current assets comprise:*

	1993 Cost or Valuation \$000s	1993 Accumulated Depreciation \$000s	1993 Book Value \$000s	1992 Book Value \$000s
<b>Parent Company</b>				
Plant and machinery	<b>9,693</b>	<b>6,138</b>	<b>3,555</b>	3,274
Motor vehicles	<b>5,332</b>	<b>2,464</b>	<b>2,868</b>	2,710
Furniture, fittings and office equipment	<b>9,694</b>	<b>7,063</b>	<b>2,631</b>	2,570
Capital work in progress	<b>465</b>	-	<b>465</b>	101
	<b>\$25,184</b>	<b>\$15,665</b>	<b>\$9,519</b>	\$8,655
<b>Consolidated</b>				
Land - freehold	<b>1,873</b>	-	<b>1,873</b>	-
Land - freehold (1)	<b>6,876</b>	-	<b>6,876</b>	6,876
Land - leasehold (1)	<b>151</b>	-	<b>151</b>	300
Buildings - freehold	<b>1,412</b>	<b>24</b>	<b>1,388</b>	3
Buildings - freehold (1)	<b>13,518</b>	<b>223</b>	<b>13,295</b>	13,403
Plant & machinery	<b>10,110</b>	<b>6,205</b>	<b>3,905</b>	3,395
Motor vehicles	<b>5,694</b>	<b>2,549</b>	<b>3,145</b>	2,791
Furniture, fittings and office equipment	<b>11,140</b>	<b>7,360</b>	<b>3,780</b>	3,327
Capital work in progress	<b>465</b>	-	<b>465</b>	101
	<b>\$51,239</b>	<b>\$16,361</b>	<b>\$34,878</b>	\$30,196
<b>Other Non Current Assets</b>				
Properties held for sale			<b>14,115</b>	15,311
			<b>\$48,993</b>	\$45,507

(1) Land and buildings were valued at 90% of market value as at 31 March 1991 as determined by independent registered valuers.



	1993 \$000s	1992 \$000s
<b>17 ASSOCIATE COMPANIES</b>		
Associate companies - at cost	<b>203</b>	203
Plus subsequent increases in net value equating to retained profit	<b>1,145</b>	1,383
Less write down of associate company	-	(135)
	<b>1,348</b>	1,451
Less disposal of associate company	<b>1,348</b>	-
	<b>\$ -</b>	<b>\$1,451</b>

<b>18 OTHER INVESTMENTS</b>		
<b>Parent Company</b>		
Shares in other companies (at valuation)	<b>38</b>	38
<b>Subsidiaries</b>		
Investment in New Zealand Steel Holdings Limited (at cost)		
Ordinary shares	-	6,925
Other investments (at cost)	-	11
	<b>\$38</b>	<b>\$6,974</b>

	1993 \$000s	1992 \$000s	1992 \$000s
<b>19 SUMMARY OF THE EFFECTS OF ACQUISITION OF SUBSIDIARIES AND GOODWILL</b>			
Total cash paid for acquisitions		<b>11,219</b>	-
Net assets acquired:			
Fixed assets	<b>1,991</b>	-	-
Net current assets	<b>6,506</b>	-	-
Term liabilities	<b>(842)</b>	-	-
		<b>7,655</b>	-
Goodwill on acquisition		<b>3,564</b>	-
Balance 1 April		<b>7,754</b>	8,813
		<b>11,318</b>	8,813
Amortised against profits		<b>(1,443)</b>	(1,059)
Balance 31 March		<b>\$9,875</b>	<b>\$7,754</b>

On 1 April 1992 the Group acquired all of the issued capital of Stewart Steel Limited for \$6,933,000.

On 23 June 1992 the Group acquired the assets of G W Taylor Industries Limited for \$1,551,000.

On 3 August 1992 and 1 December 1992 the Group acquired the wholesale and retail assets of Jaguar New Zealand Limited for \$2,735,000.

	1993 \$000s	1992 \$000s
<b>20 ACCOUNTS RECEIVABLE AND PREPAYMENTS</b>		
<b>Parent Company</b>		
Accounts receivable	<b>39,450</b>	31,277
Prepayments and other receivables	<b>1,395</b>	2,351
	<b>40,845</b>	33,628
<b>Subsidiaries</b>		
Accounts receivable	<b>3,452</b>	1,305
Prepayments and other receivables	<b>804</b>	1,111
	<b>\$45,101</b>	<b>\$36,044</b>

1993      1992  
\$000s      \$000s

● **21 INVENTORY AND WORK IN PROGRESS**

**Parent Company**

Inventory	<b>40,410</b>	36,054
Work in progress	<b>17,109</b>	21,503
Progress claims	<b>(16,003)</b>	(22,768)
	<b>41,516</b>	34,789

**Subsidiaries**

Inventory	<b>11,123</b>	6,842
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● **22 INVESTMENTS IN SUBSIDIARY COMPANIES**

**\$52,639**      **\$41,631**

The principal subsidiaries comprise:

	<i>Percentage Shareholding</i>	<i>Balance Date</i>
Acorn Pacific Corporation Limited	100%	31 March
Steel & Tube New Zealand Limited	100%	31 March
Robt. Stone & Company Limited	100%	31 March
Chatham Properties Limited	100%	31 March
NZMC Limited	100%	31 March
Motorcorp Holdings Limited	50%	31 March

● **23 OPERATING LEASE COMMITMENTS**

The Group has operating leases with lease terms in excess of one year in respect of land and buildings.

At 31 March 1993 the aggregate lease commitment was as follows:

	1993 \$000s	1992 \$000s	1993 \$000s	1992 \$000s
	<b>Parent Company</b>		<b>Consolidated</b>	
(i) due within one year	<b>1,835</b>	1,617	<b>2,709</b>	2,301
(ii) due later than one year and not later than two years	<b>1,835</b>	1,617	<b>2,623</b>	2,221
(iii) due later than two years and not later than five years	<b>4,522</b>	4,489	<b>5,991</b>	5,832
(iv) due later than five years	<b>2,260</b>	3,307	<b>2,321</b>	3,670
	<b>\$10,452</b>	\$11,030	<b>\$13,644</b>	\$14,024

● **24 RELATED PARTY DISCLOSURES**

During the reporting period transactions were conducted with the following related party:

Tubemakers of Australia Limited and subsidiaries (Tubemakers) [holder of 49.94% (1992 49.98%) of the voting securities of Steel & Tube Holdings Limited]

The Group sourced 3% (1992 3%) of its purchases from Tubemakers. As a result the Group at balance date owed Tubemakers \$761,803 (1992 \$305,486) due in April 1993. All transactions with Tubemakers were conducted on an arm's length basis and on normal commercial terms.

● **25 CONTINGENT LIABILITIES**

The Group has contingent liabilities of \$616,000 (March 1992 \$700,000). Guarantees under contracts and other contingent liabilities of the parent company total \$542,000 (March 1992 \$759,333).

● **26 CAPITAL COMMITMENTS**

The Group has capital commitments of \$608,000 (March 1992 \$7,500,000).

## 27 FINANCIAL REPORTING FOR SEGMENTS

### A. Industry Segments

	Merchandising and Contracting		Automotive		Corporate activities and investments		Eliminations		Consolidated	
	1993 \$000s	1992 \$000s	1993 \$000s	1992 \$000s	1993 \$000s	1992 \$000s	1993 \$000s	1992 \$000s	1993 \$000s	1992 \$000s
Sales to customers outside the Group	<b>244,228</b>	215,566	<b>31,021</b>	35,075	-	-	-	-	<b>275,249</b>	250,641
Intersegment Sales	-	-	<b>577</b>	631	-	-	<b>(577)</b>	(631)	-	-
Total Sales	<b>244,228</b>	215,566	<b>31,598</b>	35,706	-	-	<b>(577)</b>	(631)	<b>275,249</b>	250,641
Segment Result	<b>21,772</b>	14,962	<b>869</b>	31	<b>(2,377)</b>	957	-	-	<b>20,264</b>	15,950
<b>Unallocated Income/ (Expenses)</b>										
Fixed loan & Other interest									<b>(1,054)</b>	(4,131)
Taxation									<b>(6,824)</b>	(4,007)
Associate equity income									<b>(104)</b>	189
<b>Total Unallocated Expenses</b>									<b>(7,982)</b>	(7,949)
<b>Profit/(loss) attributable to Shareholders</b>									<b>12,282</b>	8,001
Segment Assets	<b>124,644</b>	114,784	<b>28,943</b>	24,727	<b>31,162</b>	19,322	-	-	<b>184,749</b>	158,833

#### NOTES:

The company has operated predominantly in two segments: Merchandising and Contracting  
Automotive

### B. Geographical Segments

In excess of 90% of the company's activities are carried out within New Zealand.

**A U D I T   R E P O R T**

Coopers  
& Lybrand

**T O T H E M E M B E R S O F S T E E L & T U B E H O L D I N G S L I M I T E D**

The balance sheet of the Company set out on page 14 is in agreement with the accounting records which, in our opinion, have been properly kept. We obtained the information and explanations we required.

In our opinion, the financial statements set out on pages 12 to 25 give, under the historical cost convention (including the revaluation of certain assets), a true and fair view of the state of affairs of the Company and the Group at 31 March 1993 and of the profit and cash flows of the Group for the year ended on that date and they comply with the Companies Act 1955.

4 June 1993  
Wellington, NZ

*Coopers & Lybrand*  
Chartered Accountants

*H i g h l i g h t s*  
**O F T H E Y E A R**

## COMPARATIVE REVIEW

	1993 \$000s	1992 \$000s	1991 \$000s	1990 \$000s	1989 \$000s	
<b>SALES</b>	<b>275,249</b>	250,641	285,510	317,528	408,387	
<b>PROFITS</b>						
Net profit/(loss) before tax	<b>19,515</b>	10,807	4,763	6,098	(1,813)	
Tax	<b>6,824</b>	4,007	985	1,827	539	
Net tax-paid profit/(loss)	<b>12,691</b>	6,800	3,778	4,271	(2,352)	
Minority interests	<b>305</b>	(1,012)	(329)	-	(1,870)	
	<b>12,386</b>	7,812	4,107	4,271	(482)	
Retained profits in associate companies	<b>(104)</b>	189	81	78	(157)	
Extraordinary items	-	-	(7,705)	-	(6,122)	
Total Group profit/(loss) after tax	<b>12,282</b>	8,001	(3,517)	4,349	(6,761)	
Dividends	<b>(7,816)</b>	(14,754)	(4,340)	(4,351)	(21,676)	
Increase/(Reduction) in retained profits	<b>4,466</b>	(6,753)	(7,857)	(2)	(28,437)	
<b>FINANCIAL POSITION</b>						
Paid up capital	<b>21,713</b>	43,401	43,397	43,397	43,367	
Current assets	<b>124,092</b>	92,639	110,851	129,338	124,527	
Current liabilities	<b>87,073</b>	39,988	98,228	106,720	72,077	
Net current assets	<b>37,019</b>	52,651	12,623	22,618	52,450	
Total assets	<b>184,749</b>	158,833	215,380	236,487	206,185	
Total liabilities	<b>98,287</b>	50,897	100,149	106,720	72,077	
Shareholders' funds	<b>86,462</b>	107,936	115,231	129,767	134,108	
(figures in brackets are negatives)						
<b>STATISTICS</b>						
	Note					
Dividends paid in cents per share	(1)	<b>18.0</b>	34.0	10.0	10.0	49.9
Times dividend covered		<b>1.6</b>	0.6	-	1.0	-
Earnings in cents per share	(1)	<b>28.3</b>	18.4	(8.1)	10.0	(15.6)
<b>Percentage return on:</b>						
Sales		<b>4.5</b>	3.2	(1.2)	1.4	(1.7)
Shareholders' funds at year end		<b>14.2</b>	7.4	(3.1)	3.4	(5.0)
Total assets at year end		<b>6.6</b>	5.0	(1.6)	1.8	(3.3)
Current assets to current liabilities		<b>1.4:1</b>	2.3:1	1.1:1	1.2:1	1.7:1
Net assets in cents per share	(1)	<b>199</b>	249	265	299	309
Percentage of shareholders' funds to total assets	(2)	<b>54</b>	68	54	55	65
Number of ordinary shareholders		<b>5,189</b>	5,099	5,121	5,237	5,650
Number of employees at year end		<b>672</b>	795	1,018	1,077	1,243

### Note:

(1) All prior years' calculations have been based on 1993 reduced share capital of 43,425,533 shares.

(2) This ratio has been calculated as at the 31 March 1993 as if the proceeds arising on cancellation of 43,423,305 shares had been distributed to shareholders prior to balance date.

## SHAREHOLDER STATISTICS

as at 4 June 1993

### CENSUS OF SHAREHOLDERS

SIZE OF HOLDINGS				LOCATION			
	No of Shareholders	No of Shares	%		No of Shareholders	No of Shares	%
1-500	2,617	502,752	1.15	Auckland	2,057	27,057,865	62.32
501-1000	962	665,424	1.53	Hawkes Bay/Taranaki	387	456,920	1.05
1001-5000	1,267	2,542,495	5.86	Wellington	1,171	13,931,658	32.08
5001-10000	150	940,431	2.17	Nelson/Marlborough/Westland	180	149,843	0.34
10001-50000	81	1,510,961	3.48	Canterbury	754	1,309,789	3.02
50001-100000	8	537,998	1.24	Otago/Southland	443	412,771	0.95
Over 100000	37	36,725,472	84.57	Overseas	130	106,687	0.24
	<u>5,122</u>	<u>43,425,533</u>	<u>100.00</u>		<u>5,122</u>	<u>43,425,533</u>	<u>100.00</u>

### TWENTY LARGEST SHAREHOLDERS

At 4 June 1993 the twenty largest shareholders held 78.58% of the issued shares. The twenty largest holders are as follows:

Tubemakers of New Zealand Limited	21,687,712	49.94
AMP Superannuation Investment Trustee (NZ) Limited	2,343,350	5.39
ANZ Nominees Limited	1,647,750	3.79
Accident Rehabilitation & Compensation Insurance Corporation	952,000	2.19
Australian Mutual Provident Society	924,000	2.12
Australian Mutual Provident Society No.2 Account	832,500	1.91
National Nominees Limited	657,750	1.51
ANZ Nominees Limited DRP Account	573,427	1.32
Southpac Custodians Limited	510,200	1.17
Guardian Assurance PLC - Life Fund	500,000	1.15
Norwich Union Life Insurance (NZ) Limited	471,000	1.08
Guardian Royal Exchange Assurance of New Zealand Limited - Equity Fund	400,000	0.92
Prudential Assurance Company Limited - Life Fund	386,000	0.88
Windley Nominees Limited	355,000	0.81
Guardian Royal Exchange Assurance of NZ Limited - SaverGuard One Fund	350,000	0.80
Barclays New Zealand Custodian Services Limited	345,550	0.79
Australian Mutual Provident Society No.4 Account	325,000	0.74
Oceanic Life Limited	300,000	0.69
Perpetual Nominees Christchurch Limited - Re Account ECT	290,000	0.66
Athene Nominees Limited	275,000	0.63

### SUBSTANTIAL SECURITY HOLDERS

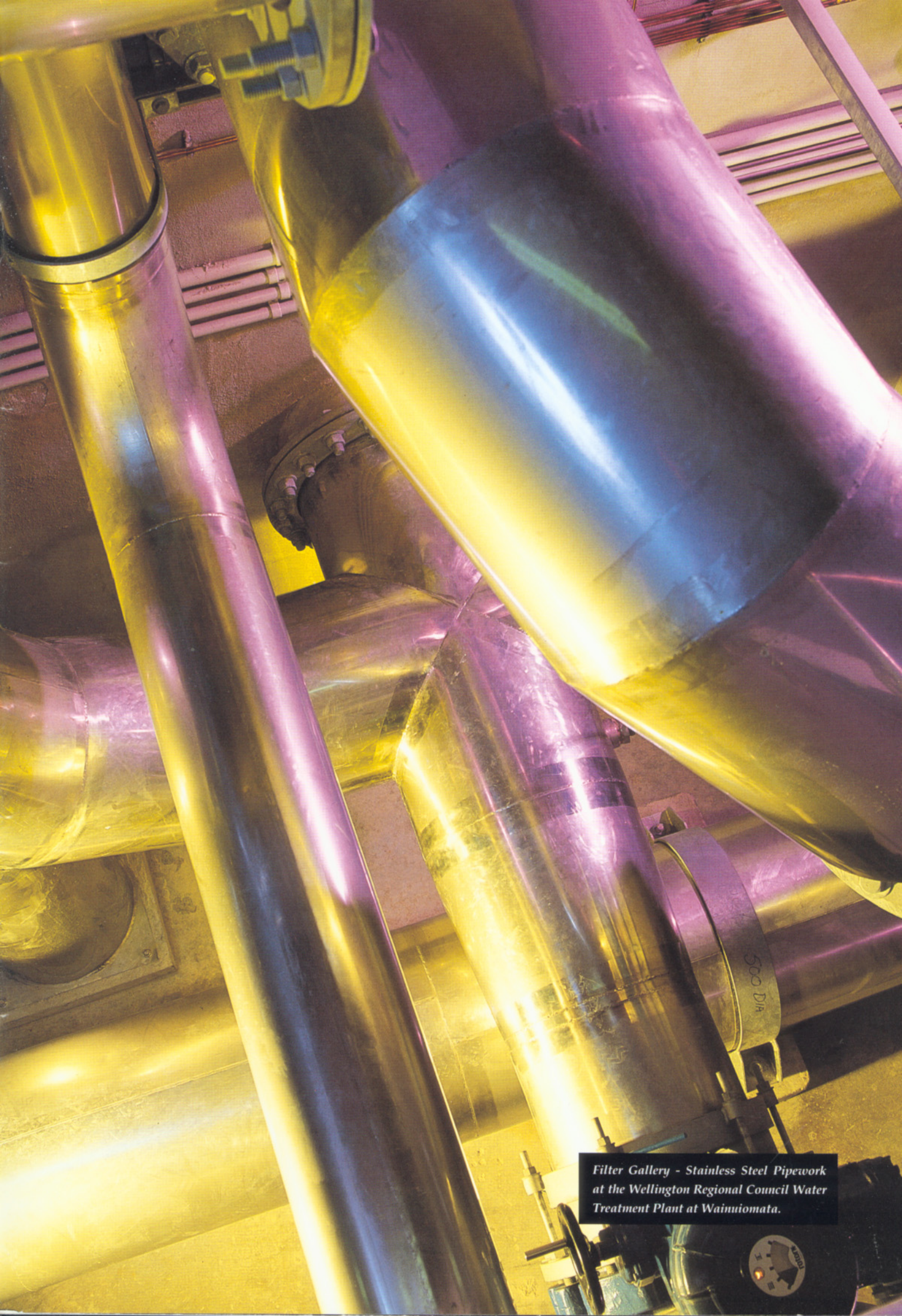
According to the file kept by the Company in terms of section 25 of the Securities Amendment Act 1988, the names of persons who are substantial security holders and the number of voting securities in which they have a relevant interest at 4 June 1993 are as follows:

Name	Fully Paid ordinary shares held	Percentage of total shares on issue
Tubemakers of Australia Limited	21,687,712	49.94
Australian Mutual Provident Society	4,871,500	11.22
<b>Securities on issue comprise:</b>		
Fully paid ordinary shares carrying full voting rights		43,425,533

### DIRECTORS' SHAREHOLDINGS INCLUDING THOSE HELD BENEFICIALLY

	* As at 31 March 1993 Ordinary Fully Paid	As at 31 March 1992 Ordinary Fully Paid
K T Cocks	1,000	2,000
N Calavrias	225,000	200,000
A B Daniels	1,000	2,000
R L Every	1,000	2,000
A S Paterson	3,356	6,712
D H Tudhope	1,918	3,836

\* The number of shares shown is the number held, after cancellation of half the shares, as approved at the Extraordinary General Meeting 5 March 1993.



*Filter Gallery - Stainless Steel Pipework  
at the Wellington Regional Council Water  
Treatment Plant at Wainuiomata.*



