

COLLINS plc

W1 IRREDEEMABLE DEBT

$$\text{MARKET VALUE} = 25m \times \frac{4}{4} = 25m$$

W2 REDEEMABLE DEBT

For ~~£~~100 NOMINAL:

11% DF

PV

1-7

9

4.712

42.408

7

104

0.482

50.128

92.536

$$\therefore \text{MARKET VALUE} = 32m \times \frac{92.536}{100}$$

$$= \underline{\underline{29.61m}}$$

W3 EQUITY

$$\text{MARKET VALUE} = 20m \times 5.25 = \underline{\underline{105m}}$$

$$\begin{aligned} \text{GEARING RATIO} &= \frac{25 + 29.61}{105 + \text{NIL} + 25 + 29.61} \\ \text{(MARKET VALUES)} & \\ &= \underline{\underline{34.2\%}} \end{aligned}$$

$$\begin{aligned} \text{GEARING RATIO} &= \frac{25 + 32}{20 + 284 + 25 + 32} \\ \text{(BOOK VALUES)} & \\ &= \underline{\underline{15.8\%}} \end{aligned}$$

- ^{HIGHER THAN} ~~BELOW~~ 24% FOR SECTOR
- INTEREST COVER SAFER THAN SECTOR AVERAGE

(ii)

- ISSUE OF NEW SHARES (PUBLIC, PLACING, RIGHTS)
 - SCRIP DIVIDENDS
 - DEBENTURES LOAN STOCK BONDS
 - CROWD FUNDING
 - PEER TO PEER FUNDING
 - PREFERENCE SHARES
 - ISLAMIC FINANCE
- } RATE FOR plc's