

## Company Data

### Edinburgh plc

The company is a multi-national manufacturer whose shares and bonds trade on the London Stock Exchange. It has historically only accepted projects with a discounted payback period of less than 04 years. Its policy is to remit all overseas cash flows back to the UK at the end of each year.

You have gathered the following data:

### Financial data

#### Earnings and dividend per share

Year end 31 Dec	Actual					Forecast	
	2020	2021	2022	2023	2024	2025	2026
Earnings per share (p)	49.0	49.7	50.4	51.2	52.0	52.8	53.6
Dividend per share (p)	34.8	36.0	37.3	38.6	40.0	41.4	42.8

#### Equity capital (shares)

Number in issue (m)	50						
Market price (p)	1100	ex	the final dividend of	32	p		

#### Debt capital (bonds)

Book value in issue (£m)	50
Market price (£ per £100 nominal)	132.00
Coupon (paid semi-annually)	8.0%
Years to redemption	13
Months since last semi-annual interest payment	3

The company has not issued or redeemed any equity or bonds in the past 5 years

### Other data

Prospective price earnings ratio of FTSE All-Share index	15.6
Prospective dividend yield of FTSE All-Share index	4.3%
UK corporate tax rate	25%
Average financial gearing of competitors	30%