

## **Chapter 6**

### ***Level II***

#### **E6.11** *Time allowed – 60 minutes*

The employee costs and depreciation for each of the ten years to 2000 for Johnson Matthey plc were as follows:

	<b>Employee costs</b>	<b>Depreciation</b>
	<b>£m</b>	<b>£</b>
1991	134.7	19.9
1992	131.0	23.0
1993	136.6	26.5
1994	149.8	30.7
1995	116.8	27.8
1996	140.7	33.1
1997	174.9	40.6
1998	205.5	45.5
1999	263.4	64.3
2000	187.6	46.6

(i) Use the above data and refer to the ten year record of Johnson Matthey plc (see pages 234 and 235 in *Business Accounting and Finance*) to prepare a value added statement for the ten years 1991 to 2000.

(ii) Prepare a report that explains the trends illustrated in the analysis that you have prepared in part (i).

**E6.12** *Time allowed – 60 minutes*

(i) Use the value added statement from Exercise E6.11 for the ten years years 1991 to 2000 to prepare a vertical analysis of the results.

(ii) What does the vertical analysis of the value added statement tell you about Johnson Matthey plc's financial performance over that period?