fair value accounting would probably reduce the 83% debt equity ratio. Also if one includes the disposals and capital expenditure cutbacks discussed in the [illegible] plan but not the Tryer acquisition C$2000 million (£900 million) could be raised by 1990. ~~Assuming say a £[illegible] million gain in shareholder equity by fair value accounting, £560 million would be required from realisation to~~ reduce the group debt/equity ~~ratio to 20% in 1988~~.

One way of achieving a reduction in the group debt/equity ratio would be to speed up the necessary sale of 33% of Trust co. At a price of C$24 a share this could raise C$936 million (£400 million) in 1986 and the Porter and Hardee's ~~disposal~~ sale and leasebacks a further C$400 million (£180 million). One cannot say with any degree of certainty what the equity gains from fair value accounting would be nor those from the disposals but a guess would be about £300 million. Thus it might be possible to reduce the group 1988 debt/equity ratio ratio to ~~67%~~ 66%

	After Purchase of 100% Imasco £ millions	Disposals etc £ millions	Possible Outcome £ millions
Gross debt	3677	−400 − 180	3097
Shareholders funds	4423	+ 300	4723
Debt/equity ratio	83%		66%

The sale of Hardee's could raise a further £300 million and Shoppers £200 million pretax. These figures would lead to book profits on disposal, but it is not possible to calculate the tax effect to arrive at the change in group equity. However a £500 million reduction in debt would reduce the above debt/equity ratio from 66% to 55%