

## The art of financial metamorphosis

Mr John Bentley, the young chairman of Barclay Securities and former pupil of Mr Jim Slater, is on the way to ogehood, stuck with the title of "asset stripper." He has a fairly clear explanation of what he does. At the last annual general meeting he said:

Barclay is undergoing a transformation this year in which it demonstrates its catalytic policy of acquiring smaller companies, modernising them over a period and floating them or selling them off again as far more efficient and streamlined operations, usually under newly promoted, energetic and proven managements to pursue their own initiative.

But some people think of Mr Bentley as typical of a new breed of City financial entrepreneurs who are using the stock market, and the avidity of the institutions for property, to reduce industrial and productive enterprises to a heap of cash. Is this true—or is Mr Bentley a genuine industrial reorganiser?

### 1. Media division

Mr Bentley has an eye for a bargain. Mills and Allen and Ripley were bought for £4.8m in 1970, reorganised, and sold to Lion International (ex-British Lion) for £9½m. His other major coup was Dorland Advertising, bought for £2.3m in 1971, and almost completely dismantled at a £1.3m odd profit over the following 18 months: the industrial justification is that each of the constituent parts is flourishing under its new owner—synergy via deglomeration—and the step was vital for the poster plans.

The media group now consists of a 49% interest in Lion International, whose managing director, Mr Jeremy Arnold, can claim most of the credit for an effective rationalisation of the outdoor poster industry, done via Mills and Allen. Its profits of £1.2m are capable of sustaining the periodic and endemic losses in the film industry in a way that British Lion was not. British Lion diversified—but with a dramatic lack of success. Although it looked as if Barclay was after the lush housing potential of Shepperton studios alone, an independent British Lion would have been in no fit state to ignore the asset potential. In the year before being taken over, it lost £1m. There was a worse possible fate for Shepperton than the loss of 150 jobs: the loss of all 350. British Lion's most sensible acquisition, Pearl and Dean (cinema advertising), clearly fits in with the other group activities.

The "strip" of Mills and Allen is



*Bentley: a deal's a deal*