

APPENDIX 6.7
(referred to in paragraphs 6.22 and 9.16)

SWWS: balance sheets (HCA basis)

TABLE 1 SWWS balance sheets (HCA basis)

	As at 31 March					£ million
	1990	1991	1992	1993	1994	
Tangible assets	413.7	509.9	656.7	839.5	1,016.7	
Investments	<u>3.0</u>	-	-	-	-	
Fixed assets	416.7	509.9	656.7	839.5	1,016.7	
Stocks	1.8	2.4	1.7	1.3	1.2	
Debtors	20.3	30.0	32.3	36.0	45.3	
Investments	242.2	363.6	416.1	388.9	404.2	
Cash	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.4</u>	<u>0.7</u>	
Current assets	264.4	396.1	450.3	426.6	451.4	
<i>Current liabilities</i>						
European Investment Bank	-	-	-	-	(1.9)	
Bank loans and overdrafts	(3.5)	(9.1)	(7.4)	(1.6)	(5.7)	
Obligations under finance leases	-	(0.8)	(3.5)	(3.3)	(5.0)	
Trade	(23.5)	(37.0)	(58.0)	(48.3)	(65.0)	
Due to parent and associates	(13.6)	(30.9)	(6.8)	(8.0)	(9.5)	
Other	(0.4)	-	(0.3)	(0.5)	(0.5)	
Taxation	(0.6)	(0.8)	(3.1)	(1.0)	(1.3)	
Accruals and deferred income	<u>(12.1)</u>	<u>(13.6)</u>	<u>(15.3)</u>	<u>(18.1)</u>	<u>(17.6)</u>	
Creditors due in one year	(53.7)	(92.2)	(94.4)	(80.8)	(106.5)	
Net current assets	210.7	303.9	355.9	345.8	344.9	
Total assets less current liabilities	627.4	813.8	1,012.6	1,185.3	1,361.6	
Creditors due after one year	(1.3)	(133.1)	(276.5)	(380.3)	(503.7)	
Provisions for liabilities	(3.7)	(6.2)	(5.7)	(4.2)	(3.7)	
Accruals and deferred income*	-	-	-	<u>(14.5)</u>	<u>(19.3)</u>	
Net assets	<u>622.4</u>	<u>674.5</u>	<u>730.4</u>	<u>786.3</u>	<u>834.9</u>	
<i>Capital and reserves</i>						
Called-up share capital	265.9	265.9	265.9	265.9	265.9	
Profit and loss account	<u>356.5</u>	<u>408.6</u>	<u>464.5</u>	<u>520.4</u>	<u>569.0</u>	
Shareholders' funds	622.4	674.5	730.4	786.3	834.9	
Net debt/(cash)	(225.1)	(193.9)	(132.2)	2.9	119.3	
Gearing ratio† (%)	Net cash	Net cash	Net cash	0.4	14.3	

Source: SWWS.

*Mainly grants and contributions on non-infrastructure assets and liquidated damages (change of classification in 1993 on the company's balance sheet).

†Gearing: defined as debt (overdrafts, debentures, inter-company and loans less cash in bank and investments) divided by total shareholders' funds.

TABLE 2 Calculation of net debt for SWWS on an HCA basis (and CCA basis)

	<i>As at 31 March</i>					<i>£ million</i>
	1990	1991	1992	1993	1994	
<i>Debt</i>						
European Investment Bank	-	-	-	-		(1.9)
Bank loans and overdrafts	(3.5)	(9.1)	(7.4)	(1.6)		(5.7)
Obligations under finance leases	-	(0.8)	(3.5)	(3.3)		(5.0)
Due to parent and associates	(13.6)	(30.9)	(6.8)	(8.0)		(9.5)
Creditors due after one year	<u>(0.1)</u>	<u>(129.0)</u>	<u>(266.4)</u>	<u>(379.3)</u>		<u>(502.1)</u>
Total	(17.2)	(169.8)	(284.1)	(392.2)		(524.2)
<i>Offsetting assets</i>						
Investments	242.2	363.6	416.1	388.9		404.2
Cash	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.4</u>		<u>0.7</u>
	242.3	363.7	416.3	389.3		404.9
Net (debt)/cash	225.1	193.9	132.2	(2.9)		(119.3)

Source: MMC based on information from SWWS.