

APPENDIX 3.4
(referred to in paragraph 3.50)

WMT: financial summary

TABLE 1 WMT: balance sheet summary

£'000

	<i>As at 31 March</i>				<i>As at 31 December</i>	
	<i>1992</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1995</i>	<i>1996</i>
Fixed assets:						
Tangibles	62,860	46,744	46,579	70,786	68,637	58,874
Current assets:						
Stock	5,516	4,461	3,042	2,686	2,459	3,318
Debtors	11,775	6,517	6,012	13,998	6,099	7,641
	<u>17,291</u>	<u>10,978</u>	<u>9,054</u>	<u>16,684</u>	<u>8,558</u>	<u>10,959</u>
Creditors due within one year	<u>(26,885)</u>	<u>(31,367)</u>	<u>(28,617)</u>	<u>(48,805)</u>	<u>(43,117)</u>	<u>(38,358)</u>
Net operating assets*	53,266	26,355	27,016	38,665	34,078	31,475
Non-operating assets	0	10,860	13,728	16,191	16,354	15,910
Net cash#	(52,430)	(30,176)	(26,600)	(48,651)	(42,426)	14,011
Creditors less debtors due after one year	0	0	0	(40)	3,812	0
Provisions~	<u>(1,554)</u>	<u>(2,115)</u>	<u>(3,900)</u>	<u>(9,421)</u>	<u>(8,418)</u>	<u>(17,656)</u>
Net assets as published	(718)	4,924	10,244	(3,256)	3,400	43,740
Goodwill added back	0	0	4,430	30,865	27,154	2,200
Pro forma net assets	<u>(718)</u>	<u>4,924</u>	<u>14,674</u>	<u>27,609</u>	<u>30,554</u>	<u>45,940</u>
Shareholders' funds:						
Share capital	90	90	93	101	893	893
Capital reserves	0	4,834	10,050	(38)	2,478	1,867
Goodwill reserve	0	0	(4,663)	(32,735)	(30,551)	(2,316)
Retained earnings	(808)	0	4,759	29,408	30,580	43,296
Minority interests	-	-	5	8	-	-
Shareholders' funds as published	<u>(718)</u>	<u>4,924</u>	<u>10,244</u>	<u>(3,256)</u>	<u>3,400</u>	<u>43,740</u>
Goodwill reinstated	0	0	4,663	32,735	30,551	2,316
Goodwill written off through profit and loss account	0	0	(233)	(1,870)	(3,397)	(116)
Pro forma shareholders' funds	<u>(718)</u>	<u>4,924</u>	<u>14,674</u>	<u>27,609</u>	<u>30,554</u>	<u>45,940</u>

Source: NEG/MMC analysis.

*Net operating assets comprise fixed assets, current assets and current liabilities excluding cash, borrowings, proposed dividends and unrelated investments.

#Net cash comprises cash less borrowings including finance facilities such as lease obligations.

~ Provisions includes proposed dividends of £2.39 million at March 1995 and £9.0 million at 31 December 1996.

Notes:

1. Borrowings in 1992 included deferred consideration of £19.8 million due to WMPTA repayable over five years. This had been fully repaid by 31 March 1995.

2. In order to show shareholders' funds invested (see Table 3.4), goodwill has been written back and arbitrarily amortized at 5 per cent annually through the profit and loss account on a pro forma basis.

3. The reduction in goodwill in 1996 was caused by the disposal of the subsidiaries to which the goodwill applied.

TABLE 2 WMT: profit and loss account summary

	£'000					
	<i>4 mnths ended 31.3.</i>	<i>Years ended 31 March</i>			<i>9 mnths ended 31.12.</i>	<i>Year ended 31.12.</i>
	<i>1992</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1995</i>	<i>1996</i>
Turnover	43,297	150,801	151,733	179,567	152,710	178,460
Operating costs	<u>41,385</u>	<u>139,310</u>	<u>136,441</u>	<u>150,495</u>	<u>133,759</u>	<u>140,163</u>
Operating profit	1,912	11,491	15,292	29,072	18,951	38,297
Non-operating income/(expense*)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(955)</u>	<u>(5,503)</u>
Profit before interest	1,912	11,491	15,292	29,072	17,996	32,794
Net interest received/(paid)	<u>(854)</u>	<u>(1,908)</u>	<u>(847)</u>	<u>(2,670)</u>	<u>(2,466)</u>	<u>(844)</u>
Profit before tax	1,058	9,583	14,445	26,402	15,530	31,950
Tax	<u>(400)</u>	<u>(3,941)</u>	<u>(4,520)</u>	<u>(7,362)</u>	<u>(6,895)</u>	<u>(10,575)</u>
Profit after tax	658	5,642	9,925	19,040	8,635	21,375
Minority interests	0	0	0	(17)	0	0
Dividends	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,842)</u>	<u>(7,500)</u>	<u>(9,000)</u>
Retained earnings as published	658	5,642	9,925	15,181	1,135	12,375
Goodwill written off	<u>0</u>	<u>0</u>	<u>(233)</u>	<u>(1,637)</u>	<u>(1,528)</u>	<u>(116)</u>
Pro forma retained earnings	<u>658</u>	<u>5,642</u>	<u>9,692</u>	<u>13,544</u>	<u>(393)</u>	<u>12,259</u>
Pro forma profit after tax	<u>658</u>	<u>5,642</u>	<u>9,692</u>	<u>17,403</u>	<u>7,107</u>	<u>21,259</u>

Source: NEG/MMC analysis.

*Comprises losses on disposal of subsidiaries.

Note: In order to show returns on shareholders' funds invested, goodwill has been written back and arbitrarily amortized at 5 per cent annually through the profit and loss account.