

Notes

For the six months ended 30 June 2003

1 Basis of preparation

The interim financial statements for the six months ended 30 June 2003 have been prepared in accordance with the accounting policies detailed in the financial statements for the year ended 31 December 2002 and were approved by the directors on 3 September 2003. The accounting information contained in the Interim Report for 2003 does not comprise a full set of accounts within the meaning of Section 240 of the Companies Act 1985 and no full accounts have been filed with the Registrar of Companies. The interim results for both 2002 and 2003 are unaudited, but have been reviewed by the auditors and their report to the company is set out on page 23. The financial information for the full year 2002 is an abridged version of the financial statements for that year, on which the auditors gave an unqualified report and which did not contain statements under section 237(2) or (3) of the Companies Act 1985. The 2002 full year accounts have been delivered to the Registrar of Companies.

2 Earnings per share

The calculation of basic earnings per Ordinary Share after goodwill is based on profits of £17,791,000 for the six months ended 30 June 2003 (2002: £16,186,000) and the weighted average number of 429,640,399 (2002: 414,132,355) Ordinary Shares of 2p each in issue during the period.

The calculation of basic earnings per Ordinary Share before goodwill is based on profits of £22,121,000 for the six months ended 30 June 2003 (2002: £20,056,000) and the weighted average number of 429,640,399 (2002: 414,132,355) Ordinary Shares of 2p each in issue during the period.

The calculation of diluted earnings per Ordinary Share after goodwill is based on profits of £17,791,000 for the six months ended 30 June 2003 (2002: £16,186,000) and the weighted average number of 429,640,399 (2002: 414,798,700) Ordinary Shares of 2p each in issue during the period.

The calculation of diluted earnings per Ordinary Share before goodwill is based on profits of £22,121,000 for the six months ended 30 June 2003 (2002: £20,056,000) and the weighted average number of 429,640,399 (2002: 414,798,700) Ordinary Shares of 2p each in issue during the period.

Notes

For the six months ended 30 June 2003

3 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	6 months to 30.6.03 £'000 (unaudited)	6 months to 30.6.02 £'000 (unaudited)	Year to 31.12.02 £'000 (audited)
Operating profit pre exceptional item	17,111	16,842	29,103
Exceptional item: Reorganisation costs	(4,489)	–	–
Operating profit	12,622	16,842	29,103
Depreciation	9,341	7,624	15,534
Amortisation of goodwill and intangible fixed assets	4,330	3,870	8,098
Profit on sale of tangible fixed assets	(1,249)	(136)	(1,948)
Decrease/(increase) in stocks	1,480	6,067	(2,906)
(Increase) in debtors	(9,221)	(20,701)	(41,870)
(Decrease)/increase in creditors	(2,900)	(3,515)	30,795
Increase in provisions	979	1,633	2,805
One-off pension fund contribution	–	(15,500)	(15,500)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES BEFORE PFI ASSET EXPENDITURE	15,382	(3,816)	24,111
Expenditure on PFI assets in the course of construction	(13,327)	(5,063)	(14,950)
Net cash inflow/(outflow) from operating activities after PFI asset expenditure	2,055	(8,879)	9,161

4 Analysis of total net debt

	As at 30.6.03 £'000 (unaudited)	As at 30.6.02 £'000 (unaudited)	As at 31.12.02 £'000 (audited)
Cash at bank and in hand	72,815	168,685	71,774
Overdrafts	(2,190)	(108,646)	(2,386)
Cash net of overdrafts	70,625	60,039	69,388
Other loans due after more than one year	(48,167)	(45,312)	(47,433)
Other loans due within one year	(340)	(6,562)	(372)
Finance leases	(21,888)	(10,976)	(15,291)
Net cash/(recourse debt)	230	(2,811)	6,292
Non-recourse debt to fund PFI assets	(117,828)	(19,700)	(29,700)
Total net debt	(117,598)	(22,511)	(23,408)