

APPENDIX 9.4
(referred to in paragraph 9.12)

Capital value: Portsmouth

TABLE 1 Comparison of capital value under the Director's methodology with market value of equity and debt

	At 31 March				
	1990/91	1991/92	1992/93	1993/94	1994/95
Director's methodology					
Previous year's total brought forward (£m)	[
RPI indexation (£m)					
Capital expenditure (£m)		<i>Figures omitted. See note on page iv.</i>			
Less current cost depreciation (£m)					
Total (£m)]
Share price: ordinary (p)	175	190	244	438	433*
Share price: `A' ordinary (p)	145	160	228	422	410*
Warrant price: ordinary (p)	35	44	67	263	-
Warrant price: `A' ordinary (p)	22.50	30	35	272	-
Number of shares: ordinary (m)	3.47	3.47	3.47	3.47	4.26
Number of shares: `A' ordinary (m)	6.35	6.35	6.35	6.36	6.52
Number of warrants: ordinary (m)	0.80	0.80	0.80	0.80	-
Number of warrants: `A' ordinary (m)	0.16	0.16	0.16	0.16	-
Value of equity (£m)	15.60	17.15	23.54	44.57	45.18
Preference shares (£m)	3.25	3.25	3.25	3.25	3.25
Net debt (£m)	10.66	12.14	11.54	10.61	12.36†
Total capitalization (£m)	29.51	32.54	38.32	58.43	60.79
Total capitalization less the Director's capital value	[
Total capitalization as % of the Director's capital value]

Source: MMC based on information supplied by the Director and Portsmouth.

*As at 2 March 1995.

†Estimate.

Notes:

1. The Director's paper on capital value was published in November 1992. The election was on 9 April 1992. Market capitalization is of Brockhampton. Capital expenditure is excluding infrastructure renewals and after deducting capital contributions. Net debt at the end of the year would have been higher if Portsmouth's billing year started in April rather than July.
2. The Director's figures are before adjustment for land sales.

TABLE 2 Comparison of capital expenditure included in the Director's capital value with actual capex

	£ million				
	1990/91	1991/92	1992/93	1993/94	1994/95
<i>Money of the day</i>					
Actual capex*	4.099	4.248	3.818	4.770	4.890†
Actual capex net of disposals	4.043	4.212	3.606	4.479	4.890†
Capex included in capital value	[<i>Figures omitted. See note on page iv.</i>]
<i>1992/93 prices</i>					
Actual capex [1]	4.429	4.381	3.818	4.689	4.680†
Actual capex net of disposals [2]	4.368	4.344	3.606	4.403	4.680†
Capex included in capital value [3]	[<i>Figures omitted. See note on page iv.</i>]
Difference= [3]-[2]					
Cumulative difference]

Source: MMC.

*Actual capex is taken as the additions to tangible fixed assets less capital contributions in year.

†Estimate.