

Melrose Industries PLC proforma Balance Sheet at 31 December 2022¹

Proforma Balance Sheet	£m	£m
Assets and liabilities:		
Goodwill and other intangible assets		3,771
Property, plant and equipment		786
Inventory	527	
Trade and other receivables	1,437	
Trade and other payables	(1,562)	
Working capital		402
Net tax balances		(75)
Provisions		(285)
Retirement benefit obligations		(27)
Lease obligations		(207)
Other		(101)
		4,264
Funded by:		
Proforma net debt ²		484
Equity		3,780
		4,264



Working capital (in more detail)	£m	£m
Inventory	527	
Operating receivables	675	
Operating payables	(737)	
Trade working capital		465
Participation fees	194	
Unbilled receivables	79	
Unbilled work done	450	
Other	39	
Contract assets³ (money incurred for future revenue)		762
Customer cash advances	(95)	
Material rights given	(34)	
RRSP related obligations	(365)	
Contract liabilities⁴ (money received or obligation incurred in advance of work still to be done)		(494)
Funded development costs ⁵		(131)
Other non-trade working capital ⁶		(200)
Total working capital		402

- As per pages 47 and 48 of the Melrose Industries PLC circular in respect of the demerger of Dowlais Group plc
- Adjusted for the payment of the Melrose Industries PLC second interim dividend (£62 million) and the agreed buyout on one of the two UK pension plans within GKN Aerospace (£45 million)
- Described in note 17, page 192, of the Melrose Industries PLC Annual Report for the year ended 31 December 2022
- Described in note 19, pages 193 and 194, of the Melrose Industries PLC Annual Report for the year ended 31 December 2022
- Funded developments costs from customers correspond to amounts capitalised predominantly within other intangible assets
- Other non-trade working capital includes government advances and grants, other taxes and social security and other payables