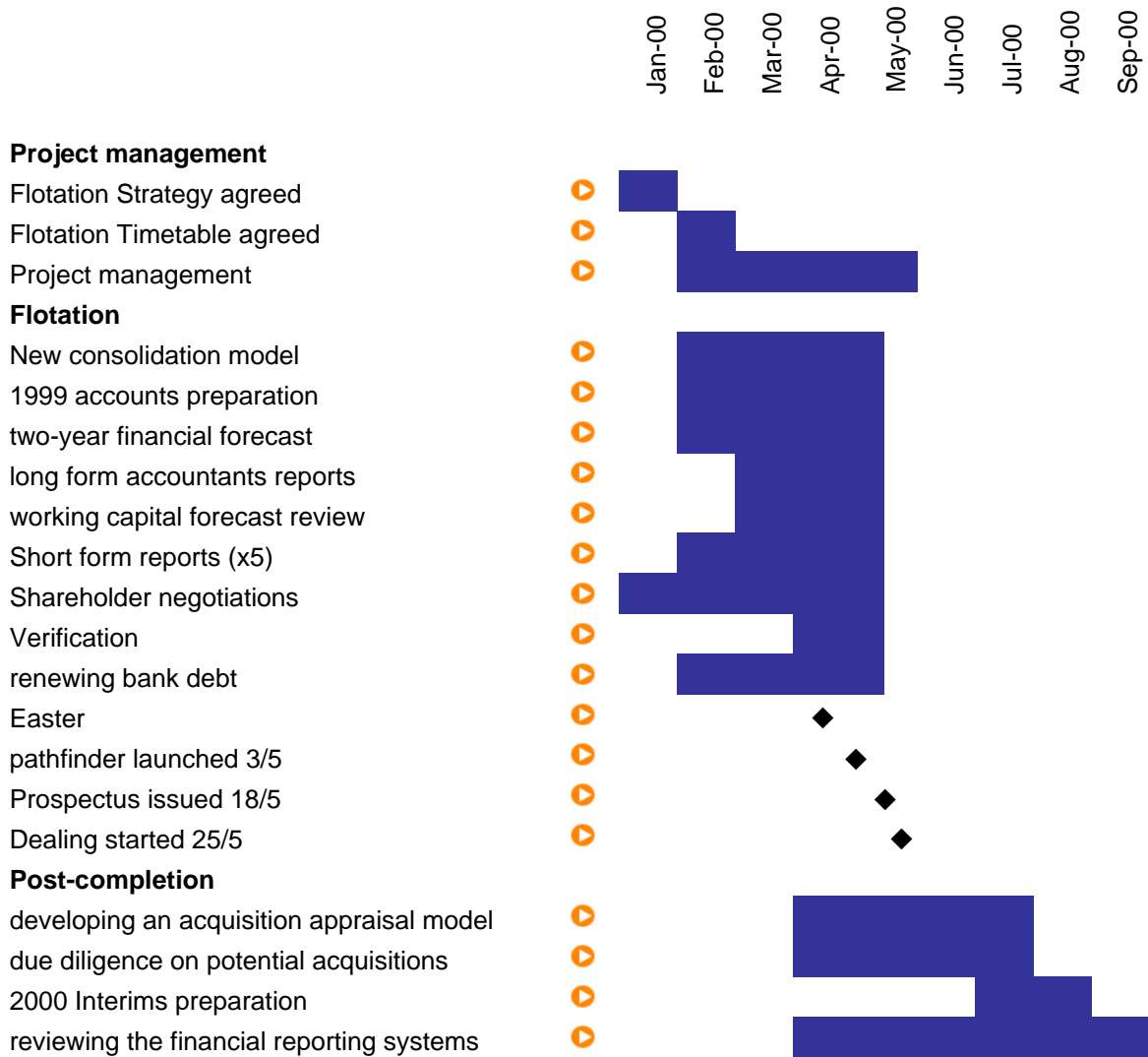


## Case Study - TWG Tasks & Timeline

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### Disclaimer

Please note that Haddocks Limited itself was not involved in the transactions described here but the Company's approach and methodology are derived in part from James Haddock's involvement therein.

Referees for James Haddock are available on request.

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## Details

### Project management

#### ▶ Flotation Strategy agreed

Group Management advised by WestLB

#### ▶ Flotation Timetable agreed

Group Management and advisers

#### ▶ Project management

coordination of advisers (see organisation chart); development and maintenance of detailed project plan using MS Project; controlling and minuting regular project meetings attended by management and advisers; recruiting and supervising a team of interim accountants

### Flotation

#### ▶ New consolidation model

New acquisitions in 1999 meant that consolidated accounts required for first time with usual acquisition accounting issues (cut-off etc)

#### ▶ 1999 accounts preparation

supervision of Arthur Andersen during audit and preparation of five short form reports together with long form and working capital reports;

#### ▶ two-year financial forecast

extending existing budget to include monthly cash flow and balance sheet for next two years - subsequently extended to ten years as part of long-term funding review

#### ▶ long form accountants reports

review of financial history for each predecessor company

#### ▶ working capital forecast review

review of forecasts by Arthur Andersen

#### ▶ Short form reports (x5)

reworking of prior year figures for three groups for use as comparatives

#### ▶ Shareholder negotiations

highly complex pre-flotation share structure with 3 classes of equity and 5 classes of non-equity had to be replaced with two class structure to ensure compliance with cross-media ownership rules.

#### ▶ Verification

full verification complicated by closure of one of the acquired group's head office

#### ▶ renewing bank debt

negotiation & documentation for £40M overdraft & revolving credit facility with Barclays

#### ▶ Easter

City of London closes down so marketing has to finish before or start after

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### **Post-completion**

- ▶ **developing an acquisition appraisal model**  
simple prospective valuation based on audience figures
- ▶ **due diligence on potential acquisitions**  
a number of bolt-on acquisitions were considered although none came to fruition
- ▶ **2000 Interims preparation**  
including accounting for the flotation where new holding company required changes to model
- ▶ **reviewing the financial reporting systems**  
ensuring that systems appropriate for a listed PLC including new management accounts model