

Group cash flow statement

for the year ended 31 December 2005

	Note	2005 £million	2004 £million
Cash generated by operations	39a	275.1	311.1
Tax paid		(59.2)	(49.0)
Interest paid		(45.2)	(52.9)
Net cash from operating activities		170.7	209.2
Net cash used in investing activities	39b	(45.1)	(149.2)
Net cash (used in)/from financing activities	39c	(162.2)	0.9
Net (decrease)/increase in cash and cash equivalents in the year		(36.6)	60.9
Cash and cash equivalents at 1 January		19.8	(38.8)
Currency translation differences		6.0	(2.3)
Cash and cash equivalents at 31 December		(10.8)	19.8

Set out below is a reconciliation of the net (decrease)/increase in cash and cash equivalents to the decrease in net borrowings. Net borrowings are defined by the Group as borrowings net of cash and cash equivalents and derivative financial instruments.

	Note	2005 £million	2004 £million
(Decrease)/increase in cash and cash equivalents		(36.6)	60.9
Cash and cash equivalents outflow/(inflow) from decrease/(increase) in debt and lease financing	39d	87.0	(20.6)
Decrease in net borrowings resulting from cash flows		50.4	40.3
Borrowings acquired with businesses		(38.8)	–
Finance leases entered into		–	(9.1)
Loan notes issued for non-cash consideration		–	(0.7)
		11.6	30.5
Currency translation differences and fair value adjustments on financial instruments		36.9	(9.9)
Decrease in net borrowings in the year		48.5	20.6
Net borrowings at 1 January		(805.8)	(826.4)
IAS 39 adjustment at 1 January 2005	2	(22.3)	–
Net borrowings at 31 December	40	(779.6)	(805.8)