

Group cash flow statement

Group cash flow statement

For the year ended 31st March 2004			
	Notes	2004 £m	2003 £m
Cash inflow from operating activities	23	637.8	582.3
Returns on investment and servicing of finance			
Interest paid		(40.4)	(16.1)
Interest received ¹		17.8	91.9
Dividends paid by subsidiaries to minority interests		–	(0.8)
		(22.6)	75.0
Taxation		(166.2)	(196.7)
Capital expenditure and financial investment			
Purchase of fixed assets		(194.2)	(145.8)
Disposal of fixed assets		149.6	118.6
Disposal of own shares		2.3	3.1
		(42.3)	(24.1)
Acquisitions and disposals	4	(2.2)	358.1
Equity dividends paid		(229.1)	(238.3)
Cash inflow before use of liquid resources and financing		175.4	556.3
Management of liquid resources			
Decrease in short term deposits		53.5	15.8
Financing			
Capital element of finance lease rental agreements		(5.9)	(8.1)
Decrease in other borrowings		(11.0)	(37.9)
Cash outflow from change in borrowings and lease financing		(16.9)	(46.0)
Issue of ordinary share capital (net of expenses)		0.3	(0.3)
Repurchase of shares		(264.6)	(465.5)
		(281.2)	(511.8)
(Decrease)/increase in cash in the year		(52.3)	60.3

¹Including exceptional interest received of £53.8m in the year to 31st March 2003. In addition £46.8m was received in 2002 in relation to this item.

Cash is defined as cash in hand and deposits repayable on demand, less overdrafts repayable on demand.

Reconciliation of net cash flow to movement in net debt

For the year ended 31st March 2004			
	Notes	2004 £m	2003 £m
(Decrease)/increase in cash in the year		(52.3)	60.3
Cash inflow from change in liquid resources	24	(53.5)	(15.8)
Cash outflow from change in borrowings and lease financing	24	16.9	46.0
Movement in net debt resulting from cash flows		(88.9)	90.5
Finance lease additions		(4.2)	(1.8)
Increase in value of investment in 10.125% bond 2017		–	5.8
Currency and other non-cash adjustments		(3.9)	0.3
Movement in net debt during the year		(97.0)	94.8
Opening net debt		(51.5)	(146.3)
Closing net debt	24	(148.5)	(51.5)

Net debt comprises cash, liquid resources, finance leases and all other borrowings.