

Cash flow statements

	Notes	Group 2006 £m	Group 2005 £m	Company 2006 £m	Company 2005 £m
For the year ended 31st March 2006					
Cash flows from operating activities					
Profit for the year		1,773.7	266.4	844.7	966.6
Less discontinued operations		(67.2)	(11.4)	–	–
Profit on sale of BHL		(1,402.1)	–	(736.5)	–
Profit for the year (continuing operations)		304.4	255.0	108.2	966.6
Adjustments for:					
Depreciation, amortisation, impairments and share scheme charges		185.5	156.1	5.3	4.6
(Profit)/loss on disposal of property, plant and equipment		(171.1)	6.6	–	–
Foreign exchange loss		(0.4)	(3.9)	(3.2)	(2.6)
Other non-cash movements (including provisions)		(2.5)	(2.0)	946.7	20.2
Finance expense/(income) (including dividends)		20.3	40.9	(1,078.5)	(1,065.1)
Income tax expense		44.5	105.0	17.1	15.1
Operating profit/(loss) before changes in working capital and provisions		380.7	557.7	(4.4)	(61.2)
Increase in trade and other receivables		(27.5)	(35.5)	(510.0)	(13.5)
Decrease/(increase) in inventories		64.9	(30.4)	–	–
Increase/(decrease) in trade and other payables		23.2	(43.4)	(40.6)	138.2
Increase in provisions and employee benefits		59.5	23.9	–	–
Cash generated from operations		500.8	472.3	(555.0)	63.5
Income taxes paid		(68.5)	(117.0)	(21.0)	(15.4)
Net cash from operating activities (continuing operations)		432.3	355.3	(576.0)	48.1
Cash flows from investing activities					
Acquisition of subsidiary	4	–	(5.0)	(55.5)	(805.0)
Acquisition of property, plant and equipment		(181.1)	(276.5)	–	–
Proceeds from sale of property, plant and equipment		308.3	10.1	–	–
Interest received		21.1	12.4	289.2	265.4
Dividends received from subsidiaries		–	–	1,000.0	1,000.0
Net cash used in investing activities (continuing operations)		148.3	(259.0)	1,233.7	460.4

	Notes	Group 2006 £m	Group 2005 £m	Company 2006 £m	Company 2005 £m
For the year ended 31st March 2006					
Cash flows from financing activities					
Proceeds from the issue of share capital		–	2.1	–	2.1
Advance of borrowings		0.8	293.3	20.1	310.6
Interest paid		(41.1)	(33.6)	(220.0)	(201.1)
Payment of finance lease liabilities		(11.7)	(16.8)	–	–
(Purchase)/disposal of own shares		(0.1)	7.7	(6.0)	(6.3)
Repurchase of shares		(50.0)	(303.3)	(50.0)	(303.3)
Dividends paid		(1,640.3)	(225.1)	(1,640.3)	(225.1)
Repayment/(advance) of loans to subsidiaries		–	–	291.4	(168.3)
Net cash used in financing activities (continuing operations)		(1,742.4)	(275.7)	(1,604.8)	(591.4)
Net cash inflow from discontinued operations		38.8	25.3	–	–
Cash flows arising on the sale of businesses	3	1,854.5	(3.3)	1,538.9	–
Net increase/(decrease) in cash and cash equivalents		731.5	(157.4)	591.8	(82.9)
Cash and cash equivalents at 1st April		79.7	236.6	(2.3)	81.1
Effect of exchange rate fluctuations on cash held		2.1	0.5	–	(0.5)
Cash and cash equivalents at 31st March	17	813.3	79.7	589.5	(2.3)

Cash is defined as cash in hand and deposits repayable on demand, less overdrafts repayable on demand. Analysis of net cash/(debt) is shown in note 21.

During the year ended 31st March 2006, discontinued operations had cash inflows from operating activities of £67.3m (2005 £44.8m), cash outflows from investing activities of £7.2m (2005 £17.2m) and cash outflows from financing activities of £21.3m (2005 £2.3m).