

Consolidated cash flow statement

year ended 31 December 2004

Note	2004 £m	2003 £m
26(i)		
Cash flow from operating activities	47.5	54.9
Dividends received from associated undertakings	1.3	3.4
Returns on investments and servicing of finance		
Exceptional financing costs paid	(1.1)	(5.3)
Interest received	1.8	5.8
Interest paid	(13.7)	(22.1)
Interest element of finance lease rental payments	(0.3)	(0.5)
Dividends paid to minority interests	(2.8)	(1.7)
	(16.1)	(23.8)
Taxation paid	(11.7)	(7.0)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(10.0)	(7.1)
Sale of tangible fixed assets	2.9	16.6
Associated company loans	-	(1.5)
	(7.1)	8.0
Acquisitions and disposals		
Sale of subsidiary undertakings - net proceeds	(1.2)	26.5
Purchase of subsidiary undertakings	(3.5)	-
Sale of associated undertaking	14.3	-
	9.6	26.5
Cash inflow before management of liquid resources and financing	23.5	62.0
Management of liquid resources – decrease/(increase) in cash on deposit	13.6	(23.0)
Financing		
Decrease in short term borrowings (other than those repayable on demand)	(43.8)	(1.8)
Decrease in long term borrowings	(14.5)	-
Repayment of capital element of finance leases	(1.2)	(1.1)
Cash outflow from debt and lease financing	(59.5)	(2.9)
Issue of ordinary share capital (net of expenses)	44.6	-
	(14.9)	(2.9)
Increase in cash in the financial year	22.2	36.1
Reconciliation of net cash flow to movement in net debt		
Increase in cash in the financial year	22.2	36.1
Cash outflow from debt and lease financing	59.5	2.9
Cash (inflow)/outflow from liquid resources	(13.6)	23.0
Change in net debt resulting from cash flows	68.1	62.0
New finance leases	(0.6)	-
Foreign exchange adjustments	2.8	(4.8)
Movement in net debt in the year	70.3	57.2
Opening net debt	(136.8)	(194.0)
Closing net debt	(66.5)	(136.8)
Gross borrowings	(111.6)	(196.7)
Cash at bank and in hand (including cash on deposit)	45.1	59.9
	(66.5)	(136.8)

The notes on pages 29 to 49 form part of these accounts.