

Group cash flow statement

for the year ended 31 March 2004

	Notes	2004 £m	2003 £m
Net cash inflow from operating activities	30(a)	731	860
Dividends received from associated undertakings (including £9m (2003 nil) in respect of discontinued operations)		45	24
Returns on investments and servicing of finance	30(b)	(48)	(11)
Taxation		(176)	(141)
Capital expenditure	30(c)	(306)	(329)
Financial investment (including £82m (2003 £5m) in respect of discontinued operations)	30(d)	37	(13)
Acquisition of subsidiaries	30(e)	(132)	(1,241)
Disposal of subsidiaries and joint venture (including £558m (2003 nil) in respect of discontinued operations)	30(f)	779	239
Dividends paid		(244)	(220)
Net cash inflow/(outflow) before management of liquid resources and financing		686	(832)
Management of liquid resources	30(g)	8	(134)
Financing – issue of Ordinary shares		31	3
– purchase of own shares for cancellation		–	(1)
– change in debt and lease financing	30(h)	(534)	934
Increase/(decrease) in net cash		191	(30)
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash		191	(30)
Cash outflow/(inflow) from movement in debt and lease financing		534	(934)
Cash (inflow)/outflow from movement in liquid resources		(8)	134
Movement in net debt resulting from cash flows		717	(830)
Finance leases acquired with subsidiary		–	(2)
New finance leases		(2)	(7)
Investments transferred from current to fixed assets		(8)	–
Exchange movements		179	37
Movement in net debt		886	(802)
Net debt at beginning of year	30(i)	(2,086)	(1,284)
Net debt at end of year	30(i)	(1,200)	(2,086)