

# Notes to the group cash flow statement

Year ended 31 March 2003

Reconciliation of operating profit to net cash inflow from operating activities	2003 £m	2002 £m
Group operating profit	<b>265.3</b>	245.0
Depreciation	<b>144.8</b>	142.4
Goodwill amortisation	<b>1.0</b>	1.1
Release of grants and contributions	<b>(3.3)</b>	(3.4)
Exchange rate and other adjustments	<b>23.7</b>	(2.5)
Decrease in stocks	<b>–</b>	0.9
Decrease (increase) in debtors	<b>19.9</b>	(1.2)
(Decrease) increase in creditors	<b>(10.0)</b>	5.5
<b>Net cash inflow from operating activities</b>	<b>441.4</b>	387.8

Reconciliation of increase in cash to movement in net debt	2003 £m	2002 £m
(Decrease) increase in cash in the year	<b>(62.2)</b>	58.0
Cash outflow (inflow) from increase (decrease) in liquid resources	<b>189.8</b>	(9.0)
Cash inflow from increase in debt and lease financing	<b>(343.7)</b>	(91.3)
Change in net debt resulting from cash flows	<b>(216.1)</b>	(42.3)
Net loans and finance leases acquired with subsidiary undertakings	<b>(82.0)</b>	–
Exchange and other non cash adjustments	<b>14.2</b>	0.9
Movement in net debt in the year	<b>(283.9)</b>	(41.4)
Opening net debt	<b>(1,436.5)</b>	(1,395.1)
<b>Closing net debt</b>	<b>(1,720.4)</b>	(1,436.5)

## Analysis of movement in net debt

	At 1 April 2002 £m	Cash flow £m	Acquisitions £m	Currency translation £m	At 31 March 2003 £m
Cash	62.6	(57.3)	–	–	<b>5.3</b>
Short term deposits	123.9	170.3	–	–	<b>294.2</b>
Commercial paper	9.0	19.5	–	–	<b>28.5</b>
	195.5	132.5	–	–	<b>328.0</b>
Overdrafts	–	(4.9)	–	–	<b>(4.9)</b>
Debt due within one year	(32.7)	(0.3)	–	–	<b>(33.0)</b>
Finance leases due within one year	(4.2)	(2.3)	–	–	<b>(6.5)</b>
	(36.9)	(7.5)	–	–	<b>(44.4)</b>
Debt due after one year	(1,118.1)	(347.6)	(82.0)	14.2	<b>(1,533.5)</b>
Finance leases due after one year	(477.0)	6.5	–	–	<b>(470.5)</b>
	(1,595.1)	(341.1)	(82.0)	14.2	<b>(2,004.0)</b>
<b>Net debt</b>	<b>(1,436.5)</b>	<b>(216.1)</b>	<b>(82.0)</b>	<b>14.2</b>	<b>(1,720.4)</b>