

Consolidated Cash Flow Statement

For the year ended 31 December 2002

	<i>Note</i>	2002 £'000	Restated 2001 £'000
Operating profit before cost of unsuccessful NATS acquisition		29,103	21,254
Exceptional item: Cost of unsuccessful NATS acquisition		–	(10,187)
Operating profit		29,103	11,067
Depreciation and amortisation of goodwill		23,632	18,283
Net increase in working capital		(13,124)	(13,866)
One-off pension fund contribution		(15,500)	–
NET CASH INFLOW FROM OPERATING ACTIVITIES BEFORE PFI ASSET EXPENDITURE		24,111	15,484
Expenditure on PFI asset under construction*		(14,950)	(13,733)
Net cash inflow from operating activities after PFI asset expenditure	24	9,161	1,751
Dividends received from joint ventures		11,095	9,645
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest received		1,223	578
Interest paid		(7,362)	(6,182)
Net cash outflow from returns on investments and servicing of finance		(6,139)	(5,604)
TAXATION			
Tax paid		(5,738)	(6,417)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible and intangible fixed assets		(23,596)	(17,626)
Sale of tangible fixed assets		8,125	4,569
Exceptional item: GSR refinancing		–	16,343
Security deposit on PFI asset under construction		–	(6,000)
Net cashflows with joint ventures		1,235	(1,945)
Purchase of own shares		–	(9,964)
Net cash outflow from capital expenditure and financial investment		(14,236)	(14,623)
ACQUISITIONS AND DISPOSALS			
Acquisitions	12	(11,353)	(77,106)
Net cash acquired with acquisitions		397	3,558
Subscription for shares in joint ventures	12	(370)	(38)
Proceeds on disposal of joint ventures		1,030	–
Net cash outflow from acquisitions and disposals		(10,296)	(73,586)
EQUITY DIVIDENDS PAID			
Dividends paid		(8,283)	(6,664)
Net cash outflow from equity dividends paid		(8,283)	(6,664)
Net cash outflow before financing		(24,436)	(95,498)
FINANCING			
Issue of Ordinary Share Capital		117,929	2,001
Debt due within one year: (Decrease)/increase in other loans		(300)	100
Debt due beyond one year: Increase in:		15,624	14,850
Other loans		24	750
Non-recourse debt financing PFI asset *		15,600	14,100
Capital element of finance lease repayments		(3,594)	(2,785)
Net cash inflow from financing		129,659	14,166
Increase/(decrease) in cash		105,223	(81,332)
Balance at 1 January		(35,835)	45,497
BALANCE AT 31 DECEMBER		69,388	(35,835)

*PFI asset under construction financed by non-recourse loan