

# Cash flow statement

For the year ended 31 December 1999	Notes	1999 £m	1998 £m
<b>Net cash inflow from operating activities</b>	32	<b>118.4</b>	<b>187.1</b>
<b>Returns on investments and servicing of finance</b>			
Interest received		9.0	11.5
Interest paid		(25.1)	(43.0)
Cost of financing convertible debt		(4.5)	(4.3)
Interest element of finance lease rental payments		(3.4)	(3.1)
Income from investments		0.5	0.6
Preference dividends paid		(0.7)	(0.7)
Dividends paid to minority shareholders		(4.5)	(4.5)
<b>Net cash outflow for returns on investments and servicing of finance</b>		<b>(28.7)</b>	<b>(43.5)</b>
<b>Taxation</b>		<b>(19.6)</b>	<b>(25.2)</b>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(57.4)	(77.9)
Purchase of fixed asset investments		-	(0.2)
Sale of tangible fixed assets		17.6	16.1
Sale of fixed asset investments		10.1	4.8
Sale and leaseback of plant and machinery		0.5	-
<b>Net cash outflow for capital expenditure and financial investment</b>		<b>(29.2)</b>	<b>(57.2)</b>
<b>Acquisitions and disposals</b>			
Purchase of subsidiary undertakings	32	(77.1)	(13.5)
Net cash/(overdrafts) acquired with subsidiaries		2.5	(0.8)
Sale of subsidiary undertakings	32	293.2	14.1
Net (cash) disposed with subsidiaries		(15.4)	(0.2)
Sale of businesses held for resale		2.2	-
<b>Net cash inflow/(outflow) for acquisitions and disposals</b>		<b>205.4</b>	<b>(0.4)</b>
<b>Equity dividends paid</b>		<b>(10.6)</b>	<b>(17.4)</b>
<b>Management of liquid resources</b>			
(Increase) in short term deposits		(16.4)	(5.5)
Purchase of current asset investments		-	(1.0)
Sale of current asset investments		-	0.4
<b>Net cash (outflow) from management of liquid resources</b>		<b>(16.4)</b>	<b>(6.1)</b>
<b>Financing</b>			
Issue of ordinary share capital		-	0.3
Issue of shares to minorities		-	0.6
(Decrease) in borrowings	32	(202.0)	(58.2)
<b>Net cash (outflow) from financing</b>		<b>(202.0)</b>	<b>(57.3)</b>
<b>Increase/(decrease) in cash</b>	32	<b>17.3</b>	<b>(20.0)</b>
<b>Reconciliation of net cash flow to movement in net debt</b>			
<b>Increase/(decrease) in cash</b>		<b>17.3</b>	<b>(20.0)</b>
Cash outflow from change in debt and lease financing		202.0	58.2
Cash outflow from change in short term deposits		16.4	5.5
Change in net debt resulting from cash flows		235.7	43.7
New finance leases		(0.8)	(0.5)
Loan notes issued in respect of acquisitions		(4.2)	-
Loans and finance leases acquired with subsidiaries		(32.7)	-
Loans and finance leases disposed with subsidiaries		11.4	0.4
Other		-	0.2
Exchange		(13.7)	(2.7)
<b>Decrease in net debt</b>		<b>195.7</b>	<b>41.1</b>
Net debt at 1 January		(320.8)	(361.9)
<b>Net debt at 31 December</b>	32	<b>(125.1)</b>	<b>(320.8)</b>