

12 Cash flow statement

For the year ended 31 December 2004	Notes	2004 \$m	Period ended 31 December 2003 \$m
Net cash inflow from operating activities	27	200.2	134.8
Returns on investments and servicing of finance			
Interest received		6.2	3.4
Interest paid		(39.0)	(38.9)
Cost of financing convertible debt		–	(2.3)
Interest element of finance lease rental payments		(0.2)	(0.2)
Income from investments		0.6	0.2
Dividends paid to pre-acquisition shareholders of Coats Holdings Ltd		–	(25.4)
Dividends paid to minority shareholders		(10.7)	(5.4)
Net cash outflow for returns on investments and servicing of finance		(43.1)	(68.6)
Taxation		(33.4)	(18.4)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(92.7)	(76.1)
Sale of tangible fixed assets		59.1	60.0
Sale of fixed asset investments		3.7	0.5
Net cash outflow for capital expenditure and financial investment		(29.9)	(15.6)
Acquisitions and disposals			
Purchase of subsidiary undertakings	27	(4.6)	(412.8)
Net cash acquired with subsidiaries	18	0.8	27.7
Sale of subsidiary undertakings	27	2.9	(0.8)
Net cash disposed with subsidiaries	27	(0.5)	–
Net cash outflow for acquisitions and disposals		(1.4)	(385.9)
Management of liquid resources			
Decrease/(increase) in short term deposits		17.4	(5.4)
Purchase of current asset investments		–	(0.5)
Sale of current asset investments		40.9	0.2
Net cash inflow/(outflow) from management of liquid resources		58.3	(5.7)
Financing			
Issue of ordinary share capital		137.8	0.1
(Decrease)/increase in borrowings	27	(252.0)	378.0
Net cash (outflow)/inflow from financing		(114.2)	378.1
Increase in cash	27	36.5	18.7
Reconciliation of net cash flow to movement in net debt			
Increase in cash		36.5	18.7
Cash outflow/(inflow) from change in debt and lease financing		252.0	(378.0)
Cash (inflow)/outflow from change in short term deposits		(17.4)	5.4
Change in net debt resulting from cash flows		271.1	(353.9)
New finance leases		–	(0.3)
Deposits acquired with subsidiaries		–	21.0
Loans and finance leases disposed/(acquired) with subsidiaries		1.7	(342.3)
Other		(3.4)	–
Exchange		1.9	2.7
Decrease/(increase) in net debt		271.3	(672.8)
Net debt at start of period		(672.8)	–
Net debt at 31 December 2004	27	(401.5)	(672.8)

Statement of total recognised gains and losses

For the year ended 31 December 2004	2004 \$m	Period ended 31 December 2003 \$m
(Loss)/profit for the financial period	(24.0)	19.5
Currency translation differences on foreign currency net investments	11.5	(37.2)
Total recognised gains and losses relating to the period	(12.5)	(17.7)

Reconciliation of movements in equity shareholders' funds/(deficit)

For the year ended 31 December 2004	2004 \$m	Period ended 31 December 2003 \$m
(Loss)/profit for the financial period	(24.0)	19.5
Other recognised gains and losses relating to the period	11.5	(37.2)
New share capital subscribed	137.8	0.1
Net increase in equity shareholders' funds/(deficit)	125.3	(17.6)
Opening equity shareholders' deficit	(17.6)	–
Closing equity shareholders' funds/(deficit)	107.7	(17.6)