

# Consolidated cash flow statement

For the year ended 31 December 2006

Notes	2006 £m	2005 £m
<b>Profit from continuing operations before taxation</b>	<b>200.0</b>	163.4
Trading loss from discontinued operations before taxation	(18.1)	(7.6)
Adjustments for:		
Finance income	(81.2)	(72.6)
Finance costs	122.2	112.2
Finance costs attributable to discontinued operations	0.9	0.9
Depreciation of property, plant and equipment	82.8	75.4
Amortisation of acquisition-related intangible assets	36.0	33.8
Amortisation of other intangible assets	7.4	6.8
Impairment of other intangible assets	2.5	–
(Profit)/loss on disposal of property, plant and equipment and intangible assets other than acquisition-related	(1.6)	2.8
Share of profit from associates	(2.8)	(5.3)
Equity-settled transactions:		
– Performance share plan and deferred share awards	3.6	1.2
– Share options	1.4	1.5
<b>Operating cash flow before movements in working capital</b>	<b>353.1</b>	312.5
Increase in inventories	(6.9)	(6.3)
Increase in receivables	(17.7)	(67.9)
(Decrease)/increase in payables	(13.5)	0.1
Decrease in provisions	(47.6)	(10.9)
<b>Cash generated by operations</b>	<b>267.4</b>	227.5
Tax paid	(70.3)	(53.0)
<b>Net cash flow from operating activities</b>	<b>197.1</b>	174.5
<b>Investing activities</b>		
Interest received	11.5	9.8
Cash flow from associates	2.7	12.3
Purchases of property, plant and equipment and intangible assets other than acquisition-related	(93.2)	(108.0)
Proceeds on disposal of property, plant and equipment and intangible assets other than acquisition-related	10.7	18.2
Acquisition of subsidiaries and separately acquired customer-related intangible assets	(96.7)	(69.7)
Net cash balances acquired	3.5	3.0
Disposal of subsidiaries	9.9	42.1
(Purchase)/disposal of trading investments	(21.8)	4.8
Own shares purchased	(3.1)	(6.1)
Acquisition of minority shareholders of the former Group 4 Falck A/S	–	(9.5)
<b>Net cash used in investing activities</b>	<b>(176.5)</b>	(103.1)
<b>Financing activities</b>		
Share issues	9.1	4.9
Dividends paid to minority interests	(3.0)	(5.1)
Dividends paid to equity shareholders of the parent	(49.8)	(39.9)
Net increase in borrowings	95.1	47.3
Interest paid	(59.3)	(47.9)
Net cash inflow from hedging financial instruments	11.8	–
Repayment of obligations under finance leases	(8.4)	(7.6)
<b>Net cash flow from financing activities</b>	<b>(4.5)</b>	(48.3)
<b>Net increase in cash, cash equivalents and bank overdrafts</b>	<b>16.1</b>	23.1
Cash, cash equivalents and bank overdrafts at the beginning of the year	205.1	177.7
Effect of foreign exchange rate fluctuations on cash held	(11.2)	4.3
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>210.0</b>	205.1