

# CASH FLOWS

for the year ended 31st December 2005

	THE GROUP		PARENT COMPANY	
	2005	2004	2005	2004
<i>notes</i>	£000	£000	£000	£000
<b>Cash flows from operating activities</b>				
Profit before taxation	56,959	48,704	24,685	23,502
Depreciation and amortisation	13,151	13,030	-	-
Dividends received	-	-	(25,309)	(23,616)
Share of profit of associates	(861)	(735)	-	-
Equity settled share plans	576	357	238	100
Net finance income	(928)	(13)	(1,376)	(1,754)
Operating profit before changes in working capital and provisions	68,897	61,343	(1,762)	(1,768)
Increase in trade and other receivables	(2,814)	(6,875)	(88)	(24)
Increase in amounts due from subsidiaries	-	-	(4,541)	(4,675)
Increase in inventories	(3,224)	619	-	-
Decrease in provisions and post-retirement benefits	(4,045)	(23)	397	449
Increase in trade and other payables	1,371	7,139	348	230
Increase in amounts due to subsidiaries	-	-	14	(69)
Cash generated from operations	60,185	62,203	(5,632)	(5,857)
Interest paid	(1,677)	(1,829)	(420)	(9)
Income taxes paid	(16,789)	(16,071)	261	109
<b>Net cash from operating activities</b>	<b>41,719</b>	<b>44,303</b>	<b>(5,791)</b>	<b>(5,757)</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(11,692)	(13,477)	-	-
Proceeds from sale of property, plant and equipment	850	641	-	-
Purchase of software	(1,139)	(918)	-	-
Development expenditure capitalised	(1,070)	(674)	-	-
Acquisition of businesses	(5,866)	(803)	(780)	(582)
Interest received	1,860	1,517	1,796	1,763
Dividends received	351	71	25,309	23,616
<b>Net cash used in investing activities</b>	<b>(16,706)</b>	<b>(13,643)</b>	<b>26,325</b>	<b>24,797</b>
<b>Cash flows from financing activities</b>				
Proceeds from issue of share capital	8,568	2,138	8,568	2,138
Repayment of borrowings	30 (7,728)	(2,330)	-	-
Payment of finance lease liabilities	30 (372)	(360)	-	-
Dividends paid (including minorities)	(16,796)	(15,322)	(16,684)	(15,289)
<b>Net cash used in financing activities</b>	<b>(16,328)</b>	<b>(15,874)</b>	<b>(8,116)</b>	<b>(13,151)</b>
<b>Net increase in cash and cash equivalents</b>	30 <b>8,685</b>	14,786	<b>12,418</b>	5,889
<b>Cash and cash equivalents at beginning of period</b>	<b>43,914</b>	29,120	<b>26,950</b>	21,061
Exchange movement	494	8	-	-
<b>Cash and cash equivalents at end of period</b>	30 <b>53,093</b>	43,914	<b>39,368</b>	26,950
Borrowings and finance leases	(34,048)	(42,615)	-	-
<b>Net cash</b>	30 <b>19,045</b>	1,299	<b>39,368</b>	26,950