

Group cash flow

for the half year ended 30th June 2007

	Six months to 30th June 2007 £000	Six months to 30th June 2006 £000	Year ended 31st December 2006 £000
	notes		
Cash flows from operating activities			
Profit before taxation	32,974	30,017	65,344
Depreciation and amortisation	6,958	6,794	13,364
Share of profit of associates	(620)	(636)	(1,368)
Equity settled share plans	844	664	860
Net finance income	(945)	(1,169)	(2,035)
Operating profit before changes in working capital and provisions	39,211	35,670	76,165
Increase in trade and other receivables	(916)	(3,267)	(12,662)
Increase in inventories	(4,407)	(5,651)	(6,248)
Decrease in provisions and post-retirement benefits	(5,581)	(1,014)	(15,887)
Decrease in trade and other payables	(167)	(775)	5,184
Cash generated from operations	28,140	24,963	46,552
Interest paid	(880)	(395)	(1,137)
Income taxes paid	(8,767)	(8,416)	(16,484)
Net cash from operating activities	18,493	16,152	28,931
Cash flows from investing activities			
Purchase of property, plant and equipment	(5,741)	(6,751)	(17,935)
Proceeds from sale of property, plant and equipment	360	409	660
Purchase of software	(649)	(227)	(1,678)
Development expenditure capitalised	(822)	(543)	(989)
Acquisition of businesses	(744)	(1,601)	(3,969)
Interest received	261	634	983
Dividends received	227	126	477
Net cash used in investing activities	(7,108)	(7,953)	(22,451)
Cash flows from financing activities			
Proceeds from issue of share capital	42	1,611	1,132
Proceeds from reissue of treasury shares	1,695	-	2,696
Treasury shares purchased	-	(13,721)	(18,082)
Increase in borrowings	6 1,264	(22,814)	(7,544)
Increase in finance lease liabilities	6 26	(110)	(88)
Dividends paid	(14,497)	(13,047)	(18,843)
Net cash used in financing activities	(11,470)	(48,081)	(40,729)
Net decrease in cash and cash equivalents	6 (85)	(39,882)	(34,249)
Cash and cash equivalents at beginning of period	6 18,099	53,093	53,093
Exchange movement	6 103	(79)	(745)
Cash and cash equivalents at end of period	6 18,117	13,132	18,099
Borrowings and finance leases	6 (25,343)	(10,943)	(24,653)
Net borrowings	6 (7,226)	2,189	(6,554)