

# Consolidated cash flow statement

for the year to 31 March 2005

	Notes	2005 £m	2004 (as restated)* £m
<b>Operating activities</b>			
Interest received and similar income arising from debt securities and other fixed income securities held as financial fixed asset investments		64	66
Other interest received and similar income		46	35
Dividends received from equity shares		103	93
Fees and other net cash receipts – revenue		38	41
– capital		18	5
Administrative expenses paid – revenue		(74)	(53)
– capital		(94)	(91)
Additional pension contributions		(60)	(13)
<b>Net cash inflow from operating activities</b>	43	<b>41</b>	<b>83</b>
<b>Returns on investment and servicing of finance</b>			
Interest paid on borrowings – revenue		(56)	(59)
– capital		(25)	(42)
<b>Net cash flow from returns on investment and servicing of finance</b>		<b>(81)</b>	<b>(101)</b>
<b>Taxation paid</b>		<b>(1)</b>	<b>(2)</b>
<b>Capital expenditure and financial investment</b>			
Investment in equity shares, fixed income shares and loans		(719)	(756)
Sale, repayment or redemption of equity shares, fixed income shares and loan investments		1,287	913
Purchase of tangible fixed assets		(4)	(2)
Sale of tangible fixed assets		1	1
<b>Net cash flow from capital expenditure and financial investment</b>		<b>565</b>	<b>156</b>
<b>Acquisitions and disposals</b>			
Investment in joint ventures		–	(25)
Divestment or repayment of interests in joint ventures		14	25
<b>Net cash flows from acquisitions and disposals</b>		<b>14</b>	<b>–</b>
<b>Equity dividends paid</b>		<b>(85)</b>	<b>(83)</b>
<b>Management of liquid resources</b>	47	<b>(309)</b>	<b>(15)</b>
<b>Net cash flow before financing</b>		<b>144</b>	<b>38</b>
<b>Financing</b>			
Debt due within one year	46	(67)	(232)
Debt due after more than one year	46	11	200
Issues of shares	44	5	12
Own shares		(25)	(20)
<b>Net cash flow from financing</b>		<b>(76)</b>	<b>(40)</b>
<b>Increase/(decrease) in cash</b>	46	<b>68</b>	<b>(2)</b>

\* As restated to reflect the adoption of FRS 17 – Retirement Benefits and UITF 38 – Accounting for ESOP Trusts. See Basis of preparation on page 54.