

Cash flow statement

for the year to 31 March 2006

	Group 2006 £m	Group 2005 (as restated)* £m	Company 2006 £m	Company 2005 (as restated)* £m
Cash flow from operating activities				
Purchase of investments	(1,068)	(719)	(873)	(717)
Proceeds from investments	2,213	1,287	1,949	1,184
Interest received	67	64	42	45
Dividends received	76	103	70	99
Fees received from investment and fund management activities	46	56	13	1
Carried interest received	9	–	9	–
Carried interest paid	(30)	(4)	–	–
Operating expenses	(216)	(224)	(182)	(90)
Income tax paid	(8)	(1)	(5)	–
Net cash inflow from operations	1,089	562	1,023	522
Cash flow from financing activities				
Proceeds from issues of share capital	13	5	13	5
Purchase of own shares	(222)	(25)	(222)	(25)
Dividend paid	(331)	(85)	(331)	(85)
Interest received	50	46	46	45
Interest paid	(60)	(81)	(38)	(55)
Payment of finance lease liabilities	–	(1)	–	–
Proceeds from long-term borrowings	69	44	92	–
Repayment of long-term borrowings	(54)	(32)	–	(1)
Net cash flow from short-term borrowings	188	(67)	156	(58)
Net cash flow from deposits	(223)	(269)	(261)	(285)
Net cash flow from financing activities	(570)	(465)	(545)	(459)
Cash flow from investing activities				
Purchases of property, plant and equipment	(15)	(4)	–	–
Sales of property, plant and equipment	24	1	17	–
Divestment from joint venture	2	14	2	3
Net cash flow from investing activities	11	11	19	3
Change in cash and cash equivalents	530	108	497	66
Opening cash and cash equivalents	314	203	279	213
Effect of exchange rate fluctuations	3	3	–	–
Closing cash and cash equivalents	847	314	776	279

*As restated for the adoption of IFRS.