

Consolidated cash flow statement

FOR THE YEAR ENDED 31 DECEMBER 2005

Year ended 31 December 2005 £m	Year ended 31 December 2004 £m
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Note	Year ended 31 December 2005 £m	Year ended 31 December 2004 £m
Cash flows from operating activities		
Profit for the year	330	104
Adjustments for:		
Depreciation of property, plant and equipment and amortisation of intangibles	188	85
Share of results of joint ventures and associates	(198)	(113)
Net finance costs	202	108
Income tax expense	89	25
Decrease in finance lease receivables	10	2
Profit on disposal of investments	(10)	(4)
Exceptional impairment reversal	(52)	–
Exceptional profit on receipt from TXU administrators	(58)	–
Release of a guarantee on sale of Elcogas	–	(11)
Other non-cash movements	6	–
Increase/(decrease) in provisions	3	(1)
Adjustment for non-cash items	180	91
Dividends received from joint ventures and associates	92	69
Purchase of property, plant and equipment – maintenance	(72)	(59)
Proceeds from sale of property, plant and equipment	3	–
Operating cash flows before movements in working capital	533	205
Increase in inventories	(13)	(6)
(Increase)/decrease in trade and other receivables	(154)	8
Increase in trade and other payables	146	1
Cash generated from operations	512	208
Income taxes paid	(31)	(20)
Interest paid	(231)	(113)
Interest received	35	29
Free cash flow	285	104
Exceptional finance costs	(5)	(26)
Refinancing costs capitalised on acquisition debt	(7)	(22)
Exceptional receipt from TXU administrators	58	–
Net cash inflow from operating activities	331	56
Cash flows from investing activities		
Purchase of property, plant and equipment – growth	(188)	(158)
Compensation for long-term contractual performance shortfalls	–	5
30(g) Proceeds from disposal of a subsidiary	73	–
30(i) Acquisitions of subsidiaries net of cash and cash equivalents acquired	(494)	(1,045)
30(j) Acquisitions of investments in joint ventures and associates	(50)	–
30(k) Proceeds from disposal of investments	138	17
Returns from/(investment in) joint ventures and associates	48	(60)
Other financial investments	–	(1)
Net cash used in investing activities	(473)	(1,242)
Cash flows from financing activities		
Dividends paid	(37)	–
Proceeds from share issue	2	286
Advances from banks	563	746
Repayments to banks	(415)	(129)
Funding from minority interests	80	165
Dividends paid to minority interests	(14)	(3)
Net cash from financing activities	179	1,065
Net increase/(decrease) in cash and cash equivalents	37	(121)
Cash and cash equivalents at beginning of the year	565	696
Effect of foreign exchange rate changes thereon	18	(10)
23 Cash and cash equivalents at end of the year	620	565