Consolidated cash flow statement

FOR THE YEAR ENDED 31 DECEMBER 2006

		Year ended 31 December	Year ended 31 December
Note		2006 £m	2005 £m
Note	Cash flows from operating activities	2	200
	Profit for the year	477	330
	Adjustments for:		
	Income tax expense	147	89
	Net finance costs	274	202
	Profit on disposal of investments – exceptional	-	(10)
	Share of results of joint ventures and associates	(214)	(198)
	Depreciation of property, plant and equipment and amortisation of intangible assets	273	188
	Impairment reversal – exceptional	(36)	(52)
	Profit on receipt from TXU administrators – exceptional	(14)	(58)
	Profit on compensation for breach of contract – exceptional	(5)	-
	Specific IAS 39 mark to market movements	(64)	42
	Other non-cash movements	(44)	(36
	(Decrease)/increase in provisions	(9)	3
	Proceeds from sale of property, plant and equipment	-	3
	Decrease in finance lease receivables	14	10
	Dividends received from joint ventures and associates	113	92
	Purchase of property, plant and equipment – maintenance	(128)	(72
	Operating cash flows before movements in working capital	784	533
	Increase in inventories	(18)	(13)
	Decrease/(increase) in trade and other receivables	22	(154)
	(Decrease)/increase in trade and other payables	(19)	146
	Cash generated from operations	769	512
	Income taxes paid	(57)	(31)
	Interest paid	(293)	(231)
	Interest received	37	35
	Free cash flow	456	285
	Cash flows relating to exceptional items:		
	Receipt from TXU administrators – exceptional	14	58
	Receipt of compensation for breach of contract – exceptional	5	_
	Finance costs – exceptional	-	(5
	Net cash inflow from operating activities	475	338
	Cash flows from investing activities		
	Purchase of property, plant and equipment – growth	(142)	(188
31	Acquisitions of subsidiaries, net of cash and cash equivalents acquired	(650)	(494
31	Acquisitions of joint ventures, associates and investments	(64)	(50
	Returns from joint ventures and associates (net of investments)	24	48
	Proceeds from disposal of a subsidiary	-	73
	Proceeds from disposal of investments	1	138
	Net cash outflow from investing activities	(831)	(473
	Cash flows from financing activities		
	Dividends paid	(67)	(37
	Proceeds from share issue	15	2
	Proceeds from long-term borrowings	1,340	563
	Repayment of long-term borrowings	(495)	(422
	Funding from minority interests	7	80
	Funding repaid to minority interests	(4)	-
	Distributions paid to minority interests	(54)	(14
	Net cash inflow from financing activities	742	172
	Net increase in cash and cash equivalents	386	37
	Cash and cash equivalents at beginning of the year	620	565
	Effect of foreign exchange rate changes thereon	(26)	18
23	Cash and cash equivalents at end of the year	980	620