

	Note	2003 £'000	2002 £'000
<b>Cash inflow from operating activities</b>	24	<b>53,521</b>	60,614
<b>Returns on investments and servicing of finance</b>	25	<b>(954)</b>	(468)
<b>Taxation</b>			
Corporation tax paid		<b>(22,456)</b>	(17,485)
<b>Capital expenditure and financial investment</b>	25	<b>(14,562)</b>	(9,097)
<b>Acquisitions and disposals</b>	25	<b>(37,303)</b>	7,559
<b>Equity dividends paid</b>		<b>(14,437)</b>	(5,324)
<b>Cash (outflow)/inflow before financing</b>		<b>(36,191)</b>	35,799
<b>Financing</b>	25	<b>2,207</b>	(43,083)
<b>Decrease in cash in the year</b>		<b>(33,984)</b>	(7,284)

## Reconciliation of net cash flow to movement in net funds

For the year ended 31 December 2003

	2003 £'000	2002 £'000
<b>Net funds at 1 January 2003</b>	<b>83,430</b>	53,287
Decrease in cash in the year	<b>(33,984)</b>	(7,284)
Cash outflow from repayment of debt and lease finance	<b>479</b>	38,787
Change in net cash resulting from cash flows	<b>(33,505)</b>	84,790
New finance leases	<b>-</b>	(1,164)
Amortisation of debt issue costs	<b>-</b>	(196)
<b>Net funds at 31 December 2003</b>	<b>49,925</b>	83,430