

**HALFORDS GROUP LIMITED**  
**Consolidated Cash Flow Statement**  
Period ended 2<sup>nd</sup> April 2004

	Notes	Total 2004 £m	Total 2003 (30 weeks) £m
<b>Net cash inflow from operating activities</b>	21	114.8	18.0
<b>Returns on Investments and servicing of finance</b>			
Interest received		2.8	1.0
Interest paid		(26.8)	(7.3)
Issue costs of loans		(2.5)	(10.0)
<b>Net cash outflow from returns on investments and servicing of finance</b>		(26.5)	(16.3)
<b>Taxation</b>		(8.1)	(9.1)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(19.3)	(10.0)
Sale of tangible fixed assets		6.9	1.3
<b>Net cash outflow for capital expenditure and financial investment</b>		(12.4)	(8.7)
<b>Acquisitions</b>			
Purchase of subsidiary undertaking	22	-	(400.6)
Net cash acquired with subsidiary undertakings	22	-	21.2
<b>Net cash flow from acquisitions</b>		-	(379.4)
<b>Net cash inflow/(outflow) before use of liquid resources and financing</b>		67.8	(395.5)
<b>Management of liquid resources</b>			
Reduction/(increase) in short term deposits with banks		20.0	(20.0)
<b>Financing</b>			
Issue of ordinary share capital		-	0.1
Expenses of share issue to acquire Halfords Limited		-	(0.2)
Capital element of finance lease obligations		0.8	-
(Decrease)/Increase in borrowings		(81.9)	427.4
<b>Net cash (outflow)/inflow from financing</b>		(81.1)	427.3
<b>Increase in net cash</b>		6.7	11.8
<b>Reconciliation of net cash flow to movement in net debt</b>			
Net debt at 28 <sup>th</sup> March/incorporation	23	(395.9)	-
Increase in net cash		6.7	11.8
Movement in deposits		(20.0)	20.0
Movement in borrowings		83.6	(417.4)
Other non cash changes		(23.9)	(10.3)
<b>Net debt at 2<sup>nd</sup> April 2004</b>	23	(349.5)	(395.9)