

# Consolidated Statement of Cash Flows

For the year ended 30 June 2017

	Note	2017 £000	Restated 2016 £000
<b>Cash flows from operating activities</b>			
<b>Operating profit</b>		<b>33,214</b>	19,493
Non-underlying items		<b>48,135</b>	33,364
<b>Underlying operating profit</b>		<b>81,349</b>	52,857
Adjustments for:			
Depreciation	13	<b>4,913</b>	3,763
Amortisation and impairment	12	<b>1,942</b>	3,890
Loss on disposal of intangible assets	7	<b>309</b>	—
Loss on disposal of tangible assets	7	<b>212</b>	69
Equity settled share-based payment expense	28	<b>2,268</b>	2,058
<b>Underlying operating cash flow before changes in working capital</b>		<b>90,993</b>	62,637
(Increase)/decrease in inventories		<b>(1,552)</b>	5,712
Decrease/(increase) in trade and other receivables		<b>6,360</b>	(16,393)
Increase in trade and other payables		<b>2,122</b>	8,571
<b>Cash generated from operating activities before interest, taxation and non-underlying items</b>		<b>97,923</b>	60,527
Cash outflows in respect of non-underlying items		<b>(3,653)</b>	(4,076)
<b>Cash generated from operating activities before interest and taxation</b>		<b>94,270</b>	56,451
Interest paid		<b>(4,836)</b>	(1,393)
Income taxes paid		<b>(12,008)</b>	(11,483)
<b>Net cash inflow from operating activities</b>		<b>77,426</b>	43,575
<b>Cash flows from investing activities</b>			
Interest received		<b>32</b>	33
Acquisition of subsidiaries (net of cash acquired)		<b>(34,966)</b>	(166,173)
Acquisition of non-controlling interests	27	<b>(583)</b>	(390)
Acquisition of investments in associates	6	<b>(11,013)</b>	—
Purchase of property, plant and equipment	13	<b>(4,221)</b>	(2,802)
Capitalised development expenditure	12	<b>(1,258)</b>	(570)
Purchase of other intangible non-current assets	12	<b>(5,266)</b>	(4,133)
<b>Net cash outflow from investing activities</b>		<b>(57,275)</b>	(174,035)
<b>Cash flows from financing activities</b>			
Proceeds from the issue of share capital	25	<b>930</b>	47,697
Own shares purchased	26	<b>(646)</b>	—
New borrowings		<b>25,000</b>	103,841
Expenses of raising borrowing facilities		<b>(150)</b>	(360)
Repayment of borrowings		<b>(5,879)</b>	(10,572)
Dividends paid	10	<b>(17,664)</b>	(15,292)
<b>Net cash inflow from financing activities</b>		<b>1,591</b>	125,314
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>21,742</b>	(5,146)
Cash and cash equivalents at start of period		<b>39,142</b>	45,948
Exchange differences on cash and cash equivalents		<b>316</b>	(1,660)
<b>Cash and cash equivalents at end of period</b>	18	<b>61,200</b>	39,142
<b>Reconciliation of net cash flow to movement in net (borrowings)/cash</b>			
Net increase/(decrease) in cash and cash equivalents		<b>21,742</b>	(5,146)
New borrowings		<b>(25,000)</b>	(103,841)
Repayment of borrowings		<b>5,879</b>	10,572
Expenses of raising borrowing facilities		<b>150</b>	360
Acquisition of subsidiary borrowings		<b>—</b>	(15,027)
Exchange differences on cash and cash equivalents		<b>316</b>	(1,660)
Retranslation of foreign borrowings		<b>(6,282)</b>	(14,308)
Other non-cash changes		<b>(141)</b>	(994)
<b>Movement in net borrowings in the period</b>		<b>(3,336)</b>	(130,044)
Net (borrowings)/cash at start of period		<b>(116,623)</b>	13,421
<b>Net borrowings at end of period</b>	29	<b>(119,959)</b>	(116,623)