

Notes to the consolidated financial statements

29 Additional cash flow information

Reconciliation of net cash flow to movement in net funds/(debt)

| | Net debt at 1 January 2007 £m | Acquisitions in 2007 (exc. cash) £m | Cash flow movements £m | Non-cash flow movements £m | Net debt at 31 December 2007 £m |
|----------------------------------|--|--|------------------------------|----------------------------------|--|
| Cash and cash equivalents | 9.7 | – | (8.9) | – | 0.8 |
| Overdrafts | (0.5) | – | (45.6) | – | (46.1) |
| Cash | 9.2 | – | (54.5) | – | (45.3) |
| Loan notes | (22.2) | – | 26.4 | (5.9) | (1.7) |
| Long term debt | – | (8.2) | 8.2 | – | – |
| Bonds | (372.0) | – | (100.6) | 11.5 | (461.1) |
| Currency swaps | (6.4) | – | – | (11.7) | (18.1) |
| Interest rate swaps | – | – | – | 0.1 | 0.1 |
| Finance leases | (0.5) | (0.1) | 0.4 | – | (0.2) |
| Sub-total net debt | (391.9) | (8.3) | (120.1) | (6.0) | (526.3) |
| Asset based securitised finance* | (27.5) | – | 17.8 | – | (9.7) |
| | (419.4) | (8.3) | (102.3) | (6.0) | (536.0) |

*The instalment debtor movement represents the net movement on the underlying balances with customers.

| | Net debt at 1 January 2006 £m | Acquisitions in 2006 (exc. cash) £m | Cash flow movements £m | Non-cash flow movements £m | Net debt at 31 December 2006 £m |
|---|--|--|------------------------------|----------------------------------|--|
| Cash and cash equivalents | – | – | 9.7 | – | 9.7 |
| Overdrafts | (19.3) | – | 18.8 | – | (0.5) |
| Cash | (19.3) | – | 28.5 | – | 9.2 |
| Loan notes | (22.7) | – | 0.5 | – | (22.2) |
| Long term debt | – | (2.9) | 2.9 | – | – |
| Bonds | (198.6) | – | (178.6) | 5.2 | (372.0) |
| Currency swaps | (2.6) | – | – | (3.8) | (6.4) |
| Interest rate swaps | 1.6 | – | – | (1.6) | – |
| Finance leases | (0.2) | (0.7) | 0.4 | – | (0.5) |
| Sub-total net debt | (241.8) | (3.6) | (146.3) | (0.2) | (391.9) |
| Asset based securitised finance (see note 22) | (28.2) | – | 0.7 | – | (27.5) |
| | (270.0) | (3.6) | (145.6) | (0.2) | (419.4) |

30 Capital commitments

At 31 December 2007, amounts contracted for but not provided in the financial statements for the acquisition of property, plant and equipment amounted to £0.9m (2006: £2.0m). The Group has also committed to making a payment of £25m in relation the Prudential contract signed in December 2007.

31 Contingent liabilities

(a) The Group has provided, through the normal course of its business, performance bonds and bank guarantees of £37.9m (2006: £7.8m).

(b) Further consideration may be due, dependent on certain performance criteria, on the acquisition of Capita Business Travel Limited (formerly Lonsdale Travel Limited) (acquired 8 November 2005) up to a maximum of £0.3m.

(c) Further consideration may be due, dependent on certain performance criteria, on the acquisition of Sinclair Henderson group of companies (acquired 15 July 2006) up to a maximum of £1.5m.

(d) Further consideration may be due, dependent on certain performance criteria, on the acquisition of Evolvi Rail Systems Limited (formerly Harry Weeks Travel and Leisure Group Limited) (acquired 1 February 2007) up to a maximum of £12.0m.

(e) Further consideration may be due, dependent on certain performance criteria, on the acquisition of Capita Financial Administrators (Gibraltar) Limited (formerly Global Fund Administration Limited) (acquired 30 March 2007) up to a maximum of £2.5m.

(f) Further consideration may be due, dependent on certain performance criteria, on the acquisition of the NHS Partners business (acquired 30 March 2007) up to a maximum of £0.9m.

(g) Further consideration may be due, dependent on certain performance criteria, on the acquisition of M.V.R.A. Holdings Limited (acquired 6 June 2007) up to a maximum of £1.5m.