13 ANALYSIS OF NET DEBT

	Note	At beginning of year £m	Cash flow £m	Change in mark to market value £m	On acquisition of Metal Bulletin Note 15 £m	Issued on acquisition of subsidiaries Note 15 £m	Foreign exchange movements £m	Other non-cash movements £m	At end of year £m
Cash and cash equivalents	26	97.3	(25.6)	–	–	–	(1.3)	–	**70.4**
Bank overdrafts		(1.2)	(5.6)	–	–	–	0.4	–	**(6.4)**
Net cash and cash equivalents		96.1	(31.2)	–	–	–	(0.9)	–	**64.0**
Debt due within one year		(11.1)	17.1	–	(12.6)	(21.5)	(0.1)	(8.6)	**(36.8)**
Debt due after one year									
Bonds		(653.9)	(188.4)	3.0	–	–	–	0.8	**(838.5)**
Bank loans		(178.1)	40.4	–	–	–	3.4	(9.9)	**(144.2)**
		(843.1)	(130.9)	3.0	(12.6)	(21.5)	3.3	(17.7)	**(1,019.5)**
Effect of derivatives on bank debt		8.8	(0.7)	(3.0)	–	–		–	**5.1**
Net debt		(738.2)	(162.8)	–	(12.6)	(21.5)	2.4	(17.7)	**(950.4)**

During the year the Group issued a new 20 year 6.375% £200 million bond and received proceeds amounting to £197.8 million after costs amounting to £2.2 million were deducted.

The Group also redeemed £9.4 million of its existing 10% 2021 bonds at a cost of £12.6 million, a premium of £2.6 million.

Other non-cash movements in respect of debt due within one year arose following the vendors' decision to take a loan note alternative to satisfy the deferred consideration balance on certain prior year acquisitions (note 33).

Other non-cash movements in respect of bonds comprises the unwinding of premium of £1.1 million (2006 £1.0 million) offset by the amortisation of issue costs of £0.3 million (2006 £0.3 million).

Other non-cash movements in respect of bank loans comprises interest added to principle of £9.9 million (2006 £nil).

14 ANALYSIS OF MOVEMENTS IN CASH IN RESPECT OF ACQUISITIONS AND DISPOSALS

	Note	2007 £m	2006 £m
Acquisitions			
Cash consideration including acquisition expenses of £2.4 million (2006 £3.9 million)	15	**295.8**	260.8
Cash paid in respect of consideration deferred from prior years	33	**29.6**	36.5
Cash and cash equivalents acquired with subsidiaries	15	**(13.1)**	(3.9)
		312.3	293.4

Cash paid in respect of consideration deferred from prior years was mainly in respect of the business information division.

During the year, the Group acquired businesses which had contributed £3.2 million to the Group's net operating cash flows, received £15.4 million in respect of investing activities and paid £10.7 million in respect of financing activities.

	Note	2007 £m	2006 £m
Disposals			
Cash consideration	16	**41.8**	186.5
Cash and cash equivalents disposed with subsidiaries	16	**(4.8)**	–
		37.0	186.5

During the year, the Group disposed of businesses which contributed £2.5 million to the Group's net operating cashflows and paid £3.9 million in respect of financing activities.

15 SUMMARY OF THE EFFECTS OF ACQUISITIONS

On 6th October, 2006 the Group acquired 100% of the issued share capital of Metal Bulletin plc (Metal Bulletin) for a consideration of £239.6 million. Metal Bulletin is the parent company of a group of companies operating as a leading global information provider of must-have market sensitive data in niche, business to business markets. Its revenues are derived from a range of publications, electronic products and services, conferences, research and ancillary functions provided to customers. This acquisition has been accounted for using the purchase method of accounting.

The Directors have adjusted the consolidated balance sheet of Metal Bulletin at 6th October, 2006 for adjustments which they believe more accurately represent the fair value of the assets at acquisition. The fair values in the Group's interim report were provisional and have been finalised during the second half of the year.

The intangibles acquired represent trade marks, subscriber relationships, advertiser relationships and databases for which amortisation of £12.9 million has been charged in the year. Goodwill is attributable to the deemed value of the workforce and anticipated future operating synergies. Non-current liabilities include primarily a deferred tax liability arising on the intangible assets.

The Metal Bulletin group contributed £54.5 million to the Group's revenue, £21.0 million to the Group's operating profit and £10.1 million to the Group's profit before tax for the period between the date of acquisition and 30th September, 2007.

The impact of the acquisition on business net assets was:

	Note	Metal Bulletin book value £m	Accounting policy alignments £m	Fair value adjustments £m	Metal Bulletin at fair value £m
Goodwill	17	32.4	–	147.2	179.6
Intangible assets	18	6.6	–	133.0	139.6
Property, plant and equipment	19	3.1	–	(1.4)	1.7
Assets held for resale		–	–	6.8	6.8
Deferred tax assets	34	0.4	0.4	0.5	1.3
Current assets		9.2	–	(4.1)	5.1
Cash and cash equivalents		2.8	–	–	2.8
Trade creditors and other payables		(24.3)	–	(0.7)	(25.0)
Other current liabilities		(6.0)	–	(0.1)	(6.1)
Debt due within one year	13	(12.6)	–	–	(12.6)
Deferred tax liabilities	34	(0.3)	–	(43.3)	(43.6)
Post employment benefits	32	(2.4)	(1.6)	–	(4.0)
Other non-current liabilities		(6.0)	–	–	(6.0)
Total net assets acquired		**2.9**	**(1.2)**	**237.9**	**239.6**
Minority share of net assets acquired					(93.0)
Group share of net assets acquired					146.6

Cost of acquisition	Note	Non-cash £m	Cash paid in prior period £m	Cash paid in current period £m	Total £m
Reclassification of available-for-sale investment	21	–	20.1	1.5	21.6
Shares issued by Euromoney		65.0	–	–	65.0
Loan notes	13	12.7	–	–	12.7
Cash	14	–	–	134.9	134.9
Consideration at fair value		77.7	20.1	136.4	234.2
Directly attributable costs	14	–	–	5.4	5.4
Total cost of acquisition		**77.7**	**20.1**	**141.8**	**239.6**

The minority share of cash/debt financing amounts to £70.3 million.

15 SUMMARY OF THE EFFECTS OF ACQUISITIONS CONTINUED

Other acquisitions	Note	Book value £m	Fair value adjustments £m	Provisional fair value £m
Goodwill	17	–	97.7	97.7
Intangible assets	18	–	83.5	83.5
Property, plant and equipment	19	2.9	(0.4)	2.5
Current assets		21.5	–	21.5
Cash and cash equivalents		10.3	–	10.3
Trade creditors and other payables		(6.5)	–	(6.5)
Tax		(1.2)	–	(1.2)
Deferred tax	34	(0.1)	(11.8)	(11.9)
Total net assets acquired		**26.9**	**169.0**	**195.9**
Minority share of net assets acquired	37			(2.3)
Group share of net assets acquired				193.6

Cost of other acquisitions	Note	Non-cash £m	Cash paid in current period £m	Total £m
Reclassification of investment in associate	20	5.3	–	5.3
Deferred consideration	33	27.8	–	27.8
Loan notes	13	8.8	–	8.8
Cash	14	–	151.6	151.6
Consideration at fair value		41.9	151.6	193.5
Directly attributable costs	14	–	2.4	2.4
Total cost of acquisition		**41.9**	**154.0**	**195.9**

The other notable acquisitions completed during the period, the percentage of voting rights acquired, the dates of acquisition and the goodwill arising were as follows:

Name of acquisition	% voting rights acquired	Date of acquisition	Business description	Consideration paid £m	Intangible fixed assets acquired £m	Goodwill acquired £m
Total Derivatives	67%	October 2006	Online derivatives information provider	7.3	6.9	3.8
Tau on line (Croatia)	60%	March 2007	Online recruitment	10.3	4.7	5.6
Quest	100%	July 2007	Property information software provider	35.7	17.3	22.1
Kent Regional Newspapers, East Surrey and Sussex Newspapers and Blackmore Vale Publishing	100%	July 2007	Regional Newspapers	65.2	36.7	28.2
Jobsgroup	100%	August 2007	Online recruitment	15.2	6.5	8.4
Apply Yourself (US)	100%	September 2007	Online college application provider	13.2	6.3	10.0

If all acquisitions had been completed on the first day of the financial year, Group revenues for the year would have been £2,277.9 million and Group profit attributable to equity holders of the parent would have been £112.0 million. This information takes into account the amortisation of acquired intangible assets for a full year, together with related income tax effects but excludes any pre-acquisition finance costs and should not be viewed as indicative of the results of operations that would have occurred if the acquisitions had actually been completed on the first day of the financial year.

Total profit attributable to equity holders of the parent since the date of acquisition for companies acquired during the period amounted to £4.7 million.

The aggregate consideration for these and other businesses was £435.5 million, of which £295.8 million was paid in cash during the year, £25.4 million paid in cash in the prior period, £21.5 million issued in the form of loan notes, £65.0 million issued in the form of shares and an estimated amount of £27.8 million payable in the form of deferred consideration, depending upon trading results. This deferred consideration has been discounted back to current values in accordance with IFRS 3, Business Combinations. In each case, the Group has used acquisition accounting to account for the purchase.

16 SUMMARY OF THE EFFECTS OF DISPOSALS

The principal disposals completed during the year, the proceeds received and dates of disposal were as follows:

Atalink	March 2007	£2.7m
Raven Fox	March 2007	£1.8m
EIC	April 2007	£4.7m
Buy and Sell	July 2007	£17.2m
Med Ad	August 2007	£6.3m

The impact of disposals of businesses on net assets was:

	Note	£m
Goodwill	17	8.1
Intangible assets	18	3.9
Tangible fixed assets	19	2.8
Assets held for resale		6.5
Current assets		2.0
Cash at bank and in hand	14	4.8
Trade creditors and other payables		(1.3)
Deferred tax	34	(0.2)
Net assets disposed		**26.6**
Profit on disposal of businesses	6	15.2
Satisfied by:		
Cash received	14	**41.8**