

Consolidated cash flow statement

for the year ended 31 December

	Notes	2007 £m	2006 £m
Profit for the year from continuing operations		900	646
Profit for the year from discontinued operations		22	993
Profit for the year		922	1,639
Taxation expense – continuing operations		335	213
Taxation expense – discontinued operations		-	4
Share of results of equity accounted investments – continuing operations	14	(139)	(113)
Share of results of equity accounted investments – discontinued operations		-	(70)
Net finance costs – continuing operations		(58)	195
Net finance costs – discontinued operations		-	(2)
Depreciation, amortisation and impairment		610	422
Loss/(gain) on disposal of property, plant and equipment	4,5	3	(60)
Gain on disposal of investment property	5	(47)	(84)
Gain on disposal of non-current other investments		(8)	-
Gain on disposal of businesses – continuing operations	4,5	(40)	(13)
Gain on disposal of businesses – discontinued operations	9	(22)	(925)
Impairment of other investments	15	-	2
Cost of equity-settled employee share schemes		34	21
Movements in provisions		52	47
Decrease in liabilities for retirement benefit obligations		(233)	(834)
(Increase)/decrease in working capital:			
Inventories		(188)	28
Trade and other receivables		(271)	(187)
Trade and other payables		1,212	495
Cash inflow from operating activities		2,162	778
Interest paid		(224)	(315)
Interest element of finance lease rental payments		(6)	(11)
Taxation paid		(112)	(85)
Net cash inflow from operating activities		1,820	367
Dividends received from equity accounted investments – continuing operations		78	57
Dividends received from equity accounted investments – discontinued operations		-	88
Interest received		175	139
Purchases of property, plant and equipment		(307)	(419)
Purchases of intangible assets		(31)	(27)
Equity accounted investment funding		(4)	-
Proceeds from sale of property, plant and equipment		13	135
Proceeds from sale of investment property		53	174
Proceeds from sale of non-current other investments		15	1
Purchase of non-current other investments	15	(1)	(5)
Purchase of subsidiary undertakings	29,31	(1,731)	(12)
Net cash acquired with subsidiary undertakings		6	-
Purchase of equity accounted investments		(1)	(4)
Proceeds from sale of subsidiary undertakings	9	96	174
Cash and cash equivalents disposed of with subsidiary undertakings		(1)	(40)
Proceeds from sale of equity accounted investments	9	57	1,212
Proceeds from sale of Exchange Property	15	-	557
Net proceeds from sale/(purchase) of other deposits/securities		343	(468)
Net cash (outflow)/inflow from investing activities		(1,240)	1,562
Capital element of finance lease rental payments		(25)	(45)
Proceeds from issue of share capital	27	805	53
Purchase of treasury shares	27	(152)	(112)
Purchase of own shares	27	(50)	(12)
Equity dividends paid	30	(396)	(346)
Dividends paid to minority interests		(1)	-
Dividends paid on preference shares		(10)	(20)
Cash inflow from loans		-	66
Cash outflow from repayment of loans		(782)	(921)
Net cash outflow from financing activities		(611)	(1,337)
Net (decrease)/increase in cash and cash equivalents		(31)	592
Cash and cash equivalents at 1 January		3,074	2,491
Effect of foreign exchange rate changes on cash and cash equivalents		3	(9)
Cash and cash equivalents at 31 December		3,046	3,074
Comprising: Cash and cash equivalents		3,062	3,100
Overdrafts		(16)	(26)
Cash and cash equivalents at 31 December		3,046	3,074