

29. Net cash/(debt) as defined by the Group

	2007 £m	2006 £m
Term deposits – non-current	-	4
Term deposits – current	164	503
Cash and cash equivalents	3,062	3,100
	3,226	3,607
Loans – non-current	(2,197)	(2,776)
Loans – current	(283)	(308)
Overdrafts – current	(16)	(26)
Loans and overdrafts – current	(299)	(334)
Cash received on customers' account ¹ (included within payables)	(30)	(62)
	(2,526)	(3,172)
Closing net cash as defined by the Group	700	435

Movement in net cash/(debt) as defined by the Group

	2007 £m	2006 £m
Operating business cash flow	1,978	782
Interest and preference dividends	(65)	(207)
Taxation	(112)	(85)
Free cash inflow	1,801	490
Acquisitions and disposals	(1,574)	1,330
Debt acquired on acquisition of subsidiary undertaking	(538)	-
Proceeds from issue of share capital	805	53
Equity dividends paid	(396)	(346)
Dividends paid to minority interests	(1)	-
Preference share conversion	245	6
Other non-cash movements	57	(11)
Purchase of treasury shares	(152)	(112)
Purchase of own shares	(50)	(12)
Foreign exchange	36	323
Movement in cash received on customers' account ¹	32	(9)
Movement in net cash as defined by the Group	265	1,712
Opening net cash/(debt) as defined by the Group	435	(1,277)
Closing net cash as defined by the Group	700	435

1 cash received on customers' account is the unexpended cash received from customers in advance of delivery which is subject to advance payments guarantees unrelated to company performance

29. Net cash/(debt) as defined by the Group (continued)

Cash flows in relation to acquisitions and disposals

	Subsidiaries							Equity accounted investments		Total £m
	Armor Holdings £m	Other acquisitions ² £m	Total acquisitions £m	Inertial Products £m	SELEX £m	Other disposals ² £m	Total disposals £m	XPS/XHRS £m	Other £m	
Cash (consideration)/proceeds	(1,696)	(9)	(1,705)	65	24	7	96	57	(1)	(1,553)
Transaction costs incurred by acquiree	(26)	–	(26)	–	–	–	–	–	–	(26)
	(1,722)	(9)	(1,731)	65	24	7	96	57	(1)	(1,579)
Cash and cash equivalents net of overdrafts acquired/(disposed)	6	–	6	(1)	–	–	(1)	–	–	5
Acquisitions and disposals	(1,716)	(9)	(1,725)	64	24	7	95	57	(1)	(1,574)
Debt acquired on acquisition of subsidiary	(538)	–	(538)	–	–	–	–	–	–	(538)
	(2,254)	(9)	(2,263)	64	24	7	95	57	(1)	(2,112)

² other acquisitions and disposals are described in notes 31 and 9, respectively