

BAE Systems - supplemental IFRS transition information

Reformat of cash flow statement for year ended 31 December 2004

	UK GAAP format	Reclassifications							UK GAAP IFRS format	
		Reconcile to profit for period	Equity accounted investments	Pensions	Operating activities	Long-term contracts	Cash equivalents	Investing activities		
		(466)							(466)	Profit for period (after tax)
		234	(95)						139	Tax expense
		(213)	125						(89)	Share of results of equity accounted investments
		207	(30)						177	Net finance costs
Operating profit	(238)	238							-	
Depreciation, amortisation and impairment	1,131								1,131	Depreciation, amortisation and impairment
Profit on disposal of fixed assets and investments	(27)								(27)	Gain on disposal of fixed assets
Impairment of fixed asset investments	5								5	Impairment of other investments
Movement in provisions	(71)			11		29			(31)	Movements in provisions
(Increase)/decrease stocks	(70)					10			(60)	(Increase)/decrease inventories
(Increase)/decrease debtors	727					(10)		4	721	(Increase)/decrease debtors
(Increase)/decrease creditors	89			(15)		(29)			45	(Increase)/decrease creditors
(Increase)/decrease customer stage payments	525			4					525	(Increase)/decrease customer stage payments
									4	Increase in liabilities for pensions
Net cash flow from operating activities	2,071								2,075	Cash flow from operating activities
						(164)			(164)	Interest paid
						(1)			(1)	Interest element of finance lease rental payments
						(31)			(31)	Taxation paid
									1,879	Net cash flow from operating activities
Dividends from JVs	69								69	Dividends received from equity accounted investments
Interest received	66								66	Interest received
Interest paid	(164)				164				-	
Interest element of finance lease rental payments	(1)				1				-	
Dividends paid on preference shares	(21)								-	
Returns on investments and servicing of finance	(120)								21	
Taxation paid	(31)				31				-	
Purchase of tangible fixed assets	(337)							10	(327)	Purchase of tangible fixed assets
								(14)	(14)	Purchase of intangible fixed assets
Sale of tangible fixed assets	131								131	Sale of tangible fixed assets
Purchase of fixed asset investments	(50)								(50)	Purchase of fixed asset investments
Capital expenditure and financial investment	(256)									
Purchase of subsidiary undertakings	(663)								(663)	Purchase of subsidiary undertakings
Net cash acquired with subsidiary undertakings	113								113	Net cash acquired with subsidiary undertakings
Acquisition of subsidiary, net of cash acquired	(550)									
Equity dividends paid	(281)								281	
Cash inflow before use of liquid resources and financing	902									
Net (purchase)/sale of:										Net (purchase)/sale of:
Cash deposits	(5)						5		-	Cash deposits
Other deposits/securities	(524)						473		(51)	other deposits/securities
Management of liquid resources	(529)									
									(726)	Net cash flow from investing activities
Capital element of finance lease rental payments	(2)								(2)	Capital element of finance lease rental payments
									(281)	Equity dividends paid
									(21)	Dividends paid on preference shares
Cash inflow from loans										Cash inflow from loans
Cash outflow from repayment of loans	(167)								(167)	Cash outflow from repayment of loans
Financing	(169)								(471)	Net cash flow from financing activities
Increase in cash	204								682	Increase in cash and cash equivalents
		-	-	-	-	-	478	-	-	

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Reformat of cash flow statement for the six months ended 30 June 2004

	UK GAAP format	Reclassifications							UK GAAP IFRS format	
		Reconcile to profit for period	Equity accounted investments	Pensions	Operating activities	Long-term contracts	Cash equivalents	Investing activities		
		(410)							(410)	Profit for period (after tax)
		114	(50)						64	Tax expense
		(95)	60						(35)	Share of results of equity accounted investments
		94	(10)						84	Net finance costs
Operating profit	(297)	297							-	
Depreciation, amortisation and impairment	730								730	Depreciation, amortisation and impairment
Profit on disposal of fixed assets and investments	(8)								(8)	Gain on disposal of fixed assets
Impairment of fixed asset investments	5								5	Impairment of other investments
Movement in provisions	(108)			2		36			(70)	Movements in provisions
(Increase)/decrease stocks	(138)					74			(64)	(Increase)/decrease inventories
(Increase)/decrease debtors	79					(74)			2	(Increase)/decrease debtors
(Increase)/decrease creditors	77			30		(36)		(3)	71	(Increase)/decrease creditors
(Increase)/decrease customer stage payments	(221)								(221)	(Increase)/decrease customer stage payments
				(32)					(32)	Increase in liabilities for pensions
Net cash flow from operating activities	119								116	Cash flow from operating activities
						(71)			(71)	Interest paid
						-			-	Interest element of finance lease rental payments
						(23)			(23)	Taxation paid
									22	Net cash flow from operating activities
Dividends from JVs	44								44	Dividends received from equity accounted investments
Interest received	25								25	Interest received
Interest paid	(71)				71				-	
Interest element of finance lease rental payments	-				-				-	
Dividends paid on preference shares	(10)								-	
Returns on investments and servicing of finance	(56)								10	
Taxation paid	(23)				23				-	
Capital expenditure and financial investment	(30)							3	(27)	Capital expenditure and financial investment
Purchase of subsidiary undertakings	(14)								(14)	Purchase of subsidiary undertakings
Net cash acquired with subsidiary undertakings	-								-	Net cash acquired with subsidiary undertakings
Acquisition of subsidiary, net of cash acquired	(14)								-	
Equity dividends paid	(168)								168	
Cash inflow before use of liquid resources and financing	(128)									
Net (purchase)/sale of:										Net (purchase)/sale of:
Cash deposits	6							(6)	-	Cash deposits
Other deposits/securities	64							(112)	(48)	other deposits/securities
Management of liquid resources	70								(20)	Net cash flow from investing activities
Capital element of finance lease rental payments	(3)								(3)	Capital element of finance lease rental payments
									(168)	Equity dividends paid
									(10)	Dividends paid on preference shares
Cash inflow from loans	-								-	Cash inflow from loans
Cash outflow from repayment of loans	68								68	Cash outflow from repayment of loans
Financing	65								(113)	Net cash flow from financing activities
Increase in cash	7	-	-	-	-	-	(118)	-	(111)	Increase in cash and cash equivalents

