

17. Other financial assets and liabilities

	2008 Assets £m	2008 Liabilities £m	2007 Assets £m	2007 Liabilities £m
Non-current				
Cash flow hedges – foreign exchange contracts	309	(100)	34	(20)
Other foreign exchange/interest rate contracts	2	(283)	14	(6)
Debt-related derivative financial instruments – assets ¹	203	–	–	–
	514	(383)	48	(26)
Current				
Cash flow hedges – foreign exchange contracts	502	(237)	63	(44)
Other foreign exchange/interest rate contracts	172	(88)	38	(27)
Fair value of put option held by VT Group plc	–	(37)	–	–
	674	(362)	101	(71)
Debt-related derivative financial instruments – liabilities¹				
Other foreign exchange/interest rate contracts ¹	–	–	17	(190)

1 The debt-related derivative financial instrument assets are presented as other financial assets. The debt-related derivative financial liabilities are presented as a component of loans and overdrafts (note 20).

The ineffective portion recognised in the income statement that arises from fair value hedges amounts to a gain of £3m (2007 gain of £4m). The ineffective portion recognised in the income statement that arises from cash flow hedges amounts to £nil (2007 £nil).

The notional principal amounts of the outstanding contracts are detailed in note 32.

18. Inventories

	2008 £m	2007 £m
Short-term work-in-progress	424	304
Raw materials and consumables	370	285
Finished goods and goods for resale	132	112
	926	701

The Group recognised £46m (2007 £53m) as a write down of inventories to net realisable value in 2008.

19. Disposal groups

There are no disposal groups in 2008.

On 19 December 2007, the Group agreed the sale of its Surveillance and Attack business to Sensor and Antenna Systems, Lansdale, Inc., a subsidiary of Cobham Defence Electronic Systems Corporation, for a cash consideration, net of transaction costs, of \$231m (£118m). Accordingly, the business was presented as held for sale on the balance sheet as at 31 December 2007. As discussed in note 9, the business was sold in 2008.

The Group's Mobile International business was acquired with Armor Holdings, Inc. on 31 July 2007 with a view to immediate resale. Accordingly, it was classified as held for sale in the acquisition balance sheet and as at 31 December 2007. As discussed in note 9, the business was sold in 2008.