

29. Net cash as defined by the Group

	2008 £m	2007 £m
Debt-related derivative financial instrument assets – non-current	203	–
Term deposits – current	–	164
Cash and cash equivalents	2,624	3,062
	2,827	3,226
Loans – non-current	(2,608)	(2,197)
Loans – current	(154)	(283)
Overdrafts – current	(19)	(16)
Loans and overdrafts – current	(173)	(299)
Cash received on customers' account ¹ (included within payables)	(7)	(30)
	(2,788)	(2,526)
Closing net cash as defined by the Group	39	700

Movement in net cash as defined by the Group

	2008 £m	2007 £m
Operating business cash flow	1,595	1,978
Interest and preference dividends	(98)	(65)
Taxation	(261)	(112)
Free cash inflow	1,236	1,801
Acquisitions and disposals	(1,001)	(1,574)
Debt acquired on acquisition of subsidiary undertakings	(37)	(538)
Proceeds from issue of share capital	16	805
Equity dividends paid	(478)	(396)
Dividends paid to minority interests	(11)	(1)
Preference share conversion	–	245
Purchase of treasury shares	–	(152)
Purchase of own shares	(43)	(50)
Cash outflow from matured derivative financial instruments	(440)	(14)
Cash inflow from reduction in cash collateral	106	9
Other non-cash movements	339	62
Foreign exchange	(374)	36
Movement in cash received on customers' account ¹	26	32
Movement in net cash as defined by the Group	(661)	265
Opening net cash as defined by the Group	700	435
Closing net cash as defined by the Group	39	700

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 Group performance.

Cash flows in relation to acquisitions and disposals

	Subsidiaries					Equity accounted investments					
	MTC £m	Tenix Defence £m	Detica £m	Other acquisitions ² £m	Total acquisitions £m	Surveillance and Attack £m	Other disposals ² £m	Total disposals £m	Flagship £m	Other £m	Total £m
Cash (consideration)/proceeds	(188)	(328)	(543)	(19)	(1,078)	118	13	131	16	(12)	(943)
Cash and cash equivalents net of overdrafts acquired/disposed	2	–	(4)	4	2	–	(60)	(60)	–	–	(58)
Acquisitions and disposals	(186)	(328)	(547)	(15)	(1,076)	118	(47)	71	16	(12)	(1,001)
Debt acquired on acquisition of subsidiary	(32)	–	(5)	–	(37)	–	–	–	–	–	(37)
	(218)	(328)	(552)	(15)	(1,113)	118	(47)	71	16	(12)	(1,038)

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