

Consolidated statement of cash flows

For the 52 weeks ended 27 March 2016 and 52 weeks ended 29 March 2015

	Notes	Reported 52 weeks 2016 £m	Reported 52 weeks 2015 £m
Cash flow from operating activities			
Profit before tax		267	400
Adjustment for:			
Net pension interest		(113)	(75)
Net finance costs		13	26
Profit on disposal of property, plant and equipment		(29)	(133)
Legacy credit/(costs) and impairment		(2)	79
Employee Free Shares charge		158	169
Transformation costs		191	145
Operating profit before transformation costs		485	611
Adjustment for:			
Depreciation and amortisation	11/13	272	279
Share of post-tax profit from associates	14	(1)	(1)
EBITDA before transformation costs		756	889
Working capital movements		(20)	12
(Increase)/decrease in inventories		(1)	1
Increase in receivables		(62)	(52)
Increase in payables		22	72
Net decrease/(increase) in derivative assets		1	(8)
Increase/(decrease) in provisions (non-specific items)		20	(1)
Pension charge to cash difference (operating specific item)		257	129
Share-based awards (SAYE and LTIP) charge to cash difference		13	5
Cash cost of transformation operating expenditure ¹		(233)	(228)
Cash cost of operating specific items		(6)	(8)
Cash inflow from operations		767	799
Income tax paid		(40)	(37)
Net cash inflow from operating activities		727	762
Cash flow from investing activities			
Dividend received from associate company	14	1	-
Finance income received		3	4
Proceeds from disposal of property (excluding London property portfolio), plant and equipment (non-operating specific item)		38	39
London property portfolio (costs)/net proceeds (non-operating specific item)		(23)	100
Proceeds from disposal of discontinued operations (non-operating specific item)	16	41	-
Purchase of property, plant and equipment ¹		(270)	(267)
Acquisition of business interests		(14)	(7)
Purchase of intangible assets (software) ¹		(191)	(153)
Payment of deferred consideration in respect of prior years' acquisitions		(4)	(3)
Net sale/(purchase) of financial asset investments (current)		56	(55)
Net cash outflow from investing activities		(363)	(342)
Net cash inflow before financing activities		364	420
Cash flow from financing activities			
Finance costs paid		(16)	(22)
Payment of capital element of obligations under finance lease contracts		(90)	(75)
Cash received on sale and leasebacks		36	13
New loans		-	393
Repayment of loans and borrowings		-	(600)
Dividends paid to equity holders of the parent Company	9	(213)	(200)
Dividend paid to non-controlling interests		(7)	(1)
Net cash outflow from financing activities		(290)	(492)
Net increase/(decrease) in cash and cash equivalents		74	(72)
Effect of foreign currency exchange rates on cash and cash equivalents		7	(7)
Cash and cash equivalents at the beginning of the year	18	287	366
Cash and cash equivalents at the end of the year	18	368	287

¹ Items comprise total investment within free cash flow measure (see Financial review)