

## Financial record continued

	IFRS		
	2006 £m	2005 £m	2004 £m
<b>Cash flows</b>			
Net cash from operating activities	620	891	745
Additional funding of past service pensions deficit	67	31	–
Income taxes paid on disposals	83	–	–
Net capital expenditure	(300)	(261)	(259)
Net dividends paid	(270)	(257)	(257)
<b>Free Cash Flow</b>	<b>200</b>	<b>404</b>	<b>229</b>
<b>Balance sheets</b>			
<b>Assets employed</b>			
Intangible assets and goodwill	5,903	5,648	5,757
Property, plant and equipment	1,664	1,446	1,464
Assets held for sale	22	945	5
Other non-current assets	248	567	419
Inventory and trade and other receivables	1,914	1,893	1,859
Other current assets	87	114	30
Cash and short-term investments	395	379	346
<b>Total assets</b>	<b>10,233</b>	<b>10,992</b>	<b>9,880</b>
Total current liabilities, excluding borrowings and provisions	(1,862)	(1,841)	(1,696)
Liabilities directly associated with assets classified as held for sale	(9)	(291)	–
Total non-current liabilities, excluding borrowings, provisions and retirement benefit obligations	(1,085)	(1,124)	(1,106)
Provisions	(73)	(53)	(77)
Retirement benefit obligations	(204)	(369)	(485)
	<b>7,000</b>	<b>7,314</b>	<b>6,516</b>
<b>Financed by</b>			
Gross borrowings	3,304	4,279	4,216
Minority interests	8	27	229
Called-up share capital	262	260	259
Share premium account	1,171	1,135	1,098
Retained earnings and other reserves	2,255	1,613	714
	<b>7,000</b>	<b>7,314</b>	<b>6,516</b>
<b>Net debt</b>			
Gross borrowings	3,304	4,279	4,216
Less: Cash and short-term investments	(395)	(379)	(346)
	<b>2,909</b>	<b>3,900</b>	<b>3,870</b>