

Group cash flow statement

52 weeks ended 27 February 2016	Notes	52 weeks 2016 £m	53 weeks 2015 £m
Cash flows from operating activities			
Operating profit/ (loss) of continuing operations		1,046	(5,750)
Operating profit/ (loss) of discontinued operations		128	(52)
Depreciation and amortisation		1,334	1,552
Loss arising on sale of property, plant and equipment and intangible assets		164	49
Loss arising on sale of subsidiaries and other investments		–	41
Profit arising on sale of joint ventures and associates		(1)	–
Impairment of goodwill		18	116
Net reversal of impairment of other investments		(7)	–
Impairment of loans/ investments in joint ventures and associates		1	712
Net impairment charge of property, plant and equipment and intangible assets		182	4,171
Adjustment for non-cash element of pensions charge	26	(395)	68
Additional contribution into pension schemes	26	(223)	(13)
Share-based payments		283	105
Tesco Bank non-cash items included in operating profit		72	58
Decrease in inventories		251	577
Decrease in development stock		99	59
Decrease in trade and other receivables		20	32
Increase/ (decrease) in trade and other payables		260	(449)
(Decrease)/ increase in provisions		(280)	926
Tesco Bank increase in loans and advances to customers		(868)	(846)
Tesco Bank increase in trade and other receivables		(78)	(60)
Tesco Bank increase in customer and bank deposits, trade and other payables		463	186
Tesco Bank decrease in provisions		(35)	(15)
(Increase)/ decrease in working capital		(168)	410
Cash generated from operations		2,434	1,467
Interest paid		(426)	(613)
Corporation tax received/ (paid)		118	(370)
Net cash generated from operating activities		2,126	484
Cash flows from investing activities			
Purchase of property, plant and equipment, investment property and non-current assets classified as held for sale		(871)	(1,989)
Purchase of intangible assets		(167)	(329)
Disposal of subsidiaries, net of cash disposed		3,237	(157)
Acquisition of subsidiaries, net of cash acquired	30	(325)	(86)
Proceeds from sale of joint ventures and associates		192	–
Proceeds from sale of property, plant and equipment, investment property, intangible assets and non-current assets classified as held for sale		350	244
Net (increase)/ decrease in loans to joint ventures and associates		(1)	21
Investments in joint ventures and associates		(77)	(382)
Net (investments in)/ proceeds from sale of short-term investments		(2,894)	423
Net (investments in)/ proceeds from sale of other investments		(103)	48
Dividends received from joint ventures and associates		41	88
Interest received		3	104
Net cash used in investing activities		(615)	(2,015)
Cash flows from financing activities			
Proceeds from issue of ordinary share capital	27	1	15
Increase in borrowings		586	4,889
Repayment of borrowings		(1,328)	(3,185)
Net cash flows from derivative financial instruments		154	(6)
Repayments of obligations under finance leases		(17)	(3)
Rights issue to non-controlling interests		–	18
Dividends paid to equity owners	8	–	(914)
Net cash (used in)/ from financing activities		(604)	814
Net increase/ (decrease) in cash and cash equivalents		907	(717)
Cash and cash equivalents at beginning of the year		2,174	2,813
Effect of foreign exchange rate changes		1	78
Cash and cash equivalents including cash held in disposal groups at the end of the year		3,082	2,174
Cash held in disposal groups	7	–	(9)
Cash and cash equivalents at the end of the year	18	3,082	2,165

The notes on pages 90 to 141 form part of these financial statements.