

Consolidated profit and loss account

year ended 31 Dec 2002

all figures in £ millions	NOTE	2002			2001 RESTATED		
		RESULTS FROM OPERATIONS	OTHER ITEMS	TOTAL	RESULTS FROM OPERATIONS	OTHER ITEMS	TOTAL
Sales (including share of joint ventures)		4,331	–	4,331	4,240	–	4,240
Less: share of joint ventures		(11)	–	(11)	(15)	–	(15)
Sales	2a	4,320	–	4,320	4,225	–	4,225
Group operating profit		496	(302)	194	444	(424)	20
Share of operating (loss)/profit of joint ventures and associates	2c/d	(3)	(48)	(51)	19	(86)	(67)
Total operating profit/(loss)	2b	493	(350)	143	463	(510)	(47)
Loss on sale of fixed assets and investments	4a	–	(13)	(13)	–	(12)	(12)
Loss on sale of subsidiaries and associates	4b	–	(27)	(27)	–	(63)	(63)
Profit/(loss) on sale of subsidiaries and associates by an associate	4c	–	3	3	–	(53)	(53)
Non operating items		–	(37)	(37)	–	(128)	(128)
Profit/(loss) before interest and taxation		493	(387)	106	463	(638)	(175)
Amounts written off investments		–	–	–	–	(92)	(92)
Net finance costs	5	(94)	(37)	(131)	(169)	–	(169)
(Loss)/profit before taxation		399	(424)	(25)	294	(730)	(436)
Taxation	7	(131)	67	(64)	(100)	133	33
(Loss)/profit after taxation		268	(357)	(89)	194	(597)	(403)
Equity minority interests		(27)	5	(22)	(24)	4	(20)
(Loss)/profit for the financial year		241	(352)	(111)	170	(593)	(423)
Dividends on equity shares	8			(187)			(177)
Loss retained				(298)			(600)
Adjusted earnings per share	9			30.3p			21.4p
Loss per share	9			(13.9)p			(53.2)p
Diluted loss per share	9			(13.9)p			(53.2)p
Dividends per share	8			23.4p			22.3p

There is no difference between the loss before taxation and the retained loss for the year stated above and their historical cost equivalents.

The 2001 comparatives have been restated for the adoption of FRS 19 (see note 21).

Consolidated balance sheet

as at 31 Dec 2002

<i>all figures in £ millions</i>	NOTE	2002	2001 RESTATED
Fixed assets			
Intangible assets	11	3,610	4,193
Tangible assets	12	503	542
Investments: joint ventures	13		
Share of gross assets		7	8
Share of gross liabilities		-	(1)
		7	7
Investments: associates	14	106	893
Investments: other	15	84	84
		4,310	5,719
Current assets			
Stocks	16	734	849
Debtors	17	1,057	1,005
Deferred taxation	21	174	272
Investments		2	3
Cash at bank and in hand	18	575	393
		2,542	2,522
Creditors – amounts falling due within one year			
Short-term borrowing	19	(249)	(165)
Other creditors	20	(1,114)	(1,203)
		(1,363)	(1,368)
Net current assets			
		1,179	1,154
Total assets less current liabilities			
		5,489	6,873
Creditors – amounts falling due after more than one year			
Medium and long-term borrowing	19	(1,734)	(2,607)
Other creditors	20	(60)	(54)
		(1,794)	(2,661)
Provisions for liabilities and charges			
	22	(165)	(239)
Net assets			
		3,530	3,973
Capital and reserves			
Called up share capital	23	200	200
Share premium account	24	2,465	2,459
Profit and loss account	24	673	1,138
Equity shareholders' funds		3,338	3,797
Equity minority interests		192	176
		3,530	3,973

The 2001 comparatives have been restated for the adoption of FRS 19 (see note 21).

The company balance sheet is shown in note 32.

The financial statements were approved by the board of directors on 3 March 2003 and signed on its behalf by

DENNIS STEVENSON • RONA FAIRHEAD

Consolidated statement of cash flows

year ended 31 Dec 2002

<i>all figures in £ millions</i>	NOTE	2002	2001
Net cash inflow from operating activities	27	529	490
Dividends from joint ventures and associates		6	25
Interest received		11	31
Interest paid		(151)	(187)
Debt issue costs		–	(1)
Dividends paid to minority interests		(1)	(9)
Returns on investments and servicing of finance		(141)	(166)
Taxation		(55)	(71)
Purchase of tangible fixed assets		(126)	(165)
Sale of tangible fixed assets		7	36
Purchase of investments		(21)	(35)
Sale of investments		3	22
Capital expenditure and financial investment		(137)	(142)
Purchase of subsidiaries	25	(87)	(128)
Net cash acquired with subsidiaries		1	83
Purchase of joint ventures and associates		(40)	(26)
Sale of subsidiaries	26	3	41
Net cash disposed with subsidiaries		(1)	–
Sale of associates	14	920	1
Acquisitions and disposals		796	(29)
Equity dividends paid		(181)	(174)
Net cash inflow/(outflow) before management of liquid resources and financing		817	(67)
Liquid resources acquired		(65)	(48)
Collateral deposit reimbursed		22	47
Management of liquid resources	27	(43)	(1)
Issue of equity share capital		6	20
Capital element of finance leases		(5)	(7)
Loan facility repaid		(507)	(521)
Bonds (repaid)/advanced		(167)	507
Collateral deposit reimbursed		17	–
Net movement in other borrowings		(7)	3
Financing		(663)	2
Increase/(decrease) in cash in the year	27	111	(66)

Statement of total recognised gains and losses

year ended 31 Dec 2002

<i>all figures in £ millions</i>	NOTE	2002	2001 RESTATED
Loss for the financial year		(111)	(423)
Other net gains and losses recognised in reserves:			
Currency translation differences		(317)	26
Taxation on currency translation differences		5	(6)
Total recognised gains and losses relating to the year		(423)	(403)
Prior year adjustment – FRS 19	21	209	
Total recognised gains and losses		(214)	

Reconciliation of movements in equity shareholders' funds

year ended 31 Dec 2002

<i>all figures in £ millions</i>	2002	2001 RESTATED
Loss for the financial year	(111)	(423)
Dividends on equity shares	(187)	(177)
	(298)	(600)
Currency translation differences (net of taxation)	(312)	20
Goodwill written back on sale of subsidiaries and associates	144	37
Goodwill written back on sale of subsidiaries and associates by an associate	–	36
Shares issued	6	18
Replacement options granted on acquisition of subsidiary	1	2
Net movement for the year	(459)	(487)
Equity shareholders' funds at beginning of the year	3,797	4,044
Prior period adjustment – FRS 19	–	240
Equity shareholders' funds at end of the year	3,338	3,797