Himanshu Raja
Chief Financial Officer

Disciplined financial and risk management

We have made good progress in embedding a new and robust financial and risk framework into the business and building the capability to ensure that the change is enduring.

Introduction

We made good progress during the year in executing our strategic plans; this is reflected in the progress in our financial performance.

The group's revenue from continuing operations increased by 3.9% to £6,750m. PBITA was £424m[1], a 7.9% increase on £393m[2] in 2013, and earnings grew by 11.7% to £210m.

Revenue in our emerging markets grew by 8.9% to £2,398m and now represents 36% (2013: 34%) of the group's total revenue and 40% (2013: 40%) of the group's PBITA. In our developed markets, revenue increased by 1.4% to £4,352m with growth of 6.9% in North America and modest declines in the UK and Europe of 1.3% and 0.6%. PBITA in both emerging and developed markets grew faster than revenue reflecting good operating leverage across our markets.

Other specific items in the current year were a net £66m charge and resulted from increases in provisions for contract losses of £45m relating to UK government contracts, the re-measurement of certain balance sheet assets and liabilities and other items of £32m and a net £10m charge relating to losses from smaller portfolio entities being sold or ceased and interest and tax from joint ventures. These charges were offset by a pension settlement gain of £21m relating to the transfer of the Netherlands secure solutions defined benefit pension scheme into an industry-wide scheme.

Our restructuring programmes in 2013 and 2014 continued to deliver good returns; making the group more efficient and effective in its operating and overhead base. During 2014, we invested a further £29m in restructuring programmes, principally in the UK & Ireland to bring the Ireland business under UK management and to introduce a shared services centre in the region; and in Europe we accelerated some of the best practice plans to reduce our overheads.

The group also recognised a profit of £63m on discontinued operations principally from the sale of the cash solutions business in Canada, the businesses in Sweden and Norway and the disposal of US Government Solutions for combined gross proceeds of £177m. We now operate in over 110 countries. Portfolio management remains an important discipline in ensuring we maintain strategic focus, capital discipline and disciplined financial management across the group.

PBIT for the year was £270m compared with the loss of £67m in 2013. Total profit for the year was £169m compared with a loss of £351m in 2013.

The group has previously highlighted its focus on cash and free cash flow, and it is pleasing to report that cash flow from continuing operations improved by 11% to £553m (2013: £496m). There remains more to do to improve our operational processes around billing and cash collections and this remains a key target for 2015.

The group's net debt at 31 December 2014 was £1,578m (2013: £1,552m) resulting in a net debt to EBITDA ratio of 2.8.

In January 2015 the group renewed its £1.1bn revolving credit facility. We saw good demand for the new facility of £1bn which matures in January 2020, with the option of two one year extensions which if exercised give the group facilities through to January 2021 and January 2022 respectively.

Underlying EPS was 13.6p, up 5.4% on 12.9p in 2013 and total earnings per share was 9.8p, compared with loss per share of 24.7p in 2013. The group has declared a final dividend of 5.82p (2013: 5.54p), making the total dividend for the year 9.24p (2013: 8.96p).

Strengthening our capability

During 2014, we made good progress in strengthening our financial and risk management across the group.

We made a number of key changes across the finance organisation with the appointment of a new group financial controller; and appointed new regional finance directors in four of our six regions. They in turn have begun to strengthen the finance capability in their teams. We also went live on the first phase of our regional shared service centres for the UK & Ireland, and are developing plans to implement similar shared services in some of our other regions.

We brought together our risk and audit functions with the appointment of a Director of Risk and Audit.

We made progress in embedding our three lines of defence model with the introduction of regional risk and audit committees. These provide a key forum to review the regional level risks for each region, mitigations and actions and a quarterly review of internal and external audit matters arising and any key judgements. Significant matters arising from the regional risk and audit committee are reported to the Board Audit Committee by the Director of Risk and Audit.

As reported under the governance report, we have also strengthened our contract risk and management processes.

Outlook

Our strategic plan addresses a positive, long term demand outlook for our core services and seeks to deliver sustainable, profitable growth. We are making good progress with the implementation of our strategic plan and this was clearly reflected in the group's commercial, operational and financial performance in 2014. There remains much to be done to realise the full potential of our strategy and we expect to make further progress in 2015.

GROUP FINANCIAL PERFORMANCE

Summary income statement

For the year ended 31 December 2014

		Specific items				
	Underlying results[1] 2014 £m	Other specific items 2014 £m	Acquisition related charges 2014 £m	Total 2014 £m	Underlying results[1] 2013[2] £m	Total results 2013[2] £m
Revenue	6,750	98	–	6,848	6,496	6,615
PBITA before restructuring costs	424	(66)	–	358	393	86
Restructuring costs	–	(29)	–	(29)	–	(63)
PBITA	424	(95)	–	329	393	23
Amortisation	–	–	(58)	(58)	–	(69)
Goodwill impairment	–	–	–	–	–	(41)
Acquisition-related expenses	–	–	(1)	(1)	–	(4)
Profit on disposal of subsidiaries	–	–	–	–	–	24
PBIT	424	(95)	(59)	270	393	(67)
Interest	(120)	(2)	–	(122)	(122)	(123)
PBT	304	(97)	(59)	148	271	(190)
Tax	(76)	21	13	(42)	(68)	(47)
PAT	228	(76)	(46)	106	203	(237)
Discontinued operations	–	63	–	63	–	(114)
Profit/(loss) for the year	228	(13)	(46)	169	203	(351)
Non-controlling interests	(18)	1	–	(17)	(15)	(8)
Profit/(loss) attributable to equity holders of the parent	210	(12)	(46)	152	188	(359)
Earnings per share: Basic and diluted	13.6p			9.8p	12.9p	(24.7)p

Reconciliation of summary income statement to consolidated income statement:

The table below reconciles revenue and PBITA as originally presented in the prior year consolidated income statement to the results presented in the current year consolidated income statement.

	2014 Revenue £m	**2014 PBITA £m**	2013 Revenue £m	2013 PBITA £m
Statutory results as reported	6,848	414	7,428	442
Effect of discontinued operations	–	–	(145)	(4)
Effect of adoption of IFRS10 and IFRS11	–	–	(222)	(21)
Restated results reported in consolidated income statement	6,848	414	7,061	417
Portfolio businesses and joint ventures	(98)	10	(119)	5
Exchange differences	–	–	(446)	(29)
Restated results as reported in the summary income statement	6,750	424	6,496	393

Basis of preparation

The following discussion and analysis is based on, and should be read in conjunction with, the consolidated financial statements, including the related notes, that form part of this annual report. The consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB and as adopted by the EU. A reconciliation of the summary income statement to the statutory results is set out on page 90.

To clearly present the underlying results of the group, PBITA represents the underlying continuing profit before interest, tax and amortisation of the group, excluding the interest and tax from joint ventures and the profits and losses of smaller portfolio businesses being sold or ceased, in line with the group's strategy. Specific items have been disclosed separately. The prior year income statement comparative information is shown at constant exchange rates on pages 89 to 95, unless otherwise stated. The statutory results of the group at actual exchange rates are set out on pages 99 to 155.

Specific items are those that in management's judgment need to be disclosed separately by virtue of their size, nature or incidence. Specific items also include provisions for onerous contracts, non-recurring restructuring costs, remeasurement of certain assets and liabilities and the profit and losses from smaller portfolio businesses.

Revenue

Revenue was £6,750m, an increase of 3.9% on 2013. Organic growth was impacted by the loss of three significant contracts in the UK, Netherlands and Australia.

Emerging markets grew 8.9% year on year and, with revenues of £2.4bn, now represent 36% of group revenue (2013: 34%). Developed markets revenues were 1.4% higher than the prior year with growth in North America of 6.9% offset by a small decline in Europe of 0.6%. As expected, UK & Ireland revenues declined by 1.3% as the Electronic Monitoring contract ended in Q1 2014 and due to contract rationalisation.

Gross margin and PBITA

	2014 £m	2013 £m
Revenue	**6,750**	6,496
Cost of sales	**(5,409)**	(5,202)
Gross profit	**1,341**	1,294
Gross margin (%)	***19.9%***	*19.9%*
Selling, general and administrative costs	**(917)**	(901)
PBITA	**424**	393

Gross margin for the year ended 31 December 2014 remained at the same level as the prior year. Developed markets gross margin remained constant year on year at 18.7%, emerging markets gross margins declined by 20 basis points to 22.0% (2013: 22.2%). Across the group gross margin benefited from our targeted restructuring programmes and from the progress on our accelerated best practice programmes on direct labour efficiency, route planning and telematics.

Our selling, general and administrative expenses were £917m, a 1.8% increase year on year. This was after the investment of £20m we made in sales and business development capability. There remains much to do to continue to drive productivity across the group. We will continue to seek more efficiency in our organisation and to introduce more efficient and leaner processes.

PBITA

PBITA of £424m up 7.9% (2013: £393m) represents the ongoing operations of the group. PBITA margin increased to 6.3% (2013: 6.0%) benefiting from the progress on our Accelerated Best Practice programmes on direct labour efficiency, route planning and telematics, focus on organisational efficiency. It included the investment of £20m annualised we made in sales and business development capability. Corporate costs reflect the investment in financial control risk management, procurement and IT capability, together with an increase in non-cash items, resulting in a £12m increase principally related to pensions and LTIPs.

2013 PBITA has been restated to adjust for discontinued operations, portfolio businesses that have been sold or discontinued and for the impact of adopting the new consolidation and joint arrangement standards (IFRS10 and IFRS11). PBITA also excludes interest and tax relating to joint ventures, which are presented on the associated lines in the summary income statement.

Specific items

Specific items have been disclosed separately from the underlying results to provide a clear understanding of the underlying trading performance of the group.

	Other Specific items	
	2014 £m	2013 £m
Contracts review	**(45)**	(136)
Review of assets and liabilities	**(32)**	(166)
Pension settlement gain	**21**	–
Portfolio businesses and joint ventures	**(10)**	(5)
Restructuring	**(29)**	(63)
Discontinued operations and profit on disposal	**63**	(90)
Tax, interest and NCI	**20**	6
	(12)	(454)

Other specific items that have been charged to PBITA in 2014 totalled £95m (2013: £370m) and comprised:

- £45m increase in provisions for legacy UK Government contracts. In 2013 a provision £136m was taken on onerous contracts, including £116m for the Electronic Monitoring contract which was settled in March 2014.
- A net £11m charge, mainly arising from the re-measurement of the 2013 review of assets and liabilities of £32m, offset by a pension settlement gain of £21m in the Netherlands. In the prior year the group provided £166m against certain assets and liabilities as part of the 2013 review.
- A net £10m charge, being the profit and losses from the smaller portfolio entities being sold or ceased and interest and tax from joint ventures.
- The group invested £29m in restructuring programmes during the year (2013: £63m), including programmes in the UK & Ireland. In addition, major programmes were continued in Europe implementing accelerated best practice programmes focused on organisational effectiveness and back office synergies.

In 2013 £41m was written off goodwill on acquisitions and the group recognised a gain of £24m following the disposal of the Colombia Data Solutions business.

Financial statements

Amortisation and impairment

Acquisition-related intangible assets included in the balance sheet at 31 December 2014 consisted of £1,939m goodwill, £83m acquisition-related intangible assets and £82m other intangible assets.

The charge for the year for the amortisation of acquisition-related intangible assets other than goodwill amounted to £58m (2013: £69m).

Goodwill is not amortised, but it is tested for impairment annually and the group did not incur any impairment charge to continuing or discontinued operations for 2014. In 2013 the group incurred a charge of £41m (at constant exchange rates) relating to goodwill impairment. See note 18 on page 128 for details of the results of the group's impairment test for the year ended 31 December 2014.

Interest and tax

Net interest payable on net debt was £100m (2013: £103m); benefiting from lower interest rates and a decrease in 2014 average net debt. The pension interest charge was £22m (2013: £20m), resulting in total net interest costs of £122m (2013: £123m).

The effective tax rate for the year on underlying earnings was 25% (2013: 25%).

Discontinued operations

The profit from discontinued operations of £63m comprised £71m of profit on disposal, offset by losses from discontinued operations of £8m.

The profit on disposal arises from the sale of the cash solutions business in Canada, the businesses in Sweden and Norway and the disposal of the US Government solutions business in November 2014.

Proceeds received on the disposal of businesses was £177m during 2014 (comprising £159m cash proceeds and £18m relating to the settlement of outstanding leases). A further $55m mainly relating to retained receivables is due to be received over the next 18 months from the US Government solutions business of which $15m was received in January 2015.

Joint ventures

The group has adopted the three new consolidation standards: IFRS10 'Consolidated Financial Statements', IFRS11 'Joint Arrangements' and IFRS12 'Disclosure of Interests in Other Entities' for the year ended 31 December 2014. For more details on the impact of adopting these standards please see note 3(w).

The adoption of these new standards resulted in certain group businesses being re-classified from subsidiaries to joint ventures and therefore changing from being fully consolidated to equity accounted.

As a result of adopting these standards the group has restated its prior year results which reduced revenue for the year ended 31 December 2013 by £222m and reduced PBITA by £21m (both at 2013 exchange rates). The entities affected are largely in the Middle East with a lower or zero effective rate of tax, and have the effect of increasing the group's effective tax rate on underlying PBT to 25%.

Non-controlling interest

Underlying profit attributable to non-controlling interests was £18m in 2014, an increase on £15m for 2013, mainly due to the partners' share of profit increasing in certain strongly performing businesses in the Asia Middle East region. Total profit attributable to non-controlling interests was £17m in 2014, an increase on £8m due to the partners' share of specific items charges in 2013.

Profit for the year

The group made a total underlying profit attributable to equity holders ('earnings') of £210m (2013: £188m), an increase of 12% for the year ended 31 December 2014.

The group made a profit of £169m (2013: loss of £351m) for the year after specific items, interest, tax, amortisation and the results of discontinued operations.

Earnings per share (EPS)

	Underlying earnings per share		
	2014 £m	2013 at constant exchange rates £m	2013 at actual exchange rates £m
Profit for the year	**228**	203	222
Non-controlling interest	**18**	15	15
Profit attributable to shareholders	**210**	188	207
Average number of shares (m)	**1,545**	1,452	1,452
EPS (p)	**13.6p**	12.9p	14.3p

	Total earnings/(loss) per share		
	2014 £m	2013 at constant exchange rates £m	2013 at actual exchange rates £m
Profit/(loss) for the year	**169**	(351)	(357)
Non-controlling interest	**17**	8	8
Profit/(loss) attributable to shareholders	**152**	(359)	(365)
Average number of shares (m)	**1,545**	1,452	1,452
EPS (p)	**9.8p**	(24.7)p	(25.1)p

Underlying earnings per share increased to 13.6p (2013:12.9p). Total earnings per share was 9.8p (2013: loss per share 24.7p). These are based on weighted average number of shares in issue of 1,545m (2013: 1,452m).

Underlying earnings excludes the results from discontinued operations and smaller portfolio entities being sold, amortisation and impairment of acquisition-related intangible assets, acquisition-related costs and specific items, all net of tax. This better allows the assessment of operational performance, the analysis of trends over time, the comparison of different businesses and the projection of future performance.

Cash flow

A reconciliation of profit/(loss) to movement in net debt is presented below, with 2014 presented at the actual rates in the year and the prior year presented at 2013 exchange rates:

	2014 £m	2013 £m
Profit/(loss) retained for the year	**152**	(365)
Adjustments for non-cash and other items (page 102)	**196**	789
Net cash flow from operating activities of continuing operations	**348**	424
Adjustments to exclude:		
Pension deficit payments	**42**	38
Electronic Monitoring payments (including fees)	**116**	–
Restructuring investment	**47**	34
Corporate items (see below)	**(27)**	(76)
Cash flow from operating businesses	**526**	420
Corporate items:		
Electronic Monitoring contracts receivable (2013: Olympics receivable)	**27**	76
Cash flow from continuing operations	**553**	496
Cash from discontinued operations	**(12)**	31
Net cash generated by operations	**541**	527
Investment in the business		
Purchase of fixed assets, net of disposals	**(122)**	(167)
Restructuring spend	**(47)**	(34)
Acquisitions of businesses	**(3)**	(23)
Disposal proceeds	**159**	35
Net debt in disposed entities	**(12)**	(12)
Net movement in finance leases	**(9)**	(12)
Net investment in the business	**(34)**	(213)
Net cash flow after investing in the business	**507**	314
Other (uses)/sources of funds		
Net financing	**(114)**	(108)
Tax	**(81)**	(83)
Pensions	**(42)**	(38)
Dividends	**(149)**	(151)
Share capital	**–**	343
Electronic Monitoring (including fees)	**(116)**	–
Other[3]	**(23)**	18
Net uses of funds	**(525)**	(19)
Net cash flow after investment, financing and tax	**(18)**	295
Net debt at beginning of year	**(1,552)**	(1,829)
Foreign exchange	**(8)**	(18)
Net debt at end of year	**(1,578)**	(1,552)

Cash generated from continuing operations was £553m (2013: £496m). Operating cash flow from operating businesses was £526m (2013: £420m) before corporate items. 2013 included £76m relating to the 2012 Olympics and 2014 included the £27m receipt following the Electronic Monitoring contract settlement with the UK Government. The group invested £122m in capex, net of asset disposals in the year (2013: £167m) and received proceeds of £177m from the disposal of portfolio businesses (including £18m for the settlement of outstanding leases).

The net cash flow after investing in the business and proceeds from portfolio rationalisation was £507m (2013: £314m), an increase of 61%.

Net debt

The net debt position as at 31 December 2014 was £1,578m (2013: £1,552m). The group's net debt to EBITDA ratio was 2.8 (2013: 2.8).

Net debt maturity

The group's credit rating was confirmed by Standard & Poor's as BBB- (Stable) in August 2014. As of 31 December 2014 the group had access to unutilised and committed facilities of £998m. The group has sufficient borrowing capacity to finance its current and medium term investment plans.

The group has no material debt maturities until May 2017 and has a diverse range of finance providers. Borrowings are principally in pounds sterling, US dollars and Euros, reflecting the geographies of significant operational assets and profits.

The group's primary source of bank finance is a £1.1bn multi-currency revolving credit facility ('RCF') provided by a consortium of lending banks at a margin of 1.3% over LIBOR, maturing on 16 March 2016.

The RCF was successfully renewed on 7 January 2015 with improved pricing, terms and conditions achieved. The new facility is a five-year £1bn committed facility with the option of two one-year extensions which, if exercised, gives the group facilities through 2021 and 2022 respectively. The initial margin over LIBOR is 70 bps.

The group also has US $450m in financing outstanding from the private placement of unsecured senior loan notes on 1 March 2007, maturing at various dates between 2017 and 2022 and bearing interest at rates between 5.86% and 6.06%. The fixed interest rates payable have been swapped into floating rates for the term of the notes, at an average margin of 0.60% over LIBOR.

On 15 July 2008, the group completed a further US $514m and £69m private placement of unsecured senior loan notes, of which US $449m and £69m remain outstanding, maturing at various dates between 2015 and 2020 and bearing interest at rates between 6.43% and 7.56%. US $200m of the loan note proceeds have been swapped into £101m fixed rate sterling for the term of the notes and the interest rate on £44m swapped to floating rate linked to six month LIBOR until July 2017.

On 13 May 2009 the group issued a £350m note bearing an interest rate of 7.75% and maturing in 2019. In April 2014 the fixed interest rate payable on the note was swapped to floating rate linked to six month LIBOR until May 2017.

On 2 May 2012 the group issued a €600m note bearing an interest rate of 2.875% and maturing in 2017. €325m was swapped into £266m fixed rate sterling and the interest rate on €90m was swapped to a floating rate linked to six month EURIBOR.

On 6 December 2012, the group issued a €500m note bearing an interest rate of 2.625% and maturing in 2018. €350m was swapped into £287m fixed rate sterling and the interest rate on €120m was swapped to a floating rate linked to six month EURIBOR.

Dividend

The directors recommend a final dividend of 5.82p (DKK 0.6041) per share, an increase of 5% compared to 2013. The interim dividend was 3.42p (DKK 0.3198) per share and the total dividend, if approved, will be 9.24p (DKK 0.9239) per share, an increase of 3% compared to 2013.

The proposed dividend cover is 1.5 times (2013: 1.6 times) on adjusted earnings. The board's intention is that dividends will increase broadly in line with underlying earnings over the medium term.

Other information

Pensions

As at 31 December 2014 the defined benefit pension obligation on the balance sheet was £319m (2013: £504m), or £255m net of tax (2013: £405m) of which £264m (2013: £472m) related to material funded defined benefit schemes. At 31 December 2014 the group transferred its Netherlands secure solutions defined pension scheme into the industry wide defined benefit scheme, resulting in a net settlement gain of £21m which was recorded within specific items.

The most significant pension scheme is in the UK and accounts for 91% (2013: 95%) of the total material scheme obligation. The scheme has approximately 30,000 members and further details of the make up of the scheme are given in note 32 on page 141.

Defined benefit obligation – UK scheme

	2014 £m	2013 £m	Movement £m
Scheme assets	**1,983**	1,562	421
Obligations	**(2,222)**	(2,011)	(211)
Total UK obligations	**(239)**	(449)	210

The movement in the UK scheme was as a result of an increase of £421m in the value of scheme assets principally arising from an increase in underlying asset values, partly offset by the scheme obligations increasing by £211m. The increase in the obligation is mainly due to actuarial losses incurred in the year, resulting from discount rates decreasing to 3.7% (2013: 4.4%) partly offset by inflation rates decreasing to 3.0% (2013: 3.4%).

The group made additional pension contributions of £42m (2013: £38m) into the scheme during the year. Following the latest triennial valuation in 2012, the group agreed with the Trustees to increase next year's annual deficit recovery payment to £44m and extended the term of these payments from 2022 to 2024. The next triennial valuation is in 2015.

Financing and treasury activities

The group's treasury function is responsible for ensuring the availability of cost effective finance and for managing the group's financial risk arising from currency and interest rate volatility and counterparty credit. Treasury is not a profit centre and it is not permitted to speculate in financial instruments. The treasury department's policies are set by the board. Treasury is subject to the controls appropriate to the risks it manages. These risks are discussed in note 31 on pages 137 to 141.

To assist the efficient management of the group's interest costs, the group operates a multi-currency notional pooling cash management system with a wholly owned subsidiary of an A-rated bank. At year end, credit balances of £300m were pooled with debit balances of £301m, resulting in a net pool debit balance of £1m. There is legal right of set off under the pooling agreement and an overdraft facility of £3m.

Interest rate risk and interest rate swaps

The group's investments and borrowings at 31 December 2014 were a mix of fixed rates of interest and floating rates of interest linked to LIBOR and EURIBOR.

The private placement notes in March 2007 and July 2008 and the public notes in May 2009, May 2012 and December 2012 were all issued at fixed rates, whilst the group's investments and bank borrowings were all at variable rates of interest linked to LIBOR and EURIBOR.

The group's interest risk policy requires Treasury to fix a proportion of its interest exposure on a sliding scale in US dollars, sterling and Euro, using the natural mix of fixed and floating interest rates emanating from the bond and bank markets and by utilising interest rate and cross currency swaps. Part of the proceeds of the private placement and public notes have been swapped to floating interest rates and accounted for as fair value hedges, with a net gain at 31 December 2014 of £49m. The market value of the pay-fixed receive-variable swaps and the pay-fixed receive-fixed cross currency swaps outstanding at 31 December 2014, accounted for as cash flow hedges, was a net gain of £9m.

Foreign currency

The group has many overseas subsidiaries and joint ventures denominated in various different currencies. Treasury policy is to manage significant translation risks in respect of net operating assets and its consolidated net debt/EBITDA ratio by holding foreign currency denominated loans, where possible. The group no longer uses foreign exchange contracts to hedge the residual portion of net assets not hedged by way of loans. The group believes cash flow should not be put at risk by these instruments in order to preserve the carrying value of net assets.

At 31 December 2014, the group's US dollar and Euro net assets were approximately 78% and 74% respectively, hedged by foreign currency loans. As at 31 December 2014, net debt held in US dollar and Euro and in those currencies officially pegged to these two currencies, equated broadly to a ratio of 2.3 times EBITDA generated from these currencies.

Corporate governance

The group's policies regarding risk management and corporate governance are set out in the Corporate governance report on pages 56 to 69.

Going concern

The directors are confident that, after making enquiries and on the basis of current financial projections and available facilities, they have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements as set out in the Directors' responsibility statement on page 88.

Himanshu Raja
Chief Financial Officer

1. To clearly present underlying performance, specific items have been disclosed separately. Total results include specific items. For an analysis of specific items see page 91. The group's statutory results at actual exchange rates are set out on pages 99 to 155.
2. 2013 results are shown at constant exchange rates and have been restated for the adoption of IFRS10 and IFRS11 and re-presented for businesses subsequently classified as discontinued or identified as part of the portfolio rationalisation – see page 90 for details.
3. Includes £22m of outflows related to movements in customer cash balances (2013: £22m inflows), £10m of cash outflows related to transactions with non-controlling interests (2013: £2m outflows) and £9m of cash inflows from equity accounted investments (2013: £2m outflows).