

Notes to the financial statements

—for the year ended 31 March 2009 continued

9. Dividends

Group and Company	Payment date	Restated ¹ per share pence	Actual per share pence	2009 £m	2008 £m
Ordinary dividends paid					
For the year ended 31 March 2007:					
Final dividend	23 July 2007	30.6	34.0	—	159.5
For the year ended 31 March 2008:					
First quarter	26 October 2007	14.4	16.0	—	74.5
Second quarter	7 January 2008	14.4	16.0	—	74.4
Third quarter	25 April 2008	14.4	16.0	74.4	—
Final quarter	28 July 2008	14.4	16.0	74.4	—
For the year ended 31 March 2009:					
First quarter	24 October 2008	14.9	16.5	76.8	—
Second quarter	12 January 2009	14.9	16.5	76.8	—
				302.4	308.4

1. The restated dividend per share represents the theoretical dividend per share that would have been paid had the bonus shares inherent in the Rights Issue been in existence at the relevant dividend dates.

The Board has proposed a final quarterly dividend for the year ended 31 March 2009 of **7.0p** per share (2008: 16.0p) which will result in a further distribution of **£53.3m** (2008: £74.4m). It will be paid on 24 July 2009 to shareholders who are on the Register of Members on 19 June 2009. The final dividend is in addition to the third quarterly dividend of **16.5p** or **£76.8m** paid on 24 April 2009 (2008: 16.0p or £74.4m). The total dividend paid and proposed in respect of the year ended 31 March 2009 is **56.5p** (2008: 64.0p). All numbers relate to actual dividends paid or proposed as opposed to restated dividends.

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19. Loans to third parties

Group	2009 £m	2008 £m
At the beginning of the year	–	–
Additions	50.0	–
At the end of the year	50.0	–

In conjunction with the disposal of Trillium, the Group has made an unsecured loan to Semperian PPP (formerly Trillium Investment Partners LP), which is repayable by instalments between 2015 and 2035.

Notes to the financial statements

—for the year ended 31 March 2009 continued

25. Cash and cash equivalents

	Group		Company	
	2009 £m	2008 £m	2009 £m	2008 £m
Cash at bank and in hand:				
Unrestricted	108.1	25.7	105.1	69.5
Restricted	0.1	–	–	–
	108.2	25.7	105.1	69.5
Short-term deposits:				
Unrestricted	750.0	22.7	–	–
Restricted	29.8	–	–	–
	779.8	22.7	–	–
Liquidity funds:				
Unrestricted	751.0	–	–	–
Restricted	–	–	–	–
	751.0	–	–	–
	1,639.0	48.4	105.1	69.5

Liquidity funds

The liquidity funds are AAA rated cash-investment funds with constant net asset values, offering the Group same day access to the funds deposited. These investments yield a return of between 0.5% and 1.3% at 31 March 2009.

Short-term deposits

The effective interest rate on short-term deposits was **1.2%** at 31 March 2009 (2008: 5.1%) and had an average maturity of **91 days** (2008: one day).

Restricted cash and deposits

Restricted cash represents amounts held within the Security Group which requires the consent of the Security Group Trustee in order to be released for use by the Group. The requirement to hold restricted cash is an operating requirement under the terms of the Security Group's debt programme, which encourages a reduction in gearing when either LTV or interest cover exceeds prescribed levels. This does not prevent the Group from optimising returns by putting this money on short-term deposit. Restricted balances do not meet the definition of cash and cash equivalents for the purposes of the cash flow statement.

	Group		Company	
	2009 £m	2008 £m	2009 £m	2008 £m
For the purposes of the cash flow statement, cash and cash equivalents comprise the following:				
Cash at bank and in hand	108.1	25.7	105.1	69.5
Short-term deposits	750.0	22.7	–	–
Liquidity funds	751.0	–	–	–
Bank overdrafts (note 30)	(0.3)	(1.4)	–	–
	1,608.8	47.0	105.1	69.5

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30. Borrowings

Group	2009					
	Secured/ unsecured	Fixed/ floating	Effective interest rate %	Nominal/ notional value £m	Fair value £m	Book value £m
Short-term borrowings and overdrafts						
Sterling						
Bank overdrafts	Unsecured	Floating	—	0.3	0.3	0.3
Amounts payable under finance leases (note 32)		Fixed	5.5	0.8	0.8	0.8
Total short-term borrowings and overdrafts				1.1	1.1	1.1
Non-current borrowings						
Sterling						
4.625 per cent MTN due 2013	Secured	Fixed	4.7	300.0	294.3	299.8
5.292 per cent MTN due 2015	Secured	Fixed	5.3	391.5	383.4	391.0
4.875 per cent MTN due 2019	Secured	Fixed	5.0	400.0	370.0	396.5
5.425 per cent MTN due 2022	Secured	Fixed	5.5	255.3	230.9	254.6
4.875 per cent MTN due 2025	Secured	Fixed	4.9	300.0	237.2	297.2
5.391 per cent MTN due 2026	Secured	Fixed	5.4	210.7	175.9	209.9
5.391 per cent MTN due 2027	Secured	Fixed	5.4	611.1	509.6	608.5
5.376 per cent MTN due 2029	Secured	Fixed	5.4	317.9	256.1	316.4
5.396 per cent MTN due 2032	Secured	Fixed	5.4	322.9	258.6	321.1
5.125 per cent MTN due 2036	Secured	Fixed	5.1	500.0	376.1	498.6
Bond exchange de-recognition adjustment	Secured	Fixed		—	—	(499.8)
				3,609.4	3,092.1	3,093.8
Syndicated bank debt	Secured	Floating	LIBOR+ margin	1,662.8	1,662.8	1,658.6
Bilateral facilities	Secured	Floating	LIBOR+ margin	640.0	640.0	640.0
Amounts payable under finance leases (note 32)		Fixed	5.5	57.1	68.0	57.1
Total non-current borrowings				5,969.3	5,462.9	5,449.5
Total borrowings				5,970.4	5,464.0	5,450.6

Medium term notes (MTN)

The MTN are secured on the fixed and floating pool of assets of the Security Group. Debt investors benefit from security over a pool of investment properties valued at **£7.5bn** at 31 March 2009 (2008: £11.0bn). The secured debt structure has a tiered operating covenant regime which gives the Group substantial flexibility when the loan to value and interest cover in the Security Group are less than 65% and more than 1.45 times respectively. If these limits are exceeded the operating environment becomes more restrictive with provisions to encourage the reduction in gearing (see note 31). The interest rate is fixed until the expected maturity, being two years before the legal maturity date for each MTN, whereupon the interest rate for the last two years is LIBOR plus a step-up margin. The effective interest rate includes the amortisation of issue costs. The MTN are listed on the Irish Stock Exchange and their fair values are based on their respective market prices.

Syndicated bank debt

At 31 March 2009 the Group had two syndicated bank facilities:

1. £1.5bn authorised credit facility with a maturity of August 2013, which has been fully drawn. This facility is committed and is secured on the assets of the Security Group. The interest rates are floating at LIBOR plus a margin of between 0.15% and 0.25%; and
2. £352.0m committed development facility with a maturity of May 2013. This facility was taken out to fund the development of Leeds Trinity Quarter and is secured on this property; this facility is currently £162.8m drawn. The interest rates are floating at LIBOR plus a margin of 2.35%. There are £5.0m of issue costs which are being written off over the life of this facility.

Notes to the financial statements

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Bilateral facilities

Committed Bilateral facilities totalling £940.0m are available to the Group and are secured on the assets of the Security Group. These facilities mature between July and December 2011, with the exception of one undrawn facility for £40m which matures in September 2009. The Group has the option to extend any drawings for a further year past maturity, or two years in the case of the £40m facility. The interest rates are floating at LIBOR plus a margin of between 0.25% and 0.75%.

Bond exchange de-recognition

On 3 November 2004, a debt refinancing was completed resulting in the Group exchanging all of its outstanding bond and debenture debt for new MTN with higher nominal values. The new MTN did not meet the IAS39 requirement to be substantially different from the debt that it replaced. Consequently the book value of the new debt is reduced to the book value of the original debt by the 'bond exchange de-recognition' adjustment which is then amortised to zero over the life of the new MTN. The amortisation is charged to net interest expenses in the income statement.

Fair values

The fair values of any floating rate financial liabilities are assumed to be equal to their nominal value.

2008						
Group	Secured/ unsecured	Fixed/ floating	Effective interest rate %	Nominal/ notional value £m	Fair value £m	Book value £m
Short-term borrowings and overdrafts						
Sterling						
Acquisition loan notes	Unsecured	Floating	5.4	106.4	106.4	106.4
Euro Commercial Paper	Unsecured	Floating	5.8	19.8	19.8	19.8
Money-market borrowings	Unsecured	Floating	5.7	45.0	45.0	45.0
Bank overdrafts	Unsecured	Floating	–	1.4	1.4	1.4
DWP term loan	Secured	Floating	6.4	30.0	30.0	30.0
Bilateral facilities	Secured	Floating	5.9	565.4	565.4	565.4
Amounts payable under finance leases (note 32)		Fixed	5.5	2.2	–	2.2
Bond exchange de-recognition adjustment	Secured	Fixed	–	–	–	(11.7)
Euro						
Commercial paper	Unsecured	Floating	4.7	35.5	35.5	35.5
Total short-term borrowings and overdrafts				805.7	803.5	794.0
Non-current borrowings						
Sterling						
4.625 per cent MTN due 2013	Secured	Fixed	4.7	300.0	292.9	299.7
5.292 per cent MTN due 2015	Secured	Fixed	5.3	391.5	384.0	390.9
4.875 per cent MTN due 2019	Secured	Fixed	5.0	400.0	369.9	396.1
5.425 per cent MTN due 2022	Secured	Fixed	5.5	255.3	240.0	254.5
4.875 per cent MTN due 2025	Secured	Fixed	4.9	300.0	257.2	297.0
5.391 per cent MTN due 2026	Secured	Fixed	5.4	210.7	190.5	209.8
5.391 per cent MTN due 2027	Secured	Fixed	5.4	611.2	547.6	608.5
5.376 per cent MTN due 2029	Secured	Fixed	5.4	317.9	283.4	316.3
5.396 per cent MTN due 2032	Secured	Fixed	5.4	322.9	285.2	321.0
5.125 per cent MTN due 2036	Secured	Fixed	5.1	500.0	426.6	498.5
Bond exchange de-recognition adjustment	Secured	Fixed	–	–	–	(499.8)
				3,609.5	3,277.3	3,092.5
Bank facility due 2010	Secured	Floating	6.4	15.5	15.5	15.5
DWP term loan	Secured	Floating	6.4	94.4	94.4	94.4
Syndicated bank debt	Secured	Floating	5.8	865.0	865.0	865.0
Bilateral facilities	Secured	Floating	5.9	500.0	500.0	500.0
Amounts payable under finance leases (note 32)		Fixed	5.5	65.1	79.5	65.1
Total non-current borrowings				5,149.5	4,831.7	4,632.5
Total borrowings				5,955.2	5,635.2	5,426.5

Notes to the financial statements

—for the year ended 31 March 2009 continued

Group	2009	2008
Reconciliation of the movement in borrowings	£m	£m
At the beginning of the year	5,426.5	5,155.2
(Decrease)/increase in overdrafts	(1.1)	1.4
Repayment of loans	(1,612.0)	(1,485.0)
Proceeds from new loans	1,737.6	1,748.9
Capitalisation of finance fees	(5.0)	–
Amortisation of finance fees	2.2	2.1
Amortisation of bond exchange de-recognition adjustment	11.7	7.6
Net movement in finance lease obligations	(9.4)	(3.7)
Borrowings included within the disposal of Trillium	(99.9)	–
At the end of the year	5,450.6	5,426.5

Notes to the financial statements

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33. Net pension surplus

Contributory money purchase scheme

A contributory money purchase scheme was introduced on 1 January 1999 for all new administrative and senior property based employees, subject to eligibility, together with a separate similar scheme, effective 1 April 1998, for other property based employees. A further separate similar scheme, previously set up by Trillium, is also in operation for their employees.

Pension costs for defined contribution schemes are as follows:

Group	2009 £m	2008 £m
Defined contribution schemes	2.3	2.0

Defined benefit schemes

Land Securities Scheme

The Pension & Assurance Scheme of the Land Securities Group of Companies (the Scheme) is a wholly-funded scheme, and the assets of the Scheme are held in a self-administered trust fund which is separate from the Group's assets.

Contributions to the Scheme are determined by a qualified independent actuary on the basis of triennial valuations using the projected-unit method. As the Scheme is closed to new members, the current service cost will be expected to increase as a percentage of salary, under the projected-unit method, as members approach retirement. A full actuarial valuation of the Land Securities Scheme was undertaken on 1 July 2006 by the independent actuaries, Hymans Robertson Consultants & Actuaries. This valuation was updated to 31 March 2009. As a result of the valuation performed on 1 July 2006, the Trustees and the Group have agreed that the employer contributions of 30% of pensionable salary will be paid together with additional employer contributions to address the deficit at that time.

All death-in-service and benefits for incapacity arising during employment are wholly insured. No post-retirement benefits other than pensions are made available to employees of the Group.

The major assumptions used in the valuation were (in nominal terms):

Group	2009 %	2008 %
Rate of increase in pensionable salaries	3.40	3.60
Rate of increase in pensions in payment	3.40	3.60
Discount rate	7.00	6.90
Inflation	3.40	3.60
Expected return on plan assets	6.14	6.44

The expected return on plan assets is based on expectations for bonds and equities. At the year end, the expected return on bonds is based on market yields of long-dated bonds at that date. The estimated expected return on equities includes an additional equity-risk premium.

The mortality assumptions used in this valuation were:

Group	2009 Years	2008 Years
Life expectancy at age 60 for current pensioners – Men	28.5	28.4
– Women	31.7	31.5
Life expectancy at age 60 for future pensioners (current age 40) – Men	29.7	29.6
– Women	32.7	32.6

The fair value of the assets in the schemes (including annuities purchased to provide certain pensions in payment) and the expected rate of return (net of investment management expenses) were:

	2009 %	2008 %	2007 %	2009 £m	2008 £m	2007 £m
Equities	7.50	7.50	7.50	43.9	70.5	70.8
Bonds and insurance contracts	5.24	5.35	4.80	62.6	68.0	71.6
Other	0.50	5.25	5.25	0.6	0.5	2.0
Fair value of schemes' assets				107.1	139.0	144.4
Present value of schemes' liabilities				(104.1)	(123.9)	(150.0)
Non-permissible surplus				–	(4.1)	–
Surplus/(deficit) in the schemes				3.0	11.0	(5.6)
Related deferred tax (liability)/asset				(1.6)	(0.8)	0.4
Net pension asset/(liability)				1.4	10.2	(5.2)

Notes to the financial statements

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The major categories of plan assets as a percentage of total plan assets are as follows:

Group	2009 %	2008 %
Equities	41	51
Bonds and insurance contracts	59	49

The plan assets do not include any directly owned financial instruments issued by Land Securities Group PLC. Indirectly owned financial instruments had a fair value of less than **£0.1m** (2008: £0.2m).

Group	2009 £m	2008 £m
Analysis of the amounts charged to the income statement		
Analysis of the amount charged to operating profit		
Current service cost	1.3	2.1
Charge to operating profit	1.3	2.1
Analysis of amount (credited)/charged to interest expense		
Expected return on plan assets	(8.1)	(9.0)
Interest on schemes' liabilities	7.5	8.1
Net return	(0.6)	(0.9)

During the year ended 31 March 2006, the Group introduced amendments to the main scheme, which were adopted by the Trustees for active members who had given their consent. As a result, the accrued entitlement of the active members at 31 March 2006 has been linked to inflation, with future benefits accrued according to annual earnings. The effect of this change was a reduction of £8.3m in the Group's pension liability associated with funding future anticipated salary increases.

Notes to the financial statements

—for the year ended 31 March 2009 continued

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities	
Discount rate	Increase/decrease by 0.1%	Decrease/increase by 2% or £2.0m	
Rate of mortality	Increase by 1 year	Increase by 2.5% or £2.6m	
Group			
Changes in the present value of the defined-benefit obligation		2009	2008
		£m	£m
At the beginning of the year		123.9	150.0
Current service cost		1.3	2.1
Interest cost		7.5	8.1
Actuarial gains		(11.0)	(32.0)
Benefits paid		(4.2)	(4.5)
Contributions by plan participants		0.2	0.2
Defined-benefit obligation included in the disposal of Trillium		(13.6)	–
At the end of the year		104.1	123.9
Group			
Changes in the fair value of plan assets		2009	2008
		£m	£m
At the beginning of the year		139.0	144.4
Expected return on plan assets		8.1	9.0
Employer contributions		4.2	2.0
Actual return less expected return on schemes' assets		(26.2)	(12.1)
Benefits paid		(4.2)	(4.5)
Contributions by plan participants		0.2	0.2
Pension assets included in the disposal of Trillium		(14.0)	–
At the end of the year		107.1	139.0
Group			
Analysis of the movement in the balance sheet surplus/(deficit)		2009	2008
		£m	£m
At the beginning of the year		11.0	(5.6)
Charge to operating profit		(1.3)	(2.1)
Expected return on plan assets		8.1	9.0
Interest on schemes' liabilities		(7.5)	(8.1)
Employer contributions		4.2	2.0
Actuarial (losses)/gains		(11.1)	15.8
Transfer of defined-benefit pension scheme on the disposal of Trillium		(0.4)	–
At the end of the year		3.0	11.0
Group			
Analysis of the amounts recognised in the statement of recognised income and expense		2009	2008
		£m	£m
Analysis of gains and losses			
Actual return less expected return on schemes' assets		(26.2)	(12.1)
Experience gains and losses arising on schemes' liabilities		11.0	32.0
Decrease/(increase) in non-permissible surplus		4.1	(4.1)
Actuarial (losses)/gains		(11.1)	15.8

Actuarial gains and losses are recognised immediately through the statement of recognised income and expense.

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Group	2009	2008	2007	2006	2005
History of experience gains and losses	£m	£m	£m	£m	£m
Experience adjustments arising on schemes' assets					
Amount	(26.2)	(12.1)	(2.6)	15.5	3.1
Percentage of schemes' assets	24.5%	8.7%	1.8%	10.3%	2.5%
Experience adjustments arising on schemes' liabilities					
Amount	11.0	(32.0)	(1.3)	20.5	7.8
Percentage of the present value of funded obligations	10.6%	25.8%	0.9%	13.1%	5.7%
Present value of schemes' liabilities	(104.1)	(123.9)	(150.0)	(156.5)	(136.6)
Fair value of schemes' assets	107.1	139.0	144.4	150.0	125.7
Non-permissible surplus	–	(4.1)	–	–	–
Surplus/(deficit)	3.0	11.0	(5.6)	(6.5)	(10.9)

The contributions expected to be paid in respect of the defined-benefit schemes during the financial year ending 31 March 2010 amount to **£4.4m**.

The Company did not operate any defined-contribution schemes or defined-benefit schemes during the financial year ended 31 March 2009 or in the previous financial year.

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36. Called up share capital

Group and Company	Authorised		Allotted and fully paid	
	2009 Number million	2008 Number million	2009 £m	2008 £m
Ordinary shares of 10p each	1,000.0	600.0	76.2	47.1
Non-equity B shares of £1.02 each	38.9	38.9	—	—
Redeemable preference shares of £1.00 each	0.1	0.1	—	—
			76.2	47.1

On 9 March 2009, an ordinary resolution was passed at a General Meeting that approved the increase in the authorised ordinary shares of 10p each from 600.0 million to 1,000.0 million.

	Number of shares	
	2009	2008
Movements in the share capital were:		
At the beginning of the year	470,901,478	470,356,546
Issued on the exercise of options	232,807	544,932
Rights Issue	290,773,925	—
At the end of the year	761,908,210	470,901,478

On 9 March 2009, a special resolution was passed that allowed the Company to proceed with a Rights Issue which provided shareholders with the right to acquire five additional shares at an issue price of 270p for every eight shares held on 5 March 2009. The Rights Issue resulted in the issue of an additional 290,773,925 ordinary shares on 25 March 2009 and raised net proceeds of £755.7m, consisting of gross proceeds of £785.1m net of issue costs of £29.4m.

The number of ordinary shares that would be issued if all options were exercised at 31 March 2009 is **3,986,545** (2008: 3,330,114).

In July 2007 and 2008 the shareholders at the Annual General Meeting authorised the acquisition of shares issued by the Company representing up to 10% of its share capital to be held as treasury shares. At 31 March 2009 the Group owned **5,896,000** ordinary shares (2008: 5,896,000 ordinary shares) with a market value of **£25.8m** (2008: £87.6m).

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39. Cash flow from operating activities

	Group		Company	
	2009 £m	2008 £m	2009 £m	2008 £m
Reconciliation of operating profit to net cash inflow from operating activities:				
Cash generated from operations				
Loss for the financial year from continuing activities	(4,773.7)	(972.9)	(273.6)	(15.3)
Income tax	0.5	(15.1)	(15.2)	(6.6)
Loss before tax	(4,773.2)	(988.0)	(288.8)	(21.9)
Share of losses of joint ventures (post-tax)	599.0	101.1	–	–
	(4,174.2)	(886.9)	(288.8)	(21.9)
Interest income	(32.5)	(25.9)	(20.0)	(14.7)
Interest expense	365.0	312.3	53.9	26.6
Operating loss from continuing activities	(3,841.7)	(600.5)	(254.9)	(10.0)
Operating (loss)/profit from discontinued operations	(79.0)	108.2	–	–
	(3,920.7)	(492.3)	(254.9)	(10.0)
Adjustments on continuing and discontinued operations for:				
Depreciation	24.3	45.8	–	–
Loss/(profit) on disposal of non-current properties	129.1	(75.4)	–	–
Net deficit on revaluation of investment properties	4,123.4	1,170.3	–	–
Goodwill impairment	148.6	–	–	–
Impairment of trading properties	92.3	–	–	–
Impairment to investment in subsidiary undertakings	–	–	234.7	–
Share-based payment charge	8.6	5.0	–	–
Pension scheme charge	1.3	2.1	–	–
	606.9	655.5	(20.2)	(10.0)
Changes in working capital:				
(Increase)/decrease in trading properties and long-term development contracts	(34.0)	0.2	–	–
Decrease/(increase) in receivables	69.5	(26.3)	0.1	(0.3)
Increase/(decrease) in payables and provisions	8.9	67.1	(375.3)	443.5
Net cash generated from operations	651.3	696.5	(395.4)	433.2

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42. Discontinued operations

On 8 January 2009 Land Securities announced the sale of Trillium, its property outsourcing business, to Telereal. The sale was completed on 12 January 2009. The transaction included all of Trillium's contracts with the exception of the Accor hotel portfolio, which is now included within the Retail Portfolio business segment.

The Trillium operations represented a separate major line of business for Land Securities. As a result of the sale and in accordance with IFRS5, these operations have been treated as discontinued operations for the year ended 31 March 2009. A single amount is shown on the face of the income statement comprising the post-tax result of discontinued operations and the post-tax loss arising on the disposal of the discontinued operation. As a result, the income and expenses of Trillium are reported separately from the continuing activities of the Land Securities Group. The table below provides further details of the amount shown on the income statement. The income statement, and relevant notes, for the prior year have been restated to conform with this style of presentation.

	2009 £m	2008 £m
(Loss)/profit for the financial year from discontinued operations	(87.3)	142.1
Loss on disposal	(333.6)	–
	(420.9)	142.1
Income statement of Trillium discontinued operations		
	2009' £m	2008 £m
Revenue	558.1	743.2
Costs	(480.2)	(641.2)
	77.9	102.0
Goodwill impairment	(148.6)	–
Profit on disposal of non-current properties	1.7	18.1
Net deficit on revaluation of investment properties	(10.0)	(11.9)
Operating (loss)/profit	(79.0)	108.2
Interest expense	(6.1)	(12.1)
Interest income	2.1	3.5
	(83.0)	99.6
Share of the loss of an associate undertaking (post-tax)	(16.6)	(0.5)
Share of the profit of joint ventures (post-tax)	–	0.1
(Loss)/profit before tax	(99.6)	99.2
Income tax	(7.9)	(4.6)
(Loss)/profit for the financial year	(107.5)	94.6
Discontinued operations within Trillium	20.2	47.5
(Loss)/profit for the financial year from discontinued operations	(87.3)	142.1

1. The 2009 income statement is for the period from 1 April 2008 to 12 January 2009, the date of the disposal of Trillium.

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	2009 £m	2008 £m
Loss on disposal		
Consideration received or receivable:		
Cash	444.0	—
Present value of deferred sales proceeds	25.0	—
Total disposal consideration	469.0	—
Less: carrying amounts of net assets divested	(792.8)	—
Less: cost of disposal	(9.8)	—
Loss on sale before related income tax benefit	(333.6)	—
Income tax benefit	—	—
Loss on disposal	(333.6)	—

	2009 £m	2008 £m
Net cash inflow on disposal		
Cash and cash equivalents consideration	444.0	—
Less: cash and cash equivalents balance divested	(51.3)	—
Reported in the cash flow statement	392.7	—

The cash consideration includes the repayment of inter-company balances of £435.8m that were outstanding between the Group and Trillium at 12 January 2009.

The Group cash flow statement contains the cash flows from the Trillium discontinued operations. The cash flows attributable to the operating activities of the Trillium discontinued operations are detailed in the following table:

	2009 £m	2008 £m
Operating cash flows	138.7	102.8
Investing cash flows	106.9	(195.5)
Financing cash flows	(24.4)	(48.8)
Total cash flows	221.2	(141.5)