

Notes to the Financial Statements (continued)

20. Notes to the statement of cash flows

	Note	Telstra Group	
		Year ended 30 June	
		2012	2011
		\$m	\$m
(a) Reconciliation of profit to net cash provided by operating activities			
Profit for the year		3,424	3,250
Add/(subtract) the following transactions			
Depreciation and amortisation		4,412	4,459
Finance income		(134)	(127)
Finance costs		1,022	1,262
Distribution from FOXTEL Partnership		(108)	(70)
Share based payments		31	12
Defined benefit plan expense		223	268
Net gain on disposal of property, plant and equipment		(14)	(14)
Net gain on disposal of intangibles		(9)	-
Net gain on disposal of associates		-	(8)
Net loss/(gain) on disposal of controlled entities		17	(69)
Net loss/(gain) on sale of businesses		1	16
Share of net (profits) from jointly controlled and associated entities		-	(1)
Impairment losses (excluding inventories, trade and other receivables)		211	210
Foreign exchange differences		3	(1)
Cash movements in operating assets and liabilities			
(net of acquisitions and disposals of controlled entity balances)			
Increase in trade and other receivables		(254)	(327)
Decrease in inventories		15	10
Increase in prepayments and other assets		(102)	(190)
Increase in net defined benefit		(340)	(348)
Increase in trade and other payables		509	67
Increase/(decrease) in revenue received in advance		334	(143)
Decrease in net taxes payable		(87)	(204)
Increase/(decrease) in provisions		122	(34)
Net cash provided by operating activities		9,276	8,018
(b) Cash and cash equivalents			
Cash at bank and on hand		362	356
Bank deposits, bills of exchange and promissory notes		3,583	2,274
Total cash and cash equivalents		3,945	2,630
Reconciliation to the statement of cash flows			
Cash and cash equivalents included in assets held for sale	12	-	7
Cash and cash equivalents in the statement of cash flows		3,945	2,637