4. Operating costs

	2008 £m	2007 £m
Raw materials and other bought in items	**7,809**	5,557
Change in inventories of finished goods and work-in-progress	**(1,395)**	13
Cost of inventories expensed	**6,414**	5,570
Staff costs (note 7)	**4,618**	3,924
Depreciation, amortisation and impairment	**634**	610
Loss on disposal of property, plant and equipment	**1**	4
Loss on disposal of businesses (note 9)	**–**	8
Other operating charges	**3,719**	3,364
	15,386	13,480
Included within the analysis of operating costs are the following expenses:		
Lease and sublease payments:		
Minimum lease payments	**151**	112
	151	112
Research and development expense including amounts funded under contract	**1,044**	1,460

Significant one-off costs included in operating costs

	2008 £m	2007 £m
Rationalisation programmes	**87**	25
Electronics, Intelligence & Support	**7**	5
Land & Armaments	**19**	2
Programmes & Support	**52**	4
International	**4**	9
HQ & Other Businesses	**5**	5
	87	25

Fees payable to the Company's auditor and its associates included in operating costs

	2008			2007		
	UK £'000	Overseas £'000	Total £'000	UK £'000	Overseas £'000	Total £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts*	**1,333**	**–**	**1,333**	1,111	–	1,111
Fees payable to the Company's auditor and its associates for other services						
The audit of the Company's subsidiaries pursuant to legislation*	**2,178**	**3,576**	**5,754**	2,203	3,407	5,610
Other services pursuant to legislation:						
Interim review	**543**	**–**	**543**	520	–	520
Other including shareholder circular related work	**81**	**–**	**81**	104	–	104
Further assurance services						
Advice on accounting matters	**19**	**3**	**22**	28	–	28
Internal controls	**39**	**–**	**39**	16	–	16
Due diligence	**795**	**–**	**795**	880	1,036	1,916
Tax services						
Compliance	**392**	**1,112**	**1,504**	308	793	1,101
Advisory	**490**	**547**	**1,037**	909	488	1,397
Other services	**–**	**–**	**–**	313	–	313
Total fees payable to the Company's auditor and its associates	**5,870**	**5,238**	**11,108**	6,392	5,724	12,116

* Total fees payable to the Company's auditor and its associates for audit services	**7,087**	6,721

Tax services include tax compliance support and services in relation to the Group's expatriate employees based around the world. The majority of services provided outside the UK were provided in the US.