

# Consolidated statement of recognised income and expense

for the year ended 31 December

	Notes	2007 £m	2006 £m
Currency translation on foreign currency net investments:			
Subsidiaries		(1)	(162)
Equity accounted investments	14	43	(26)
Amounts credited to hedging reserve		41	221
Net actuarial gains on defined benefit pension schemes:			
Subsidiaries		544	692
Equity accounted investments		24	72
Fair value movements on available-for-sale investments		5	-
Current tax on items taken directly to equity	8	96	21
Deferred tax on items taken directly to equity:			
Subsidiaries	8	(259)	(227)
Tax rate adjustment <sup>1</sup>	8	(19)	-
Equity accounted investments		(6)	(92)
Recycling of fair value movements on disposal of available-for-sale investments		(6)	-
Recycling of cumulative currency translation on disposal:			
Continuing operations		-	3
Discontinued operations		-	11
Recycling of cumulative net hedging reserve on disposal – discontinued operations		-	(448)
<b>Net income recognised directly in equity</b>		<b>462</b>	<b>65</b>
<b>Profit for the year</b>		<b>922</b>	<b>1,639</b>
<b>Total recognised income and expense</b>		<b>1,384</b>	<b>1,704</b>
<b>Attributable to:</b>			
Equity shareholders		<b>1,363</b>	1,701
Minority interests		<b>21</b>	3
		<b>1,384</b>	<b>1,704</b>

<sup>1</sup> The UK current tax rate will be reduced from 30% to 28% with effect from 1 April 2008. In line with this change, the rate applying to UK deferred tax assets and liabilities has also been reduced from 30% to 28%, creating a rate adjustment, which is partly reflected in the Consolidated income statement and partly in the Consolidated statement of recognised income and expense.