

28 Reconciliation of movements in equity

	Share capital £m	Share premium £m	Treasury shares £m	Capital redemption reserve £m	Retained earnings £m	Foreign currency translation reserve £m	Net unrealised gains reserve £m	Total equity £m	Minority interests £m	Total £m
At 1 January 2006	13.4	258.1	(0.4)	0.2	125.8	0.3	–	397.4	0.2	397.6
Total recognised income and expense for the year	–	–	–	–	163.9	(0.7)	–	163.2	(0.1)	163.1
Share based payment	–	–	–	–	8.5	–	–	8.5	–	8.5
Purchase of own shares – cancelled	(1.1)	–	–	1.1	(244.9)	–	–	(244.9)	–	(244.9)
Share transaction costs	–	–	–	–	(1.2)	–	–	(1.2)	–	(1.2)
Shares issued	0.4	50.0	–	–	–	–	–	50.4	–	50.4
Treasury shares cancelled	(0.4)	–	0.4	0.4	(0.4)	–	–	–	–	–
Equity dividends paid	–	–	–	–	(47.7)	–	–	(47.7)	–	(47.7)
At 1 January 2007	12.3	308.1	–	1.7	4.0	(0.4)	–	325.7	0.1	325.8
Total recognised income and expense for the year	–	–	–	–	188.2	1.1	4.0	193.3	–	193.3
Share based payment	–	–	–	–	8.6	–	–	8.6	–	8.6
Purchase of own shares – cancelled	(0.1)	–	–	0.1	(43.6)	–	–	(43.6)	–	(43.6)
Transferred to goodwill on purchase of minority interest	–	–	–	–	–	–	–	–	(0.1)	(0.1)
Share transaction costs	–	–	–	–	(0.5)	–	–	(0.5)	–	(0.5)
Shares issued	0.4	66.8	–	–	–	–	–	67.2	–	67.2
Treasury shares purchased	–	–	–	–	(0.3)	–	–	(0.3)	–	(0.3)
Equity dividends paid	–	–	–	–	(218.6)	–	–	(218.6)	–	(218.6)
At 31 December 2007	12.6	374.9	–	1.8	(62.2)	0.7	4.0	331.8	–	331.8

Between October 2005 and March 2007, the Company sought to repurchase 61.8m of its own shares for an aggregate consideration of £289.0m. Although the company had sufficient reserves to make these purchases at each transaction date, interim accounts (as defined in the Companies Act 1985) showing the requisite level of distributable profits had inadvertently not been filed with the Registrar of Companies, as required by the Companies Act 1985. As a result of this technical infringement, the repurchase and cancellation of 36.8m shares, equating to £175.4m was invalid. This situation was rectified during the year with no net impact on share capital, capital redemption reserve and retained earnings.

Share capital – The balance classified as share capital is the nominal proceeds on issue of the Company's equity share capital, comprising 2 1/15p ordinary shares.

Share premium – The amount paid to the Company by shareholders, in cash or other consideration, over and above the nominal value of shares issued to them.

Treasury shares – Shares that have been bought back by the Company, which are available for retirement or resale; shares held in treasury have no voting rights and do not have entitlement to a dividend.

Capital redemption reserve – The Company can redeem shares by repaying the nominal value to the shareholder, whereupon the shares are cancelled. Redemption must be from distributable profits.

Foreign currency translation reserve – Gains or losses resulting from the process of expressing amounts denominated or measured in one currency in terms of another currency by use of the exchange rate between the two currencies. This process is required to consolidate the financial statements of foreign affiliates into the total Group financial statements and to recognise the conversion of foreign currency or the settlement of a receivable or payable denominated in foreign currency at a rate different from that at which the item is recorded.

Net unrealised gains reserve – This reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge. Also recorded here are fair value changes on available for sale investments.

Retained earnings – Net profits kept to accumulate in the Group after dividends are paid and retained in the business as working capital.