

Notes to the consolidated financial statements

25 Consolidated statement of changes in shareholders' equity

Notes	Share capital and share premium (Note 24) £m	Capital redemption reserve £m	Other reserves (Note 26) £m	Retained earnings £m	Attributable to the equity holders of the Company £m	Minority interests £m	Total equity £m
Balance at 1 April 2007	525	–	50	385	960	35	995
Net income/(expense) recognised directly in equity	–	–	55	(7)	48	–	48
Profit/(loss) for the year	–	–	–	194	194	(7)	187
Share-based payments, including tax	–	–	–	2	2	–	2
Proceeds from shares issued	1	–	–	7	8	–	8
Items transferred to income on disposal	–	–	(14)	–	(14)	(1)	(15)
Share buy backs	24	(8)	8	(159)	(159)	–	(159)
Dividends paid	14	–	–	(105)	(105)	(1)	(106)
Minority interests disposed	–	–	–	–	–	(10)	(10)
Balance at 31 March 2008	518	8	91	317	934	16	950
Net income/(expense) recognised directly in equity	–	–	132	(40)	92	6	98
Profit for the year	–	–	–	65	65	5	70
Share-based payments, including tax	–	–	–	1	1	–	1
Proceeds from shares issued	1	–	–	2	3	–	3
Items transferred to income on disposal	–	–	(4)	–	(4)	–	(4)
Dividends paid	14	–	–	(104)	(104)	(1)	(105)
Balance at 31 March 2009	519	8	219	241	987	26	1 013

Retained earnings at 31 March 2009 include a deduction for own shares held by the ESOP trust of £7 million (2008 – £7 million). All but 0.01 pence per share of the dividends arising on these shares have been waived by the trust.

26 Other reserves

	Hedging reserve £m	Translation reserve £m	Other reserves (note a) £m	Total £m
At 1 April 2007	–	(54)	104	50
Net gain on cash flow hedges	1	–	–	1
Loss on revaluation of available-for-sale financial assets	–	–	(3)	(3)
Currency translation differences:				
– net investment hedging losses in the year	–	(50)	–	(50)
Net exchange differences on consolidation (note b)	–	107	–	107
Items transferred to income on disposal	1	(12)	(3)	(14)
At 31 March 2008	2	(9)	98	91
Net loss on cash flow hedges	(25)	–	–	(25)
Gain on revaluation of available-for-sale financial assets	–	–	24	24
Currency translation differences:				
– net investment hedging losses in the year	–	(321)	–	(321)
Net exchange differences on consolidation (note b)	–	454	–	454
Items transferred to income on disposal	–	(1)	(3)	(4)
At 31 March 2009	(23)	123	119	219

(a) Other reserves include the merger reserve, the available-for-sale fair value reserve, and the statutory reserves of certain overseas subsidiaries, all of which are non-distributable.

(b) Net exchange differences on consolidation in the year includes a taxation impact of £nil million (2008 – credit of £21 million).