30 Deferred tax

Deferred tax is calculated in full on temporary differences using tax rates applicable in the jurisdictions where such differences arise. Movements in deferred income tax net liabilities in the year are as follows:

Deferred tax	Total £m
At 1 April 2007	77
Fair value adjustments on acquisition of subsidiaries	17
Credited to income	(4)
Charged to statement of recognised income and expense	12
Exchange differences	4
At 31 March 2008	106
Credited to income	(39)
Credited to statement of recognised income and expense	(36)
Exchange differences	17
At 31 March 2009	**48**

Of the amounts of deferred tax credited to income and equity, £1 million (2008 – £nil million) arises from changes in tax rates. There was no impact from the imposition of new taxes.

Deferred tax assets in respect of unutilised tax losses of £293 million (2008 – £184 million) have not been recognised to the extent that they exceed taxable profits against which these assets may be recovered. No unrelieved tax losses expired under current tax legislation in the year ended 31 March 2009.

No deferred tax has been recognised in respect of unremitted earnings of £1.1 billion (2008 – £1.0 billion) where the Group is both able to control dividend policy and does not anticipate dividends to be remitted in the foreseeable future.

The movements in deferred tax assets and liabilities during the period are as follows:

Deferred tax liabilities	Capital allowances in excess of depreciation £m	Other £m	Total £m
At 1 April 2007	138	21	159
Acquisitions	–	17	17
(Credited)/charged to income	(12)	5	(7)
Exchange differences	–	4	4
At 31 March 2008	126	47	173
Transfers between categories	(21)	(3)	(24)
(Credited)/charged to income	(32)	1	(31)
Exchange differences	29	9	38
At 31 March 2009	**102**	**54**	**156**

Deferred tax assets	Retirement benefit obligations £m	Share-based payments £m	Tax losses £m	Other £m	Total £m
At 1 April 2007	53	11	3	15	82
(Charged)/credited to income	(8)	(4)	(1)	10	(3)
(Charged)/credited to equity	(10)	(3)	–	1	(12)
At 31 March 2008	35	4	2	26	67
Transfers between categories	(2)	–	(2)	(20)	(24)
(Charged)/credited to income	(4)	2	–	10	8
Credited/(charged) to equity	31	(4)	–	9	36
Exchange differences	21	–	–	–	21
At 31 March 2009	**81**	**2**	**–**	**25**	**108**

30 Deferred tax (continued)

Deferred tax assets and liabilities are offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

As a result of these offsets, the deferred tax balances are presented in the balance sheet as follows:

	31 March 2009 £m	2008 £m
Deferred tax liabilities	**78**	107
Deferred tax assets	**(30)**	(1)
Total	**48**	106

31 Retirement benefit obligations

(a) Plan information

The Group maintains pension plans for its operations throughout the world. Some of these arrangements are defined benefit pension schemes with retirement, disability, death and termination income benefits. The retirement income benefits are generally a function of years of employment and final salary.

The principal schemes are funded and their assets held in separate trustee-administered funds. The schemes are funded in line with local practice and contributions are assessed in accordance with local independent actuarial advice. The schemes operated by the Group are subject to independent actuarial valuation at regular intervals using consistent assumptions appropriate to conditions prevailing in the relevant country. The most recent actuarial valuations of plan assets and the present value of the defined benefit obligations were carried out as at 31 March 2007 by independent actuaries.

The Group also maintains defined contribution pension schemes and some fully insured pension schemes.

On 1 April 2002, the main United Kingdom scheme was closed to new members. A defined contribution pension scheme has been established to provide pension benefits to new United Kingdom employees. Under the projected unit method, the service cost of the closed scheme will increase as the members approach retirement.

The Group's subsidiaries in the United States provide unfunded retirement medical and life assurance benefits to their employees.

The Group expects to contribute approximately £23 million to its defined benefit plans in the year to 31 March 2010.

(b) Principal assumptions

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Pension benefits			Medical
Year to 31 March 2009	**UK**	**US**	**Others**	**benefits**
Inflation rate	2.7%	2.5%	2.0%	2.5%
Expected rate of salary increases	3.5%	3.5%	2.0%	n/a
Expected rate of pension increases	2.7%	n/a	1.0%	n/a
Discount rate	6.9%	7.3%	6.3%	7.1%
Expected return on plan assets (total)	6.6%	7.9%	5.9%	n/a
Expected equity return on plan assets	8.1%	8.4%	7.5%	n/a

	Pension benefits			Medical
Year to 31 March 2008	UK	US	Others	benefits
Inflation rate	3.6%	3.5%	2.0%	3.5%
Expected rate of salary increases	5.4%	4.5%	2.0-3.6%	n/a
Expected rate of pension increases	3.6%	n/a	0.0-1.8%	n/a
Discount rate	6.6%	6.5%	5.9%	6.3%
Expected return on plan assets (total)	6.1%	7.8%	4.0-6.0%	n/a
Expected equity return on plan assets	8.5%	8.8%	7.0%	n/a

	Expected longevity post age 60	
Mortality assumptions – Year to 31 March 2009	UK	US
Male aged 60 now	26 years	23 years
Male aged 60 in 15 years' time	28 years	23 years
Female aged 60 now	27 years	25 years
Female aged 60 in 15 years' time	29 years	25 years