

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

for the year ended 31 March 2007

	Note	2007 £m	2006 [†] £m
Profit for the year after taxation		2,453	1,184
Valuation movements			
– on development properties	6	184	102
– on other investments	6	22	92
		206	194
Gains (losses) on cash flow hedges			
– Group		93	(26)
– Funds and joint ventures		21	2
Actuarial gain (loss) on pension scheme		8	(1)
Fair value adjustment on consolidation of former joint venture		(7)	
Tax on items taken directly to equity*		16	(56)
Net gain recognised directly in equity		337	113
Transferred to the income statement (cash flow hedges)			
– foreign currency derivatives		21	(14)
– interest rate derivatives		(1)	32
		20	18
Total recognised income and expense for the year		2,810	1,315

[†] Restated as described in note 1.

* Includes deferred tax on development property revaluations, where the deferred tax benefit on REIT conversion is £84m.

Reconciliation of Movements in Shareholders' Funds

	2007 £m	2006 £m
Capital items		
– Shares issued	10	4
– Purchase of ESOP shares	(16)	(10)
– Adjustment for share and share option awards	18	8
– Dividends paid in the year	(91)	(84)
	(79)	(82)
Total recognised income and expense for the year	2,810	1,315
Movement in shareholders' funds for the year	2,731	1,233
Opening equity shareholders' funds	6,016	4,783
Closing equity shareholders' funds	8,747	6,016