

## 22. Deferred tax

	2007 £m	2006 £m
The movement in deferred tax is shown below:		
At 1 January	45.3	44.3
Exchange differences	2.0	(0.4)
Acquisition of subsidiaries	(7.4)	0.7
Disposal of subsidiary	-	(11.1)
Income statement (credit)/charge for continuing operations	(0.2)	15.9
Tax charged/(credited) to equity	47.9	(4.1)
<b>At 31 December</b>	<b>87.6</b>	<b>45.3</b>

Deferred tax assets have not been recognised in respect of tax losses and other temporary differences giving rise to deferred tax assets where there is uncertainty regarding the recoverability of the resulting deferred tax assets. Deferred tax is not provided on the unremitted earnings of overseas subsidiaries where the group has control over the timing of remittance and it is probable that remittance will not take place in the foreseeable future. Material deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

The movements in deferred tax assets and liabilities during the period are shown below:

	Accelerated tax depreciation	Revaluation	Intangibles	Derivatives	Other	Total
	£m	£m	£m	£m	£m	£m
<b>Deferred tax liabilities</b>						
At 1 January 2006	72.9	17.0	11.1	6.4	2.5	109.9
Exchange differences	(0.2)	-	(0.2)	-	-	(0.4)
Acquisition of subsidiaries	0.8	-	-	-	-	0.8
Disposal of subsidiary	(10.9)	(0.7)	-	-	-	(11.6)
Income statement charge/(credit) for continuing operations	12.5	(0.1)	(1.7)	-	(0.1)	10.6
Tax credited directly to equity	-	-	-	(7.3)	-	(7.3)
Transferred to deferred tax assets	-	-	-	0.9	-	0.9
<b>At 31 December 2006</b>	<b>75.1</b>	<b>16.2</b>	<b>9.2</b>	<b>-</b>	<b>2.4</b>	<b>102.9</b>
Exchange differences	1.9	-	0.6	-	0.3	2.8
Income statement (credit)/charge for continuing operations	(1.6)	(0.3)	(3.2)	-	1.3	(3.8)
Transferred from deferred tax assets	-	-	-	18.1	-	18.1
<b>At 31 December 2007</b>	<b>75.4</b>	<b>15.9</b>	<b>6.6</b>	<b>18.1</b>	<b>4.0</b>	<b>120.0</b>

The deferred tax liability due after more than one year is £112.4 million (2006: £101.3 million).

Deferred tax assets	Retirement benefit obligations £m	Provisions £m	Derivatives £m	Other £m	Total £m
At 1 January 2006	(58.6)	(6.2)	-	(0.8)	(65.6)
Acquisition of subsidiaries	-	-	-	(0.1)	(0.1)
Disposal of subsidiary	0.5	-	-	-	0.5
Income statement charge/(credit) for continuing operations	5.6	1.8	-	(2.1)	5.3
Tax charged directly to equity	3.2	-	-	-	3.2
Transferred from deferred tax liabilities	-	-	(0.9)	-	(0.9)
At 31 December 2006	(49.3)	(4.4)	(0.9)	(3.0)	(57.6)
Exchange differences	-	(0.6)	-	(0.2)	(0.8)
Acquisition of subsidiaries	-	(7.9)	-	0.5	(7.4)
Income statement charge/(credit) for continuing operations	3.1	(1.1)	-	1.6	3.6
Tax charged directly to equity	28.9	-	19.0	-	47.9
Transferred to deferred tax liabilities	-	-	(18.1)	-	(18.1)
At 31 December 2007	(17.3)	(14.0)	-	(1.1)	(32.4)

The deferred tax asset due after more than one year is £20.9 million (2006: £47.3 million).

## 23. Called up equity share capital

	Authorised		Allotted - fully paid	
	2007	2006	2007	2006
Ordinary shares of 5 pence each	£14,500,000	£14,500,000	£9,930,679	£9,904,472
Number of shares	290,000,000	290,000,000	198,613,572	198,089,442
Reconciliation of movement in issued share capital:				
Shares in issue 1 January			198,089,442	196,922,357
Share allotments on exercise of options			524,130	1,167,085
Shares in issue 31 December			198,613,572	198,089,442

Consideration of £1.3 million was received in respect of the share allotments in the year ended 31 December 2007 (2006: £1.2 million).

At 31 December 2007 there were outstanding options to receive allotments of 2,888,975 ordinary shares under the Executive Share Option Scheme, the Share Incentive Scheme and the Long Term Incentive Plan. The price for the vested share for the Long Term Incentive Plan is £nil. The option exercise prices for the other schemes range from 272.6 pence to 745.0 pence. The options are exercisable up to March 2017. At 31 December 2007 the middle market quotation of the ordinary share, as derived from the Stock Exchange Official List, was 795.0 pence. The highest price attained by the ordinary share in 2007 was 842.0 pence and the lowest level during 2007 was 651.0 pence.