

## 5. Taxation

	2007 £m	2006 £m
<b>Analysis of charge in the year for continuing operations</b>		
Current tax	26.0	9.3
Deferred tax	(0.2)	15.9
<b>Taxation</b>	<b>25.8</b>	<b>25.2</b>
<b>Tax on items charged/(credited) to equity</b>	2007 £m	2006 £m
Current tax (credit)/charge on exchange movements offset in reserves	(2.7)	2.4
Deferred tax charge on cross currency swaps	0.7	-
Deferred tax charge/(credit) on cash flow hedges	18.3	(7.3)
Deferred tax charge on actuarial gains on defined benefit schemes	28.9	3.2
Current tax credit on share option schemes	(0.5)	-
<b>Total tax on items charged/(credited) to equity</b>	<b>44.7</b>	<b>(1.7)</b>

The tax for the year is lower (2006: lower) than the standard rate of corporation tax in the UK of 30 per cent (2006: 30 per cent).  
The differences are explained below:

	2007 £m	2006 £m
Profit on ordinary activities before taxation	115.8	109.8
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30 per cent (2006: 30 per cent)	34.7	32.9
Effects of:		
- Adjustments to tax in respect of prior years	(7.5)	(8.7)
- Income not subject to tax	(0.7)	(0.3)
- Expenses not deductible for tax purposes	2.4	2.0
- Utilisation of previously unrecognised tax losses	(1.3)	(4.2)
- Tax losses arising where no deferred tax asset has been recognised	0.1	0.5
- Different tax rates of subsidiaries operating in other jurisdictions	3.6	3.6
- Results from associated undertakings	(1.3)	(0.6)
- Remeasurement of deferred tax - change in UK tax rate	(3.0)	-
- Remeasurement of deferred tax - change in German tax rate	(1.2)	-
<b>Total taxation</b>	<b>25.8</b>	<b>25.2</b>

## 6. Discontinued operations

Profit from discontinued operations of £20.1 million in the prior year relates to the vehicle rental business. £20.0 million relates to the gain on disposal of the subsidiary.

Net cash inflows from discontinued operations for the year ended 31 December 2007 were £nil (2006: £132.1 million).

## 7. Dividends

	2007 £m	2006 £m
Final dividend paid for the year ended 31 December 2006 of 15.51 pence per share (2006: final dividend paid for the year ended 31 December 2005 of 14.77 pence per share)	30.8	29.2
Interim dividend paid for the year ended 31 December 2007 of 5.59 pence per share (2006: interim dividend paid for the year ended 31 December 2006 of 5.32 pence per share)	11.1	10.4
<b>Amounts recognised as distributions to equity holders in the year</b>	<b>41.9</b>	<b>39.6</b>

The directors are proposing a final dividend in respect of the financial year ending 31 December 2007 of 17.06 pence per share which will absorb an estimated £33.9 million of shareholders' funds. It will be paid on 1 May 2008 to shareholders who are on the Register of Members on 28 March 2008.