

# Consolidated statement of changes in equity

Year ended 31 December 2007

	Note	2007 £m								
		Share capital	Share premium	Retained earnings	Translation reserve	Available-for-sale securities reserve	Hedging reserve	Shareholders' equity	Minority interests	Total equity
<b>Reserves</b>										
Profit for the year				1,022				1,022	3	1,025
Items recognised directly in equity:										
Exchange translation movements	B4				11			11		11
Movement on cash flow hedges							(3)	(3)		(3)
Unrealised valuation movements on Egg securities classified as available-for-sale						(2)		(2)		(2)
Unrealised valuation movements on US life operations securities classified as available-for-sale:										
Unrealised holding losses arising during the year	D3(a)					(231)		(231)		(231)
Less gains included in the income statement						(13)		(13)		(13)
						(244)		(244)		(244)
Related change in amortisation of deferred income and acquisition costs						88		88		88
Related tax					2	53	1	56		56
Total items of income and expense recognised directly in equity					13	(105)	(2)	(94)		(94)
Total income and expense for the year				1,022	13	(105)	(2)	928	3	931
Dividends	B3			(426)				(426)	(5)	(431)
Reserve movements in respect of share-based payments				18				18		18
Change in minority interests arising principally from purchase and sale of venture investment companies and property partnerships of the PAC with-profits fund and of other investments									(28)	(28)
<b>Share capital and share premium</b>										
New share capital subscribed	H11	1	181					182		182
Transfer to retained earnings in respect of shares issued in lieu of cash dividends	H11		(175)	175						
<b>Treasury shares</b>										
Movement in own shares in respect of share-based payment plans				7				7		7
Movement in Prudential plc shares purchased by unit trusts consolidated under IFRS				4				4		4
Net increase (decrease) in equity		1	6	800	13	(105)	(2)	713	(30)	683
At beginning of year		122	1,822	3,640	(125)	27	2	5,488	132	5,620
At end of year		123	1,828	4,440	(112)	(78)	–	6,201	102	6,303

2006 £m										
Note	Share capital	Share premium	Retained earnings	Translation reserve	Available-for-sale securities reserve	Hedging reserve	Shareholders' equity	Minority interests	Total equity	
<b>Reserves</b>										
			874				874	1	875	
Profit for the year										
Items recognised directly in equity:										
	B4			(224)			(224)		(224)	
						7	7		7	
					(2)		(2)		(2)	
	D3(a)				(208)		(208)		(208)	
					7		7		7	
					(201)		(201)		(201)	
					75		75		75	
				(74)	50	(2)	(26)		(26)	
				(298)	(78)	5	(371)		(371)	
			874	(298)	(78)	5	503	1	504	
	B3		(399)				(399)		(399)	
			15				15		15	
								43	43	
	I6		(167)				(167)	(84)	(251)	
<b>Share capital and share premium</b>										
	H11	3	333				336		336	
	H11		(75)	75						
<b>Treasury shares</b>										
				6			6		6	
				0			0		0	
		3	258	404	(298)	(78)	294	(40)	254	
		119	1,564	3,236	173	105	(3)	5,194	172	5,366
		122	1,822	3,640	(125)	27	2	5,488	132	5,620