

Consolidated Statement of Recognised Income and Expense

Year ended 31 December 2006

All figures in £ millions	Notes	2006	2005
Net exchange differences on translation of foreign operations	27	(417)	327
Actuarial gains on defined benefit pension and post-retirement medical plans	24	107	26
Taxation on items charged to equity	8	12	12
Net (expense)/income recognised directly in equity		(298)	365
Profit for the year		469	644
Total recognised income and expense for the year		171	1,009
Attributable to:			
Equity holders of the Company		148	989
Minority interest		23	20
Effect of transition adjustment on adoption of IAS 39			
Attributable to:			
Equity holders of the Company		–	(12)

Consolidated Balance Sheet

As at 31 December 2006

All figures in £ millions	Notes	2006	2005
Assets			
Non-current assets			
Property, plant and equipment	11	348	384
Intangible assets	12	3,581	3,854
Investments in joint ventures and associates	13	20	36
Deferred income tax assets	14	417	385
Financial assets – Derivative financial instruments	16	36	79
Other financial assets	15	17	18
Other receivables	19	124	108
		4,543	4,864
Current assets			
Intangible assets – Pre-publication	17	402	426
Inventories	18	354	373
Trade and other receivables	19	953	1,031
Financial assets – Derivative financial instruments	16	50	4
Financial assets – Marketable securities		25	–
Cash and cash equivalents (excluding overdrafts)	20	592	902
		2,376	2,736
Non-current assets classified as held for sale	29	294	–
		2,670	2,736
Total assets		7,213	7,600

Consolidated Balance Sheet *Continued*

As at 31 December 2006

All figures in £ millions	Notes	2006	2005
Liabilities			
Non-current liabilities			
Financial liabilities – Borrowings	21	(1,148)	(1,703)
Financial liabilities – Derivative financial instruments	16	(19)	(22)
Deferred income tax liabilities	14	(245)	(204)
Retirement benefit obligations	24	(250)	(389)
Provisions for other liabilities and charges	22	(29)	(31)
Other liabilities	23	(162)	(151)
		(1,853)	(2,500)
Current liabilities			
Trade and other liabilities	23	(998)	(974)
Financial liabilities – Borrowings	21	(595)	(256)
Current income tax liabilities		(74)	(104)
Provisions for other liabilities and charges	22	(23)	(33)
		(1,690)	(1,367)
Liabilities directly associated with non-current assets classified as held for sale	29	(26)	–
Total liabilities		(3,569)	(3,867)
Net assets		3,644	3,733
Equity			
Share capital	25	202	201
Share premium	25	2,487	2,477
Treasury shares	26	(189)	(153)
Other reserves	27	(592)	(175)
Retained earnings	27	1,568	1,214
Total equity attributable to equity holders of the Company		3,476	3,564
Minority interest		168	169
Total equity		3,644	3,733

These financial statements have been approved for issue by the board of directors on 9 March 2007 and signed on its behalf by

Robin Freestone, *Chief financial officer*