

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

YEAR ENDED 31 DECEMBER 2005

All figures in £ millions	Notes	2005	2004	2003
Net exchange differences on translation of foreign operations	26	327	(203)	(288)
Actuarial gains/(losses) on defined benefit pension and post-retirement medical schemes	24	26	(61)	(28)
Taxation on items taken directly to equity	8	12	9	–
Net income/(expense) recognised directly in equity		365	(255)	(316)
Profit for the year		644	284	275
Total recognised income and expense for the year		1,009	29	(41)
Attributable to:				
Equity holders of the Company		989	7	(64)
Minority interest		20	22	23
Effect of transition adjustment on adoption of IAS 39				
Attributable to:				
Equity holders of the Company	34	(12)		

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2005

All figures in £ millions	Notes	2005	2004	2003
Assets				
Non-current assets				
Property, plant and equipment	11	384	355	402
Intangible assets	12	3,854	3,278	3,550
Investments in joint ventures and associates	13	36	47	64
Deferred income tax assets	14	385	359	342
Financial assets – Derivative financial instruments	16	79	–	–
Other financial assets	15	18	15	21
Other receivables	19	108	102	100
		4,864	4,156	4,479
Current assets				
Intangible assets – pre-publication	17	426	356	362
Inventories	18	373	314	319
Trade and other receivables	19	1,031	933	1,025
Financial assets – Derivative financial instruments	16	4	–	–
Cash and cash equivalents (excluding overdrafts)	20	902	461	551
		2,736	2,064	2,257
Non-current assets classified as held for sale		–	358	–
		2,736	2,422	2,257
Total assets		7,600	6,578	6,736

CONSOLIDATED BALANCE SHEET CONTINUED
AS AT 31 DECEMBER 2005

All figures in £ millions	Notes	2005	2004	2003
Liabilities				
Non-current liabilities				
Financial liabilities – Borrowings	21	(1,703)	(1,714)	(1,349)
Financial liabilities – Derivative financial instruments	16	(22)	–	–
Deferred income tax liabilities	14	(204)	(139)	(140)
Retirement benefit obligations	24	(389)	(408)	(364)
Provisions for other liabilities and charges	22	(31)	(43)	(59)
Other liabilities	23	(151)	(99)	(70)
		(2,500)	(2,403)	(1,982)
Current liabilities				
Trade and other liabilities	23	(974)	(868)	(943)
Financial liabilities – Borrowings	21	(256)	(109)	(578)
Current income tax liabilities		(104)	(89)	(54)
Provisions for other liabilities and charges	22	(33)	(14)	(18)
		(1,367)	(1,080)	(1,593)
Liabilities directly associated with non-current assets classified as held for sale		–	(81)	–
Total liabilities		(3,867)	(3,564)	(3,575)
Net assets		3,733	3,014	3,161
Equity				
Share capital	25	201	201	201
Share premium	25	2,477	2,473	2,469
Other reserves	26	(328)	(623)	(410)
Retained earnings	26	1,214	749	709
Total equity attributable to equity holders of the Company		3,564	2,800	2,969
Minority interest		169	214	192
Total equity		3,733	3,014	3,161

These financial statements have been approved for issue by the board of directors on 26 February 2006 and signed on its behalf by

Rona Fairhead, *Chief financial officer*