

## Consolidated statement of changes in equity

For the year ended 31 December

	Attributable to equity holders of the company					Total equity £m
	Called up share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Minority interest £m	
At 1 January 2008	18.1	6.8	(1,727.9)	1,753.9	7.4	58.3
Profit for the year (including discontinued operations)	–	–	–	18.8	2.6	21.4
Other comprehensive income:						
Net exchange adjustments offset in reserves	–	–	(68.1)	–	0.6	(67.5)
Actuarial gain on defined benefit pension plans	–	–	–	46.9	–	46.9
Revaluation of available-for-sale investments	–	–	1.7	–	–	1.7
Movement on cash flow hedge reserve	–	–	(4.2)	–	–	(4.2)
Tax on items taken directly to reserves	–	–	–	(12.8)	–	(12.8)
Total comprehensive expense for the year	–	–	(70.6)	52.9	3.2	(14.5)
Transactions with owners:						
Dividends paid to ordinary shareholders	–	–	–	(106.7)	–	(106.7)
Cost of share options and long-term incentive plan	–	–	–	2.6	–	2.6
Transactions with minority interests:						
Dividends paid to minority interests	–	–	–	–	(1.6)	(1.6)
At 31 December 2008	18.1	6.8	(1,798.5)	1,702.7	9.0	(61.9)
At 1 January 2009	<b>18.1</b>	<b>6.8</b>	<b>(1,798.5)</b>	<b>1,702.7</b>	<b>9.0</b>	<b>(61.9)</b>
Profit for the year (including discontinued operations)	–	–	–	47.6	1.3	48.9
Other comprehensive income:						
Net exchange adjustments offset in reserves	–	–	26.5	–	2.2	28.7
Actuarial loss on defined benefit pension plans	–	–	–	(211.4)	–	(211.4)
Revaluation of available-for-sale investments	–	–	(2.5)	–	–	(2.5)
Movement on cash flow hedge reserve	–	–	(0.8)	–	–	(0.8)
Tax on items taken directly to reserves	–	–	–	49.0	–	49.0
Cumulative exchange recycled to income statement on disposal of foreign operations	–	–	(2.0)	–	–	(2.0)
Total comprehensive expense for the year	–	–	21.2	(114.8)	3.5	(90.1)
Transactions with owners:						
Cost of share options and long-term incentive plan	–	–	–	5.1	–	5.1
Transactions with minority interests:						
Acquisition of minority interests	–	–	–	–	(0.7)	(0.7)
Dividends paid to minority interests	–	–	–	–	(2.5)	(2.5)
At 31 December 2009	<b>18.1</b>	<b>6.8</b>	<b>(1,777.3)</b>	<b>1,593.0</b>	<b>9.3</b>	<b>(150.1)</b>

Treasury shares of £11.1 million (2008: £11.1 million) have been netted against retained earnings. Treasury shares represent 7.4 million (2008: 7.4 million) shares held by the Rentokil Initial Employee Share Trust. The market value of these shares at 31 December 2009 was £8.6 million (2008: £3.3 million). Dividend income from, and voting rights on, the shares held by the Trust have been waived.

### Analysis of other reserves

	Capital reduction reserve £m	Legal £m	Cash flow hedge reserve £m	Translation reserve £m	Available for sale £m	Total £m
At 1 January 2008	(1,722.7)	10.4	–	(16.2)	0.6	(1,727.9)
Net exchange adjustments offset in reserves	–	–	–	(68.1)	–	(68.1)
Revaluation of available-for-sale investments	–	–	–	–	1.7	1.7
Movement in cash flow hedge reserve	–	–	(4.2)	–	–	(4.2)
Total comprehensive expense for the year	–	–	(4.2)	(68.1)	1.7	(70.6)
At 31 December 2008	(1,722.7)	10.4	(4.2)	(84.3)	2.3	(1,798.5)
At 1 January 2009	<b>(1,722.7)</b>	<b>10.4</b>	<b>(4.2)</b>	<b>(84.3)</b>	<b>2.3</b>	<b>(1,798.5)</b>
Net exchange adjustments offset in reserves	–	–	–	26.5	–	26.5
Revaluation of available-for-sale investments	–	–	–	–	(2.5)	(2.5)
Movement in cash flow hedge reserve	–	–	(0.8)	–	–	(0.8)
Cumulative exchange recycled to income statement on disposal of foreign operations	–	–	–	(2.0)	–	(2.0)
Total comprehensive expense for the year	–	–	(0.8)	24.5	(2.5)	21.2
At 31 December 2009	<b>(1,722.7)</b>	<b>10.4</b>	<b>(5.0)</b>	<b>(59.8)</b>	<b>(0.2)</b>	<b>(1,777.3)</b>

The capital reduction reserve arose in 2005 as a result of the scheme of arrangement of Rentokil Initial 1927 plc under section 425 of the Companies Act 1982 to introduce a new holding company, Rentokil Initial plc, and the subsequent reduction in capital approved by the High Court whereby the nominal value of each ordinary share was reduced from 100p to 1p. The effect of this capital reorganisation transaction, which was treated as a reverse acquisition in the group financial statements, was to increase distributable reserves by £1,792.3 million.