

## Consolidated statement of changes in equity

	Ordinary share capital £m	Share premium account £m	Capital redemption reserve £m	Hedging reserve £m	Other reserve <sup>1</sup> £m	Retained earnings <sup>2</sup> £m	Total £m	Non-controlling interest £m	Total £m
<b>At 3 April 2011</b>	396.2	255.2	2,202.6	(11.3)	(6,042.4)	5,873.2	2,673.5	3.9	2,677.4
Profit/(loss) for the year	–	–	–	–	–	513.1	513.1	(23.5)	489.6
Other comprehensive income:									
Foreign currency translation	–	–	–	(1.1)	–	(14.0)	(15.1)	–	(15.1)
Actuarial losses on retirement benefit schemes	–	–	–	–	–	(189.9)	(189.9)	–	(189.9)
Tax on retirement benefit schemes	–	–	–	–	–	50.4	50.4	–	50.4
Cash flow and net investment hedges									
– fair value movements in other comprehensive income	–	–	–	43.8	–	9.2	53.0	–	53.0
– reclassified and reported in net profit <sup>3</sup>	–	–	–	(23.0)	–	–	(23.0)	–	(23.0)
– amount recognised in inventories	–	–	–	13.7	–	–	13.7	–	13.7
Tax on cash flow hedges and net investment hedges	–	–	–	(7.3)	–	–	(7.3)	–	(7.3)
Other comprehensive income	–	–	–	26.1	–	(144.3)	(118.2)	–	(118.2)
Total comprehensive income/(expenses)	–	–	–	26.1	–	368.8	394.9	(23.5)	371.4
Transactions with owners:									
Dividends	–	–	–	–	–	(267.8)	(267.8)	–	(267.8)
Transactions with non-controlling shareholders	–	–	–	–	–	(6.4)	(6.4)	8.2	1.8
Recognition of financial liability	–	–	–	–	(71.9)	–	(71.9)	–	(71.9)
Shares issued on exercise of employee share options	5.2	39.1	–	–	–	–	44.3	–	44.3
Purchase of own shares held by employee trusts	–	–	–	–	–	(13.2)	(13.2)	–	(13.2)
Credit for share-based payments	–	–	–	–	–	32.5	32.5	–	32.5
Deferred tax on share schemes	–	–	–	–	–	4.3	4.3	–	4.3
<b>At 31 March 2012</b>	401.4	294.3	2,202.6	14.8	(6,114.3)	5,991.4	2,790.2	(11.4)	2,778.8
<b>At 1 April 2012</b>	<b>401.4</b>	<b>294.3</b>	<b>2,202.6</b>	<b>14.8</b>	<b>(6,114.3)</b>	<b>5,991.4</b>	<b>2,790.2</b>	<b>(11.4)</b>	<b>2,778.8</b>
Profit/(loss) for the year	–	–	–	–	–	466.7	466.7	(8.7)	458.0
Other comprehensive income:									
Foreign currency translation	–	–	–	(1.5)	–	9.4	7.9	–	7.9
Actuarial gain on retirement benefit schemes	–	–	–	–	–	90.7	90.7	–	90.7
Tax on retirement benefit schemes	–	–	–	–	–	(19.9)	(19.9)	–	(19.9)
Cash flow and net investment hedges									
– fair value movements in other comprehensive income	–	–	–	35.9	–	(2.3)	33.6	–	33.6
– reclassified and reported in net profit <sup>3</sup>	–	–	–	(26.0)	–	–	(26.0)	–	(26.0)
– amount recognised in inventories	–	–	–	(13.6)	–	–	(13.6)	–	(13.6)
Tax on cash flow hedges and net investment hedges	–	–	–	(0.4)	–	–	(0.4)	–	(0.4)
Other comprehensive income	–	–	–	(5.6)	–	77.9	72.3	–	72.3
Total comprehensive income/(expenses)	–	–	–	(5.6)	–	544.6	539.0	(8.7)	530.3
Transactions with owners:									
Dividends	–	–	–	–	–	(271.3)	(271.3)	–	(271.3)
Transactions with non-controlling shareholders	–	–	–	–	–	–	–	1.1	1.1
Recognition of financial liability	–	–	–	–	(427.9)	(178.1)	(606.0)	–	(606.0)
Shares issued on exercise of employee share options	2.1	20.8	–	–	–	–	22.9	–	22.9
Credit for share-based payments	–	–	–	–	–	28.0	28.0	–	28.0
Deferred tax on share schemes	–	–	–	–	–	2.6	2.6	–	2.6
<b>At 30 March 2013</b>	<b>403.5</b>	<b>315.1</b>	<b>2,202.6</b>	<b>9.2</b>	<b>(6,542.2)</b>	<b>6,117.2</b>	<b>2,505.4</b>	<b>(19.0)</b>	<b>2,486.4</b>

1. The 'Other reserve' was originally created as part of the capital restructuring that took place in 2002. It represents the difference between the nominal value of the shares issued prior to the capital reduction by the Company (being the carrying value of the investment in Marks and Spencer plc) and the share capital, share premium and capital redemption reserve of Marks and Spencer plc at the date of the transaction. Last year the reserve also included discretionary distributions to the Marks & Spencer UK Pension Scheme, which following the Group's payment of an interim dividend in relation to 2011/12 and the resultant recognition of the annual distribution of £71.9m as a financial liability was £427.9m. On 21 May 2012 the Group changed the terms of the Marks and Spencer Scottish Limited Partnership and the total equity instrument of £427.9m was derecognised and the fair value of the remaining distributions of £606.0m was recognised as a financial liability (see note 12).

2. The 'Retained earnings reserve' includes a cumulative £14.5m gain (last year £5.1m gain) in the currency reserve.

3. Amounts reclassified and reported in net profit have all been recorded in cost of sales.