Consolidated income statement

Year ended 31 December	Note	2012 £m	2011* £m
Gross premiums earned		29,910	25,706
Outward reinsurance premiums		(506)	(429)
Earned premiums, net of reinsurance	F2	29,404	25,277
Investment return	F2	24,051	9,360
Other income	F2	2,021	1,869
Total revenue, net of reinsurance	F1,F2	55,476	36,506
Benefits and claims		(44,831)	(31,060)
Outward reinsurers' share of benefit and claims	F1	259	746
Movement in unallocated surplus of with-profits funds	H12	(1,381)	1,025
Benefits and claims and movement in unallocated surplus of with-profits funds, net of reinsurance		(45,953)	(29,289)
Acquisition costs and other expenditure	F3	(6,055)	(5,120)
Finance costs: interest on core structural borrowings of shareholder-financed operations	F4	(280)	(286)
Total charges, net of reinsurance	F1	(52,288)	(34,695)
Profit before tax *(being tax attributable to shareholders' and policyholders' returns)*†		3,188	1,811
(Less) add tax (charge) credit attributable to policyholders' returns		(378)	17
Profit before tax attributable to shareholders	B1	2,810	1,828
Total tax (charge) attributable to policyholders and shareholders	F5	(991)	(392)
Adjustment to remove tax credit (charge) attributable to policyholders' returns		378	(17)
Tax charge attributable to shareholders' returns	F5	(613)	(409)
Profit for the year		2,197	1,419
Attributable to:			
Equity holders of the Company		2,197	1,415
Non-controlling interests		–	4
Profit for the year		2,197	1,419
Earnings per share (in pence)			
Based on profit attributable to the equity holders of the Company:			
Basic	B2	86.5p	55.8p
Diluted	B2	86.4p	55.7p

* The Group has adopted updated US GAAP requirements for deferred acquisition costs as an improvement to its accounting policy under IFRS 4 for those operations of the Group which measure insurance assets and liabilities substantially by reference to US GAAP principles. Accordingly, the 2011 comparative results and related notes have been adjusted from those previously published for the retrospective application of the change as if the new accounting policy had always applied, as described in note A5.

† This measure is the formal profit before tax measure under IFRS but it is not the result attributable to shareholders. This is principally because the corporate taxes of the Group include those on the income of consolidated with-profits and unit-linked funds that, through adjustments to benefits, are borne by policyholders. These amounts are required to be included in the tax charge of the Company under IAS 12. Consequently, the profit before all taxes measure (which is determined after deducting the cost of policyholder benefits and movements in the liability for unallocated surplus of the PAC with-profits fund after adjusting for taxes borne by policyholders) is not representative of pre-tax profits attributable to shareholders.