

Consolidated statement of changes in equity

Year ended 31 December 2012	Note	2012 £m							
		Share capital	Share premium	Retained earnings	Translation reserve	Available-for-sale securities reserve	Shareholders' equity	Non-controlling interests	Total equity
Reserves									
Profit for the year		–	–	2,197	–	–	2,197	–	2,197
Other comprehensive income:									
Exchange movements on foreign operations and net investment hedges, net of related tax		–	–	–	(216)	–	(216)	–	(216)
Unrealised valuation movements, net of related change in amortisation of deferred acquisition costs and related tax		–	–	–	–	387	387	–	387
Total other comprehensive income		–	–	–	(216)	387	171	–	171
Total comprehensive income for the year		–	–	2,197	(216)	387	2,368	–	2,368
Dividends	B3	–	–	(655)	–	–	(655)	–	(655)
Reserve movements in respect of share-based payments		–	–	42	–	–	42	–	42
Change in non-controlling interests arising principally from purchase and sale of property partnerships of the PAC with-profits fund and other consolidated investment funds		–	–	–	–	–	–	(38)	(38)
Share capital and share premium									
New share capital subscribed	H11	1	16	–	–	–	17	–	17
Treasury shares									
Movement in own shares in respect of share-based payment plans		–	–	(13)	–	–	(13)	–	(13)
Movement in Prudential plc shares purchased by unit trusts consolidated under IFRS		–	–	36	–	–	36	–	36
Net increase (decrease) in equity		1	16	1,607	(216)	387	1,795	(38)	1,757
At beginning of year:									
As previously reported		127	1,873	5,839	354	924	9,117	43	9,160
Effect of change in accounting policy for deferred acquisition costs	A5	–	–	(595)	(72)	114	(553)	–	(553)
After effect of change		127	1,873	5,244	282	1,038	8,564	43	8,607
At end of year	H11	128	1,889	6,851	66	1,425	10,359	5	10,364

Consolidated statement of changes in equity continued

Year ended 31 December 2011	Note	2011* £m							
		Share capital	Share premium	Retained earnings	Translation reserve	Available-for-sale securities reserve	Shareholders' equity	Non-controlling interests	Total equity
Reserves									
Profit for the year		–	–	1,415	–	–	1,415	4	1,419
Other comprehensive income:									
Exchange movements on foreign operations and net investment hedges, net of related tax		–	–	–	(105)	–	(105)	–	(105)
Unrealised valuation movements, net of related change in amortisation of deferred acquisition costs and related tax		–	–	–	–	349	349	–	349
Total other comprehensive income		–	–	–	(105)	349	244	–	244
Total comprehensive income for the year		–	–	1,415	(105)	349	1,659	4	1,663
Dividends	B3	–	–	(642)	–	–	(642)	–	(642)
Reserve movements in respect of share-based payments		–	–	44	–	–	44	–	44
Change in non-controlling interests arising principally from purchase and sale of property partnerships of the PAC with-profits fund and other consolidated investment funds		–	–	–	–	–	–	(5)	(5)
Share capital and share premium									
New share capital subscribed	H11	–	17	–	–	–	17	–	17
Treasury shares									
Movement in own shares in respect of share-based payment plans		–	–	(30)	–	–	(30)	–	(30)
Movement in Prudential plc shares purchased by unit trusts consolidated under IFRS		–	–	(5)	–	–	(5)	–	(5)
Net increase (decrease) in equity		–	17	782	(105)	349	1,043	(1)	1,042
At beginning of year:									
As previously reported		127	1,856	4,982	454	612	8,031	44	8,075
Effect of change in accounting policy for deferred acquisition costs		–	–	(520)	(67)	77	(510)	–	(510)
After effect of change		127	1,856	4,462	387	689	7,521	44	7,565
At end of year	H11	127	1,873	5,244	282	1,038	8,564	43	8,607

* 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.