

Permanent differences arising in 2008 principally comprised a tax benefit of \$115.8 million on currency translation losses that were not recognised in the accounts but were deductible for tax purposes, less the tax effect of \$69.4 million on expenses that were recognised in the accounts but were not deductible for tax purposes (in particular, the tax effect of \$45.4 million attributable to the impairment of goodwill).

In 2007, a deferred tax asset was not recognised in respect of losses amounting to \$160.7 million that related to investments in subsidiaries that were held for sale because there were insufficient available capital gains against which the losses could be utilised.

B. Income tax (benefit)/expense recognised outside profit and loss

	Year ended 2 January 2010 \$ million	Year ended 3 January 2009 \$ million	Year ended 29 December 2007 \$ million
Income tax on items recognised in other comprehensive income			
Loss/(gain) on net investment hedges	0.6	16.8	(2.1)
Net actuarial (loss)/gain	(27.0)	(30.2)	15.0
Available-for-sale investments:			
– Gain/(loss) arising in the period	0.1	(0.4)	(0.3)
– Reclassification to profit or loss of gain on investments sold	–	(0.5)	(0.2)
	(26.3)	(14.3)	12.4
Income tax on items recognised directly in equity			
Share-based incentives	(0.9)	–	0.2
Income tax (benefit)/expense recognised outside profit or loss	(27.2)	(14.3)	12.6

13. Discontinued operations

A. Background

In 2009, the Group recognised an additional loss of \$4.4 million in relation to discontinued operations that were sold in previous years.

In 2007, the Group recognised a loss of \$59.6 million on the disposal of Trico. Also during 2007, the Group recognised a gain of \$2.4 million on the receipt of additional proceeds in relation to businesses sold in previous years. After the attributable tax expense of \$8.0 million, the loss on disposal of discontinued operations was \$65.2 million.

B. Results and cash flows

The loss for the period from discontinued operations may be analysed as follows:

	Year ended 2 January 2010 \$ million	Year ended 3 January 2009 \$ million	Year ended 29 December 2007 \$ million
Loss for the period of discontinued operations			
Sales	–	–	157.6
Cost of sales	–	–	(131.2)
Gross profit	–	–	26.4
Distribution costs	–	–	(12.8)
Administrative expenses	–	–	(9.9)
Restructuring costs	–	–	(1.6)
Operating profit	–	–	2.1
Net finance costs	–	–	(1.0)
Profit before tax	–	–	1.1
Income tax expense	–	–	(2.6)
Loss after tax	–	–	(1.5)
Loss on disposal of discontinued operations			
Loss before tax	(4.4)	–	(57.2)
Income tax benefit/(expense)	0.5	–	(8.0)
Loss after tax	(3.9)	–	(65.2)
Loss for the period from discontinued operations	(3.9)	–	(66.7)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Discontinued operations (continued)**B. Results and cash flows (continued)**

Cash flows arising from discontinued operations during the period were as follows:

	Year ended 2 January 2010 \$ million	Year ended 3 January 2009 \$ million	Year ended 29 December 2007 \$ million
Cash inflow from operating activities	–	–	7.3
Cash outflow from investing activities	–	–	(2.6)
Cash outflow from financing activities	–	–	(1.2)
Net increase in net cash and cash equivalents from discontinued operations	–	–	3.5

C. Segment sales and adjusted operating profit

The segment sales and adjusted operating profit of discontinued operations may be analysed as follows:

	Sales			Adjusted operating profit/(loss)		
	Year ended 2 January 2010 \$ million	Year ended 3 January 2009 \$ million	Year ended 29 December 2007 \$ million	Year ended 2 January 2010 \$ million	Year ended 3 January 2009 \$ million	Year ended 29 December 2007 \$ million
By operating segment						
Industrial & Automotive: – Wiper Systems	–	–	157.6	–	–	3.7
By origin						
US	–	–	123.1	–	–	5.1
UK	–	–	13.6	–	–	(2.6)
Rest of the world	–	–	20.9	–	–	1.2
	–	–	157.6	–	–	3.7
By destination						
US	–	–	113.6			
UK	–	–	7.5			
Rest of Europe	–	–	9.3			
Rest of the world	–	–	27.2			
	–	–	157.6			

Reconciliation of the adjusted operating profit to the profit before tax of discontinued operations:

	Year ended 2 January 2010 \$ million	Year ended 3 January 2009 \$ million	Year ended 29 December 2007 \$ million
Adjusted operating profit	–	–	3.7
Restructuring costs	–	–	(1.6)
Net finance costs	–	–	(1.0)
Profit before tax	–	–	1.1