

14 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £m	Plant, machinery and equipment £m	Assets in course of construction £m	Total £m
Cost				
At 1 January 2005	174	3,865	161	4,200
Additions	5	78	184	267
Acquisition of subsidiaries	–	365	–	365
Disposals	(2)	(9)	–	(11)
Disposal of subsidiaries	–	(54)	–	(54)
Reclassifications and transfers	–	54	(54)	–
Exchange differences	3	241	25	269
At 31 December 2005	180	4,540	316	5,036
Additions	3	169	64	236
Acquisition of subsidiaries	5	653	54	712
Disposals	–	(13)	–	(13)
Reclassifications and transfers	(20)	(19)	(314)	(353)
Exchange differences	(4)	(254)	(36)	(294)
At 31 December 2006	164	5,076	84	5,324
Accumulated depreciation				
At 1 January 2005	25	633	–	658
Depreciation charge for the year	11	137	–	148
Disposals	(2)	(9)	–	(11)
Disposal of subsidiaries	–	(3)	–	(3)
Impairment reversal	–	(52)	–	(52)
Exchange differences	–	89	–	89
At 31 December 2005	34	795	–	829
Depreciation charge for the year	10	158	–	168
Disposals	–	(8)	–	(8)
Impairment reversal	–	(36)	–	(36)
Reclassifications and transfers	(7)	7	–	–
Exchange differences	(1)	(53)	–	(54)
At 31 December 2006	36	863	–	899
Carrying amount				
At 1 January 2005	149	3,232	161	3,542
At 31 December 2005	146	3,745	316	4,207
At 31 December 2006	128	4,213	84	4,425

At the end of the year the Group carried out a review of the recoverable amount of its UK power plants. This led to the recognition of an impairment reversal of £36 million for Deeside, based on the estimated value in use of this asset. The post-tax risk adjusted discount rate used in measuring value in use was 8%. The post-tax risk adjusted discount rate which was used at the time of the initial impairment in 2002 was 8%. The impairment reversal has been included in cost of sales.

Interest capitalised in the year was £9 million (2005: £14 million). On a cumulative basis, after taking into account exchange differences and depreciation, the carrying amount of interest capitalised is £80 million (2005: £80 million).

The total value of land, included within land and buildings, that is not depreciated is £46 million (2005: £49 million).

Property, plant and equipment with a carrying amount of £4,163 million (2005: £3,924 million) is subject to fixed and floating charges from banks providing borrowing facilities which are non-recourse to the Company.

Reclassifications and transfers consist of amounts moved from assets in course of construction to finance lease receivables and inventories.