

## 14 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £m	Plant, machinery and equipment £m	Assets in course of construction £m	Total £m
<b>Cost</b>				
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)
<b>At 31 December 2006</b>	<b>164</b>	<b>5,076</b>	<b>84</b>	<b>5,324</b>
<b>Accumulated depreciation</b>				
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)
<b>At 31 December 2006</b>	<b>36</b>	<b>863</b>	<b>–</b>	<b>899</b>
<b>Carrying amount</b>				
At 1 January 2005	149	3,232	161	3,542
At 31 December 2005	146	3,745	316	4,207
<b>At 31 December 2006</b>	<b>128</b>	<b>4,213</b>	<b>84</b>	<b>4,425</b>

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.