

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 2006	180	4,540	316	5,036
Additions	3	169	64	236
Acquisition of subsidiaries	5	653	64	722
Disposals	–	(13)	–	(13)
Reclassifications and transfers	(20)	(19)	(314)	(353)
Exchange differences	(4)	(254)	(36)	(294)
At 31 December 2006	164	5,076	94	5,334
Additions	4	60	167	231
Government grants received	–	–	(1)	(1)
Acquisition of subsidiaries	2	977	85	1,064
Disposals	(11)	(12)	–	(23)
Reclassifications and transfers	1	91	(136)	(44)
Exchange differences	10	275	20	305
At 31 December 2007	170	6,467	229	6,866
Accumulated depreciation				
At 1 January 2006	34	795	–	829
Depreciation charge for the year	10	158	–	168
Disposals	–	(8)	–	(8)
Impairment reversal	–	(36)	–	(36)
Reclassifications	(7)	7	–	–
Exchange differences	(1)	(53)	–	(54)
At 31 December 2006	36	863	–	899
Depreciation charge for the year	10	195	–	205
Disposals	(6)	(12)	–	(18)
Exchange differences	3	56	–	59
At 31 December 2007	43	1,102	–	1,145
Carrying amount				
At 1 January 2006	146	3,745	316	4,207
At 31 December 2006	128	4,213	94	4,435
At 31 December 2007	127	5,365	229	5,721

Interest capitalised in the year was £5 million (2006: £1 million), at an average capitalisation rate of 7%. On a cumulative basis, after taking into account exchange differences and depreciation, the carrying amount of interest capitalised is £64 million (2006: £60 million).

The total value of land, included within land and buildings, that is not depreciated is £41 million (2006: £46 million).

Property, plant and equipment with a carrying amount of £5,377 million (2006: £4,163 million) is subject to fixed and floating charges from banks providing borrowing facilities which are non-recourse to the Company.

In 2007 reclassifications and transfers consist of amounts moved from assets in course of construction to plant, machinery and equipment and to finance lease receivables and inventories.

Property, plant and equipment with a carrying amount of £1 million (2006: £nil) is subject to finance lease arrangements.