

8 EXCEPTIONAL ITEMS

Following the implementation of IFRS, the Group has decided to continue with its separate presentation of certain items as exceptional. These are items which, in the judgement of the Directors, need to be disclosed separately by virtue of their size or incidence in order for the reader to obtain a proper understanding of the financial information.

	Year ended 31 December 2005 £m	Year ended 31 December 2004 £m
Cost of sales credited:		
Impairment reversal of Rugeley plant	52	–
Exceptional items recognised in cost of sales	52	–
Other operating income credited:		
Compensation in respect of the tolling agreement with TXU	58	–
Exceptional items recognised in other operating income	58	–
Other operating expense credited:		
Release of a guarantee on sale of Elcogas	–	11
Exceptional items recognised in other operating expenses	–	11
Disposal of investments:		
Profit on disposal of Tri Energy	4	–
Profit on disposal of shares in Interconnector UK	3	–
Profit on disposal of land in Thailand	3	–
Profit on partial disposal of a holding in HUBCO	–	4
Exceptional items recognised in disposal of investments	10	4
Finance costs:		
US swap termination costs	–	(15)
Other refinancing costs	–	(16)
Exceptional items recognised in finance costs	–	(31)
Attributable taxation:		
Taxation on Rugeley plant impairment reversal	(16)	–
Taxation on compensation in respect of the tolling agreement with TXU	(17)	–
Taxation on disposal of shares in Interconnector UK and on disposal of land in Thailand	(1)	–
Taxation on exceptional items	(34)	–
Total exceptional items after attributable taxation	86	(16)

During 2005 Rugeley received £68 million from the TXU administrators in relation to its contract termination claim. An exceptional item of £58 million has been recorded, with the remaining £10 million reflecting the recovery of debtor balances, costs associated with the claim that had previously been incurred and administrator fees. Further details regarding the impairment reversal of the Rugeley plant are provided in note 14.

9 TAX

	Year ended 31 December 2005 £m	Year ended 31 December 2004 £m
a) Income tax expense for the year		
Current tax		
UK corporation tax charge	25	1
Foreign tax	27	18
Adjustments for prior years	2	(3)
Total current tax charge for the year	54	16
Deferred tax charge		
Origination and reversal of temporary differences	43	9
Benefits of tax losses recognised	(8)	–
Total deferred tax charge for the year	35	9
Total income tax expense for the year	89	25