

21. Property, plant and equipment

	Land and buildings \$ million	Plant, equipment and vehicles \$ million	Assets under construction \$ million	Total \$ million
Cost				
As at 29 December 2007	699.5	2,563.7	104.6	3,367.8
Additions	11.2	42.6	126.8	180.6
Acquisition of subsidiaries	5.8	3.4	–	9.2
Disposal of subsidiaries	–	(0.2)	–	(0.2)
Transfer from assets under construction	16.1	132.5	(148.6)	–
Transfer from assets held for sale	6.2	–	–	6.2
Disposals	(6.1)	(90.4)	(1.4)	(97.9)
Foreign currency translation	(41.3)	(237.8)	(6.0)	(285.1)
As at 3 January 2009	691.4	2,413.8	75.4	3,180.6
Additions	1.6	16.1	97.5	115.2
Acquisition of subsidiaries	2.8	4.6	0.6	8.0
Transfer from assets under construction	24.8	80.8	(105.6)	–
Transfer to assets held for sale	(16.6)	–	–	(16.6)
Disposals	(16.8)	(100.5)	(0.3)	(117.6)
Foreign currency translation	22.9	133.2	2.9	159.0
As at 2 January 2010	710.1	2,548.0	70.5	3,328.6
Accumulated depreciation and impairment				
As at 29 December 2007	252.9	1,700.5	–	1,953.4
Depreciation charge for the period	22.9	180.2	–	203.1
Disposal of subsidiaries	–	(0.1)	–	(0.1)
Transfer from assets held for sale	3.5	–	–	3.5
Disposals	(3.6)	(83.9)	–	(87.5)
Impairments	10.1	103.7	–	113.8
Foreign currency translation	(10.7)	(162.2)	–	(172.9)
As at 3 January 2009	275.1	1,738.2	–	2,013.3
Depreciation charge for the period	22.0	150.2	–	172.2
Transfer to assets held for sale	(4.8)	–	–	(4.8)
Disposals	(11.2)	(95.3)	–	(106.5)
Impairments	15.7	8.5	2.6	26.8
Foreign currency translation	9.2	95.4	0.2	104.8
As at 2 January 2010	306.0	1,897.0	2.8	2,205.8
Carrying amount				
As at 3 January 2009	416.3	675.6	75.4	1,167.3
As at 2 January 2010	404.1	651.0	67.7	1,122.8

During 2009, impairments totalling \$26.8 million were recognised in relation to property, plant and equipment that has become impaired as a consequence of the Group's restructuring initiatives (none of these impairments was individually significant).

During 2008, against the background of the weakness of the Group's end markets, particularly the automotive OE markets in North America and Europe and the residential construction market in North America, management reviewed the recoverability of the assets of the Group's businesses that were exposed to those markets. As a result of that review, the following impairments, totalling \$113.8 million, were recognised in relation to property, plant and equipment:

- \$65.9 million on the assets of Stackpole, based on value in use (determined using a pre-tax discount rate of 11.7%);
- \$16.8 million on the assets of Gates' manufacturing facility at London, Ontario, based on fair value less costs to sell;
- \$11.0 million on the assets of Philips Products Inc., based on fair value less costs to sell; and
- \$20.1 million, principally on the assets of businesses in Europe (none of these impairments was individually significant).

Impairments are analysed by operating segment in note 5.

Land and buildings include freehold land with a carrying value of \$63.3 million (3 January 2009: \$63.5 million) that is not depreciated.

Property, plant and equipment includes assets held under finance leases with a carrying amount of \$6.3 million (3 January 2009: \$9.9 million). Obligations under finance leases are secured by a lessor's charge over the leased assets.

Property, plant and equipment has been pledged as security for \$0.9 million (3 January 2009: \$nil) outstanding under secured bank loans.