

Notes to the Group accounts (continued)

11. Intangible assets

	Goodwill £m	Other ¹ £m	Total £m
Cost or valuation			
At 1 January 2006	9,722	678	10,400
Additions:			
Acquired separately	–	25	25
Internally generated	–	2	2
Acquisition of subsidiaries	4	–	4
Adjustments to provisional fair values	(8)	3	(5)
Disposals	(6)	(2)	(8)
Reclassified to equity accounted investments	(28)	–	(28)
Exchange adjustments	(480)	(49)	(529)
At 31 December 2006	9,204	657	9,861
Additions:			
Acquired separately	–	31	31
Acquisition of subsidiaries (note 31)	1,563	753	2,316
Disposals	(31)	(4)	(35)
Asset reclassifications	(2)	2	–
Reclassified as non-current assets and disposal groups held for sale (note 19)	(42)	–	(42)
Exchange adjustments	(31)	12	(19)
At 31 December 2007	10,661	1,451	12,112
Amortisation and impairment			
At 1 January 2006	2,090	93	2,183
Disposals	(5)	(2)	(7)
Amortisation charge ²	–	105	105
Impairment charge	32	2	34
Exchange adjustments	(46)	(3)	(49)
At 31 December 2006	2,071	195	2,266
Disposals	(1)	(4)	(5)
Amortisation charge ²	–	149	149
Impairment charge	148	–	148
Exchange adjustments	(5)	–	(5)
At 31 December 2007	2,213	340	2,553
Net book value			
At 31 December 2007	8,448	1,111	9,559
At 31 December 2006	7,133	462	7,595
At 1 January 2006	7,632	585	8,217

1 other intangibles includes internally funded development costs and intangible assets recognised on acquisition of subsidiary companies, of which the most significant are in respect of the acquired order book and of ongoing programme relationships

2 amortisation is included in operating costs in the income statement

The Group has no indefinite life intangible assets other than goodwill. The Group has allocated its goodwill across approximately 20 cash-generating units. Other than the goodwill allocated to the US operations within the Land & Armaments business group acquired as part of the acquisition of United Defense Industries, Inc. in 2005 (£1,984m) and Armor Holdings, Inc. in 2007 (£1,554m), none of the cash-generating units has allocated goodwill exceeding 10% of the Group's total goodwill balance.

The Group's approach to goodwill impairment testing is set out in the accounting policies on page 94. All significant goodwill balances have been considered with regard to value in use calculations.

The key assumption underpinning the Integrated Business Plan projections for the US operations within the Land & Armaments business group is that US government defence spending will remain broadly stable in the foreseeable future. The directors have not identified any reasonable possible changes in key assumptions for this business that would cause the carrying value of recognised goodwill to exceed its recoverable amount.

Beyond the assumptions that US and UK government defence spending remains stable there are no individually significant assumptions made in relation to the other cash-generating units where changes to key assumptions would cause the carrying value of recognised goodwill to exceed its recoverable amount.

The result of the review of the carrying value of goodwill across the Group is an impairment charge of £148m (2006 £32m). The majority of the impairment charge relates to the Insyte business within Programmes & Support reflecting lower exports and Homeland Security activity.