

8. Income Taxes (continued)

As of 31 December 2017, 2016 and 2015, deferred income taxes in respect of undistributed earnings of the Group's subsidiaries have not been provided for, as management does not intend to distribute accumulated earnings in the foreseeable future. The current tax rate on intra-group dividend income varies from 0% to 15%. The temporary differences associated with investments in subsidiaries were not recognised as the Group is able to control the timing of the reversal of these temporary differences and does not intend to reverse them in the foreseeable future.

In the context of the Group's current structure, tax losses and current tax assets of the different companies may not be set off against current tax liabilities and taxable profits of other companies in the same jurisdiction, except for the companies registered in Cyprus, Russia and the United Kingdom where group relief and tax consolidation can be applied. As of 31 December 2017, the unused tax losses carried forward approximated \$9,893 million (2016: \$9,729 million, 2015: \$7,658 million). The Group recognised deferred tax assets of \$267 million (2016: \$226 million, 2015: \$208 million) in respect of unused tax losses. Deferred tax assets in the amount of \$2,339 million (2016: \$2,329 million, 2015: \$1,895 million) have not been recorded as it is not probable that sufficient taxable profits will be available in the foreseeable future to offset these losses. Tax losses of \$8,711 million (2016: \$8,593 million, 2015: \$6,642 million) for which deferred tax assets were not recognised arose in companies registered in Canada, Cyprus, Italy, Luxembourg, Russia, Ukraine, the United Kingdom and the USA. Losses in the amount of \$8,664 million (2016: \$8,549 million, 2015: \$6,410 million) are available indefinitely for offset against future taxable profits of the companies in which the losses arose and \$47 million will expire in 2018 (2016: \$44 million, 2015: \$232 million).

9. Property, Plant and Equipment

Property, plant and equipment consisted of the following as of 31 December:

<i>US\$ million</i>	2017	2016	2015
Cost:			
Land	\$ 107	\$ 100	\$ 97
Buildings and constructions	1,894	1,755	1,512
Machinery and equipment	4,812	4,446	3,961
Transport and motor vehicles	255	223	193
Mining assets	2,461	2,440	2,100
Other assets	37	38	37
Assets under construction	549	424	302
	10,115	9,426	8,202
Accumulated depreciation, depletion and impairment losses:			
Buildings and constructions	(968)	(872)	(690)
Machinery and equipment	(2,906)	(2,637)	(2,163)
Transport and motor vehicles	(168)	(144)	(114)
Mining assets	(1,112)	(1,093)	(908)
Other assets	(28)	(28)	(25)
	(5,182)	(4,774)	(3,900)
	\$ 4,933	\$ 4,652	\$ 4,302

9. Property, Plant and Equipment (continued)

The movement in property, plant and equipment for the year ended 31 December 2017 was as follows:

<i>US\$ million</i>	Land	Buildings and constructions	Machinery and equipment	Transport and motor vehicles	Mining assets	Other assets	Assets under construction	Total
At 31 December 2016, cost, net of accumulated depreciation	\$ 100	\$ 883	\$ 1,809	\$ 79	\$ 1,347	\$ 10	\$ 424	\$ 4,652
Assets acquired in business combinations	3	1	3	-	-	-	-	7
Additions	-	-	7	-	-	-	622	629
Assets put into operation	-	74	344	32	50	2	(502)	-
Disposals	(1)	(3)	(11)	(2)	(3)	-	-	(20)
Depreciation and depletion charge	-	(84)	(325)	(25)	(85)	(3)	-	(522)
Impairment losses recognised in statement of operations	(1)	(2)	(13)	-	(21)	-	(11)	(48)
Impairment losses reversed through statement of operations	3	9	25	-	30	-	1	68
Transfer to assets held for sale	-	(6)	(11)	(1)	(76)	-	(10)	(104)
Change in site restoration and decommissioning provision	-	8	-	-	36	-	-	44
Translation difference	3	46	78	4	71	-	25	227
At 31 December 2017, cost, net of accumulated depreciation	\$ 107	\$ 926	\$ 1,906	\$ 87	\$ 1,349	\$ 9	\$ 549	\$ 4,933

The movement in property, plant and equipment for the year ended 31 December 2016 was as follows:

<i>US\$ million</i>	Land	Buildings and constructions	Machinery and equipment	Transport and motor vehicles	Mining assets	Other assets	Assets under construction	Total
At 31 December 2015, cost, net of accumulated depreciation	\$ 97	\$ 822	\$ 1,798	\$ 79	\$ 1,192	\$ 12	\$ 302	\$ 4,302
Additions	-	1	5	-	-	2	442	450
Assets put into operation	-	64	209	14	43	3	(333)	-
Disposals	(1)	(5)	(12)	(2)	(9)	(4)	-	(33)
Depreciation and depletion charge	-	(72)	(309)	(21)	(79)	(4)	-	(485)
Impairment losses recognised in statement of operations	(4)	(42)	(90)	(2)	(30)	-	(11)	(179)
Impairment losses reversed through statement of operations	2	5	17	-	3	-	1	28
Transfer to assets held for sale	-	(4)	(10)	-	-	-	(10)	(24)
Change in site restoration and decommissioning provision	-	-	(3)	-	20	-	-	17
Translation difference	6	114	204	11	207	1	33	576
At 31 December 2016, cost, net of accumulated depreciation	\$ 100	\$ 883	\$ 1,809	\$ 79	\$ 1,347	\$ 10	\$ 424	\$ 4,652

9. Property, Plant and Equipment (continued)

The movement in property, plant and equipment for the year ended 31 December 2015 was as follows:

<i>US\$ million</i>	Land	Buildings and constructions	Machinery and equipment	Transport and motor vehicles	Mining assets	Other assets	Assets under construction	Total
At 31 December 2014, cost, net of accumulated depreciation	\$ 124	\$ 1,118	\$ 2,461	\$ 102	\$ 1,548	\$ 15	\$ 428	\$ 5,796
Additions	-	-	4	-	1	1	480	486
Assets put into operation	-	40	234	28	176	3	(481)	-
Disposals	(2)	(7)	(29)	(4)	(7)	-	(22)	(71)
Depreciation and depletion charge	-	(77)	(343)	(24)	(88)	(5)	-	(537)
Impairment losses recognised in statement of operations	(4)	(16)	(44)	-	(109)	-	(36)	(209)
Impairment losses reversed through statement of operations	-	2	2	-	3	-	13	20
Impairment losses recognised in other comprehensive income	-	(1)	-	-	-	-	-	(1)
Loss of control over a subsidiary	(1)	(2)	(65)	(1)	(2)	(1)	(5)	(77)
Transfer to assets held for sale	(7)	(13)	(4)	-	-	-	-	(24)
Change in site restoration and decommissioning provision	-	6	-	-	45	-	-	51
Translation difference	(13)	(228)	(418)	(22)	(375)	(1)	(75)	(1,132)
At 31 December 2015, cost, net of accumulated depreciation	\$ 97	\$ 822	\$ 1,798	\$ 79	\$ 1,192	\$ 12	\$ 302	\$ 4,302

Assets under construction include prepayments to constructors and suppliers of property, plant and equipment in the amount of \$60 million, \$34 million and \$24 million as of 31 December 2017, 2016 and 2015, respectively.

Impairment losses were identified in respect of certain items of property, plant and equipment that were recognised as functionally obsolete or as a result of the testing at the level of cash-generating units (Note 6).

The amount of borrowing costs capitalised during the year ended 31 December 2017 was \$6 million (2016: \$9 million, 2015: \$16 million).

10. Intangible Assets Other Than Goodwill

Intangible assets consisted of the following as of 31 December:

<i>US\$ million</i>	2017	2016	2015
Cost:			
Customer relationships	\$ 693	\$ 663	\$ 651
Water rights and environmental permits	57	57	57
Contract terms	26	25	20
Other	65	90	83
	841	835	811
Accumulated amortisation and impairment:			
Customer relationships	(513)	(460)	(419)
Water rights and environmental permits	(13)	-	-
Contract terms	(11)	(8)	(4)
Other	(45)	(70)	(64)
	(582)	(538)	(487)
	\$ 259	\$ 297	\$ 324