

	31 December 2005 £m	31 December 2004 £m
Nominal value of convertible US dollar bonds issued	144	129
Embedded derivative component	(30)	–
Liability component at date of issue	114	129
Interest charged	11	–
Liability component at 31 December	125	129

The net proceeds received from the issue of the convertible bond have been split between the debt element and an embedded derivative component. This embedded derivative component represents the fair value of the option the Group had to cash settle any conversion option exercised by the bond holders. The embedded derivative is only recognised upon adoption of IAS 32 and IAS 39 as at 1 January 2005. The Group waived this cash settlement option on 17 January 2005, at which date the embedded derivative was transferred to reserves.

The interest charged for the year is calculated by applying an effective interest rate of 3.62% to the liability component for the period since the convertible US dollar bond was issued. This is in addition to the coupon interest rate of 3.75% per annum.

The Directors estimate the fair value of the liability component of the convertible US dollar bonds at 31 December 2005 to be approximately £125 million (31 December 2004: £115 million). This fair value has been determined by reference to the market price at 31 December 2005.

25 TRADE AND OTHER PAYABLES (CURRENT)

	31 December 2005 £m	31 December 2004 £m
Trade payables	118	114
Other payables	153	105
Accruals and deferred income	240	143
Total trade and other payables	511	362

The Directors consider the carrying amount of trade and other payables approximates to their fair value.

26 TRADE AND OTHER PAYABLES (NON-CURRENT)

	31 December 2005 £m	31 December 2004 £m
Other payables	14	163
Loans from minority interests	81	7
Total trade and other payables	95	170

27 PROVISIONS

	Retirement benefit obligations £m	Rationalisation and restructuring £m	Other £m	Total £m
At 1 January 2005	29	8	27	64
Provisions made during the year	–	–	11	11
Provisions used during the year	(2)	(3)	(3)	(8)
Exchange differences	–	–	1	1
At 31 December 2005	27	5	36	68

The majority of the rationalisation and restructuring provision relates to liabilities in respect of onerous property leases and employee-related compensation. Other provisions primarily comprise amounts provided for long service and annual leave liabilities and for mine site restoration. These liabilities are not expected to arise in the short-term. The Directors are uncertain as to the timing of when these provisions will be utilised.