

## 16 Inventories

	2009 £m	2008 £m
Raw materials	16.2	15.5
Work in progress	3.4	4.3
Finished goods	28.9	27.4
	48.5	47.2

The directors consider that the replacement cost of inventories is not materially different to the value shown above.

## 17 Trading investments

Trading investments, stated at fair value, represent investments in listed equity securities that present the Group with opportunity for return through dividend income and trading gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on quoted market prices.

	2009 £m	2008 £m
Trading investments at fair value	0.1	0.1

## 18 Subsidiaries

A list of the significant subsidiary investments, including the name, country of incorporation and proportion of ownership interest is given in note 43 to the Company's separate financial statements.

## 19 Trade and other receivables

	2009 £m	2008 £m
Trade receivables	108.0	97.2
Other receivables	8.1	10.7
Other prepayments	3.9	3.4
	120.0	111.3

Trade receivables of £108.0m (2007/08: £97.2m) are net of amounts that are individually determined to be impaired of £3.3m (2007/08: £1.9m).

The average credit period taken on sales of goods is 38 days (2007/08: 31 days). Trade receivables are provided for based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience and sales documentation.

# Notes to the consolidated financial statements

## continued

### 19 Trade and other receivables continued

An ageing profile of trade receivables past due but not impaired is shown below:

	Past due by 1–31 days £m	Past due by 32–90 days £m	Total £m
2009	6.4	–	6.4
2008	9.0	0.5	9.5

Included within trade receivables are balances which are neither past due nor impaired of £101.6m (2007/08: £87.7m). In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The directors believe that there is no further credit provision required in excess of the allowance for doubtful debts. Management believe that these balances have low credit risk because the Group's top five customers, all leading UK retailers, represent 77% of the Group's revenue. This results in a high concentration of credit risk, however, these customers have good credit ratings and consequently the credit risk for the Group's overall trade receivables is considered low.

Before accepting any new customer, the Group uses an external credit scoring system and trade references to assess potential customer's credit quality and defines credit limits by customer.

Included in the trade receivables balance are receivables with a carrying amount of £6.4m (2007/08 £9.5m) which are past due at the period end for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables which are past due but not impaired is 11 days past due (2007/08: 17 days). The table below shows the movement in the allowance for doubtful debt:

	2009 £m	2008 £m
At start of period	1.9	1.5
Impairment losses recognised	2.2	1.0
Amounts written off as uncollectible	(0.7)	(0.3)
Impairment losses reversed	(0.1)	(0.3)
<b>At end of period</b>	<b>3.3</b>	<b>1.9</b>

The ageing profile of impaired trade receivables is shown below:

	Current £m	Past due by 1–31 days £m	Past due by 32–90 days £m	Past due by over 90 days £m	Total £m
2009	2.2	0.1	0.4	0.6	3.3
2008	–	0.3	1.0	0.6	1.9

The directors consider that the carrying amount of trade and other receivables approximates to their fair value due to their short term nature. The directors consider the maximum credit risk at the balance sheet date is equivalent to the carrying value of trade and other receivables.

### 20 Cash and cash equivalents

	2009 £m	2008 £m
Cash and cash equivalents	60.8	72.9
	60.8	72.9

Cash comprises cash held by the Group and short term bank deposits with an original maturity of three months or less. The directors consider that the carrying amount of these assets to be approximately their fair value due to their short term nature.