

46 Trade and other payables

	2009 £m	2008 £m
Trade payables	4.2	3.0
Payables due to subsidiary undertakings	205.8	86.8
Accruals and deferred income	3.8	3.3
Other payables including social security	10.7	16.6
	224.5	109.7

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade payables is 33 days (2007/08: 33 days). The Company has financial risk management policies in place to ensure that all payables are paid within the internal credit timeframe. The directors consider that the carrying amount of trade payables approximates to their fair value.

47 Provisions

	£m
At start of period	2.0
Restructuring provisions – charge for period	0.6
Utilised in period	(1.2)
At end of period	1.4

All of the £1.4m provisions are included within current liabilities and relate to restructuring items. The provision is expected to be utilised in full within the next 52 week period.

The restructuring provisions made during the period of £0.6m are in respect of central cost reduction initiatives.

48 Financial liabilities – borrowings

Current	2009 £m	2008 £m
Bank loans and overdrafts due within one year or on demand	9.9	0.3
	9.9	0.3

Non-current	2009 £m	2008 £m
Revolving credit facility 2010	115.0	130.0
Senior loan notes 2012–2017	162.0	131.6
	277.0	261.6

Borrowings are repayable as follows:

	2009 £m	2008 £m
Within one year or on demand	9.9	0.3
In the second year	115.0	–
In the third to fifth years inclusive	52.7	175.9
After five years	109.3	85.7
	286.9	261.9

Notes to the Company financial statements

continued

48 Financial liabilities – borrowings continued

Bank loans and overdrafts are analysed by currency as follows:

	Sterling £m	US Dollars £m	Total £m
2009			
Bank loans and overdrafts due within one year or on demand	9.9	–	9.9
Revolving credit facility 2010	115.0	–	115.0
Senior loan notes 2012–2017	54.3	107.7	162.0
	179.2	107.7	286.9
2008			
Bank loans and overdrafts due within one year or on demand	0.3	–	0.3
Revolving credit facility 2010	130.0	–	130.0
Senior loan notes 2012–2017	54.3	77.3	131.6
	184.6	77.3	261.9

For further detail regarding the bank loans see notes 23 and 24 within the Group disclosure notes.

49 Financial instruments

Categories of financial instruments

	Carrying value		Fair value	
	2009 £m	2008 £m	2009 £m	2008 £m
Financial assets				
Derivatives that are designated and effective as hedging instruments carried at fair value:				
Derivative financial instruments (cross currency interest rate swaps)	26.6	–	26.6	–
Derivative financial instruments (currency rate swaps)	0.1	–	0.1	–
Loans and receivables at amortised cost:				
Long term loans due from subsidiary undertakings	155.5	207.8	155.5	207.8
Receivables from subsidiary undertakings	414.3	344.0	414.3	344.0
Cash and cash equivalents	48.5	58.3	48.5	58.3
	645.0	610.1	645.0	610.1
Financial liabilities				
Financial liability held at amortised cost in a cash flow hedging relationship:				
Senior loan notes 2012–2017	(162.0)	(131.6)	(168.3)	(139.0)
Derivatives that are designated and effective as hedging instruments carried at fair value:				
Derivative financial instruments (cross currency interest rate swaps)	–	(4.1)	–	(4.1)
Other financial liabilities at amortised cost:				
Trade payables	(4.2)	(3.0)	(4.2)	(3.0)
Long term loans due to subsidiary undertakings	(490.2)	(499.1)	(490.2)	(499.1)
Payables due to subsidiary undertakings	(205.8)	(86.8)	(205.8)	(86.8)
Bank loans and overdrafts	(9.9)	(0.3)	(9.9)	(0.3)
Revolving credit facility 2010	(115.0)	(130.0)	(115.0)	(130.0)
	(987.1)	(854.9)	(993.4)	(862.3)

The intercompany receivable balance has been reviewed for recoverability at the balance sheet date. The fair value of the receivables from subsidiary undertakings approximate to their carrying value due to their short term nature. The fair value of the cash and cash equivalents are based on their market value.

The fair values of the financial assets that are designated and effective as hedging instruments have been calculated by discounting expected future cash flows at prevailing interest rates and by applying period end exchange rates.

The directors use their judgement in selecting an appropriate valuation technique for derivatives that are designated and effective as hedging instruments carried at fair value, but that are not quoted in an active market. Valuation techniques commonly used by market practitioners are applied and assumptions are made based on quoted market rates adjusted for specific features of the instrument.

The fair value of the other financial liabilities at amortised cost approximates to their carrying value. The trade and other payables approximate to their fair value due to the short term nature of the payables. The fair value of the bank loans and overdrafts and the revolving credit facility 2010 approximate to their fair value based on their variable market rate.

Long term loans due to subsidiary undertakings are interest free and have no fixed date of redemption.

Payables due to subsidiary undertakings carry a fixed interest rate linked to market rates.

49 Financial instruments continued

The following table details the Company's maturity profile of its financial liabilities (excluding derivative financial instruments):

	Less than 1 month £m	1–3 months £m	3 months to 1 year £m	1–5 years £m	5+ years £m	Total £m
2009						
Senior loan notes 2012–2017	–	4.6	4.5	84.1	118.9	212.1
Trade payables	3.9	0.3	–	–	–	4.2
Long term loans due to subsidiary undertakings	–	–	–	–	490.2	490.2
Payables due to subsidiary undertakings	205.8	–	–	–	–	205.8
Bank loans and overdrafts	9.9	–	–	–	–	9.9
Revolving credit facility 2010	0.6	1.1	5.0	117.0	–	123.7
	220.2	6.0	9.5	201.1	609.1	1,045.9
2008						
Senior loan notes 2012–2017	–	3.8	3.7	73.6	98.2	179.3
Trade payables	2.8	0.2	–	–	–	3.0
Long term loans due to subsidiary undertakings	–	–	–	–	499.1	499.1
Payables due to subsidiary undertakings	86.8	–	–	–	–	86.8
Bank loans and overdrafts	0.3	–	–	–	–	0.3
Revolving credit facility 2010	0.6	1.3	5.7	139.8	–	147.4
	90.5	5.3	9.4	213.4	597.3	915.9

The liquidity profile of the trade payables has been assumed consistent with the Company's average credit period taken for trade payables of 33 days (2007/08: 33 days).

Payables due to subsidiary undertakings can be repayable on demand, and as such have been classified as less than one month.

The repayment of the interest and principal on the US Dollar denominated Senior loan notes 2012–2017 has been calculated at the period end rate of £1 = \$1.432 (2007/08: £1 = \$1.989).

The repayment of interest on the Revolving credit facility 2010 has been calculated on the principal at the period end date and the interest rate at that date.

The maturity profiles of the derivative financial instruments are shown below. The US Dollar exchange rate used is that at the balance sheet date of £1 = \$1.432 (2007/08: £1 = \$1.989).

	Less than 1 month £m	1–3 months £m	3 months to 1 year £m	1–5 years £m	5+ years £m	Total £m
2009						
Swap cash flow paid to banks	–	(2.4)	(2.4)	(33.3)	(78.3)	(116.4)
Swap cash flow received from banks	–	3.1	3.1	41.9	96.6	144.7
	–	0.7	0.7	8.6	18.3	28.3
2008						
Swap cash flow paid to banks	–	(2.4)	(2.4)	(38.1)	(78.3)	(121.2)
Swap cash flow received from banks	–	2.3	2.3	34.7	69.6	108.9
	–	(0.1)	(0.1)	(3.4)	(8.7)	(12.3)

For further detail regarding the financial instruments see note 25 within the Group disclosure notes.