

Extracts from IFRS GAAP Plc showing the effects of IFRS 7 on numbers and notes

These disclosures have been extracted from IFRS GAAP plc for the UK - Year ended 31 December 2006.

Under IFRS

The purpose of this publication is to illustrate the changes in the disclosure requirements relating to financial instruments, for those entities which will be in the scope of IFRS 7 from 1 January 2007 and were applying IAS 32 previously.

(For those entities that have not applied IAS 32 previously, all the requirements will be new.)

The extracts have been highlighted in three different colours:

Green showing no change in IFRS 7 compared to IAS 32

Yellow showing some amendments in IFRS 7 compared to IAS 32

Red showing new requirements of IFRS 7

(Under UK GAAP, the equivalent standards to IFRS 7 and IAS 32 are FRS 29 and FRS 25 respectively.)

Please note:

This cannot be assumed to be a complete set of disclosures under IFRS 7. In addition, the example disclosures should not be considered the only acceptable form of presentation. The form and content of each reporting entity's financial statements are the responsibility of the entity's management. Alternative presentations to those proposed in this publication may be equally acceptable if they comply with the specific disclosure requirements prescribed in IFRS.

Balance sheets (Format has not changed but additional category disclosure required in Notes)

		As at 31 December			
		Note	2006	Group 2005	Company 2005
1p68, 1p104, 1p36	Assets				
1p51	Non-current assets				
1p68(a)	Property, plant and equipment	6	155,341	98,670	–
1p68(c)	Intangible assets	7	25,422	19,600	–
	Investment in subsidiary	8a	–	–	36,214
1p68(e)	Investments in associates	8b	13,373	13,244	–
1p68(n), 1p70	Deferred income tax assets	19	3,319	3,110	2
1p68(d), IFRS7p8(d)	Available-for-sale financial assets	9	17,420	14,910	–
1p68(d), IFRS7p8(a)	Derivative financial instruments	10	395	245	–
1p68(h), IFRS7p8(c)	Trade and other receivables	11	2,322	1,352	–
			217,592	151,131	36,216
					21,967
1p51, 1p57	Current assets				
1p68(g)	Inventories	12	24,700	17,740	–
1p68(h), IFRS7p8(c)	Trade and other receivables	11	19,765	18,102	31,147
1p68(d), IFRS7p8(d)	Available-for-sale financial assets	9	1,950	–	–
1p68(d), IFRS7p8(a)	Derivative financial instruments	10	1,069	951	–
1p68(d), IFRS7p8(a)	Other financial assets at fair value through profit or loss	13	11,820	7,972	–
1p68(i), IFRS7p8	Cash and cash equivalents	14	22,228	36,212	13,261
			81,532	80,977	44,408
					47,530
Total assets			299,124	232,108	80,624
					69,497
Equity					
Capital and reserves attributable to equity holders of the Company					
1p68(p)					
1p75(e)	Ordinary shares	15	25,300	21,000	25,300
1p75(e)	Share premium	15	17,144	10,494	17,144
1p75(e)	Other reserves	16	14,699	7,005	–
1p75(e)	Retained earnings		76,295	58,113	17,761
					15,928

			133,438	96,612	60,205	47,422
1p68(o)	Minority interest in equity		7,188	1,766	–	–
	Total equity		140,626	98,378	60,205	47,422
1p51	Liabilites					
	Non-current liabilities					
1p68(l), IFRS7p8(f)	Borrowings	18	108,315	88,336	–	–
1p68(l), IFRS7p8(e)	Derivative financial instruments	10	135	129	–	–
1p68(n), 1p70	Deferred income tax liabilities	19	12,370	9,053	–	–
1p68(k), 1p75(d)	Retirement benefit obligations	20	4,540	2,130	–	–
1p68(k), 1p75(d)	Provisions for other liabilities and charges	21	320	274	–	–
			125,680	99,922	–	–
1p51, 1p60	Current liabilities					
1p68(j), IFRS7p8(f)	Trade and other payables	17	17,670	12,374	20,418	22,074
1p68(m)	Current income tax liabilities		2,942	2,846	1	1
1p68(l), IFRS7p8(f)	Borrowings	18	9,524	15,670	–	–
1p68(l), IFRS7p8(e)	Derivative financial instruments	10	460	618	–	–
1p68(k)	Provisions for other liabilities and charges	21	2,222	2,300	–	–
			32,818	33,808	20,419	22,075
	Total liabilities		158,498	133,730	20,419	22,075
	Total equity and liabilities		299,124	232,108	80,624	69,497

The notes on pages xx to xx are an integral part of these consolidated financial statements. The financial statements on pages xx to xx were approved by the board of directors on 25 February 2007 and were signed on its behalf by:

C D Suede

Director

Consolidated income statement - by function of expense

		Year ended 31 December		
		Note	2006	2005
1p81-83, 1p92,1p36				
1p104				
1p81(a)	Revenue	5	211,034	112,360
1p92	Cost of sales		(77,366)	(46,682)
			<hr/>	
1p92	Gross profit		133,668	65,678
1p81(a), 92	Distribution costs		(52,140)	(21,213)
1p92	Administrative expenses		(28,786)	(10,434)
1p92	Other income	23	3,080	2,379
1p83	Other (losses)/gains – net	22	(90)	63
1p83	Loss on expropriated land	24	(1,117)	–
			<hr/>	
1p83	Operating profit		54,615	36,473
1p83	Finance income	27	550	489
1p81(b)	Finance costs	27	(7,623)	(11,549)
			<hr/>	
1p83	Finance costs – net	27	(7,073)	(11,060)
1p81(c)	Share of (loss)/profit of associates	8	(174)	145
			<hr/>	
1p92	Profit before income tax		47,368	25,558
1p81(d), 12p77	Income tax expense	28	(14,792)	(8,865)
			<hr/>	
1p81(f)	Profit for the year		32,576	16,693
			<hr/>	
1p82	Attributable to:			
1p82(b)	Equity holders of the company		30,028	15,837
1p82(a)	Minority interest		2,548	856
			<hr/>	
			32,576	16,693
			<hr/>	
33p66	Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in C per share)			
	– basic	30	1.28	0.77
	– diluted	30	1.16	0.73
			<hr/>	

The notes on pages xx to xx are an integral part of these consolidated financial statements.

S 230 The company has elected to take the exemption under section 230 of the Companies Act 1985 to not present the parent company profit and loss account.

The profit for the parent company for the year was C13,809 (2005 – C14,806).

Notes to the consolidated financial statements

2 Summary of significant accounting policies

1p103(a) The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.
1p108(b),
1p110

2.1 Basis of preparation

(b) Standards early adopted by the group

8p28 **NEW!** IFRS 7, 'Financial instruments: Disclosures', and the complementary amendment to IAS 1, 'Presentation of financial statements – Capital disclosures', were early adopted in 2006. IFRS 7 introduces new disclosures relating to financial instruments. This standard does not have any impact on the classification and valuation of the group's financial instruments.

1p110 2.8 Financial assets

IFRS7p21
(same as IAS 32 p60b, 61, 66) The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.
39p9

(a) Financial assets at fair value through profit or loss

39p9 Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.
41p57, 59

(b) Loans and receivables

39p9 Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' in the balance sheet (note 2.11).
1p57, 59

(c) Available-for-sale financial assets

39p9 Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.
1p57, 59
IFRS7 AppxB5(b)
NEW!

39p38, Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to

IFRS7 AppxBp5(c) purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

39p43
39p16
39p46
39p55(a)
IFRS7 AppxBp5(e) Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the group's right to receive payments is established.

39p67 Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in equity. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in equity.

39p55(b)
IFRS7 AppxBp5(e) **NEW!** When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'.

39 AG83 Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the group's right to receive payments is established.
Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the group's right to receive payments is established.

IFRS7p27(a) (same as IAS 32.p92(a))
39AG72, 73
39AG74 The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

39p58
39p67
39p68
IFRS7
AppxBp5(f) **NEW!**
39p69 The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade receivables is described in note 2.11.

1p110, IFRS7p21 **2.9 Derivative financial instruments and hedging activities**

IFRS7p22
Same as IAS 32,
p58a Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group designates certain derivatives as either:

- (a) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- (b) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- (c) hedges of a net investment in a foreign operation (net investment hedge).

39p88 The group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

IFRS7p23, 24 The fair values of various derivative instruments used for hedging purposes are disclosed in note 10. Movements on the hedging reserve in shareholders' equity are shown in note 16. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining hedged item is more than 12 months, and as a current asset or liability, if the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

39p89 (a) *Fair value hedge*

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The group only applies fair value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the income statement within 'finance costs'. The gain or loss relating to the ineffective portion is recognised in the income statement within 'other gains/(losses) – net'. Changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk are recognised in the income statement within 'finance costs'.

39p92 If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedge item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

39p95 (b) *Cash flow hedge*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within 'other gains/(losses) – net'.

39p99, 100 Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within 'finance costs'. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in the income statement within 'sales'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets) the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in case of inventory or in depreciation in case of fixed assets.

39p98(b)

39p101 When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

39p102(a)(b) (c) *Net investment hedge*

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the income statement. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within 'other gains/(losses) – net'.

Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

39p55(a) (d) *Derivatives at fair value through profit or loss and accounted for at fair value through the profit or loss*

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any these derivative instruments are recognised immediately in the income statement within other gains/(losses) – net.

1p110, IFRS7p21 2.11 Trade receivables

39p43, 39p46(a), 39p59, IFRS7, Appx Bp5(f), IFRS7, Appx Bp5(d) Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'selling and marketing costs'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

1p110, IFRS7p21 2.12 Cash and cash equivalents

7p45 Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

1p110, IFRS7p21 **2.13 Share capital**

32p18(a) Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities (note 2.14).

32p37 Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

32p33 Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

1p110 **2.14 Trade payables**

IFRS7p21, 39p43, Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.
39p47

1p110, IFRS7p21 **2.15 Borrowings**

39p43 Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at
39p47 amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

32p18(a) Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these
32p33 preference shares are recognised in the income statement as interest expense.

IFRS7p27(a) same The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-
as IAS 32 p92a convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or
32p18, 28 maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in
32AG31 shareholders' equity, net of income tax effects.

1p60 Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

3 Financial risk management

3.1 Financial risk factors

IFRS7p31 same The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk,
as IAS 32 cash flow interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management programme focuses
p60(a) on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.
The group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department (group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) *Market risk*

(i) Foreign exchange risk

IFRS7p33(a) The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily
same as IAS 32 with respect to the euro and the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets
p52 (a-d) and liabilities and net investments in foreign operations.

IFRS7p33(b), Management has set up a policy to require group companies to manage their foreign exchange risk against their functional
22(c) currency. The group companies must manage their exposure on both recognised and expected for exchange exposures on

Amendment to include process and method to manage risk. nominal basis. The group companies are required to hedge their entire foreign exchange risk exposure with the group treasury. Group treasury reviews these exposure reports on a regular basis. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the group use forward contracts, transacted with group treasury. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

IFRS7p22(c) same as IAS 32, p58c The group treasury's risk management policy is to hedge between 75% and 100% of anticipated cash flows (mainly export sales and purchase of inventory) in each major foreign currency for the subsequent 12 months. Approximately 90% (2005: 95%) of projected sales in each major currency qualify as 'highly probable' forecast transactions for hedge accounting purposes.

For segment reporting purposes, each subsidiary designates contracts with group treasury as fair value hedges or cash flow hedges, as appropriate. External foreign exchange contracts are designated at group level as hedges of foreign exchange risk on specific assets, liabilities or future transactions on a gross basis.

IFRS7p22(c) The group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. currency exposure arising from the net assets of the group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

IFRS7p33(a)(b) NEW MARKET RISK DISCLOSURES At 31 December 2006, if the euro had weakened/strengthened by 11% against the US dollar with all other variables held constant, post-tax profit for the year would have been C362 (2005: C51) higher/lower, mainly as a result of foreign exchange gains/losses on translation of US dollar – denominated trade receivables, financial assets at fair value through profit or loss, debt securities classified as available for sale and foreign exchange losses/gains on translation of US dollar-denominated borrowings. Profit is more sensitive to movement in currency/US dollar exchange rates in 2006 than 2005 because of the increased amount of US-dollar denominated borrowings. Equity would have been C542 (2005: C157) lower/higher, arising mainly from foreign exchange losses/gains on translation of US dollar-denominated equity securities classified as available-for-sale. Equity is more sensitive to movement in currency/US dollar exchange rate in 2006 than 2005 because of the increased amount of US dollar-denominated equity securities classified as available-for-sale.

IFRS7p40, IG36 At 31 December 2006, if the currency had weakened/strengthened by 4% against the UK pound with all other variables held constant, post-tax profit for the year would have been C135 (2005: C172) lower/higher, mainly as a result of foreign exchange gains/losses on translation of UK pound-denominated trade receivables, financial assets at fair value through profit or loss, debt securities classified as available-for-sale and foreign exchange losses/gains on translation of UK pound-denominated borrowings.

(ii) Price risk

The group is exposed to equity securities price risk because of investments held by the group and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. The group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio must be done in accordance with the limits set by the group.

IFRS7p40, IG36 The group's equity investments are publicly traded and are included in FTSE 100 UK equity index.

The table below summarises the impact of increases/decreases of the FTSE 100 on the group's post-tax profit for the year and on equity. The analysis is based on the assumption that the equity indexes had increased/decreased by 5% with all other variables held constant and all the group's equity instruments moved according to the historical correlation with the index:

Index	Impact on post-tax profit in C		Impact on other components of equity in C	
	2006	2005	2006	2005
FTSE 100 UK	60	30	160	150

Post-tax profit for the year would increase/decrease as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as available-for-sale.

(iii) Cash flow and fair value interest rate risk

As the group has no significant interest-bearing assets, the group's income and operating cash flows are substantially independent of changes in market interest rates.

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk. Group policy is to maintain approximately 60% of its borrowings in fixed rate instruments using interest rate swaps to achieve this when necessary. During 2006 and 2005, the group's borrowings at variable rate were denominated in the currency and the UK pound.

The group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions. Based on the simulations performed, the impact on profit or loss of a 10 basis-point shift would be a maximum increase of C41 (2005: C37) or decrease of C34 (2005: C29), respectively. The simulation is done on a quarterly basis to verify that the maximum loss potential is within the limit given by the management.

NEW
INTEREST
RISK
DISCLOSURE

Based on the various scenarios, the group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the group borrowed at fixed rates directly. Under the interest rate swaps, the group agrees with other parties to exchange, at specified intervals (primarily quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

Occasionally the group also enters into fixed-to-floating interest rate swaps to hedge the fair value interest rate risk arising where it has borrowed at fixed rates in excess of the 60% target.

At 31 December 2006, if interest rates on currency-denominated borrowings had been 10 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been C22 (2005: C21) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings; other components of equity would have been C5 (2005: C3) lower/higher mainly as a result of a decrease/increase in the fair value of fixed rate financial assets classified as available-for-sale and the cash flow hedges of borrowings as described above. At 31 December 2006, if interest rates on UK pound-denominated borrowings at that date had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been C57 (2005: C38) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings; other components of equity would have been C6 (2005: C4) lower/higher mainly as a result of a decrease/increase in the fair value of fixed rate financial assets classified as available-for-sale, and the cash flow hedges of borrowings as described above.

NEW!

(b) Credit risk

IFRS7p33(a)(b)
IFRS7p34(a) Credit risk is managed on group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. Management monitors the utilisation of credit limits regularly. Sales to retail customers are settled in cash or using major credit cards.

The table below shows the credit limit and balance of the six major counterparties at the balance sheet date.

Counterparty	Rating	31 December 2006		31 December 2005	
		Credit limit	Balance	Credit limit	Balance
Bank A	AAA	13,000	6,800	13,000	10,500
Bank B	AA	6,800	4,200	6,800	5,800
Bank C	A	5,000	4,300	6,000	4,700
		24,800	15,300	25,800	21,000
Wholesaler Q	A	7,500	5,200	8,000	4,700
Wholesaler T	BBB	3,000	2,800	4,000	3,600
Wholesaler Z	BB	1,390	785	1,400	900
		11,890	8,785	13,400	9,200

No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by these counterparties.

(c) Liquidity risk

IFRS7p33,
39(b) Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury aims to maintain flexibility in funding by keeping committed credit lines available.

IFRS7p34(a) Management monitors rolling forecasts of the group's liquidity reserve on the basis of expected cash flow.

Forecasted liquidity reserve per 31 December 2006 is as follows:

	2007	2008-2011
Opening balance for the period	61,128	57,628
Operating proceeds	92,200	411,000
Operating cash outflows	(64,700)	(288,500)
Cash outflow for investments	(14,000)	(45,000)
Proceeds from sale of investments	3,900	8,000
Financing proceeds	5,000	25,000
Payments of debts and dividends	(21,000)	(102,000)
Expiration of committed credit lines	(24,900)	(14,000)
Commitment of new credit lines	20,000	20,000
Closing balance for the period	57,628	72,128

IFRS7p39(a) The table below analyses the group's financial liabilities which will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2006	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 Years
Borrowings	9,881	6,751	97,457	31,600
Derivative financial instruments	12	10	116	41
Trade and other payables	17,670	–	–	–
At 31 December 2005	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 Years
Borrowings	16,258	11,575	58,679	38,103
Derivative financial instruments	19	15	81	50
Trade and other payables	12,374	–	–	–

The table below analyses the group's derivative financial instruments which will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2006	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 Years
Forward foreign exchange contracts – cash flow hedges				
Outflow	78,241	–	–	–
Inflow	78,756	–	–	–
Forward foreign exchange contracts – held-for-trading				
Outflow	14,129	–	–	–
Inflow	14,222	–	–	–
At 31 December 2005	Less than 1 month	Between 1 and 2 years	Between 2 and 5 years	Over 5 Years

Forward foreign exchange contracts – cash flow hedges				
Outflow	83,077	–	–	–
Inflow	83,366	–	–	–
Forward foreign exchange contracts – held-for-trading				
Outflow	6,612	–	–	–
Inflow	6,635	–	–	–

1p124(a)(b) IG5 **3.2 Capital risk management- IAS 1 AMENDMENT IN RELATION TO IFRS 7**

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'borrowings' and 'trade and other payables' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

During 2006, the group's strategy, which was unchanged from 2005, was to maintain the gearing ratio within 45% to 50% in order to secure access to finance at a reasonable cost by maintaining a BB credit rating. The gearing ratios at 31 December 2006 and 2005 were as follows:

	2006	2005
Total borrowings	135,509	116,380
Less: cash and cash equivalents (note 14)	(19,578)	(29,748)
	<hr/>	<hr/>
Net debt	115,931	86,632
Total equity	140,626	98,378
	<hr/>	<hr/>
Total capital	256,557	185,010
	<hr/>	<hr/>
Gearing ratio	45%	47%

The decrease in the gearing ratio during 2006 resulted primarily from the issue of share capital as part compensation for the acquisition of a subsidiary (notes 15 and 37).

3.3 Fair value estimation

IFRS7p27 The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the group is the current bid price.

IFRS7p29(a) IFRS7p27(a) The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations

of future events that are believed to be reasonable under the circumstances.

1p116 4.1 Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(c) Fair value of derivatives and other financial instruments

IFRS7p27(a) The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. The group has used discounted cash flow analysis for various available-for-sale financial assets that are not traded in active markets.

The carrying amount of available-for-sale financial assets would be an estimated C12 lower or C15 higher were the discounted rate used in the discounted cash flow analysis to differ by 10% from management's estimates.

9 Available-for-sale financial assets

Group	2006	2005
Beginning of year	14,910	14,096
Exchange differences	646	(435)
Acquisition of subsidiary (note 35)	473	–
Additions	2,781	1,126
Net gains/(losses) transfer to equity (note 16)	560	123
End of year	19,370	14,910
Less: non-current portion	(17,420)	(14,910)
1p57 Current portion	1,950	–

IFRS7p16 There were no disposals or impairment provisions on available-for-sale financial assets in 2006 or 2005.

IFRS7p27(b),31,34, Available-for-sale financial assets include the following:
Same as IAS 32 p92(b)

	2006	2005
Listed securities:		
– Equity securities – UK	8,335	8,300
– Equity securities – Europe	5,850	2,086
– Equity securities – US	4,550	4,260
– Debentures with fixed interest of 6.5% and maturity date of 27 August 2010	210	–
– Non-cumulative 9.0% non-redeemable preference shares	78	–
Unlisted securities:		
– Debt securities with fixed interest ranging from 6.3% to 6.5% and maturity dates between July 2009 and May 2011	347	264
	19,370	14,910

IFRS7p34(c) Available-for-sale financial assets are denominated in the following currencies:

	2006	2005
Pound	7,897	8,121
Currency	5,850	2,086
US Dollar	4,550	4,260

Other currencies	1,073	443
	19,370	14,910

IFRS7p27(a), (B) The fair values of unlisted securities are based on cash flows discounted using a rate based on the market interest rate and the risk premium specific to the unlisted securities (2006: 6%; 2005: 5.8%).

IFRS7p36(a) The maximum exposure to credit risk at the reporting date is the fair value of the debt securities classified as available for sale.

IFRS7p36(c) None of the financial assets are either past due nor impaired.

5 Sch 23-25 Additional disclosures are required if either the entity owns more than 20% of an investment which is not treated as an associate, joint venture or subsidiary or the investment represents more than 20% of the entity or group net assets, including name, shares held, aggregate capital and reserves and profit for most recent year end.

10 Derivative financial instruments

Group	2006		2005	
	Assets	Liabilities	Assets	Liabilities
IFRS7p22(a)(b) Interest rate swaps – cash flow hedges	351	110	220	121
IFRS7p22(a)(b) Interest rate swaps – fair value hedges	57	37	49	11
IFRS7p22(a)(b) Forward foreign exchange contracts – cash flow hedges	695	180	606	317
Forward foreign exchange contracts – held-for-trading	361	268	321	298
Total	1,464	595	1,196	747
Less non-current portion:				
Interest rate swaps – cash flow hedges	345	100	200	120
Interest rate swaps – fair value hedges	50	35	45	9
	395	135	245	129
Current portion	1,069	460	951	618

Trading derivatives are classified as a current asset or liability. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedge item is less than 12 months.

IFRS7p24NEW The ineffective portion recognised in the profit or loss that arises from fair value hedges amounts to a loss of C1 (2005: loss of C1) (note 22). The ineffective portion recognised in the profit or loss that arises from cash flow hedges amounts to C17 (2005: C14) (note 22). There was no ineffectiveness to be recorded from net investment in foreign entity hedges.

IFRS7p36(a) The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the balance sheet.

(a) Forward foreign exchange contracts

IFRS7p31 The notional principal amounts of the outstanding forward foreign exchange contracts at 31 December 2006 were C92,370 (2005: C89,689).

IFRS7p23(a) 39p100 The hedged forecast transactions denominated in foreign currency are expected to occur at various dates during the next 12 months. Gains and losses recognised in the hedging reserve in equity (note 16) on forward foreign exchange contracts as of 31 December 2006 are recognised in the income statement in the period or periods during which the hedged forecast transaction affects the income statement, which is generally within 12 months from the balance sheet date unless the gain or loss is included in the initial recognition of a financial assets in which case recognition is over the lifetime of the asset (5-10 years).

(b) Interest rate swaps

IFRS7p31 The notional principal amounts of the outstanding interest rate swap contracts at 31 December 2006 were C4,314 (2005: C3,839).

IFRS7p23(a) At 31 December 2006, the fixed interest rates vary from 6.9% to 7.4% (2005: 6.7% to 7.2%) and the main floating rates are EURIBOR and LIBOR. Gains and losses recognised in the hedging reserve in equity (note 16) on interest rate swap contracts as of 31 December 2006 will be continuously released to the income statement until the repayment of the bank borrowings (note 18).

(c) *Hedge of net investment in foreign entity*

IFRS7p22 A proportion of the group's US dollar-denominated borrowing amounting to C321 (2005: C321) is designated as a hedge of the net investment in the group's US subsidiary. The fair value of the borrowing at 31 December 2006 was C370 (2005: C279). The foreign exchange loss of C45 (2005: gain of C40) on translation of the borrowing to currency at the balance sheet date is recognised in other reserves, in shareholders' equity (note 16).

11 Trade and other receivables

		Group		Company	
		2006	2005	2006	2005
IFRS7p36, 1p74	Trade receivables	18,174	16,944	–	–
	Less: provision for impairment of trade receivables	(109)	(70)	–	–
1p75(b)	Trade receivables – net	18,065	16,874	–	–
1p75(b)	Pre-payments	1,100	846	–	–
1p75(b), 24p17(b)	Receivables from related parties (note 36)	254	346	31,147	31,296
1p75(b), 24p17(b)	Loans to related parties (note 36)	2,668	1,388	–	–
		22,087	19,454	31,147	31,296
1p75(b)	Less non-current portion: loans to related parties	(2,322)	(1,352)	–	–
	Current portion	19,765	18,102	31,147	31,296

All non-current receivables are due within five years from the balance sheet date.

IFRS7p25 The fair values of trade and other receivables are as follows:

	Group		Company	
	2006	2005	2006	2005
Trade receivables	18,065	16,874	–	–
Pre-payments	1,300	1,146	–	–
Receivables from related parties	54	46	31,147	31,296
Loans to related parties	2,722	1,398	–	–
	22,141	19,464	31,147	31,296

IFRS7p27(a) The fair values of loans to related parties are based on cash flows discounted using a rate based on the borrowings rate of 7.5%

(2005: 7.2%). The discount rate equals to LIBOR plus appropriate credit rating.

24p17(b)(i) The effective interest rates on non-current receivables were as follows:

	2006	2005
Loans to related parties (note 36)	6.5-7.0%	6.5-7.0%

IFRS7p14 Certain European subsidiaries of the group transferred receivable balances amounting to C1,014 to a bank in exchange for cash during the year ended 31 December 2006. The transaction has been accounted for as a collateralised borrowing (note 18). In case the entities default under the loan agreement, the borrower has the right to receive the cash flows from the receivables transferred. Without default the entities will collect the receivables and allocate new receivables as collateral.

IFRS7p37(b) As of 31 December 2006, trade receivables of C227 (2005: C142) were impaired. The amount of the provision was C109 as of 31 December 2006 (2005: C70). The individually impaired receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situations. It was assessed a portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

	2006	2005
3 to 6 months	177	108
Over 6 months	50	34
	227	142

IFRS7p37(a) As of 31 December 2006, trade receivables of C277 (2005: C207) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2006	2005
Up to 3 months	177	108
3 to 6 months	100	99
	277	207

IFRS7p37(a) Company receivables from related parties that are less than three months past due are not considered impaired. As of 31 December 2006, receivables of C27,027 (2005: C15,017) were past due but not impaired. These relate to subsidiary undertakings for whom there is no history of default. The ageing analysis of these trade receivables is as follows:

	2006	2005
Up to 3 months	–	–
3 to 6 months	27,027	15,017
	27,027	15,017

The carrying amounts of the group's trade and other receivables are denominated in the following currencies:

	2006	2005
Pounds	9,846	8,441
Currency	5,987	6,365
US Dollar	6,098	4,500
Other currencies	156	148
	22,087	19,454

IFRS7p31,
34(c)

The carrying amounts of the company's receivables are denominated in the following currencies:

	2006	2005
Pounds	31,147	31,296

IFRS7p16 Movements on the group provision for impairment of trade receivables are as follows:

	2006	2005
At 1 January	70	38
IFRS7p20(e) Provision for receivables impairment	74	61
Receivables written off during the year as uncollectible	(28)	(23)
Unused amounts reversed	(10)	(8)
Unwind of discount (note 27)	3	2
At 31 December	109	70

The creation and release of provision for impaired receivables have been included in 'selling and marketing costs' in the income statement (note 25). Unwind of discount is included in 'finance costs' in the income statement (note 27). Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

IFRS7p16 The other classes within trade and other receivables do not contain impaired assets.

IFRS7p36(a) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The group does not hold any collateral as security.

13 Other financial assets at fair value through profit or loss

Group	2006	2005
IFRS7p8(a), 27(b) 31, 34(c) Listed securities – held-for-trading		
– Equity securities – UK	5,850	3,560
– Equity securities – Currency-zone	4,250	3,540
– Equity securities – US	1,720	872
	11,820	7,972

7p15 Other financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital in the cash flow statement (note 32).

Changes in fair values of other financial assets at fair value through profit or loss are recorded in 'other (losses)/gains – net' in the income statement (note 22).

IFRS7p27(b) The fair value of all equity securities is based on their current bid prices in an active market.

18 Borrowings

Group	2006	2005
Non-current		
Bank borrowings	32,193	40,244
Convertible bond	42,822	–
Debentures and other loans	3,300	18,092
Redeemable preference shares	30,000	30,000

	108,315	88,336
<hr/>		
Current		
Bank overdrafts (note 14)	2,650	6,464
Collateralised borrowings (note 11)	1,014	–
Bank borrowings	3,368	4,598
Debentures and other loans	2,492	4,608
	9,524	15,670
<hr/>		
Total borrowings	117,839	104,006
<hr/>		

Bank borrowings

IFRS7p31 Bank borrowings mature until 2013 and bear coupons of 7.5% annually (2005: 7.4% annually).

IFRS7p14 Total borrowings include secured liabilities (bank and collateralised borrowings) of C37,680 (2005: C51,306). Bank borrowings are secured by the land and buildings of the group (note 6). Collateralised borrowings are secured by trade receivables (note 11).

IFRS7p31 The exposure of the group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	2006	2005
<hr/>		
6 months or less	9,400	15,454
6-12 months	35,617	27,806
1-5 years	42,822	33,268
Over 5 years	30,000	27,478
	117,839	104,006
<hr/>		

IFRS7p25 The carrying amounts and fair value of the non-current borrowings are as follows:

	Carrying amount		Fair value	
	2006	2005	2006	2005
Bank borrowings	32,193	40,244	32,590	39,960
Redeemable preference shares	30,000	30,000	28,450	28,850
Debentures and other loans	3,300	18,092	3,240	17,730
Convertible bond	42,822	–	42,752	–
	108,315	88,336	107,032	86,540

IFRS7p29(a) The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 7.5% (2005: 7.2%).

IFRS7p25 The carrying amounts of short-term borrowings approximate their fair value.

IFRS7p31, 34(c)

The carrying amounts of the group's borrowings are denominated in the following currencies:

10p21 The carrying amounts of the group's borrowings are denominated in the following currencies: On 1 February 2007, the group issued C6,777 6.5% US dollar bonds to finance its expansion programme and working capital requirements in the US. The bonds are repayable on 31 December 2011.

	2006	2005
Pounds	77,100	76,600
Currency	25,353	12,542
US dollar	15,000	14,500
Other currencies	386	364
	117,839	104,006

DV7p50(a) The group has the following undrawn borrowing facilities:

	2006	2005
Floating rate:		
– Expiring within one year	6,150	4,100
– Expiring beyond one year	14,000	8,400
Fixed rate:		
– Expiring within one year	18,750	12,500
	38,900	25,000

The facilities expiring within one year are annual facilities subject to review at various dates during 2007. The other facilities have been arranged to help finance the proposed expansion of the group's activities in Europe.

Convertible bond

IFRS7p17 The company issued 500,000 5.0% convertible bonds at a par value of C50 million¹ on 2 January 2006. The bonds mature five years from the issue date at their nominal value of C50 million¹ or can be converted into shares at the holder's option at the rate of 33 shares per C500¹. The values of the liability component and the equity conversion component were determined at issuance of the bond.

The bonds mature five years from the issue date at their nominal value of C50 million or can be converted into shares at the holder's option at the rate of 33 shares per C500.

The values of the liability component and the equity conversion component were determined at issuance of the bond.

32p28, 32p31 The fair value of the liability component, included in non-current borrowings, was calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion option, is included in shareholders' equity in other reserves (note 16), net of income taxes.

The convertible bond recognised in the balance sheet is calculated as follows:

	2006	2005
Face value of convertible bond issued on 2 January 2006	50,000	–
Equity component (note 16)	(7,761)	–
Liability component on initial recognition at 2 January 2006	42,239	–
Interest expense (note 27)	3,083	–
Interest paid	(2,500)	–
Liability component at 31 December 2006	42,822	–

IFRS7p27(a) The fair value of the liability component of the convertible bond at 31 December 2006 amounted to C42,617. The fair value is calculated using cash flows discounted at a rate based on the borrowings rate of 7.5%.

22 Other (losses)/gains - net

2006 2005

IFRS7p20(a)(i) Other financial assets at fair value through profit or loss (note 13):		
– fair value losses	(508)	(238)
– fair value gains	593	–
IFRS7p20(a)(i) – Foreign exchange forward contracts:		
– Held for trading	86	88
– Net foreign exchange gains/(losses) (note 29)	(277)	200
IFRS7p24(a) Ineffectiveness on fair value hedges (note 10)	(1)	(1)
Ineffectiveness on cash flow hedges (note 10)	17	14
	(90)	63

23 Other income

	2006	2005
IFRS7p20(b) Interest income on available-for-sale financial assets	963	984
IFRS7p20(b) Interest income on loans to related parties (note 36)	217	136
18p35(b)(v) Dividend income on available-for-sale financial assets	1,100	883
18p35(b)(v) Dividend income on other financial assets at fair value through profit or loss	800	310
Investment income	3,080	2,313
Insurance reimbursement	–	66
	3,080	2,379

The insurance reimbursement relates to the excess of insurance proceeds over the carrying values of goods damaged.

27 Finance income and costs

	2006	2005
IFRS7p20(b) Interest expense:		
– Bank borrowings	(4,695)	(10,159)
– Dividend on redeemable preference shares (note 18)	(1,950)	(1,950)
– Convertible bond (note 18)	(3,083)	–
37p84(e) – Provisions: unwinding of discount (note 21)	(44)	(37)
21p52(a) Net foreign exchange gains on financing activities (note 29)	2,594	996
Fair value gains on financial instruments:		
IFRS7p23(d) – interest rate swaps: cash flow hedges, transfer from equity	102	88
IFRS7p24(a)(i) – interest rate swaps: fair value hedges	16	31
IFRS7p24(a)(ii) Fair value adjustment of bank borrowings attributable to interest rate risk	(16)	(31)
Finance costs	(7,623)	(11,594)
21p52(a) Finance income – interest income on short-term bank deposits	550	489
Net finance costs	(7,073)	(11,060)