

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**25. Trade receivables**

Trade receivables amounted to \$662.3 million (3 January 2009: \$684.4 million), net of an allowance of \$13.7 million (3 January 2009: \$11.4 million) for doubtful debts.

The Group has a significant concentration of customers in the US, who accounted for 56.4% (2008: 57.6%; 2007: 63.1%) of the Group's sales during the period, and in the automotive industry, which accounted for 45.1% (2008: 41.9%; 2007: 40.9%) of the Group's sales during the period. However, no single customer accounted for more than 10% of the Group's sales and there were no significant amounts due from any one customer.

Before accepting a new customer, the Group assesses the potential customer's credit quality and establishes a credit limit. Credit quality is assessed by using data maintained by reputable credit rating agencies, by checking of references included in credit applications and, where they are available, by reviewing the customer's recent financial statements. Credit limits are subject to multiple levels of authorisation and are reviewed on a regular basis.

Trade receivables are regularly reviewed for bad and doubtful debts. Bad debts are written off and an allowance is established for specific doubtful debts.

Trade receivables may be analysed as follows:

	As at 2 January 2010 \$ million	As at 3 January 2009 \$ million
Amounts neither past due nor impaired	561.2	554.1
Amounts past due but not impaired:		
– Less than 30 days old	4.6	7.0
– Between 30 and 60 days old	37.5	64.6
– Between 61 and 90 days old	18.2	30.0
– More than 90 days old	37.0	24.2
	97.3	125.8
Amounts impaired:		
– Total amounts that have been impaired	17.5	15.9
– Allowance for doubtful debts	(13.7)	(11.4)
	3.8	4.5
	<b>662.3</b>	684.4

Movements in the allowance for doubtful debts were as follows:

	Year ended 2 January 2010 \$ million	Year ended 3 January 2009 \$ million
At the beginning of the period	11.4	11.0
Charge for the period	6.6	6.0
Acquisition of subsidiaries	1.2	0.3
Utilised during the period	(4.9)	(4.4)
Released during the period	(1.2)	–
Foreign currency translation	0.6	(1.5)
At the end of the period	<b>13.7</b>	11.4

Trade receivables are not generally interest-bearing although interest may be charged to customers on overdue accounts.