

## Notes to the consolidated financial statements continued

### 16. Inventory

	2011 £m	2010 £m
Goods held for resale	537	433

Inventory is reported net of allowances for obsolescence, an analysis of which is as follows:

	2011 £m	2010 £m	2009 £m
1 April	120	111	118
Exchange movements	(1)	5	13
Amounts (credited)/charged to the income statement	(2)	4	(20)
<b>31 March</b>	<b>117</b>	<b>120</b>	<b>111</b>

Cost of sales includes amounts related to inventory amounting to £5,878 million (2010: £5,268 million; 2009: £4,853 million).

### 17. Trade and other receivables

	2011 £m	2010 £m
<b>Included within non-current assets:</b>		
Trade receivables	92	59
Other receivables	1,719	678
Prepayments and accrued income	137	148
Derivative financial instruments	1,929	1,946
	<b>3,877</b>	<b>2,831</b>
<b>Included within current assets:</b>		
Trade receivables	4,185	4,008
Amounts owed by associates	53	24
Other receivables	1,606	1,122
Prepayments and accrued income	3,299	3,448
Derivative financial instruments	116	182
	<b>9,259</b>	<b>8,784</b>

The Group's trade receivables are stated after allowances for bad and doubtful debts based on management's assessment of creditworthiness, an analysis of which is as follows:

	2011 £m	2010 £m	2009 £m
1 April	929	874	664
Exchange movements	(30)	(27)	101
Amounts charged to administrative expenses	460	465	423
Trade receivables written off	(353)	(383)	(314)
<b>31 March</b>	<b>1,006</b>	<b>929</b>	<b>874</b>

The carrying amounts of trade and other receivables approximate their fair value. Trade and other receivables are predominantly non-interest bearing.

	2011 £m	2010 £m
<b>Included within "Derivative financial instruments":</b>		
Fair value through the income statement (held for trading):		
Interest rate swaps	1,292	1,031
Foreign exchange swaps	99	132
	<b>1,391</b>	<b>1,163</b>
Fair value hedges:		
Interest rate swaps	654	965
	<b>2,045</b>	<b>2,128</b>

The fair values of these financial instruments are calculated by discounting the future cash flows to net present values using appropriate market interest and foreign currency rates prevailing at 31 March.