

17 Business combinations (continued)**2006 acquisitions**

The Group made a number of acquisitions in 2006, which are shown in aggregate below:

	Book values £m	Fair value adjustments £m	Fair value to Group £m
Intangible assets	–	8.7	8.7
Property, plant and equipment	3.2	(0.9)	2.3
Deferred tax	1.2	–	1.2
Debtors	5.4	(0.4)	5.0
Cash and short term deposits	1.0	–	1.0
Creditors	(6.5)	(1.0)	(7.5)
Obligations under finance leases	(0.7)	–	(0.7)
Provisions	(0.3)	–	(0.3)
Long term debt	(2.7)	–	(2.7)
Corporation tax	(0.5)	–	(0.5)
Net assets	0.1	6.4	6.5
Goodwill arising on acquisition			27.6
			34.1
Discharged by:			
Cash			34.1

During 2006 deferred consideration of £3.5m was paid in respect of acquisitions made in prior years, of which £3.5m had been provided; there was no impact on goodwill.

Deferred consideration which was expected to be paid was accrued in respect of acquisitions made in 2006 and prior years amounting to £9.1m. The impact of this was to increase goodwill by the same amount.

As required by IAS 12 deferred taxation is calculated on intangible assets recognised as a result of an acquisition, the impact of this was to increase goodwill in 2006 by £2.6m and to create a deferred tax liability of the same amount.

As a result of the above, total goodwill of £39.3m was recognised in 2006.

Acquisitions in 2006 included the Sinclair Henderson group of companies, Ruddle Wilkinson Limited, Synaptic Systems Limited, Weblin Limited (now known as Capita Financial Software Limited), Stirling Trustees Limited and Two Ten Communications Limited.

The performance of these acquisitions post their inclusion in the Group could not be ascertained as they had been fully integrated within existing offerings.

Within goodwill there were certain intangibles that were not separable from the acquirees and could not be measured reliably. These items included customer loyalty and the assembled workforce.

18 Trade and other receivables

	2007 £m	2006 £m
Current		
Trade receivables	245.9	221.4
Other receivables	29.5	25.5
Gross amounts due from customers on construction contracts	11.1	9.3
Prepayments and accrued income	169.9	138.7
	456.4	394.9
Non-current		
Other receivables	1.5	0.4
Prepayments and accrued income	9.6	6.4
	11.1	6.8

Trade receivables are non-interest bearing and are generally on 30 days' terms.

At 31 December 2007, trade receivables at a nominal value of £4.2m (2006: £4.4m) were impaired and fully provided for.

Notes to the consolidated financial statements

18 Trade and other receivables (continued)

Movements in the provision for impairment of trade receivables were as follows:

	2007 £m	2006 £m
At 1 January	4.4	4.0
Charge for year	3.3	2.5
Amounts written off	(0.9)	(0.1)
Unused amounts reversed	(2.6)	(2.0)
	4.2	4.4

As at 31 December, the analysis of trade receivables that were past due but not impaired is as follows:

	Total £m	Neither past due nor impaired £m	Past due but not impaired			
			0 – 3 months £m	4 – 6 months £m	7 – 12 months £m	More than 12 months £m
2007	245.9	197.4	42.7	5.8	–	–
2006	221.4	181.2	36.0	4.2	–	–

19 Cash at bank and in hand

	2007 £m	2006 £m
Cash at bank and in hand	0.8	9.7

Cash at bank earns interest at floating rates based on daily bank deposit rates. The fair value of cash is the same as the carrying amount above.

20 Trade and other payables

	2007 £m	2006 £m
Current		
Trade payables	56.5	47.5
Other payables	83.3	59.7
Other taxes and social security	64.2	57.0
Gross amounts due to customers on construction contracts	2.1	2.2
Accruals and deferred income	338.4	273.9
Deferred consideration payable	12.4	9.1
	556.9	449.4
Non-current		
Accruals and deferred income	9.2	0.8
	9.2	0.8

Trade payables are non-interest bearing and are normally settled on terms agreed with suppliers.

21 Construction contracts

Presented in the table below are disclosures with regard to the Group's property consultancy business where the provision, as a sub-contractor, is architectural, structural or another service that results in the construction of a new asset.

	2007 £m	2006 £m
Contract revenue recognised in relation to construction contracts in the year	107.8	70.5
Aggregate costs incurred and recognised profits (less losses) to date	112.9	101.0
Gross amount due from customers for construction contracts	11.1	9.3
Gross amount due to customers on construction contracts	2.1	2.2