

24. Derivative financial instruments

Details of the Group's derivative financial instruments are given below.

Antepost bets

Antepost bets are a liability arising from an open position at the period end date in accordance with the Group's accounting policy note for derivative financial instruments. Antepost bets total £5.8m (2009: £5.6m) and are classified as current liabilities.

Interest rate swaps and hedges

The Group has entered into a number of interest rate swap and collar arrangements as at 28 December 2010, under which the LIBOR element of the interest payable is swapped or capped for fixed rate payments, details of which are given below:

	Average contract fixed interest rate ¹			Notional principal amount ²		
	28 December 2010 %	29 December 2009 %	30 December 2008 %	28 December 2010 £m	29 December 2009 £m	30 December 2008 £m
Less than 1 year	5.3	4.8	5.4	370.0	640.0	175.0
1 to 2 years	5.3	5.3	4.8	200.0	250.0	640.0
2 to 5 years	5.3	5.3	5.3	200.0	330.0	700.0
After 5 years	–	–	–	–	–	–
				770.0	1,220.0	1,515.0

¹ Calculated as fixed rate for swaps and capped rate for collars.

² The total of notional principal amounts represents the total value of contracts in existence at 28 December 2010 (excluding those which expire on 31 December 2010, as set out in the narrative below). This is higher than the effective notional principal of £370m at 28 December 2010, as a number of contracts expire and are replaced by other contracts starting in future periods.

	Fair value		
	28 December 2010 £m	29 December 2009 £m	30 December 2008 £m
Less than 1 year	(17.5)	(5.9)	0.4
1 to 2 years	(8.0)	(9.4)	(12.0)
2 to 5 years	(1.4)	(26.6)	(25.0)
After 5 years	–	–	–
	(26.9)	(41.9)	(36.6)

The notional principal hedged under the swaps varies between £320m and £100m over the period to 31 December 2012. At 28 December 2010 the notional principal outstanding under these arrangements was £320m, this amount dropped to £185m on 31 December 2010, with a further drop to £100m on 31 December 2011 followed by complete expiry on 31 December 2012.

The fixed interest rate under the swaps varies from 5.0% to 5.2%.

In addition, the Group has also entered into interest rate collar arrangements expiring between 31 December 2010 and 31 December 2012, under which the floating LIBOR rate is capped at rates or 5.5% with floors of 4.50%. The collar profile mirrors the swap profile with notional principal outstanding under these arrangements at 28 December 2010 being £320m, dropping to £185m on 31 December 2010, with a further drop to £100m on 31 December 2011 followed by complete expiry on 31 December 2012.

The fair value of swaps and collars entered into at 28 December 2010 is estimated as a liability of £26.9m (29 December 2009 liability – £41.9m). At 28 December 2010, none of the swaps or collars was effective for hedge accounting purposes.

The fair value of forward foreign currency contracts at period end was £nil.