

Notes to the consolidated financial statements

1 Presentation of financial statements

General information

The principal activities of Tate & Lyle PLC are the development, manufacture and marketing of food and industrial ingredients that have been made from renewable resources. The Group operates more than 45 production facilities and in numerous partnerships and joint ventures throughout Europe, the Americas and South East Asia.

The Company is a public limited company incorporated and domiciled in the United Kingdom. The Company has its primary listing on the London Stock Exchange.

Basis of preparation

These consolidated financial statements are presented on the basis of International Financial Reporting Standards (IFRSs) adopted by the European Union and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and have been prepared in accordance with the Listing Rules of the UK Financial Services Authority and the Companies Act 1985, as applicable to companies reporting under IFRS.

These consolidated financial statements have been prepared in accordance with the accounting policies set out in Note 2 and under the historical cost convention, except where modified by the revaluation of certain financial instruments and commodities.

These consolidated financial statements are presented in pounds sterling, which is the Group's presentational currency.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity and areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

The financial information for the year ended 31 March 2008 is derived from the statutory financial statements for that year, except that the comparative information has been reclassified as a result of the discontinued operations of International Sugar Trading. In addition, certain other comparative information has been restated to conform with the current year presentation.

Use of adjusted measures

Tate & Lyle presents adjusted profit before tax and adjusted earnings per share information. These measures are used by Tate & Lyle for internal performance analysis and incentive compensation arrangements for employees. The terms 'adjusted' and 'exceptional items' are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measurements of profit. The term 'adjusted' refers to the relevant measure being reported, excluding exceptional items and amortisation of intangible assets arising on acquisition of businesses. A reconciliation of statutory to adjusted information is provided in Note 43.

New IFRS standards and interpretations adopted

From 1 April 2008 the following amendments and interpretations became effective and were adopted by the Group:

- IFRIC12 Service Concession Arrangements
- IFRIC14 – IAS19 The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction
- Amendments to IAS39 Financial Instruments: Recognition and Measurement and IFRS7 Financial Instruments: Disclosure on reclassification of financial instruments

The adoption of these amendments and interpretations has not had a significant impact on the Group's profit for the year or equity.

New IFRS standards and interpretations not adopted

The following standards, amendments and interpretations are not yet effective and have not been adopted early by the Group:

- IFRIC13 Customer Loyalty Programmes
- IFRIC15 Agreements for the Construction of Real Estate
- IFRIC16 Hedges of a Net Investment in a Foreign Operation
- Amendment to IFRS2 Share-based Payment – Vesting conditions and cancellations
- Amendment to IFRS7 Financial Instruments: Disclosures – Improving disclosures about financial instruments
- IFRS8 Operating Segments
- Revised IAS1 Presentation of Financial Statements
- Revised IAS23 Borrowing Costs
- Revised IAS27 Consolidated and Separate Financial Statements – Cost of an investment in a subsidiary, jointly controlled entity or associate
- Amendment to IAS32 Financial Instruments: Presentation and IAS1 Presentation of Financial Statements – Puttable financial instruments and obligations arising on liquidation
- Improvements to International Financial Reporting Standards
- IFRIC17 Distributions of Non-cash Assets to Owners
- IFRIC18 Transfers of Assets from Customers
- Revised IFRS3 Business Combinations and amendment to IAS27 Consolidated and Separate Financial Statements
- Amendment to IAS39 Financial Instruments: Recognition and Measurement – Eligible hedged items

The above standards, amendments, interpretations and improvements in IFRSs are all effective for the Group for the financial year beginning on 1 April 2009, with the exception of IFRIC17, IFRIC18, the revised IFRS3 (and associated amendments to IAS27) and the amendment to IAS39 on eligible hedged items, which will become effective for the Group for the financial year beginning on 1 April 2010. The adoption of these standards, amendments and interpretations is not expected to have a material impact on the Group's profit for those years or equity. The adoptions may affect disclosures in the Group's financial statements.

The parent company, Tate & Lyle PLC, has not adopted IFRS as its statutory reporting basis. Audited financial statements for the parent company, prepared in accordance with UK GAAP, are set out on pages 156 to 163.