

Notes to the consolidated financial statements

21 Financial risk factors (continued)

The Board of Tate & Lyle PLC has set two ongoing key performance indicators (KPIs) to measure the Group's financial strength. The target levels for these financial KPIs are that the ratio of net debt/EBITDA should not exceed 2.5 times and interest cover should exceed 5 times. These ratios are calculated on the same basis as the external financial covenants noted above. The ratios for these KPIs for the financial years ended 31 March 2009 and 31 March 2008 are:

	31 March	
	2009	2008
Net debt/EBITDA	2.4	2.5
Interest cover	6.1	7.8

22 Inventories

	31 March	
	2009 £m	2008 £m
Raw materials and consumables	227	287
Work in progress	24	21
Finished goods	287	254
Total	538	562

Finished goods inventories of £1 million (2008 – £1 million) are carried at realisable value, this being lower than cost. Inventories of £99 million (2008 – £213 million) are carried at market value.

23 Trade and other receivables

	31 March	
	2009 £m	2008 £m
Non-current trade and other receivables		
Trade receivables	1	5
Prepayments and accrued income	1	–
Other receivables	3	6
Total	5	11

	31 March	
	2009 £m	2008 £m
Current trade and other receivables		
Trade receivables	564	483
Less: provision for impairment of receivables	(21)	(9)
Trade receivables – net	543	474
Prepayments and accrued income	40	63
Government grants receivable	12	60
Other receivables	128	78
Total	723	675

The fair values of the non-current trade and other receivables are not materially different from their carrying values. The fair values of the current trade and other receivables are equivalent to their carrying values due to being short-term in nature.