

## 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
<b>Total</b>	<b>538</b>	<b>562</b>

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
<b>Non-current trade and other receivables</b>		
Trade receivables	1	5
Prepayments and accrued income	1	–
Other receivables	3	6
<b>Total</b>	<b>5</b>	<b>11</b>

	31 March	
	2009 £m	2008 £m
<b>Current trade and other receivables</b>		
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
<b>Total</b>	<b>723</b>	<b>675</b>

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.

## Notes to the consolidated financial statements

### 23 Trade and other receivables (continued)

Included in trade receivables are amounts received of £98 million (2008 – £50 million) in respect of securitised receivables, which are also included in current borrowings. There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of internationally dispersed customers. The carrying value of trade and other receivables represents the maximum credit exposure.

Government grants are receivable under the Transitional Aid and Restructuring Aid provisions of the EU Sugar Regime. These amounts are receivable subject to audit by the governments of the jurisdictions to which they relate.

The carrying amount of trade and other receivables are denominated in the following currencies:

	31 March	
	2009 £m	2008 £m
US dollar	455	290
Euro (note a)	183	166
Sterling	38	87
Mexican peso	7	26
Other	45	117
<b>Total</b>	<b>728</b>	<b>686</b>

(a) Includes £12 million (2008 – £60 million) of government grants receivable under the Transitional Aid and Restructuring Aid provisions of the EU Sugar Regime.

### Provision for impairment of receivables

	£m
At 1 April 2008	(9)
Charge for the year	(14)
Reversal of impairment	3
Disposal of businesses	2
Exchange	(3)
<b>At 31 March 2009</b>	<b>(21)</b>

The creation and release of provision for impaired receivables have been included in the income statement.

The Group recognised a loss of £14 million (2008 – £nil million) for impairment of its trade receivables during the year. Of this loss £2 million from continuing operations and £3 million from discontinued operations has been included in operating profit (Note 6) in the income statement and £9 million has been included in exceptional items.

As at 31 March 2009, trade receivables of £66 million (2008 – £101 million) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	31 March	
	2009 £m	2008 £m
Up to 30 days past due	37	64
1-3 months past due	16	24
Over 3 months past due	13	13
<b>Total</b>	<b>66</b>	<b>101</b>