TATE & LYLE

Annual Report 2015

WHO WE ARE

We are a global provider of ingredients and solutions to the food, beverage and other industries.

WHAT WE DO

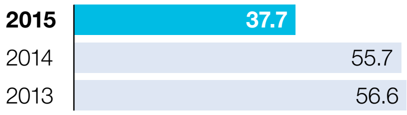
Our ingredients and solutions add taste, texture, nutrition and functionality to products used or consumed by millions of people every day.

Adjusted operating profit[1] (£m)

£247m

Adjusted diluted earnings per share (pence)

37.7p

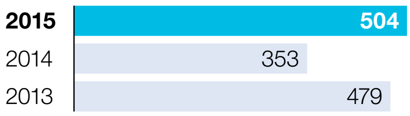


Dividend per share (pence)

28.0p

Net debt (£m)

£504m



Statutory results

	2015	2014[2]
Sales[1]	**£2 356m**	£2 754m
Profit before tax[1] (after exceptional items)	**£51m**	£277m
Profit for the year (on total operations)	**£30m**	£273m
Diluted earnings per share (on total operations)	**6.5p**	58.0p

1 For continuing operations including the results of Eaststarch, which is not treated as a discontinued operation for the financial year ended 31 March 2015.

2 Restated for the adoption of IFRS 11, see Note 42.

Adjusted operating profit, adjusted profit before tax and adjusted earnings per share
Unless otherwise stated in this Annual Report: adjusted sales includes proportionate consolidation of sales of joint ventures; adjusted operating profit includes proportionate consolidation of operating profit of joint ventures and is before exceptional items and amortisation of acquired intangible assets; and, adjusted profit before tax is before proportionate consolidation of tax on joint ventures and retirement benefit interest and, for adjusted diluted earnings per share, the after tax effect of all adjusted items.

Trademarks
SPLENDA® and the SPLENDA® logo are trademarks of McNeil Nutritionals, LLC.

Definitions/cautionary statement
Please see the explanatory notes on the inside back cover.

Despite challenges we faced during the year, we've taken concrete action in line with our strategy.

Throughout this Annual Report we explain our vision and strategy for growth.

What do we do?

We are a global business, serving customers through our two divisions: Speciality Food Ingredients and Bulk Ingredients.

We are dedicated to serving our customers from over 30 locations worldwide

Our operations include a network of corn wet mills in the US and Europe which are shared by our two business divisions. We also operate two SPLENDA® Sucralose facilities in the US and Singapore, and a number of other ingredient processing plants and blending facilities worldwide. We work closely with customers all over the world through our network of applications and technical facilities, centred around our global innovation hub, the Commercial and Food Innovation Centre in Chicago, USA.

Adjusted profit before tax[1]

£224m

(2014 – £322m)

Adjusted sales[1]

£2,694m

(2014 – £3,147m)

Employees worldwide[2]

4,759

(2014 – 4,523)

1 Including proportionate consolidation of sales of joint ventures.
2 Includes employees of joint ventures on a proportionate basis.

Americas

Europe, Middle East and Africa

Asia Pacific

Key:
• Tate & Lyle operations including manufacturing facilities, application/technical services facilities and Group operations.

Our principal manufacturing assets in the US include four major corn wet mills. Three are located in the Midwest, and one in Tennessee. Other key sites include our SPLENDA® Sucralose facility in McIntosh, Alabama, a citric acid plant in Ohio and a Food Systems blending facility in Illinois.

We have expanded our presence in Latin America by the acquisition of a majority stake in Gemacom Tech in Brazil. This Food Systems business includes both blending facilities and a customer-facing applications laboratory. Other manufacturing assets in the region include our citric acid plant in Brazil and our joint-venture corn wet mill in Mexico.

Manufacturing facilities
12

Applications/technical services facilities
7

In Europe, our operations include five major corn wet mills, including our wholly-owned plant in the Netherlands and four joint-venture plants located mainly in the Eastern European corn belt. In April 2015, we announced the re-alignment of this joint venture, see page 10 for more details.

Our oat-based fibres facility in Sweden has been key to enhancing Tate & Lyle's health and wellness portfolio. Other assets in Europe include our four Food Systems facilities in Italy, Germany and the UK.

In the Middle East and Africa, we operate a corn wet mill in Morocco and a Food Systems blending facility in South Africa.

Manufacturing facilities
14

Applications/technical services facilities
5

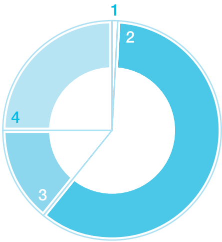
In line with our strategy to grow our speciality food ingredients business in emerging markets, we have in recent years significantly enhanced our presence in China through our Food Systems business, Tate & Lyle Howbetter. During the year, we completed the acquisition of Winway Biotechnology – a business in the fast-growing fibre category in China.

In April 2015 we announced the closure of our SPLENDA® Sucralose plant in Singapore from spring 2016, as part of re-focusing and re-structuring our SPLENDA® Sucralose business (see page 9). In the region, we also have a Food Systems blending facility in Australia.

Manufacturing facilities
4

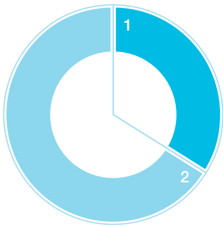
Applications/technical services facilities
4

Sales by geography[1]
1. UK **1%**
2. US **60%**
3. Other European countries **14%**
4. Rest of world **25%**

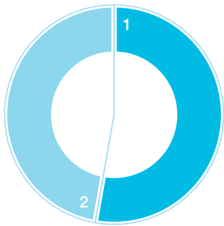


1 Sales by destination (from continuing operations), see Note 4 to the Group Financial Statements.

Adjusted sales by division
1. Speciality Food Ingredients **34%**
2. Bulk Ingredients **66%**



Adjusted operating profit[2]
1. Speciality Food Ingredients **53%**
2. Bulk Ingredients **47%**



2 Excluding central costs.

SPECIALITY FOOD INGREDIENTS
Leveraging technology and applications expertise

What do we make?
Speciality Food Ingredients (SFI) provides food and beverage customers with ingredients and solutions to address global consumer trends including: convenience; health and wellness (for example, lower calorie, lower fat, lower salt, higher fibre); and 'clean label'. We work across the range of food and beverage categories, leveraging our manufacturing facilities, innovative technology and formulation expertise to help create great tasting, cost-effective and 'better-for-you' products.

Our product categories include:
- Sweeteners
- Texturants
- Health and wellness
- Food systems

Who do we do it for?
- Large, multi-national food and beverage manufacturers
- Small- and medium-sized food and beverage manufacturers
- Private label food and beverage manufacturers

p24 Speciality Food Ingredients

BULK INGREDIENTS
Efficient scale production

What do we make?
Our main Bulk Ingredients (BI) products are sweeteners for food and beverage customers and industrial starches mainly used in the paper and construction industries. Other products include acidulants which are used by food and beverage customers and the personal care industry, and fuel ethanol sold to blenders. We also sell our corn co-products, predominantly animal feed, to agricultural customers. BI also partners with bio-based materials companies to leverage our fermentation expertise.

Our product categories include:
- Liquid sweeteners
- Industrial starches
- Citric acid
- Bio-fuels
- Animal feed

Who do we do it for?
- Large, multi-national food and beverage manufacturers
- Paper and board producers
- Gasoline suppliers
- Textile manufacturers
- Animal feed compounders

p26 Bulk Ingredients

For more detailed information, visit www.tateandlyle.com

How do we support our divisions?

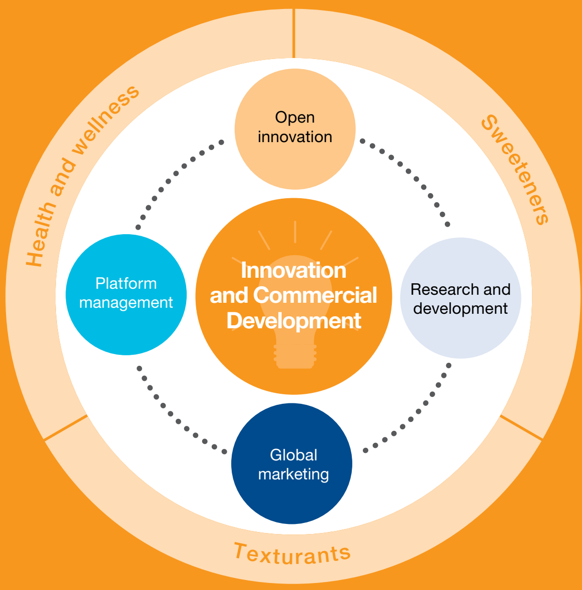
Speciality Food Ingredients and Bulk Ingredients are supported by our Innovation and Commercial Development group and our new Global Operations group.

Innovation and Commercial Development (ICD)

ICD is a key enabler of Tate & Lyle's growth strategy. It brings together open innovation, research and development, global marketing and platform management into one global team, to provide an integrated approach towards developing and commercialising innovative new products and technologies.

While ICD supports both of Tate & Lyle's divisions, it concentrates particularly on SFI. As a result, ICD's resources are predominantly focused on three broad platforms within the global speciality food ingredients market – sweeteners, texturants and health and wellness.

Ideas are generated from both internal and external sources. Internally, these come from work done by our own scientists. Externally, we generate ideas from engagement with our customers and from our dedicated Open Innovation team which seeks to develop partnerships with universities, research institutions and start-ups specialising in food science and novel ingredients.



Global Operations

Global Operations, established in November 2014, is responsible for safety, manufacturing, transportation and logistics, sales and operations planning, customer service, corn procurement, sustainability, and process technology.

The creation of Global Operations represents an important step towards simplifying our global structure and allowing the different parts of the business to focus on what they do best – our commercial divisions on serving customers, and Global Operations on delivering operational and supply chain excellence.

The Group also has a Global Quality team which is responsible for overseeing the application of strict quality control procedures and testing of all product lines. The Global Quality team is independent of the Global Operations group.

Global Shared Services Centre

Our Global Shared Services Centre, based in Łódź, Poland, supports a common way of working across our business. We have standardised our systems and financial processes, to provide a platform to deliver efficiency gains by eliminating the unnecessary duplication of resources. Our team of over 220 multilingual employees, scalable office space and team structure mean it can be a centre of excellence that grows with the business.

Global IS/IT system

The core of our business operates a single integrated information systems and information technology (IS/IT) system, which was specifically designed for the increasingly global nature of our business and the progressively more complex supply chains we have around the world. The new system will allow us to gather and process information more quickly, enabling us to be more responsive to customers.

The strength of Tate & Lyle's business derives from four main areas:

1. Attractiveness of our global markets
2. Strong foundation for growth in Speciality Food Ingredients
3. Resilient, cash generative Bulk Ingredients business
4. Strong financial position

OUR MARKETPLACE
An increasingly competitive marketplace
p14

OUR BUSINESS MODEL
How our business creates value
p16

STRATEGY IN ACTION
How we are executing our strategy
p20

How would you sum up the year?

"It has been a very challenging year for the Group but the determination of our employees across the business to improve our performance has been unwavering."

Summary

This has been a very challenging year for the Group as we have experienced a number of challenges which have had a significant impact on our financial and operating performance. In the face of these challenges, Javed and his team are taking the necessary actions to identify and address the root causes, and minimise our exposure in the future.

Notwithstanding this, I am pleased the Group continues to make progress against our strategic objective set out in 2010 of building a foundation on which to deliver steady, sustainable growth in Speciality Food Ingredients.

Safety

Once again, I am greatly saddened to have to report a fatality at one of our facilities. In June, one of our employees died in a tractor accident at one of our grain storage facilities in the US. This was in addition to two fatalities, as a result of the accident that I reported last year that occurred in Singapore in April 2014. The tragic loss of these lives reminds us yet again why safety is, and must always be, our first priority.

While extensive analysis of the five fatalities which have occurred over the last two years has not revealed any common cause, during the year we undertook a thorough review across the Group of our safety management programme and accident prevention initiatives. This included the use of external safety auditors to review safety management and controls at our major manufacturing sites. Based on the findings of the review, a number of actions have been taken to further strengthen our safety processes, details of which are set out in the Corporate Responsibility section on page 39.

Dividend

The Board recognises the importance of dividends to shareholders and remains committed to the dividend policy it implemented in 2009. Underpinned by the confidence it has in the strategy of the business, the Board intends to recommend an unchanged final dividend for the year ended 31 March 2015 of 19.8p to make a total for the year of 28.0p, an increase of 1.4%. Further, the Board intends to maintain the total dividend payment at 28.0p for the year ending 31 March 2016.

Subject to shareholder approval, the proposed final dividend will be due and payable on 31 July 2015 to all shareholders on the Register of Members at 3 July 2015.

Strategic progress

During the year, we further strengthened our Speciality Food Ingredients business with the launch of two major new products and by the completion of two 'bolt-on' acquisitions.

On 21 April 2015, just after the year end, we announced two major actions to re-align our business to further strengthen and focus on Speciality Food Ingredients.

The first is reaching an agreement to re-align our European Eaststarch joint venture with Archer Daniels Midland Company. Through this re-alignment, which is subject to regulatory clearances and is expected to close in the summer, we will exit the predominantly Bulk Ingredients plants in Bulgaria, Turkey and Hungary and acquire full ownership of the more speciality-focused plant in Slovakia.

The second is our decision to re-focus and re-structure our SPLENDA® Sucralose business. As a result of significantly changed industry economics, we decided to make some fundamental changes to how we approach the sucralose market and our manufacturing footprint. More specifically, in addition to pursuing a rigorous value-based approach to securing volume, we will materially lower our cost base by consolidating all SPLENDA® Sucralose production into our US facility, and by closing our Singapore facility in spring 2016. These actions will position SPLENDA® Sucralose as a more focused, low-cost and sustainable business.

The decision to close the Singapore facility, which has played an important role in establishing the prominent position of SPLENDA® Sucralose in the global high-intensity sweetener market, was not taken lightly by the Board. While this decision results in an impairment charge of £113 million, even taking into account the anticipated closure costs, the facility has provided strong returns to investors over its life-cycle which have been well in excess of our cost of capital.

I would like to thank all our employees in the Eaststarch joint venture and at our Singapore facility who will be leaving the Group, for their support and commitment over the years. I wish them well for the future.

Operational performance

The particularly prolonged and severe 2013/14 winter in the US meant that we entered the year with significantly reduced inventory levels which impacted our ability to fulfil customer orders. Our ability to meet orders for SPLENDA® Sucralose was also impacted by the extended shutdown of the Singapore plant following the accident in April 2014. These factors, together with unexpectedly strong demand in emerging markets, placed significant pressure on our global supply chain, leading to additional costs of fulfilment and some missed sales opportunities.

As a result of these issues, a detailed review of our global planning and supply chain processes was conducted. We have also confirmed that, although no material incremental capital investment was required to better manage customer needs beyond the programme of capital expenditure announced as part of our May 2014 full year results, improvements were needed in our operating and supply chain planning capabilities and to other internal planning processes. A programme to implement these improvements is underway.

Board composition

On 1 September, Nick Hampton joined Tate & Lyle as Chief Financial Officer having spent 20 years working at PepsiCo. Nick brings extensive financial, commercial and technical experience to Tate & Lyle and is a very welcome addition to our executive team and our Board.

We are very grateful to Tim Lodge for his important contribution in his six years as Chief Financial Officer and throughout his 25-year career with Tate & Lyle. We wish him every success in the next stage of his career.

At the end of December, Robert Walker stepped down from the Board following the completion of his term of appointment and I would like to thank Robert for his commitment and hard work during his tenure.

In January, we welcomed Paul Forman to the Board as a non-executive director and a member of the audit, remuneration and nominations committees. Paul's wide experience of managing international businesses, developing business-to-business customer and market-led strategies, and commercialising innovation pipelines will be of significant benefit to the Board.

Capital allocation policy

The effective use of capital on behalf of shareholders is our primary objective. To support our growth strategy we believe in maintaining an efficient, but prudent, capital structure, while retaining the flexibility to invest in growing the business. As such, our balance sheet will continue to be managed to maintain debt ratios within an investment grade credit rating. Our priorities for the allocation of capital are as follows:

- First of all we want to ensure that we have sufficient resources to invest in the business to fund working capital and growth in Speciality Food Ingredients
- Second, is our commitment to a progressive dividend policy, where we aim to grow the dividend over time taking into account the earnings prospects of the business
- Third, we will look to maintain flexibility to accelerate our strategy through selective acquisitions.

Conclusion

It has been a very challenging year for the Group but the determination of our employees across the business to improve our performance has been unwavering. I would like to acknowledge their hard work and, on behalf of the Board, thank them for their outstanding commitment and support.

Sir Peter Gershon
Chairman
27 May 2015

How did we address the challenges faced this year?

"We put in place a programme to implement improvements required to operating and supply chain planning capabilities and to internal planning processes."

Headlines

- Group adjusted profit before tax in line with February guidance, 30% lower at £224m (2014 – £322m):
  - Costs from operational and supply chain disruption of £20m
  - SPLENDA® Sucralose adjusted operating profits lower by £46m (£43m in constant currency)
  - European Bulk Ingredients adjusted operating profit lower by £17m
- Speciality Food Ingredients adjusted operating profit 29% lower in constant currency at £149m (2014 – £213m)
- Bulk Ingredients adjusted operating profit 19% lower in constant currency at £133m (2014 – £172m)
- Business re-alignment announced on 21 April 2015 to further focus on and strengthen Speciality Food Ingredients:
  - Re-focus SPLENDA® Sucralose on rigorous value-based strategy and consolidate production into one facility: impairment charge of £113m included in total exceptional charges of £142m (2014 – £14m)
  - Re-align Eaststarch European joint venture by acquiring full ownership of the more speciality-focused plant in Slovakia and exiting predominantly Bulk Ingredients plants in Bulgaria, Turkey and Hungary. We will receive €240m in cash on completion of the transaction
- Implementation of new supplementary disclosure framework to provide more detail on business performance, including new disclosure on Innovation; volume from new products nearly doubled in the year
- Two major new product launches: DOLCIA PRIMA™ Allulose and CLARIA® Functional Clean-Label Starches
- Speciality Food Ingredients completed two 'bolt-on' acquisitions in Asia Pacific and Latin America
- Proposed final dividend of 19.8p, making a total dividend of 28.0p (2014 – 27.6p), up 1.4% on prior year
- The Board intends to maintain the total dividend payment at 28.0p for the year ending 31 March 2016

Overview of the Group's performance

The Group's performance for the year was significantly held back by three main factors: first, the impact of operational and supply chain issues experienced mainly in the first half of the financial year; secondly, the continued extremely competitive market for SPLENDA® Sucralose; and thirdly, the impact in the second half of the financial year of volatility and lower pricing in some of the commodity markets in which our Bulk Ingredients business operates.

Adjusted sales for the year were £2,694 million (2014 – £3,147 million), 14% lower than the prior year (11% in constant currency), with adjusted sales in Speciality Food Ingredients down 8% (4% in constant currency) to £908 million (2014 – £983 million) and 17% lower in Bulk Ingredients (14% in constant currency) at £1,786 million (2014 – £2,164 million). Adjusted operating profit was 29% lower (27% in constant currency) at £247 million (2014 – £349 million), with adjusted operating profit in Speciality Food Ingredients down 30% (29% in constant currency) to £149 million (2014 – £213 million), and 23% lower (19% in constant currency) in Bulk Ingredients at £133 million (2014 – £172 million). Adjusted profit before tax was 30% lower (28% in constant currency), at £224 million (2014 – £322 million), and adjusted diluted earnings per share was 32% lower (29% in constant currency) at 37.7p (2014 – 55.7p).

Balance sheet and financial management

Net debt of £504 million at 31 March 2015 was higher than at the end of the prior year (2014 – £353 million), resulting mainly from lower earnings, capital investments in growth of Speciality Food Ingredients, dividend payments and adverse exchange movements of £46 million (including £7 million from joint ventures), primarily as a result of an increase in the value of dollar-denominated debt due to the strengthening of the US dollar against sterling.

The key performance indicators (KPIs) of our financial strength, the ratio of net debt to pre-exceptional earnings before interest, tax, depreciation and amortisation (EBITDA) and interest cover, remain well within our internal thresholds. At 31 March 2015, the net debt to EBITDA ratio was 1.3 times (2014 – 0.8 times), against our internal threshold of 2.0 times, and interest cover on total operations was 10.7 times, (2014 – 11.6 times), comfortably ahead of our minimum threshold of 5.0 times.

The return we generate on our assets decreased during the year due to lower earnings with a return on capital employed of 13.9% (2014 – 19.2%), although this remains well ahead of our weighted average cost of capital.

Our average quarterly cash conversion cycle worsened by eight days to 47 days (2014 – 39 days) resulting primarily from higher inventory days, as we rebuilt inventory and recovered from supply chain disruption, and higher receivables days, partially offset by higher payables days.

Safety

As a result of the four tragic accidents that occurred in the 2013 and 2014 calendar years which led to five fatalities, during the year we undertook a thorough review of our safety management and accident prevention programmes across the Group. This included the use of external safety auditors to review safety management and controls at all of our major manufacturing sites. Based on these reviews, we have further strengthened our safety and accident prevention programmes, which are being overseen by the Corporate Responsibility Committee of the Board. Our clear priority going forward is to re-establish the consistently high level of safety performance we have achieved in previous years.

New supplementary disclosure framework

To provide more detail on our business performance, in addition to the segmental disclosure required under IFRS (which remains unchanged), and given the evolving nature of the business including the changes announced in April, we intend to disclose additional information regarding the performance of our operating segments. We believe this will provide a clearer understanding of the drivers of performance, better highlight the impact of commodity volatility, and drive a greater understanding of the sustainable growth potential of the business. Details of the additional disclosures are set out on page 31.

Operational and supply chain disruption

Internal operational and supply chain disruption significantly impacted our business during the year, leading both to additional costs of order fulfilment totalling £20 million and some missed sales opportunities. This disruption occurred due to a combination of factors. The unusually prolonged and severe 2013/14 winter in the US caused operational difficulties in our US plants which led us to enter the 2015 financial year with much lower inventories than usual. Then, in the first quarter of the financial year, following an industrial accident, our SPLENDA® Sucralose facility in Singapore had to take an extended shutdown. These events materially disrupted our supply chain as we had to manage a combination of operational challenges in our plant network, low absolute levels of inventory, and misalignments between customer demand and inventory location.

As a result of these issues, in September 2014, we initiated a detailed review of our global demand, supply and planning processes. This review, which was completed in February 2015, confirmed that the programme of incremental capacity expansion announced as part of our May 2014 full year results, together with ongoing actions to increase inventory held closer to our customers, will allow us to better manage customer needs. The additional capacity is expected to come on stream in the second half of the 2016 financial year as planned. The review also highlighted that improvements were required to operating and supply chain planning capabilities and to the robustness of internal planning processes. A programme to implement these improvements is progressing well and a number of actions are already in place. We will continue to execute these improvements during the course of the 2016 financial year.

SPLENDA® Sucralose

Adjusted operating profit from SPLENDA® Sucralose for the year ended 31 March 2015 was £16 million, 73% lower than the prior year (2014 – £62 million). As a result of this significant deterioration in profitability, during the year we undertook a detailed analysis of this business to evaluate how best to maximise returns. This analysis found that, while demand for sucralose remains strong driven largely by consumer desire for more calorie-reduced food and drink and by the superior taste and functionality that sucralose delivers, a substantial increase in industry capacity, particularly over the past two years, had led to supply being well in excess of demand. This had caused industry behaviour and economics to change significantly and we do not expect this situation to change materially in the medium term.

Accordingly, on 21 April 2015, we announced our SPLENDA® Sucralose business would be re-focused in two ways. First, by taking a rigorous valued-based approach to securing volume by focusing on the areas where we see value with customers who fully value the benefits of our SPLENDA® Sucralose product including quality, provenance, food safety and responsible manufacturing and environmental practices. Secondly, by materially lowering the manufacturing cost base of the business by consolidating all production into our McIntosh, Alabama facility in the US from spring 2016. After a phased transition over the next 12 months, the Singapore facility will close permanently. We expect to invest around £18 million to consolidate production in McIntosh. This mainly relates to the transfer of equipment from Singapore to McIntosh and for additional equipment at McIntosh to produce all our SPLENDA® Sucralose

Chief Executive's Review continued

product forms. When the transfer is complete in spring 2016, McIntosh will be capable of supplying our customers' existing and ongoing needs.

The Singapore facility has played an important role in establishing the prominent position of SPLENDA® Sucralose in the global high-intensity sweetener market and has provided strong returns to investors over its life-cycle which have been well in excess of our cost of capital. However, the combined effect of lower market pricing and higher energy and other production costs at the location, led us to conclude that the facility will not be cost competitive going forward. The McIntosh facility operating at a higher scale and utilisation level than it does currently will provide a materially lower-cost manufacturing position from which to operate.

SPLENDA® Sucralose is an integral ingredient in many of our customers' products, and sucralose continues to be the most incorporated high-intensity sweetener in new product launches globally. The fundamental changes we are making to how we approach the market and our manufacturing footprint will position SPLENDA® Sucralose as a more focused, low-cost and sustainable business. We expect this business to be around breakeven before the impact of exceptional items in the year ending 31 March 2016, with some anticipated transition costs offsetting a lower depreciation charge, and looking further ahead, we expect the business to return to modest profitability in the 2017 financial year.

Re-alignment of the Eaststarch European joint venture

On 21 April 2015, we signed an agreement with Archer Daniels Midland Company (ADM) to re-align our Eaststarch C.V. (Eaststarch) joint-venture corn wet milling business in Europe in which we each own a 50% equity share. Under the terms of the agreement, we will:

- Strengthen our Speciality Food Ingredients business by acquiring full ownership of the more speciality-focused plant in Slovakia
- Substantially reduce our European Bulk Ingredients footprint by exiting the predominantly Bulk Ingredients plants in Bulgaria, Turkey and Hungary which will transfer to ADM
- Receive a cash sum of €240 million at closing, subject to customary closing adjustments, including for net cash and working capital, and an additional payment of up to €20 million in 2019 conditional on future corn and sugar pricing
- Continue to supply our European customers with crystalline fructose, a speciality sweetener, by being appointed as exclusive distributor for crystalline fructose produced from the plant in Turkey under a long-term agreement
- Focus our European business on speciality food ingredients by appointing ADM as exclusive agent for bulk ingredients produced from the plant in Slovakia and Tate & Lyle's wholly-owned corn wet mill in the Netherlands under a long-term agreement.

Completion of the agreement is conditional upon regulatory clearances which we expect in summer 2015.

The reform of the EU Sugar Regime in October 2017 opens the way to greater competition between isoglucose and sugar in the EU that will bring with it the need for potentially significant capital investment in bulk sweeteners. Our strategy since 2010 has been to invest for growth in Speciality Food Ingredients and, therefore, the re-alignment of the joint venture enables us to realise good value from our European Bulk Ingredients' assets before a decision on capital investment is required.

In the year ended 31 March 2014, Eaststarch had adjusted operating profit of £107 million of which the Group has a 50% share. Due to lower EU sugar prices, the results of Eaststarch for the year ended 31 March 2015 were around 23% lower at £83 million.

Had the transaction taken effect from 1 April 2014, Group adjusted operating profit in the year ended 31 March 2015 would have been reduced by £32 million and diluted earnings per share would have been reduced by 5.5 pence. Depending on the timing of completion of the transaction and the final transition arrangements, we anticipate the reduction on Group earnings will be somewhat lower in the year ending 31 March 2016. We anticipate that, following the impact of re-structuring the European operations, from the start of the year ending 31 March 2017 the dilution in earnings as a result of the transaction will be around 3 pence per share.

The re-alignment of Eaststarch represents another important step in the evolution of Tate & Lyle into a global speciality food ingredients business. The plant in Slovakia provides a solid base from which to grow our speciality food ingredients business in Europe, and we intend to increase the production of speciality food ingredients at the plant over time. As a result of the re-alignment, the proportion of Group adjusted operating profit from Speciality Food Ingredients (excluding SPLENDA® Sucralose) will increase from 47% to around 55%, and in Europe, Speciality Food Ingredients will effectively contribute all of the profit.

Reducing volatility in Bulk Ingredients

Our strategy is to progressively re-position our Bulk Ingredients division to dampen volatility and create a more stable, cash-generative business. The re-alignment of the Eaststarch joint venture, which will result in the Group substantially exiting bulk sweeteners in Europe and therefore reducing our exposure to volatility in the EU sugar market (which impacted our profits in the second half of the 2015 financial year), is fully in line with that strategy.

Following the re-alignment, Bulk Ingredients will become a predominantly North American business. In North America, Bulk Ingredients benefits from strong positions in mature but large markets such as bulk sweeteners and industrial starches, long-standing customer relationships, and scale, efficient manufacturing assets. In the US, these manufacturing assets (corn wet mills) are integrated with the production of speciality food ingredients and therefore also provide an efficient manufacturing base from which to support growth in that business.

North America also has structural advantages which enable better management of the volatility inherent in this business. For example, in the US, unlike in Europe, we have access to a corn futures market which allows us to hedge US corn exposures. In addition, we continue to proactively manage the business to dampen volatility where possible, such as by moving more customers in the US to tolling contracts which now represent around 75% of US bulk sweetener volumes. Increasing the number of toll customers helps to reduce the risk of underlying commodity movements.

Solid strategic progress in Speciality Food Ingredients

While the financial performance of the Speciality Food Ingredients division during the year was held back by supply constraints and price erosion in SPLENDA® Sucralose, the underlying business and demand for our products remains strong, and we made good progress on a number of fronts.

We continue to build our technical expertise and infrastructure in the higher growth markets of Asia Pacific and Latin America, in which adjusted sales for the business excluding SPLENDA® Sucralose and Food Systems now represent 15% of total adjusted sales in Speciality Food Ingredients, up from 8% in 2011. Asia Pacific and Latin America (excluding Food Systems) now represent nearly 20% of the employees in Speciality Food Ingredients.

We executed two 'bolt-on' acquisitions in Asia Pacific and Latin America during the year. In August, we completed the acquisition of Winway Biotechnology Nantong Co., Ltd based in Nantong, China. Winway is a producer of polydextrose fibre in China and this acquisition provides a strong base from which to accelerate the growth of our dietary fibres business in Asia Pacific. In December, we acquired a majority equity interest in Gemacom Tech Indústria e Comércio S.A. (Gemacom), the leading domestically-owned food systems business in Brazil. During December, we paid £12 million to terminate distribution rights previously held by a third party to sell our crystalline fructose to customers primarily in Asia Pacific. We continue to actively explore further opportunities, including acquisitions and partnerships, with a strong focus on Asia Pacific and Latin America.

Robust innovation pipeline

Innovation is a key driver of long-term growth for Tate & Lyle. Our innovation approach starts with a deep understanding of the consumer and to ensure that changing consumer perceptions and trends influence the categories we operate in. Our understanding of these long-term global consumer trends drives our innovation approach and priorities, such as the increasing demand for convenience food, a much greater focus on health and wellness particularly in light of the rising incidence of obesity and diabetes worldwide, and an increasing preference for 'natural' and 'clean-label' foods. Our aim is to help consumers make healthier and tastier choices whenever they eat or drink and to deliver this we focus our resources and expertise in three main areas of market opportunity: calorie, sugar, salt and fat reduction; fibre enrichment; and 'clean label'. These are attractive spaces to operate in given growing strong consumer demand. For example, global product launches containing fibres between calendar years 2011 and 2014 increased by a compound annual growth rate (CAGR) of 33%, reflecting increased consumer awareness of the importance of fibre in diets.

During the year, we launched two major new products which directly address two of the consumer trends we are focusing on – calorie reduction and 'clean label'. Both these new products were developed at our three year-old global Commercial and Food Innovation Centre in Chicago, USA, demonstrating the innovation capabilities we are steadily beginning to build.

In September, we launched our new CLARIA® line of functional 'clean-label' starches. CLARIA® starches, developed through a proprietary patent-pending process, provide food manufacturers with functionality similar to modified food starches but with the benefits of a cleaner colour, a cleaner taste, and a 'clean label' (ie they label simply as 'starch').

Then, in February, we launched DOLCIA PRIMA™ Allulose, a low-calorie sugar in the US. DOLCIA PRIMA™ is our brand name for allulose, a sugar that exists in nature but that has 90% fewer calories than sucrose (table sugar). To produce allulose, we developed a unique, patent-protected process to convert basic agricultural raw materials (currently corn in the US) into allulose. DOLCIA PRIMA™ is expected to allow food and beverage manufacturers to significantly reduce the calories in products while maintaining the same great taste and texture of sugar which consumers enjoy.

Both these new product launches have attracted strong customer interest reflecting the health and wellness benefits they bring to consumers and their relevance to our customers' development priorities. A range of projects with customers are underway giving us confidence in their long-term potential.

New products, although still relatively small, are growing strongly with an 86% volume CAGR rate between the 2011 and 2015 financial years, and volume in the 2015 financial year almost double the prior year. The pipeline remains robust with a number of projects at various stages of development including four in the final stages with expected launches in the next 12-24 months.

Strengthening the executive management team

The senior leadership team was substantially strengthened during the year with the objective of leading the Group into the next stage of its development. During the year, the following appointments were made to the Group Executive Committee:

i) Gabriella Parisse was appointed President, Innovation and Commercial Development from 1 May 2014. Gabriella joined Tate & Lyle in September 2012 as Senior Vice President, Global Marketing, having previously spent 25 years at Johnson & Johnson.

ii) Nick Hampton was appointed Chief Financial Officer (and a member of the Board of Directors) from 1 September 2014. Nick joined Tate & Lyle from PepsiCo where he worked for 20 years.

iii) Joan Braca was appointed President, Speciality Food Ingredients from 1 November 2014. Joan joined Tate & Lyle in January 2013 as Senior Vice President & General Manager, Asia Pacific, Speciality Food Ingredients. Prior to joining Tate & Lyle, Joan spent nearly 20 years in the speciality chemicals industry mainly with Rohm and Haas (part of the Dow Chemical Company since 2009).

iv) Rowan Adams was appointed Executive Vice President, Corporate Affairs from 13 November 2014 with global responsibility for communications and risk management. Rowan joined Tate & Lyle from National Westminster Bank in 2001.

v) Pierre Schoumacher was appointed President of the newly formed Global Operations unit from 13 November 2014 with responsibility for activities from raw material procurement through to manufacturing, supply chain and logistics. Pierre joined Tate & Lyle from Procter & Gamble in 2000.

vi) Jim Stutelberg joined Tate & Lyle on 1 December 2014 and was appointed President, Bulk Ingredients. Jim joined from PPG Industries where he led its Automotive Coatings business. Prior to that, he spent 13 years with Dow Corning.

Delivering a global IS/IT system

In August, we successfully rolled out our single, global IS/IT system to our North American business. This followed the upgrade of this system in our European business (not including the Food Systems business) in May. We are now focused on fully embedding the new processes and systems.

Chief Executive's Review continued

Conclusion

The long-term transformation of Tate & Lyle continues to be a major undertaking with nearly all areas of the global business impacted in some way. Infrastructure, systems, processes and the organisation have all been materially changed. In some areas such as innovation, our customer-facing capabilities, our presence in Asia Pacific and Latin America, and the strength of our people, we have made very good progress. In others, such as our global supply chain, we have faced major challenges and work is underway to address these. I would like to thank all employees across Tate & Lyle for their continued hard work and dedication during what has been a challenging year.

While our financial performance in the year has been disappointing, the underlying business and demand for our products remains strong. With a portfolio of products with strong market positions, an expanding global footprint, and a steady flow of new products targeted at addressing major consumer trends, particularly in the health and wellness space, our Speciality Food Ingredients business is structurally well-positioned for the future.

By re-aligning the Eaststarch joint venture, Bulk Ingredients will reduce its exposure to volatility in the form of European sugar price fluctuations, and become a predominantly North American business with strong market positions and scale, efficient assets. These assets also provide a low cost manufacturing base from which to support continuing growth in Speciality Food Ingredients.

We are firmly focused on improving our performance and continuing the evolution of Tate & Lyle into a global Speciality Food Ingredients business supported by cash generated from Bulk Ingredients. As we enter the new financial year, we believe Tate & Lyle is a more streamlined, focused and higher quality business, capable of generating sustained growth over the long term.

Key performance indicators (KPIs)

Our KPIs for the year ended 31 March 2015 are detailed on pages 22 and 23.

Outlook

The year ahead will be one of structural change as we re-align the Eaststarch joint venture and SPLENDA® Sucralose, embed changes to improve our global supply chain capabilities, and bring on line additional growth capacity for Speciality Food Ingredients. We anticipate that, in this year of change, adjusted profit before tax for the year ending 31 March 2016 will be broadly in line with the 2015 financial year on a pro-forma[1] basis assuming the Eaststarch transaction completes in the summer as expected.

The longer term outlook for the business remains positive. We expect the global market for speciality food ingredients to grow at mid-single digits and our objective is to grow modestly ahead of the market via organic growth supplemented by 'bolt-on' acquisitions. We continue to target sustained cash flows from Bulk Ingredients and to dampen volatility where possible. As the mix of the Group moves towards our higher margin Speciality Food Ingredients business augmented by operational improvements, over time we expect to steadily enhance Group profit and returns on capital.

Javed Ahmed
Chief Executive
27 May 2015

1 Assumes foreign exchange rate of GBP:USD £1.00/$1.54 and completion of the Eaststarch transaction on 30 June 2015. See unaudited pro forma profit before tax for the year ended 31 March 2014 on page 31.

Who is responsible for delivering our strategy?

The Group Executive Committee comprises the two Executive Directors and seven senior executives.

The team oversees the development and execution of the Group's strategy, and has overall responsibility for achieving business results.

We made the following changes to the Group Executive Committee (ExCo) during the year as part of the executive succession planning activity and following the reorganisation of the Group's operations: Nick Hampton joined the Board and the Committee on 1 September 2014, Gabriella Parisse and Joan Braca were promoted on 1 May 2014 and 1 November 2014 respectively, and Rowan Adams and Pierre Schoumacher were promoted on 13 November 2014. Jim Stutelberg joined the Group on 1 December 2014.

Read the biographies of ExCo members at www.tateandlyle.com

Javed Ahmed
Chief Executive

Nick Hampton
Chief Financial Officer

Joan Braca
President, Speciality Food Ingredients

Jim Stutelberg
President, Bulk Ingredients

Pierre Schoumacher
President, Global Operations

Gabriella Parisse
President, Innovation and Commercial Development

Rowan Adams
Executive Vice President, Corporate Affairs

Robert Gibber
Executive Vice President, General Counsel

Rob Luijten
Executive Vice President, Human Resources

What does the global marketplace look like?

We segment the global ingredients market into speciality ingredients which add specific functionality and value to customers' products, and mature high-volume bulk ingredients which are largely undifferentiated and compete primarily on price and service.

SPECIALITY FOOD INGREDIENTS

Strong consumer trends

The global market for speciality food ingredients is large and growing, underpinned by strong consumer trends: increasing demand for convenience food; and also for ingredients with health and wellness benefits; and consumers requiring 'clean-label' ingredients.

Focus and depth

Our strategy is to focus on three core platforms and to have deep expertise within each one:

- Sweeteners
- Texturants
- Health and wellness.

Global speciality food ingredients market
By major product category (worth approximately US$42 billion in total)

1. Sweeteners **11%**
2. Texturants **23%**
3. Functional food ingredients **14%**
4. Colours and preservatives **9%**
5. Flavours **36%**
6. Other **7%**

Source: Leatherhead; LMC International; Company analysis; data as at 2013.

Tate & Lyle Speciality Food Ingredients products in these categories:

1. Sweeteners
- SPLENDA® Sucralose
- Speciality corn-based sweeteners
- PUREFRUIT™ Monk Fruit Extract
- TASTEVA® Stevia Sweetener
- DOLCIA PRIMA™ Allulose

2. Texturants
- Speciality food starches
- Food stabiliser systems
- CLARIA® Functional Clean-Label Starches

3. Functional food ingredients
- PROMITOR® Soluble Corn Fiber
- STA-LITE® Polydextrose
- SODA-LO® Salt Microspheres
- PromOat® Beta Glucan
- PrOatein™ Oat Protein

BULK INGREDIENTS

Mature consolidated industry

Bulk Ingredients operates in a mature, consolidated industry, manufacturing largely commodity products, where the level of profitability is related to the level of industry capacity utilisation.

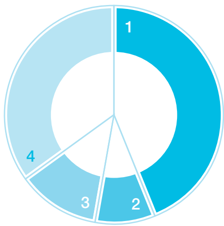
Steady sustained cash generation

Our strategy is to generate sustained long-term cash flows to help fund growth in Speciality Food Ingredients:

- Optimise margins
- Optimise and fill grind capacity
- Ensure security of raw material supply
- Dampen volatility.

US corn wet milling industry output[1]
By major product category in 2014 (76 billion lbs)

1. Liquid sweeteners (commercial weight) **44%**
2. Starch **9%**
3. Ethanol **12%**
4. Co-products **35%**



Tate & Lyle Bulk Ingredients products in these categories:

1. Liquid sweeteners
- High fructose corn syrup
- Glucose
- Dextrose

2. Starch
- Industrial starch

3. Ethanol
- Fuel ethanol

4. Co-products
- Corn oil
- Corn gluten feed
- Corn gluten meal

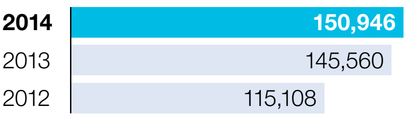
1 Industry output and includes speciality and bulk ingredients in relevant categories.

Sources: The Corn Refiners Association (CRA) based on 2014 data from the US Department of Agriculture, Renewable Fuels Association, American Coalition for Ethanol, press reports, and from industry data compiled for CRA by Veris Consulting, Inc. Corn marketing year ended 31 August 2014.

Convenience

- Changes in consumer lifestyles continue to increase the demand for packaged and convenience foods.
- Product launches with a 'convenient' claim in 2014 were nearly 50% higher than three years ago.
- 77% of global convenience product launches in 2014 had a 'health and wellness' claim.
- Tate & Lyle's ingredients and expertise in convenience foods draw on decades of development across a wide range of products, including ready meals, soups, sauces, dressings, fillings, toppings and instant powder concepts.

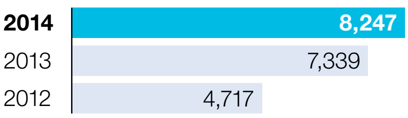
Global convenience product launches[1,2,3]



Health and wellness

- Consumers are increasingly aware of the link between diet and health and are seeking products enhanced or fortified with ingredients such as fibre.
- The number of product launches containing fibres increased by 12% globally in 2014. Since 2012, the increase is around 75% globally.
- In addition to our strong fibres portfolio, we address another important health and wellness trend – salt reduction – through our SODA-LO® Salt Microspheres.

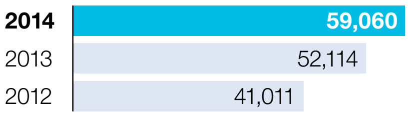
Global product launches containing fibres[1,2,4]



'Clean label'

- Food and beverage manufacturers are launching more 'clean-label' products in response to increasing consumer demand across a broad range of categories for products which are seen as more 'natural' or 'free from'.
- Around 25% of new product launches globally were positioned as label-friendly in 2014.
- We offer manufacturers a portfolio of label-friendly solutions; the most recent addition is our CLARIA® Functional Clean-Label Starches launched in September 2014.

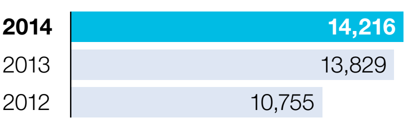
Global 'clean-label' product launches[1,2,5]



Corn market dynamics

- The US corn wet milling industry processes around 11% of the US crop annually.
- The 2014/15 corn harvest in the US delivered a record crop with production slightly ahead of the previous harvest. As a result, US corn prices trended lower in the first half of the year and were at an average of around $4 a bushel in the second half.
- The industry's returns depend on capacity utilisation. The closure of a competitor plant in January 2015 has tightened industry capacity.
- In Europe, corn prices declined in the first half of the year but increased slightly in the second half and are currently lower than a year ago.

US corn production (million bushels)[6]



Bulk corn sweeteners

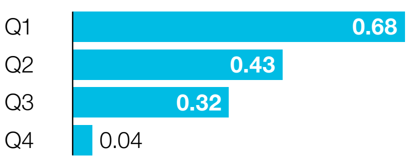
- Demand for US bulk corn sweeteners, including HFCS, is closely linked to the consumption of regular sweetened carbonated soft drinks (CSDs).
- During the year, demand for regular CSDs in the US was relatively stable, although production challenges in the 2013/14 winter meant sweeteners supply was tight.
- Demand for US HFCS in Mexico was lower due to continued low Mexican sugar prices (a substitute for HFCS) and the effect of calorie consumption taxes.
- In Europe, the market operates under a volume quota system. The continued decline in EU sugar prices placed significant pressure on EU sweetener prices.

US regular carbonated soft drinks sales volume year-on-year change (%) (year ended 31 March)[7]

Industrial markets

- Starch demand in the paper industry was steady, with a decline in printing and writing paper demand offset by growth in packaging papers and tissue.
- In Europe, additional starch capacity, particularly from wheat processors, was balanced by a robust packaging sector.
- Whilst US ethanol margins were healthy in the first half of the year, conditions in the industry deteriorated in the second half as inventories rose to a three-year high towards the end of financial year 2015.

US ethanol – estimated industry net margin (over all costs) in the year ended 31 March 2015 by quarter ($/ga)[8]



1 Source: Innova Market Insights.
2 Data is based on calendar years.
3 Definition: product launches that have at least one of these claims – convenient consumption, easy-to-prepare, ready prepared, time saving.
4 Definition: products that contain soluble fibres in their formulation.
5 Definition: product launches claiming no additives/preservatives, natural, organic, and/or without genetically modified organisms (non-GMO).
6 In marketing year beginning 1 September. Source: US Department of Agriculture.
7 Source: IRI Infoscan Reviews, Total US Multi-Outlet and Convenience (FDM, WMT, Dollar, Club, Convenience Stores).
8 Source: Iowa State University. Based on dry miller net margin (Renewable Fuels Association states that c.90% of US ethanol industry uses dry mill process).

How does the business create value?

OUR BUSINESS MODEL

We use our know-how, built up over many years, to transform raw materials into high-quality food ingredients. These ingredients are used by our customers to create foods consumed by millions of people every day.

How do we deliver value to our customers?

Consumer insights drive our product development, and, together with the sector knowledge of our food scientists, differentiate us from our competitors and help our customers meet consumer needs. We apply our manufacturing know-how to turn agricultural raw materials into high-quality food ingredients for delivery to our customers worldwide.

Sourcing raw materials

Most of our ingredients are produced from crops, predominantly corn, and we have a sustainable agriculture programme in place. Ensuring we have a reliable source of corn is essential. This involves understanding commodity markets and developing long-term, mutually beneficial relationships with producers to secure supply.

p42 Sustainable agriculture

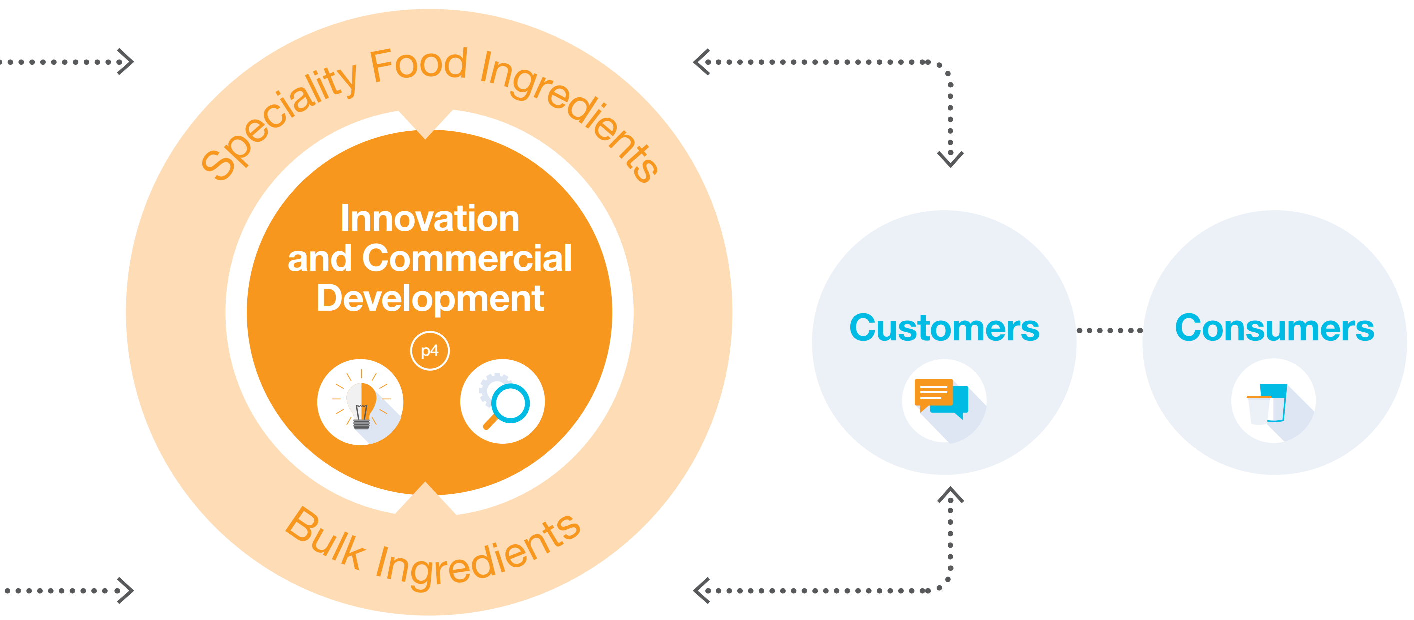
How has our business model evolved this year?

We established Global Operations, a single global organisation with responsibility for raw material procurement, manufacturing, supply chain and logistics.

What differentiates us?

Customer relationships
We work closely with customers to provide them with high quality ingredients and solutions to address the challenge of creating great tasting, healthy food that meets the needs of consumers. Our local customer teams work in regional application centres to solve customers' taste, ingredient and formulation challenges locally.

A truly global operating model
We operate through two global divisions – Speciality Food Ingredients and Bulk Ingredients. Each division has its own sales force and commercial operations to provide the necessary focus and expertise to customers in their respective end markets. Both divisions are supported by a single manufacturing network producing high-quality ingredients.



Producing high-quality ingredients in a sustainable way

During the year our production facilities included:
- A network of corn wet mills in North America and Europe that manufacture both bulk and speciality ingredients
- Two large-scale continuous SPLENDA® Sucralose processing facilities in the US and Singapore
- A number of other ingredient processing plants and smaller-scale blending facilities.

Environmental sustainability
- We work to address environmental considerations across the life-cycle of our products
- We seek to improve environmental sustainability by using resources such as energy and water more efficiently, and reducing waste.

p42 Product safety, quality and sustainability

Provenance, quality and ethical standards

Food safety, quality, provenance and traceability are very high priorities for our business. Our manufacturing facilities are externally certified to the Global Food Safety Initiative each year. Supply chain ethics are important to us and our customers. We work with our suppliers to help them achieve our clear standards, both operational and ethical, and meet our compliance needs. We use the Sedex social and ethical compliance system across our manufacturing facilities and increasingly in our supply chain.

p43 Standards in our supply chain

How will we deliver our vision?

Our vision is to become the leading global provider of speciality food ingredients and solutions.

SPECIALITY FOOD INGREDIENTS

Deep customer engagement

We believe that getting closer to our customers, developing a better understanding of their needs, and changing the ways we interact with them, is a key part of delivering sustainable long-term growth.

What is our focus?

Global network

Our global Commercial and Food Innovation Centre in Chicago, USA is helping us transform the way we work with our customers. It has:

- Teams of highly qualified food technologists and other specialists
- Full sensory capabilities
- Full culinary capabilities
- High-tech food laboratories
- An advanced pilot plant.

We have also developed a global network of regional applications and technical services facilities enabling us to interact directly with customers across our markets, helping them develop new concepts and get them to market faster.

SPECIALITY FOOD INGREDIENTS

Innovation

Creating a world-class innovation capability is a key part of our growth strategy. The Innovation and Commercial Development group (ICD) provides a fully integrated approach to developing and commercialising innovation to meet our customers' needs.

What is our focus?

Ideas within our innovation pipeline are derived from three sources:

In-house innovation
- New products or technologies generated by in-house scientists

Open innovation
- Leverages our global network of research institutions, start-ups and universities
- Provides route to market for technologies or products close to commercial launch

Tate & Lyle venture funds
- Invests in early-stage speciality food ingredients concepts by partnering with research institutions, other venture funds, universities and entrepreneurs

SPECIALITY FOOD INGREDIENTS

New markets and customer channels

Our aim is to build our presence significantly in emerging markets and in those parts of the speciality food ingredients market where historically we have been under-represented.

What is our focus?

Expanding in new markets and customer channels
- Building dedicated speciality food ingredients businesses in both Asia Pacific and Latin America
- Investing in local infrastructure with the opening of regional applications and technical services facilities in Asia Pacific and Latin America
- Changing the way we work with local and multinational food and beverage manufacturers by establishing more direct relationships
- Selective acquisitions to broaden geographic presence

BULK INGREDIENTS

Sustained cash generation

Within Bulk Ingredients, our strategy is to provide stable, long-term cash flow to help fund growth in Speciality Food Ingredients.

What is our focus?

We aim to achieve sustained cash generation by:
- Dampening earnings volatility by diversifying our income streams into new areas and reducing our exposures to commodity price volatility
- Optimising margins by gradually moving the corn that we grind away from markets that are in long-term structural decline into higher margin speciality food ingredients
- Ensuring the security of our supply of raw materials
- Reducing costs and continuing to improve operational efficiency
- Managing cash flows by consistent focus on converting our profits to cash

What's next?

What were our priorities for the year?
- Broaden customer interaction through our global network of innovation, applications and technical services facilities.
- Improve quality and size of customer project pipeline.
- Convert more customer relationships into strategic partnerships.

What have we achieved?
- Robust number of customer visits to our major innovation centres.
- Invested in building strategic partnerships with customers.
- Rolled out customer management programme training across our Speciality Food Ingredients global sales force.

We will:
- Continue to broaden customer interaction through our global network of innovation, applications and technical services facilities
- Increase the conversion rates from our customer project pipeline
- Convert more customer relationships into strategic partnerships.

What were our priorities for the year?
- Launch new products from within our innovation pipeline.
- Increase sales from recently launched products.
- Continue to leverage open innovation network and partnerships.

What have we achieved?
- Commercialised recent innovations.
- Added CLARIA® Functional Clean-Label Starches to our texturants portfolio.
- Launched DOLCIA PRIMA™ Allulose, a low-calorie sugar, as part of our sweeteners offering.
- Continued to progress projects through our innovation pipeline.

We will:
- Launch new products from within our innovation pipeline
- Increase sales from recently launched products
- Work collaboratively with customers through the innovation cycle to accelerate post launch growth.

What were our priorities for the year?
- Deliver another year of strong organic growth in emerging markets.
- Complete acquisition of Winway Biotechnology and continue to expand our presence in emerging markets.
- Leverage dedicated resources to develop relationships with both SMEs and food service customers.

What have we achieved?
- Continued organic growth in Asia Pacific and Latin America.
- Expanded presence in Asia Pacific and Latin America through two acquisitions and re-purchase of distribution rights.
- Created teams in North America to specifically focus on different market segments.

We will:
- Deliver strong organic growth in emerging markets
- Fully integrate Tate & Lyle Gemacom Tech operations in Brazil and continue to expand our presence in emerging markets
- Drive growth in emerging markets through sales teams focused on specific customer channels and solutions
- Pursue bolt-on acquisitions selectively.

What were our priorities for the year?
- Optimise margins by improving product mix and delivering further operational efficiencies.
- Divert a greater share of corn grind to Speciality Food Ingredients.
- Further investment in strengthening security of raw material supply.
- Leverage bulk processing assets and expertise to drive diversification.

What have we achieved?
- Took further actions to dampen volatility.
- Margins weakened during the year principally as a result of supply constraints.
- Leveraged bulk processing expertise in supporting the development of a new product launch.

We will:
- Drive performance through leveraging strong customer relationships and customer service excellence
- Optimise margins by improving product mix and delivering further operational efficiencies
- Divert a greater share of corn grind to Speciality Food Ingredients
- Leverage bulk processing assets and expertise to drive further diversification and accretive earnings growth.

How have we been executing our strategy?

DEEP CUSTOMER ENGAGEMENT

INNOVATION

Strengthening customer relationships

During the year we have been working more closely with customers in a number of ways. Our main customer facing facility in Chicago, USA, has been the centre for a number of significant projects, including CLARIA® Functional Clean-Label Starches, launched in September 2014. We involved customers very early in the development of CLARIA®, which was essential for ensuring its commercial viability. Six months on, we have customer wins in North America, Asia Pacific and Latin America and, at the date of this Annual Report, are conducting a joint trial of the product with one of the world's largest fruit preparation manufacturers.

Meanwhile, in Europe, our innovation centres have been working together to host customers. One key highlight was a visit to our European centres by a major Asian dairy customer, reinforcing our strategic partnership.

Working with customers is not limited to our innovation centres and our sales organisation, however, we also encourage customers to visit our plants, which helps deepen the relationship at every level. This year, US manufacturing sites hosted senior executives and employees from across marketing, manufacturing and supply chain functions, to meet with their counterparts at Tate & Lyle. This provides a valuable opportunity to learn more about our operations, share best practices and develop ideas for how we can further strengthen our partnerships in the future.

Number of application and technical services facilities to work closely with customers

16

Bringing new products to market

In February 2015, we launched our exciting new ingredient, DOLCIA PRIMA™ Allulose, a low-calorie sugar. Because of the challenges of replacing standard table sugar with sweeteners, low-calorie sugar is a very attractive proposition for the food industry, but one that, until now, has not been technically possible on a commercial scale. Allulose is a sugar that exists in nature, but has 90% fewer calories than sucrose (table sugar), and to launch DOLCIA PRIMA™, we have developed an innovative production process that is unique to Tate & Lyle. We worked closely with selected customers at various stages in the development of DOLCIA PRIMA™ to obtain their invaluable input.

We also expect to launch a number of other products over the next 12-24 months – our innovation pipeline includes a range of projects across the various stages of development, from original concept, through to more developed commercial, manufacturing and execution planning, and includes several projects in the later stages. We aim for a balanced pipeline, with a combination of next-generation, breakthrough projects and line extensions across our three platforms. We aim to engage customers at an early stage of the development cycle, which helps ensure we have the right technical and commercial strategy for each product.

Major new product launches

2

Adjusted sales in Asia Pacific and Latin America (excluding SPLENDA® Sucralose and Food Systems) as a percentage of total Speciality Food Ingredients adjusted sales

15%

Delivering growth in Asia Pacific and Latin America

We continued to invest in Asia Pacific and Latin America by acquiring businesses that will help accelerate our growth. In December 2014, we acquired a majority equity interest in Gemacom Tech, the leading domestically-owned food systems business in Brazil. Established in 1990, and strategically located close to the key markets of São Paulo, Rio de Janeiro and Belo Horizonte, Gemacom Tech has built a reputation for quality and customer service with its range of food quality standards and certifications. Its commitment to safety also makes the company an excellent partner for Tate & Lyle.

In Asia, we completed the acquisition of Winway Biotechnology Nantong Co., Ltd, a Chinese producer of polydextrose dietary fibre based in Nantong, China, and also re-purchased certain distribution rights to sell crystalline fructose directly to customers primarily in Asia Pacific.

Our investments in the higher growth Asia Pacific and Latin America have generated strong returns, with adjusted sales for the business, excluding SPLENDA® Sucralose and Food Systems, now representing 15% of total adjusted sales of Speciality Food Ingredients.

Providing stable long-term cash flow

We have continued to pursue a strategy to dampen volatility in our Bulk Ingredients division and deliver sustained cash generation. We have progressively re-positioned our US business such that tolling contracts (contracts often 12 months or longer, in which the customer pays a manufacturing margin and takes on the primary corn commodity price risk) now represent around 75% of US corn sweetener volumes. In Europe, where tolling is less common and sweetener prices are referenced to EU sugar prices, prices and margins are more volatile, particularly given the absence of an efficient futures market to hedge corn prices such as exists in the US. This price volatility, especially ahead of the reform of the EU Sugar Regime (which comes into effect from October 2017) and the future capital investment that this is expected to require, were key factors in our decision to substantially exit this business in Europe.

In light of the operational challenges experienced as a result of the prolonged and severe winter in the US in 2013/14, we have carried out a number of preventative measures to protect our plants from the effects of severe winter weather. These actions included the implementation of specific operating protocols as part of our plants' winterisation programme, as well as engaging with other industries that have significant operating experience in extreme cold conditions.

Sustainable cash generation from Bulk Ingredients to support Speciality Food Ingredients' growth is a critical element of our strategy. The actions we have taken to minimise manufacturing disruption, together with the investment made over the past few years in an expanded corn elevator storage network to further strengthen our security of supply, provide key underpins to this.

Percentage of US corn sweetener volumes in toll contracts

75%

How do we measure our performance?

	What do we measure?	Why we do we measure it?
Performance We focus on a number of financial performance measures to ensure that our strategy successfully delivers increased value for our shareholders. p8 Chief Executive's Review	**Adjusted sales of speciality food ingredients**	• To ensure we are successful in growing the division, which is the key area of strategic focus for the business. • Performance metric for the Annual Bonus Plan.
	Adjusted operating profit	• To track the underlying performance of the business and to ensure sales growth translates into increased profits. • Performance metric for the Annual Bonus Plan.
	Return on capital employed: adjusted operating profit divided by adjusted average invested operating capital[2] for continuing operations.	• To ensure that we continue to generate a strong rate of return on the assets that we employ and have a disciplined approach to capital investment. • Performance metric for the Performance Share Plan.
	Cash conversion cycle[3]: controllable working capital divided by quarterly sales, multiplied by the number of days in the quarter.	• To track how efficient we are in turning increased sales into cash and to ensure that working capital is managed effectively.
Financial strength We look at measures of financial strength to ensure that we maintain the financial flexibility to grow the business whilst maintaining investment-grade credit ratings. p28 Group Financial Results	**Net debt to EBITDA multiple[4]:** the number of times the Group's net borrowing exceeds its trading cash flow. EBITDA is earnings before exceptional items, interest, tax, depreciation and amortisation.	• To ensure that we have the appropriate level of financial gearing and that we generate sufficient profits to service over debt. These measures are a key focus for banks and providers of both debt and equity capital.
	Interest cover[4]: the number of times the Group's operating profit before exceptional items and amortisation of intangibles exceeds interest payments made to service its debt.	
Corporate responsibility[1] It is important that we act responsibly and consider carefully the impact our activities have on all stakeholders including employees, customers and the communities in which we operate. p37 Corporate Responsibility	**Recordable incident rate:** the number of injuries per 200,000 hours that require more than first aid, for employees and contractors.	• The safety of our employees and contractors is of paramount importance. Ensuring safe and healthy conditions at all our locations is essential to our operation as a successful business. • Safety performance is a specific consideration that the Remuneration Committee may factor into decisions on remuneration.
	Lost-work case rate: the number of injuries that resulted in lost-work days per 200,000 hours, for employees and contractors.	

1 Measured on a calendar year basis.

2 Defined as shareholders' equity excluding net debt, net tax assets/liabilities and net retirement benefit obligations.

3 Defined as controllable working capital divided by quarterly sales, multiplied by the number of days in the quarter on a four-quarter rolling basis (a reduction in the number of days represents an improvement).

How did we perform?

2015	**£908m**
2014	£983m
2013	£947m

Change
-4%
(constant currency)

Comment

Volume growth of 2% in Speciality Food Ingredients held back by supply constraints with value sales growth lower reflecting the pass through of lower corn prices and lower prices for SPLENDA® Sucralose.

2015	**£247m**
2014	£349m
2013	£356m

Change
-27%
(constant currency)

Both divisions were impacted by supply disruption costs and the lapping of one-off gains reported in the prior year. In addition to these factors, Speciality Food Ingredients, which was down 29%, was also impacted by lower selling prices for SPLENDA® Sucralose and Bulk Ingredients was also lower, down 19%, and was also impacted by weaker bulk sweetener prices in Europe.

2015	**13.9%**
2014	19.2%
2013	19.7%

Change
-5.3 ppts

Reduction mainly attributable to the lower adjusted operating profit in the year.

2015	**47 days**
2014	39 days
2013	42 days

Change
Worsened by
8 days

Higher inventory days as we rebuilt inventory and recovered from supply chain disruption and higher receivables days, partially offset by higher payables days. The Group has reviewed the appropriateness of Cash Conversion Cycle as its cash flow KPI, and concluded that Adjusted Group Operating Cash Flow[5] is a more effective measure of overall cash management. Accordingly, with effect from the 2016 financial year, we intend to replace Cash Conversion Cycle with Adjusted Group Operating Cash Flow as a Group KPI.

2015	**1.3x**
2014	0.8x
2013	1.0x

Change
Worsened by
0.5x

The worsening reflects both higher net debt, as we continue to invest in our Speciality Food Ingredients business, and lower earnings in the year as described under adjusted operating profit above. The ratio remains comfortably inside our internal maximum threshold of 2.0x.

2015	**10.7x**
2014	11.6x
2013	11.1x

Change
Worsened by
0.9x

Ratio remains comfortably inside our internal minimum threshold of 5.0x.

2014	**0.85**
2013	0.58
2012	0.85

2014	**0.32**
2013	0.13
2012	0.26

Our safety KPIs both increased in 2014, reflecting higher accident levels. We undertook a thorough review of safety management and accident prevention this year, including external safety audits at all our major sites, following a total of five fatalities during the last two calendar years. As a result, we have completely overhauled our safety programme and accident prevention arrangements at Group and site level. Further details are provided in the Chairman's Statement on page 6, the Chief Executive's Review on page 8 and the Corporate Responsibility section on page 37.

4 These ratios have been calculated under the Group's bank covenant definitions.

5 Defined as Adjusted Cash Flow from Continuing Operating Activities (excluding pensions, derivative financial instruments, tax, interest and acquisitions) less Capital Expenditure.

How did the division perform this year?

"Although constrained by the impact of internal supply chain disruption, we delivered volume growth in all regions except North America, with particularly strong volume growth in Asia Pacific."

Joan Braca
President, Speciality Food Ingredients

PERFORMANCE

Building a platform for future growth

GROUP FINANCIAL SUMMARY

Adjusted sales

£908m

Adjusted operating profit

£149m

Starch-based speciality ingredients
Adjusted sales

£562m

High-intensity sweeteners
Adjusted sales

£162m

Food Systems
Adjusted sales

£184m

1 Source: Leatherhead; LMC International; Company analysis; data as at 2013.
2 Source: Innova Market Insights. Definition: product launches that have at least one of these claims – convenient consumption, easy-to-prepare, ready prepared, time saving.
3 Source: Innova Market Insights. Definition: product launches claiming no additives/preservatives, natural, organic, and/or without genetically modified organisms (non-GMO).

	Year ended 31 March		Change	
	2015 £m	2014 £m	Reported	Constant currency
Adjusted sales	**908**	983	(8)%	(4)%
Adjusted operating profit	**149**	213	(30)%	(29)%
Adjusted operating margin	**16.4%**	21.7%	(5.3)ppts	

Market conditions and trends

The global market for speciality food ingredients is worth around US$42 billion[1], approximately half of which we currently address. The areas of the market where we compete continue to benefit from strong underlying global consumer trends including convenience, health and wellness, natural and 'clean label'.

Changes in consumer lifestyles have increased the demand for packaged and convenience foods, for consumption both at home and 'on the go'. In the 2014 calendar year, product launches with a 'convenient' claim were nearly 50% higher than three years previously[2]. Convenience products are also increasingly catering to consumer demands for healthier foods, with 77% of global convenience product launches in 2014 also making a 'health and wellness' claim[2]. Demand for convenience is a global trend, with demand growing in developed markets, as well as in developing markets with increasing urbanisation and associated lifestyle changes. Convenience foods are a key driver for speciality food ingredients that provide functionality such as stability, texture and extended shelf-life.

The rising incidence of diabetes and obesity in both developed and developing markets is one of a number of global health concerns driving both consumers and governments to focus on the link between diet and health. In response to heightening consumer awareness, manufacturers are responding to the demand for 'healthier' products. In addition to products which address sugar, calorie and weight management, consumers are also increasingly seeking solutions for digestive health, including fibre-enhanced products, and for heart health including lower sodium products.

In response to increasing consumer demand for more natural products across a wide range of categories, and to concerns around the provenance of finished and unfinished goods, and ingredient labelling, food and beverage manufacturers are launching more 'clean-label' products. Around 25% of all new products launched globally in 2014 were positioned as label-friendly[3].

Against the backdrop of continuing challenging macroeconomic conditions in many countries and tighter household budgets, cost optimisation also continues to be a theme with food and beverage customers looking at ways to reduce costs and provide more value-based alternatives for consumers without compromising taste.

Our Speciality Food Ingredients business, with its deep technical expertise and portfolio of sweetener, texturising and health and wellness products, supplemented by new products launched from the innovation pipeline, is well-placed to benefit from these global consumer trends.

Financial performance

Within Speciality Food Ingredients, volumes grew by 2%. Although constrained by the impact of supply chain disruption, we delivered volume growth in all regions except North America. We estimate supply disruption impacted volume growth by approximately three to four percentage points. Adjusted sales decreased by 8% (4% lower in constant currency) to £908 million (2014 – £983 million) reflecting the pass through of lower corn prices and the lower prices for SPLENDA® Sucralose.

Adjusted operating profit was lower than the prior year (down 29% in constant currency) at £149 million (2014 – £213 million) mainly as a result of lower selling prices for SPLENDA® Sucralose and the impact of supply chain disruption. The prior year also included the majority of the £6 million one-off gain from the purchase, sale and leaseback of our building in Hoffman Estates, Illinois, and £7 million representing the final annual payment received from McNeil Nutritionals as part of the re-alignment of the sucralose business in 2004. The effect of currency translation was to decrease adjusted operating profit by £5 million.

Volume from new products nearly doubled in the year and adjusted sales reached £43 million or around 5% of total adjusted sales for the Speciality Food Ingredients division.

This division comprises three broad product categories: starch-based speciality ingredients, high-intensity sweeteners, and Food Systems.

Starch-based speciality ingredients

In starch-based speciality ingredients, adjusted sales decreased by 5% (3% in constant currency) to £562 million (2014 – £595 million). Volumes increased by 1% despite supply constraints, with strong growth in Asia Pacific and particularly strong demand for texturants. The lower value of sales reflects the impact of passing through the significant lower corn prices following the record 2013/14 corn crop.

In food starches we saw overall volume growth, with strong growth in Asia Pacific, particularly in dairy applications, and broad-based European growth offset by North America where volume was particularly constrained.

In speciality corn sweeteners, volume was lower due to supply constraints. We saw good growth in Asia Pacific, where our business also benefited from the decision in December to terminate distribution rights previously held by a third party to sell our crystalline fructose primarily in the region. Volume for fibres was slightly lower than the comparative period due to supply constraints.

During the year we completed the acquisition of Winway Biotechnology Nantong Co., Ltd. a polydextrose fibre business in China. We also launched two major new products – the new CLARIA® Functional Clean-Label Starches and DOLCIA PRIMA™ Allulose, a low-calorie sugar.

High-intensity sweeteners

Adjusted sales in this product category, which comprises SPLENDA® Sucralose and our no-calorie natural sweeteners, were 18% lower than the prior year (15% lower in constant currency) at £162 million (2014 – £198 million) driven primarily by SPLENDA® Sucralose price declines. Volumes were 1% higher.

Food Systems

Adjusted sales were 3% lower than the prior year (4% higher in constant currency) at £184 million (2014 – £190 million), with volumes 15% higher. In December, we acquired a majority equity interest in Gemacom, the leading domestically-owned food systems business in Brazil, thereby adding to our Food Systems presence in the higher growth Latin American region. Excluding Gemacom, and on a constant currency basis, adjusted sales and profit were in line with the prior year, with the business continuing to benefit from the decision taken two years ago to focus on higher margin blends.

How did the division perform this year?

"In the Americas, bulk corn sweetener volumes decreased by 2%. This was due to supply constraints driven by the unusually prolonged and severe 2013/14 winter in the US which caused operational difficulties in our US plants and led us to enter the 2015 financial year with much lower inventories than usual."

Jim Stutelberg
President, Bulk Ingredients

PERFORMANCE

Managing supply constraints and commodity volatility

GROUP FINANCIAL SUMMARY

Adjusted sales
£1,786m

Adjusted operating profit
£133m

Sweeteners
Adjusted sales
£831m

Industrial starches, acidulants and ethanol
Adjusted sales
£543m

Co-products
Adjusted sales
£412m

1 USDA is the US Department of Agriculture.
2 Source: IRI Infoscan Reviews, Total US Multi-Outlet+ Convenience (FDM, WMT, Dollar Club, Convenience Stores).
3 Source: US Census Bureau, HTS Export data.

	Year ended 31 March		Change	
	2015 £m	2014 £m	Reported	Constant currency
Adjusted sales	**1 786**	2 164	(17)%	(14)%
Adjusted operating profit	**133**	172	(23)%	(19)%
Adjusted operating margin	**7.4%**	7.9%	(0.5)ppts	

Market conditions and trends

The 2014/15 corn harvest in the US delivered a record crop with production slightly higher than the previous harvest which itself was a record crop. The stocks-to-use ratio remains healthy at around 13%. As a result, US corn prices trended lower through the first half, and market prices were low at an average of about $4 a bushel in the second half. The latest production estimate for the 2015/16 corn harvest from the USDA[1] is 13.6 billion bushels or 4% lower than the previous year. However, corn supplies in 2015/16 are projected at a record 15.5 billion bushels, up slightly from the previous year, as higher opening stocks more than offset lower production.

Demand in the US for regular carbonated soft drinks, a key end-market for high fructose corn syrup (HFCS), recovered in summer 2014 following weak demand in the prior year. In the three-month period to end June 2014, regular carbonated soft drinks sales in the US grew by 1.4%[2] against the weaker comparative period, with sales volume over the full year 0.1% higher. However, the prolonged and severe 2013/14 US winter caused operational and supply chain challenges across the industry through the first half of the 2014 calendar year which, when combined with relatively firmer beverage demand, led to tight supply of bulk sweeteners. Despite the more stable demand in the 2015 calendar year, we continue to regard the US market for regular carbonated soft drinks to be in gradual, long-term structural decline.

Low Mexican sugar prices and the introduction, in January 2014, of calorie consumption taxes resulted in a 6%[3] volume reduction in exports of US HFCS to Mexico in the 2014 calendar year.

Sugar prices in Europe, which provide a reference price for our European bulk sweeteners, declined markedly reflecting volatile market conditions in anticipation of the reform of the EU Sugar Regime in October 2017.

The North American paper industry, a key source of demand for industrial starches, experienced healthy utilisation rates with a continued decline in printing and writing paper demand offset by growth in packaging and tissue. In Europe, whilst additional starch capacity, particularly from wheat plants, entered the market, a robust packaging sector helped mitigate this impact.

Conditions in the US ethanol industry deteriorated sharply in the second half of the financial year on the back of US ethanol inventories rising to a three-year high towards the end of the 2015 financial year, and lower retail gasoline prices.

Two consecutive strong corn crops in the US have led to a healthy supply situation. During the first half, as the strength of the 2014/15 harvest became more evident, prices for co-products fell, with corn gluten meal and corn gluten feed both ending the first half at significantly lower prices. During the second half, prices were more stable.

Financial performance

Adjusted sales were 17% lower (14% lower in constant currency) at £1,786 million (2014 – £2,164 million) largely due to the pass through of lower corn prices. Volumes decreased by 2%. Adjusted operating profit was 23% lower (19% lower in constant currency) at £133 million (2014 – £172 million) as a result of supply chain issues caused by the unusually prolonged and severe 2013/14 winter in the US, and lower EU sugar prices which affected bulk sweetener prices in Europe. We were also impacted by capacity constraints in the wider US transportation network. The prior year also included a one-off gain of £3.5 million from the on-sale of Orsan China (a monosodium glutamate producer in which Tate & Lyle previously held a stake and which was sold in 2009). The effect of currency translation was to decrease adjusted operating profit by £7 million.

This division comprises three product categories: bulk sweeteners; industrial starches, acidulants and ethanol; and co-products.

Bulk sweeteners

In the Americas, bulk corn sweetener volumes decreased by 2%. This was due to supply constraints driven by the unusually prolonged and severe 2013/14 winter in the US which caused operational difficulties in our US plants and led us to enter the 2015 financial year with much lower inventories than usual. Adjusted sales decreased by 20% (down 17% in constant currency) to £711 million (2014 – £889 million) as a result of the lower volumes and the significant reduction in corn prices following the record corn crop. The supply constraints resulted in profits well below the prior year. We have increased tolling contracts to around 75% of US corn sweetener volumes as another vehicle to dampen volatility. Contracts in the 2015 calendar year pricing round for the remaining 25% of corn sweetener volumes were renewed at higher unit margins.

Operating profits from Almex, our Mexican joint venture, were lower than the comparative period reflecting reduced volumes and lower margins as a result of greater competition from Mexican sugar.

In Europe, bulk corn sweetener volumes increased by 3% while adjusted sales declined by 19% (11% in constant currency) to £120 million (2014 – £148 million), as lower EU sugar pricing (which sets the reference price for isoglucose in Europe) and the pass through of lower EU corn prices impacted sales. Profits for the year were below the prior year due to the impact of lower EU sugar pricing in the second half.

Industrial starches, acidulants and ethanol

Adjusted sales were 14% lower than the comparative period (down 12% in constant currency) at £543 million (2014 – £635 million).

In industrial starches, volumes were 3% lower. In the US, where we contract for longer periods than in Europe, profit was ahead of the prior year as a result of firmer pricing and favourable product mix, more than offsetting lower volumes. In Europe, lower volumes, reflecting the continued diversification of capacity to Speciality Food Ingredients along with the pricing pressure from increased industry capacity, drove a decrease in profits. This business remains particularly sensitive to changes in the macroeconomic environment.

Profit in our citric acid business was lower than the prior year, with reduced volumes partially mitigated by higher selling prices. The performance of our Bio-PDO™ joint venture improved in the year as a result of slightly higher volumes and lower corn costs.

In US ethanol, the sharp deterioration in margins reduced profits in the second half of the year largely offsetting improved market conditions and a stronger profit performance earlier in the year. Overall performance for the year was somewhat stronger than the prior year.

Co-products

Sales of co-products decreased by 16% (13% in constant currency) to £412 million (2014 – £492 million). Overall returns on co-products were broadly in line with our expectations at the start of the year.

How would you sum up the financial position?

"Despite a challenging year our balance sheet remains robust and allows us to continue investing in growing our Speciality Food Ingredients business."

Financial headlines

- Group adjusted profit before tax in line with February guidance, 30% lower at £224m (2014 – £322m):
  - Costs from operational and supply chain disruption of £20m
  - SPLENDA® Sucralose adjusted operating profit lower by £46m (£43m in constant currency)
  - European Bulk Ingredients adjusted operating profit lower by £17m
- Speciality Food Ingredients adjusted operating profit 29% lower in constant currency at £149m (2014 – £213m)
- Bulk Ingredients adjusted operating profit 19% lower in constant currency at £133m (2014 – £172m)
- Proposed final dividend held at 19.8p, making a total dividend of 28.0p (2014 – 27.6p), up 1.4% on prior year

Adjusted sales from continuing operations of £2,694 million (2014 – £3,147 million) were 14% lower than the prior year (11% in constant currency). Sales in Speciality Food Ingredients decreased by 8% (4% in constant currency) to £908 million (2014 – £983 million), with volumes increasing by 2%. Sales in Bulk Ingredients decreased by 17% (14% in constant currency) to £1,786 million (2014 – £2,164 million), with volumes 2% lower.

Adjusted operating profit decreased by 29% (27% in constant currency) to £247 million (2014 – £349 million). In Speciality Food Ingredients, adjusted operating profit was 30% lower (down 29% in constant currency) than the prior year at £149 million (2014 – £213 million). Bulk Ingredients adjusted operating profit decreased by 23% (19% in constant currency) to £133 million (2014 – £172 million).

Five key factors have combined to reduce adjusted operating profit by £97 million in this financial year. Firstly, on a constant currency basis, the adjusted operating profit of our SPLENDA® Sucralose business was lower by £43 million due principally to price erosion in an extremely competitive market. The second significant factor was the impact of the operational and supply chain disruption which led to costs totalling around £20 million in the year. These costs exclude the impact of lost sales which constrained volume growth in Speciality Food Ingredients in the year by approximately three to four percentage points. Thirdly, adjusted operating profit in our Bulk Ingredients business in Europe was £13 million lower than the previous financial year as pricing for EU sugar, which provides the reference price for isoglucose in Europe fell, and the 2014 financial year included a

Summary of financial results

Year ended 31 March	2015 £m	Restated[1] 2014 £m	Change (reported) %	Change (constant currency) %
Continuing operations				
Adjusted sales	**2 694**	3 147	(14%)	(11%)
Adjusted operating profit	**247**	349	(29%)	(27%)
Adjusted net finance expense	**(23)**	(27)		
Adjusted profit before tax	**224**	322	(30%)	(28%)
Exceptional items	**(142)**	(14)		
Amortisation of acquired intangible assets	**(9)**	(10)		
Net retirement benefit interest	**(8)**	(8)		
Share of tax of joint ventures and associates	**(14)**	(13)		
Profit before tax	**51**	277	(82%)	(81%)
Income tax expense	**(21)**	(32)		
Profit for the year from continuing operations	**30**	245	(88%)	(87%)
Profit for the year from discontinued operations	**–**	28		
Profit for the year	**30**	273	(89%)	(88%)
Earnings per share – continuing operations				
Basic	**6.6p**	52.8p		
Diluted	**6.5p**	52.1p	(88%)	(87%)
Adjusted earnings per share – continuing operations				
Basic	**38.0p**	56.5p		
Diluted	**37.7p**	55.7p	(32%)	(29%)
Dividends per share				
Interim paid	**8.2p**	7.8p	5.1%	
Final proposed	**19.8p**	19.8p	0%	
	28.0p	27.6p	1.4%	
Net debt at 31 March	**504**	353		

1 Restated for the adoption of IFRS 11 'Joint Arrangements'

one-off gain from the on-sale of Orsan China, a business in which we previously held a stake and which was sold in 2009. In addition, adjusted operating profit for the year ended 31 March 2014 included a number of further one-off gains totalling £9 million, the largest item of which was the profit of £6 million on the purchase, sale and leaseback of our Hoffman Estates building in Chicago. Finally, foreign exchange translation also reduced adjusted operating profit by £12 million.

Adjusted net finance expense (excluding net retirement benefit interest) decreased from £27 million to £23 million following the repayment of our $500 million bond in November 2014.

Adjusted profit before tax was 30% lower (28% in constant currency) than last year decreasing from £322 million in 2014, to £224 million in 2015. Adjusted diluted earnings per share decreased by 32% (29% in constant currency) to 37.7p (2014 – 55.7p).

On a statutory basis, profit before tax from continuing operations decreased by 82% (down 81% in constant currency) to £51 million (2014 – £277 million) and reflects £142 million of exceptional costs, primarily the £113 million impairment charge in respect of the Singapore sucralose plant. Profit for the year from total operations decreased to £30 million (2014 – £273 million), with the prior period benefiting from an exceptional income tax credit of £28 million following the favourable resolution of outstanding tax matters in Spain.

Central costs

Central costs, which include head office, treasury and reinsurance activities, decreased by £1 million to £35 million. One-off costs in the first half of the 2015 financial year (primarily driven by captive insurance costs relating to the impact of the Singapore extended shut down) were offset by lower share-based payments charges.

Exceptional items from continuing operations

During the year the Group recognised an exceptional charge of £142 million, comprising £12 million of business transformation costs associated with completing the implementation of the common global IS/IT system; £12 million to terminate distribution rights previously held by a third party to sell our crystalline fructose to customers primarily in Asia Pacific; and £118 million of costs associated with the business re-alignment exercise announced on 21 April 2015. Further detail can be found in Note 6 to the Group Financial Statements.

Net finance expense

After excluding net retirement benefit interest, adjusted net finance expense from continuing operations decreased to £23 million (2014 – £27 million) with a reduction in underlying net interest expense following the repayment of our $500 million bond in November 2014.

Taxation

Our tax policy is to manage our obligations in compliance with all relevant tax laws, disclosure requirements and regulations. We seek to ensure that our approach to tax and the tax payments we make in all territories in which we have operations are fully consistent with local requirements, taking into account available tax incentives and allowances, and are aligned with the Group's wider business strategy.

We seek to develop good, open working relationships with tax authorities and to engage with them proactively, recognising that tax legislation can be complex and may be subject to differing interpretations. In instances where this might arise, we seek to engage with the relevant tax authorities in open discussion of any such differences as early as possible to remove uncertainty and obtain resolution.

Tate & Lyle's tax strategy and the management of tax risk is primarily the responsibility of the Chief Financial Officer and the Vice President, Group Tax and it is reviewed by the Board and the Audit Committee to ensure responsible tax practices are maintained across the Group's businesses.

Our tax rate is sensitive to the geographic mix of profits and reflects a combination of higher rates in certain jurisdictions such as the US, nil effective rates in Singapore (due to pioneer status which we were granted in 2008 to reflect our investment in innovative technology) and the UK, and rates that lie somewhere in between, for example, in certain East European countries. The adjusted effective tax rate for the year

Group Financial Results continued

increased to 21.2%. (2014 – 18.5%), driven by the geographic mix in profits shifting away from lower tax jurisdictions, notably Singapore, partially offset by the settlement of some outstanding tax issues in the year which benefited the headline rate by around 100 basis points. As a result of the continued shift in geographic mix of our profits, we anticipate that the effective tax rate in the 2016 financial year will be slightly above the underlying 2015 rate.

Our UK earnings are now relatively small following the sale of our legacy sugars and molasses businesses. Less than 1% of our total Group sales (2015 – £21 million) are derived from UK operations which are offset by our corporate costs, primarily the interest we pay on our borrowings. As a result, we pay no corporation tax in the UK.

Discontinued operations and legacy issues

The Group did not report any operations as being discontinued during the year ended 31 March 2015. Continuing operations include the results of Eaststarch which is not treated as a discontinued operation for the financial year ended 31 March 2015. During the year ended 31 March 2014, the Group recognised a non-cash exceptional income tax credit of £28 million following the favourable resolution of outstanding tax matters associated with the starch facilities which formed part of the Group's former Food and Industrial Ingredients, Europe segment.

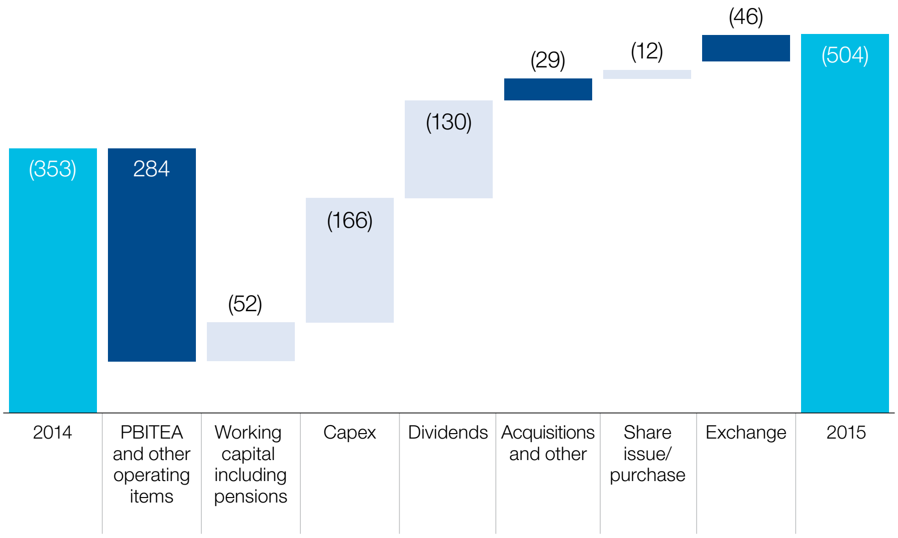
Earnings per share

Adjusted diluted earnings per share from continuing operations at 37.7p (2014 – 55.7p) were 32% lower (29% in constant currency). Adjusted basic earnings per share from continuing operations decreased by 33% (down 30% in constant currency) to 38.0p. Total basic earnings per share decreased to 6.6p (2014 – 58.8p).

Dividend

The Board recognises the importance of dividends to shareholders and remains committed to the dividend policy it implemented in 2009. Underpinned by the confidence it has in the strategy of the business, the Board intends to recommend an unchanged final dividend of 19.8p (2014 – 19.8p) making a full-year dividend of 28.0p (2014 – 27.6p) per share, an increase of 1.4% on the prior year. Subject to shareholder approval, the proposed final dividend will be due and payable on 31 July 2015 to all shareholders on the Register of Members on 3 July 2015. In addition to the cash dividend option, shareholders will continue to be offered a Dividend Reinvestment Plan (DRIP) alternative.

Net debt



Net debt

Net debt increased to £504 million (2014 – £353 million). Adjusted free cash flow from continuing businesses of £66 million was offset by dividend payments of £130 million and the repurchase of ordinary shares to satisfy the Group's share option schemes. An adverse exchange rate impact increased net debt by £46 million (including £7 million from joint ventures) principally as a result of the stronger US dollar. During the year, net debt peaked at £567 million in January 2015 reflecting the normal seasonal increase in payments to farmers in the US. The average net debt was £404 million, an increase of £32 million from £372 million in the prior year.

Retirement benefits

We maintain pension plans for our employees in a number of countries. Some of these arrangements are defined pension schemes and, although we have now closed the main UK scheme and the US salaried hourly paid schemes to future accrual at most locations, certain obligations remain. In the US, we also provide medical benefits as part of the retirement package.

The net deficit on our retirement benefit and health plans increased by £7 million to £227 million (2014 – £220 million): the net deficit on the Group's pension plans decreased by £8 million; and the liabilities associated with unfunded retirement medical plans in the US increased by £15 million.

The main UK pension scheme showed a reduction in liability of £52 million where the impact of a lower discount rate was more than offset by the return on assets and Company cash contributions. The liability associated with the US pension plan increased by £42 million with the impact of the longer mortality assumptions and lower discount rate partially offset by the return on assets and Company contributions. Other plan liabilities increased by £2 million.

The liabilities associated with unfunded retirement medical plans in the US increased by £15 million to £69 million (2014 – £54 million) due to the adverse effect of exchange translation (£6 million), and a decrease in the applicable discount rate and higher claims experience (£9 million).

Employer contributions in respect of pension and post retirement schemes totalled £52 million (2014 – £47 million), comprising £28 million in respect of the main UK schemes, £1 million in respect of the other UK schemes, £19 million in respect of US pension schemes and £4 million in respect of US retirement medical plans.

As previously announced, the funding arrangements in connection with the 31 March 2013 actuarial valuation for the main UK Scheme were agreed with the Scheme Trustee during the year. Under the new arrangements core funding contributions remain at £12 million per year. A new secured funding account was established, whereby supplementary contributions of £6 million per year will be made during the first six years, payable to the Trustee on certain triggering events such as under-performance of the Scheme's investments or a deterioration in the strength of Tate & Lyle PLC's financial covenant. The first two annual payments amounting to £12 million were credited to the secured funding account upon its establishment in October 2014 and have been accounted for as additional contributions to the Scheme in the second half of the year.

New supplementary disclosure framework and pro-forma adjustment for Eaststarch re-alignment

To provide more details on our business performance, in addition to the segmental disclosure required under IFRS (which remains unchanged), and given the evolving nature of the business including the changes announced in April, we intend to disclose additional information regarding the performance within our operating segments. We believe the revised approach will provide a clearer understanding of the drivers of performance; better highlight the impact of commodity volatility on performance; and drive a greater understanding of the sustainable growth potential of the business.

For Speciality Food Ingredients, we will disclose our business through the major components of SPLENDA® Sucralose, our full Food Systems business and the rest of the business. For these, we will disclose volume growth as a percentage, adjusted sales in millions of pounds, and adjusted operating profit in £ millions. We will provide additional information on the geographical split of the business excluding Food Systems and SPLENDA® Sucralose, specifically North America, the combination of Asia Pacific and Latin America, and Europe, Middle East and Africa (EMEA). For these geographic regions we will disclose volume growth as a percentage and adjusted sales in £ millions. On the same basis, to provide greater insight into the progress we are making on innovation, we will also disclose innovation-related growth within Speciality Food Ingredients.

For Bulk Ingredients, we will disclose the performance of the division as a single segment, but also provide volume growth for the key North American bulk sweetener and North American industrial starches businesses as we believe volume growth rather than sales value is the key metric for the business, with sales values being clouded by the pass through of corn costs. We also want to give greater insight into the impact that commodities volatility has on this business. We aim to dampen volatility in Bulk Ingredients wherever we can. We actively do this through raw material hedging, the use of tolling contracts and decisions on forward co-product sale commitments. As a result, for most of our business we are generally able to generate solid cash flows. However, there are some parts of the business, mainly in ethanol and co-product pricing, where our ability to dampen volatility is limited and no viable hedging options exist. While we expect conditions in the commodity markets will vary from year to year, for these commodities our approach will continue to be to plan for a normal year, and we will provide guidance as the year progresses on the expected impact of these commodities on the performance of Bulk Ingredients.

In the new supplementary disclosure framework information for the year ended 31 March 2015, which is presented on a pro-forma basis, Group adjusted sales and adjusted operating profit have been reduced by £101 million and £32 million respectively to reflect the pro-forma impact of re-alignment of the Eaststarch European joint venture, assuming that the transaction had taken effect from 1 April 2014.

Pro-forma financial information[1] (unaudited)

	Year ended 31 March 2015		
	Volume growth %	Adjusted sales £m	Adjusted operating profit £m
Speciality Food Ingredients			
North America	**(2)%**	317	
Asia Pacific and Latin America	**5%**	140	
EMEA	**7%**	133	
Total excluding SPLENDA® Sucralose and Food Systems	**1%**	**590**	**108**
Food Systems[2]	**15%**	190	27
SPLENDA® Sucralose	**1%**	148	16
Total Speciality Food Ingredients	**2%**	**928**	**151**

In the year ended 31 March 2015, volume of Innovation products grew by 98% and adjusted sales were £43 million, which are also included in Speciality Food Ingredients pro-forma information above. Reflecting the time taken to commercialise new products for the food and beverage industry, Innovation includes the results of new products in their first seven years after launch.

Pro-forma financial information[1] (unaudited)

	Year ended 31 March 2015		
	Volume growth %	Adjusted sales £m	Adjusted operating profit £m
Bulk Ingredients			
North American bulk sweeteners	**(1)%**		
North American industrial starches	**(2)%**		
Total Bulk Ingredients	**(3)%**	**1,665**	**99**

Pro-forma financial information[1] (unaudited)

	Year ended 31 March 2015 £m
Adjusted operating profit	215
Adjusted net finance expense	(22)
Adjusted profit before tax	**193**
Adjusted diluted earnings per share	32.2p

The pro-forma results for the year ended 31 March 2015 above, including the adjusted profit before tax of £193 million, assume the transaction to re-align Eaststarch had taken effect from 1 April 2014. Looking forward, and to provide a direct and consistent pro-forma comparative for the year ending 31 March 2016, adjustment to the pro-forma 31 March 2015 adjusted profit before tax is required to align foreign exchange rates and to include profits for the first quarter to 30 June (reflecting a modelling assumption that the Eaststarch transaction will complete on that date). Taking these items into account the adjusted profit before tax for the year ended 31 March 2015 on a consistent basis becomes £208 million[3], having increased pro-forma profit by £7 million to align to prevailing foreign exchange rates and by adding back £8 million to reflect the first quarter's results of Eaststarch.

1 Pro-forma assuming the transaction to re-align Eaststarch had taken effect from 1 April 2014.
2 Includes £6 million sales of some non-blended products through the Food Systems organisation.
3 Assumes forecast foreign exchange rate of GBP:USD £1.00:$1.54 and completion of the transaction on 30 June 2014.

Group Financial Results continued

Assets

Gross assets of £2,423 million at 31 March 2015 were £45 million lower than the prior year on a statutory basis, with capital expenditure above depreciation and the positive impact of the strengthening US dollar more than offset by lower levels of cash and cash equivalents and the impairment of the Singapore sucralose facility. Net assets decreased by £114 million to £936 million, with profits generated in the year being more than offset by dividend payments and share re-purchases.

Cash flow

Adjusted operating cash flow from continuing operations was £279 million (2014 – £440 million). Working capital was broadly flat in the 2015 financial year, as higher inventories (driven by an increase in finished goods) and higher receivables were broadly offset by higher payables. The cash flow impact from the Group's retirement benefit plans amounted to £47 million (2014 – £43 million).

	Year ended 31 March 2015 £m	2014 £m
Adjusted operating profit from continuing operations	**247**	349
Adjustments for:		
Depreciation and amortisation	**113**	108
Share-based payments charge	**–**	8
Other non-cash items	**–**	(6)
Cash expenditure on exceptional items	**(29)**	(14)
Changes in working capital	**(5)**	38
Net retirement benefit obligations	**(47)**	(43)
Adjusted operating cash flow	**279**	440
Capital expenditure	**(166)**	(159)
Adjusted operating cash flow less capital expenditure	**113**	281
Net Interest and tax paid	**(47)**	(54)
Adjusted free cash flow	**66**	227

Capital expenditure of £166 million, which included a £34 million investment in intangible assets, was 1.5 times the depreciation and amortisation charge of £113 million. Net interest paid decreased by £2 million to £29 million, principally as a result of the repayment of our $500 million bond in November 2014. Net income tax payments were £18 million (2014 – £23 million).

Adjusted free cash inflow (representing cash generated from continuing operations after working capital, interest, taxation, and capital expenditure) at £66 million was £161 million lower than the prior year largely as a result of lower earnings and working capital (£5 million outflow from working capital versus a £38 million inflow in the prior year).

During the year we spent £12 million on the repurchase of ordinary shares to satisfy obligations under share option schemes. Parent Company cash dividends paid were £130 million, £6 million higher than the prior year.

Post balance sheet events

On 21 April 2015, the Group announced a major business re-alignment to further focus on and strengthen our Speciality Food Ingredients segment. The re-alignment includes the restructuring of our Eaststarch European joint venture and steps to re-focus and restructure our SPLENDA® Sucralose business. Further detail and pro-forma financial information can be found on page 31.

Financial risk factors

Our key financial risk factors are market risks, such as foreign exchange, transaction and translation exposures, and credit and liquidity risks, as explained in Note 20.

Off balance sheet arrangements

In the ordinary course of business, to manage our operations and financing, we enter into certain performance guarantees and commitments for capital and other expenditure. The aggregate amount of indemnities and other performance guarantees, on which no material loss has arisen, including those related to joint ventures and associates, was £nil million at 31 March 2015 (2014 – £1 million). We aim to optimise financing costs in respect of all financing transactions. Where it is economically beneficial, we choose to lease rather than purchase assets. Leases for property, plant and equipment where the lessee does not assume substantially all the risks and rewards of ownership are treated as operating leases, with annual rentals charged to the income statement over the term of the lease. Commitments under operating leases to pay rentals in future years totalled £194 million (2014 – £174 million) and related primarily to railcar leases in the US. Rental charges for the year ended 31 March 2015 in respect of continuing operations were £18 million (2014 – £17 million).

Use and fair value of financial instruments

In the normal course of business we use both derivative and non-derivative financial instruments. The fair value of Group net borrowings at the year end was £528 million against a book value of £504 million (2014 – fair value £387 million; book value £353 million). Derivative financial instruments used to manage the interest rate and currency of borrowings had a fair value of £18 million asset (2014 – £29 million asset).

The main types of instrument used are interest rate swaps, interest rate options (caps or floors), and cross-currency interest rate swaps. The fair value of other derivative financial instruments hedging future currency and commodity transactions was £4 million liabilities (2014 – £1 million assets). When managing currency exposure, we use spot and forward purchases and sales, and options. The fair value of other derivative financial instruments accounted for as held for trading was a £38 million asset (2014 – £20 million asset).

Fair value estimation

The fair value of derivative financial instruments is based on the market price of comparable instruments at the balance sheet date if they are publicly traded. The fair value of the forward currency contracts was determined based on market forward exchange rates at the balance sheet date. The fair values of short-term deposits, receivables, payables, loans and overdrafts with a maturity of less than one year are assumed to approximate their book values. The fair values of bonds, bank and other loans, including finance lease liabilities due in more than one year, are estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments, adjusted for the fair valuation effects of currency and interest rate risk exposures, where those instruments form part of related hedging relationship agreements, financial and commodity forward contracts and options, and commodity futures. The values of certain items of merchandisable agricultural commodities that are included in inventories are based on market prices.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in this Strategic Report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the same sections. In addition, Note 20 includes the Group's objectives, policies and processes for managing capital; financial risk management objectives; details of financial instruments and hedging activities; and exposures to credit risk and liquidity risk.

As set out in the sections and Notes referenced above, the market conditions of the areas in which the Group operates have been affected, and are likely to continue to be affected, by large movements in input prices. However, with some 70% of revenues from food and beverage ingredients, the Group has a measure of resilience (although not immunity) to economic challenges. In addition, the Group has access to considerable financial resources through its facilities as described in Note 20. In making their assessment of the going concern basis, the Directors have reviewed the maturities of these facilities, the headroom available from them and the Group's ability to meet the covenant requirements of certain of them. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing this Annual Report.

Basis of preparation

At the beginning of the year, the Group adopted IFRS 11 'Joint Arrangements'. While not affecting the Group's profit for the year or net assets, the adoption has affected a number of the individual line items disclosed in the Group's financial statements. Previously, the Group had accounted for interest in joint ventures on a proportionate consolidation basis, whereby the Group's share of the income and expenses, assets and liabilities and cash flows of joint ventures was combined on a line-by-line basis with those of Tate & Lyle PLC and its subsidiaries. IFRS 11 prohibits the use of proportionate consolidation and requires that joint ventures are accounted for using the equity method of accounting. Under the equity method of accounting, the Group's share of the after-tax profits and losses of the joint ventures is shown on a single line of the consolidated income statement; its share of their net assets is shown on one line of the consolidated statement of financial position; and the consolidated statement of cash flows reflects cash flows between the Group and the joint ventures within cash flows from investing activities. Trading balances with joint ventures and associates are included within current payables or receivables. Accordingly, the Group has restated comparative financial information where appropriate. The Group also adopted IFRS 12 'Disclosures of Interests in Other Entities' at the beginning of the year, which stipulates enhanced disclosure requirements for non-controlling interests, joint ventures, and associates. Enhanced disclosure of the Group's joint-venture holdings and associates can be found in Note 16 to the Financial Statements. There are no material non-controlling interests in the Group.

With the exception of the changes arising from the adoption of IFRS 11 and IFRS 12 the Group's principal accounting policies are unchanged compared with the year ended 31 March 2014.

Adjusted performance measures

We report adjusted performance measures because they provide both management and investors with valuable additional information on the performance of the business. The Group has presented adjusted financial information on a proportionate consolidation basis, as this reflects the management of its joint ventures on an integrated basis with the Group's subsidiaries, and the basis upon which management information is reported to the Board (the designated Chief Operating Decision Maker). Accordingly, performance measures such as adjusted sales, adjusted operating profit, adjusted profit before tax and adjusted diluted earnings per share are unaffected by the adoption of IFRS 11.

In addition to the adjustment for proportionate consolidation, the following items are excluded from these adjusted measures:

- Exceptional items (Note 6)
- Amortisation of intangible assets acquired through business combinations
- Net retirement benefit interest (Note 9)
- Tax on the adjusting items (Note 10)
- Results of discontinued operations (Note 11).

This adjusted information is used internally for analysing the performance of the business. A reconciliation of reported and adjusted information is included in Note 41.

Impact of changes in exchange rates

In comparison to the prior year, the Group's reported financial performance was adversely affected by currency translation. A weakening of the average US dollar and euro exchange rates against sterling has reduced profits. The movement in period-end exchange rates, particularly the strengthening US dollar, led to an increase in net debt as a result of the translation of dollar-denominated debt. The average and closing exchange rates used to translate reported results were as follows:

	Average rates		Closing rates	
	2015	2014	**2015**	2014
US dollar:sterling	**1.61**	1.59	**1.49**	1.67
Euro:sterling	**1.28**	1.19	**1.38**	1.21

Nick Hampton
Chief Financial Officer

How do we effectively manage the risks we face?

Tate & Lyle is exposed to a number of risks which could have a material adverse effect on our reputation, operations and financial performance.

The Board has overall responsibility for the Group's system of risk management and internal control. The schedule of matters reserved to the Board ensures that the Directors control, among other matters, all significant strategic, financial and organisational risks.

Approach

Annual process to identify risks

The Group-wide risk management and reporting process helps us to identify, assess, prioritise and mitigate risk. It follows the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk framework.

Our process is both bottom-up and top-down. The bottom-up aspect of the process involves a rolling programme of workshops, facilitated by the risk management team, held around the Group. During these workshops, we identify current and forward-looking risks which are collated and reported through functional and divisional levels to the Group Executive Committee. The top-down aspect involves the Board assessing what it believes to be the key risks facing Tate & Lyle. We combine the results of these processes to identify the Group's key business, financial, operational and compliance risks, and then develop action plans and controls to mitigate them as far as possible, to the extent deemed appropriate taking account of the Group's risk appetite. These risks are then reviewed again by the Board. This process takes place annually. As part of this annual risk assessment process, the Board also reviews emerging and 'black swan' risks facing the Group. The process reviews risks over a time period of between two and five years.

Managing risks

Individual executives in each division are assigned responsibility for managing key risks and their associated mitigating controls. As part of the process, senior executive management formally confirms once a year that these key risks are being managed appropriately within their operations and that controls have been examined and are effective. The confirmations and any exceptions are discussed at the Audit Committee and Corporate Responsibility Committee, and, where appropriate, reported to the Board.

The Board and the Group Executive Committee undertake an annual exercise to consider the nature and extent of the Group's risk appetite. The results of this exercise, which includes a review of how the previous year's risk appetite had been applied in practice, are used as part of our strategic planning activities, and in setting ongoing mitigating actions.

Key risks

Key risks and uncertainties identified as part of the risk management process undertaken during the year, together with some of the mitigating actions we are taking, are set out on pages 35 and 36. However, it is not possible to identify or anticipate every risk that may affect the Group.

The individual risks in relation to the operational and supply chain disruption which occurred during the year were identified as part of the risk management process. However, the scale, velocity and combination of these risks significantly increased their overall impact on the Group. As a result, we reviewed our processes and made some enhancements, for example, by placing a greater focus on those areas and behaviours which could potentially trigger risk combinations in the future.

What key risks and uncertainties have been identified?

Risks	How do we manage the risk?
Safety **Failure to act safely and to maintain the safe operation of our facilities** The safety of our employees, contractors, suppliers, and the communities in which we operate is paramount. We must operate within local laws, regulations, rules and ordinances relating to health, safety and the environment, including emissions. Failure to act safely may give rise to fines or penalties for breach of safety laws, interruptions in operations or loss of licence to operate, liability payments and costs arising from injuries or damage and damage to reputation.	• Health and safety policies and procedures at all facilities with dedicated staff to ensure they are embedded and measured • Regular review of performance and policies by the Corporate Responsibility Committee • Maintenance of suitable insurance programme • Programme of global compliance audits; senior executives also undertake annual executive audits at most sites Following a challenging year, in mid-2014 we hired external safety auditors to carry out a thorough audit of safety at all our major locations. This allowed us to understand how each site was following our procedures and permit systems, and what improvements were needed. During the year we began carrying out their recommendations, particularly with regards to behavioural safety and leadership by example. This is helping our teams improve their understanding of and approach to safety.
Strategy **Failure to grow in speciality food ingredients** Tate & Lyle's strategy is to become the leading global provider of speciality food ingredients and solutions. Our ability to deliver the strategy may be affected by a number of factors such as delivering growth in emerging markets, acquisitions, customer readiness to adopt new ingredients and incorporate them in new product launches, competitor actions, and growing key product or product families. Failure to deliver our strategy over the longer term would negatively affect our credibility, reputation and profitability.	• Investments to increase our sales and technical resources, including in emerging markets • New staff recruited and development of existing staff to upgrade skill sets, particularly in customer-facing areas and innovation • Enhancement of internal capabilities to help promote growth through acquisition • Establishment of a global programme to enhance customer account management, planning and execution
Innovation **Failure to innovate and commercialise new products** Failure to identify important consumer trends and provide innovative solutions, and the inability to successfully commercialise new products, could impact the delivery of our strategy. This would affect our performance and reputation.	• Innovation and Commercial Development (ICD) team works closely with customers and other external organisations to identify emerging trends • Open innovation team actively scouts for breakthrough technologies and opportunities across industries and universities • Global Marketing organisation in place to provide support for new product launches as well as core business • Prioritisation of 'partnership' opportunities with customers to accelerate development cycles and time to market for new ingredients • Tate & Lyle Ventures invests in early-stage companies in the areas of food sciences and technologies by partnering with research institutions, other venture funds, universities and entrepreneurs
Quality **Failure to maintain the quality of our products and high standards of customer service** The safety of consumers of our products is critical. Poor quality or sub-standard products or poor customer service could have a negative impact on our reputation and relationships with customers.	• Strict quality control procedures and testing of all product lines to ensure products are released only with full quality control clearance • Quality policies, procedures and performance reviewed regularly by the Corporate Responsibility Committee • Third-party audit programme supplemented by internal global compliance audits • Recall simulation exercises undertaken
People **Failure to attract, develop, engage and retain key personnel** Performance, knowledge and skills of employees are central to our success. We must attract, integrate, engage and retain the talent required to deliver our strategy, and have the appropriate processes and culture in place. Being unable to retain key people and adequately plan for succession could have a negative impact on the Company's performance.	• Remuneration policies designed to attract, retain and reward employees with ability and experience to execute Group strategy • Talent development strategy to provide opportunities for employees, as well as training to close skill gaps • Single global performance management system and talent planning processes in place • Greater focus by the Board on succession planning for business-critical roles • Measurement of progress against cultural objectives (for example, global employee surveys)

Key: New key risks since last year's Annual Report

Risks	How do we manage the risk?
Legal, IS/IT and compliance **Failure to comply with legislation and regulation and to protect the integrity of our data and information systems** We operate in a variety of markets and are therefore exposed to a wide range of legal and regulatory frameworks. We must understand and comply with all applicable legislation. Any breach could have a financial impact and damage our reputation.	• Regular monitoring and review of changes in law and regulation in such areas as health and safety, environment, quality, food safety and corporate governance • Legal teams maintain compliance policies in areas such as anti-trust and anti-corruption law; and provide ongoing training to employees • Cyber security enhancement programme in place
Operations **Failure to maintain the continuous operation of our plant network and supply chain** The operation of plants involves many risks, which could cause temporary or permanent breaks in production. We must have a robust sales and operations planning system to avoid disruption to the supply chain and an inability to service our customers. Failure to do so could have a material adverse effect on our performance.	• Business continuity capabilities in place to enable supply, as quickly as practicable, of product to customers from alternative sources in the event of a natural disaster or major equipment or plant failure • Dedicated internal resources allocated to key projects in conjunction with business teams to ensure business continuity is not compromised. External resources and expertise used where required • Programme in place to improve global supply chain processes • New protocols implemented to enhance plants' ability to operate in extreme cold conditions
Raw materials **Fluctuations in prices and availability of raw materials, energy, freight and other operating inputs** Margins may be affected by fluctuations in crop prices due to factors such as alternative crops, co-product values and the variability of local or regional harvests caused by, for example, weather conditions, crop disease, climate change, and crop yields. In some cases, due to the basis for pricing in sales contracts, or due to competitive markets, we may not be able to pass on to customers the full increase in raw material prices or higher energy, freight or other operating costs. Additionally, margins may be affected by customers not taking expected volumes.	• Strategic relationships with suppliers and trading companies including multi-year agreements • Balanced portfolio of supply and tolling contracts in operation with customers to manage balance of raw material prices and product sales prices and volume risks • Raw material and energy purchasing policies to provide security of supply • Expanding network of corn elevators to enhance security of supply • New or back-up supply sources in place in case primary suppliers face localised challenges • Use of derivatives and forward contracts (where possible) to hedge and manage raw materials and co-product price exposures
Food regulation/consumer concerns **Changes in consumer or government perception of our products and regulatory risks impacting freedom to operate** Our freedom to operate may be affected by changes in food regulation, consumer concerns, political campaigns targeted at specific ingredients or technologies or other factors that may impact the regulatory status or perception of our products or of their functionality, efficacy or use. We must ensure that the science behind our ingredients (for example, health claims, nutritional impact, biotechnology in crops or other material for food use) is supported by credible sources, clearly communicated and understood by relevant regulatory authorities. Failure to do so may restrict the markets for our products.	• Global regulatory team, supported by external consultants, monitors local regulatory requirements affecting our products • Global nutrition team initiates and monitors research and publications concerning the use and functionality of our ingredients and maintains global network of health and nutrition clinicians, academics and experts • Membership of trade organisations to provide access to broader sources of information and to ensure, where appropriate, a single voice for the industry on regulatory and public interest issues affecting our ingredients • Maintenance of relations with regulatory authorities • Providing clear information on ingredients provenance and traceability • Research Advisory Group chaired by a non-executive director comprising leading scientific experts to review selected critical aspects of the Group's innovation activities and provide guidance
Finance **Failure to manage the balance sheet, particularly during periods of economic uncertainty** We must manage our finances within strictly controlled parameters, particularly when external financial conditions are uncertain and volatile. Our existing transformation programme consists of a number of capital expenditure projects which, if not delivered successfully, could negatively affect our performance and reputation.	• Capital expenditure procedures to control and monitor allocation and spend • All new investments evaluated against clear strategic and financial criteria; those approved are reviewed for execution against milestones • External resources and expertise used where required • Exposure to liquidity risk is managed by maintaining access to a wide range of funding sources, and by effective management of our cash resources
Finance **Failure to maintain an effective system of internal financial controls** Without effective internal financial controls, we could be exposed to financial irregularities and losses from acts which could have a significant impact on the ability of the business to operate. We must safeguard business assets and ensure the accuracy and reliability of our records and financial reporting.	• Finance policies and standards are in place supported by procedures for key finance processes, for example, capital expenditure • Finance risk assessments are undertaken and key finance risks monitored through the Treasury Risk Committee • Chief Executive and Chief Financial Officer undertake detailed quarterly business and financial reviews • Additional control oversight, monitoring and processes are introduced through periods of significant change, for example, the implementation of the new global IS/IT system • Core controls embedded in systems and processes are routinely reviewed for effectiveness, for example, segregation of duties to control access rights within Group systems
Shareholder expectations **Failure to manage shareholders' expectations** We must communicate a clear strategic vision, deliver the annual operating plan and provide accurate and timely information to the market to enable the investment community to efficiently assess the Company's value, and reduce the risk of uncertainty and volatility in the share price. Failure to do so could impact our reputation and credibility with shareholders.	• Implementation of new business performance management capability and cycle to improve performance management and steer 2016 Annual Operating Plan delivery • New forward disclosure framework to improve presentation of business results • Investor Relations team in place with improved communications and disclosure framework

What progress have we made on our sustainability journey?

We approach corporate responsibility (CR) from a stakeholder perspective; in terms of our workplace, the environment, our marketplace and the communities of which we are a part. We seek to continually improve the way that we manage, perform in and report on CR matters.

Our Values

Our Values define what we stand for and how we behave with our customers, suppliers, investors, the communities we operate in and with each other.

We have a combined team of Values and Ethics 'Ambassadors' who promote our Values and the right way of doing business to colleagues across the Group.

Governance

Governance of CR is overseen by the Board's Corporate Responsibility Committee (see page 56).

The Chief Executive is the director with specific responsibility for CR.

CR matters are considered within the Group's risk management and reporting processes (see page 34).

Management and performance

Workplace
We have undertaken a thorough review of safety management and accident prevention this year, including the introduction of external auditors to review safety management and controls at all our major sites (see page 38).

Environment
Our Sagamore plant in Lafayette, US changed from coal to gas, to fuel its combined heat and power (CHP) energy system; thereby reducing CO_2e emissions by up to 56,000 tonnes per year.

Marketplace
We are on track to surpass our sustainable agriculture target, with programmes currently being implemented for 24 agricultural raw materials and ingredients (see page 42).

Community
We support communities locally and globally in the areas of well-being, education and environment (see page 43).

Engagement and reporting

Engagement
We have worked more closely with stakeholders this year, particularly customers, and use their feedback to inform our approach to and reporting on CR.

FTSE4Good
Tate & Lyle is a member of the FTSE4Good CR index (www.ftse.com/products/indices/FTSE4Good).

Reporting
The scope, principles and methodologies we use in reporting CR performance are provided in 'CR Reporting Criteria Annual Report 2015' at www.tateandlyle.com/CR2015.

Our internal audit function reviewed the CR information and data in this Annual Report to confirm its accuracy.

We gained independent external assurance over selected environmental data on pages 41 to 42 in this Annual Report from Bureau Veritas UK Ltd. Their assurance statement is at www.tateandlyle.com/CR2015.

Corporate Responsibility continued

Workplace

Our employees are critical in delivering our strategy. In line with our Values, we believe that everyone should be safe at work and be treated fairly and with respect.

Our policies and control arrangements addressing human rights include:

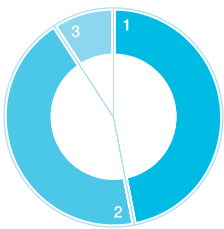
- Our Code of Ethics, and the internal and external communication and training around it
- The Company's position and practices on equal opportunities and diversity
- The Company's Speak Up (whistleblowing) arrangements (see page 52)
- Our controls for managing standards in the supply chain (see page 43).

Employee profile

At 31 March 2015, Tate & Lyle employed 4,759[1] people (2014 – 4,523). The number of employees increased during the year, primarily due to our acquisition of Winway Biotechnology in China and the formation of Tate & Lyle Gemacom Tech in Brazil.

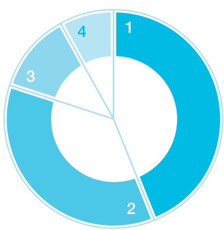
Employees by division[1]
as at 31 March 2015

1. Bulk Ingredients **47%**
2. Speciality Food Ingredients **44%**
3. Central functions **9%**



Employees by geography[1]
as at 31 March 2015

1. North America **44%**
2. Europe, Middle East and Africa **36%**
3. Latin America **12%**
4. Asia Pacific **8%**



1 Includes employees of joint ventures on a proportionate basis.

Safety

We have no higher priority than safety, for our employees and for everyone who comes to our sites. Our Executive Safety Steering Committee, chaired by our Chief Executive, meets throughout the year to review our safety performance and improvement programmes. Our senior executives undertake annual executive safety audits at the majority of our sites around the world each year.

Our ultimate goal is to have no accidents and no injuries. We have undertaken a thorough review of our safety management programme during the year, including the introduction of external auditors to review safety management and control at our major manufacturing sites. As a result, we have overhauled our safety programme and accident prevention arrangements at Group and site level, as explained below.

Performance

As reported in last year's Annual Report, three contractor employees working at our Singapore facility were severely burned when performing a steam line break procedure in April 2014: two of them later died. Then, in June 2014, the site manager of one of our grain elevators died when a farm utility tractor he was driving overturned. We very deeply regret these tragic accidents. They have been thoroughly investigated, both internally and externally. Actions, based on findings, have been taken to prevent these types of accidents from reoccurring, as explained below.

	Calendar year		
	2014	2013	2012
Fatalities	**3[1]**	2[2]	0

1 One employee and two contractors.
2 One employee and one external truck driver.

The safety performance indicators of recordable incident rate and lost-work case rate – for employees and contractors combined – saw an increase of 47% and 146% respectively during calendar year 2014: both the number and severity of incidents increased compared with calendar year 2013, when we had our lowest levels ever recorded. The more severe incidents (ie those that require more time off work) were predominantly ergonomic/manual handling issues; therefore we are currently reviewing and reinforcing our ergonomics and manual handling programme.

	Recordable incident rate		Lost-work case rate	
	2014	Change versus 2013	**2014**	Change versus 2013
Employees	**0.73**	70%	**0.29**	222%
Contractors	**1.13**	20%	**0.39**	77%
Combined	**0.85**	47%	**0.32**	146%

In 2014, two of our US plants won four US Corn Refiners Association (CRA) Safety Awards between them. Our annual global safety week saw many employees and their families, alongside contractors, taking part in activities across our sites worldwide. We also conduct regular 'contractor safety summits', to discuss expectations and share best practice with contractors, and to support our plant-level contractor safety programme.

External benchmarking

To put our safety performance in context and because many of our employees are located in the US, we compare our results with US industry averages, as shown in the graphs on page 39.

How are we overhauling our safety programme?

Current key initiatives include:

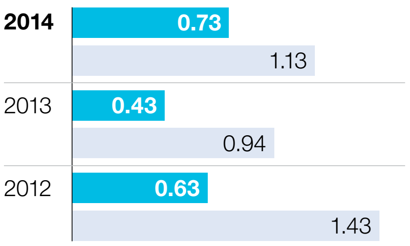
- Global implementation of the 'SafeStart' training programme
- Elimination and engineering out of hazards
- Reinforcing administrative controls (for example, Permits to Work for higher risk activities)
- Improving behavioural safety and a strong safety culture
- Contractor safety programme
- Ergonomics, manual handling and hand safety initiatives.

Safety performance[1]

Recordable incident rate

Number of injuries requiring treatment beyond first aid per 200,000 hours

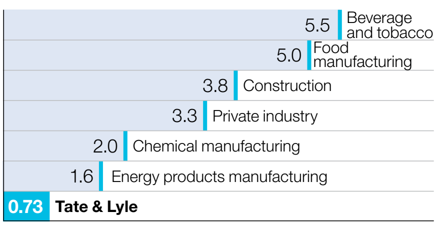
- Tate & Lyle employees
- Contractors



Number of incidents combined (2014)

67

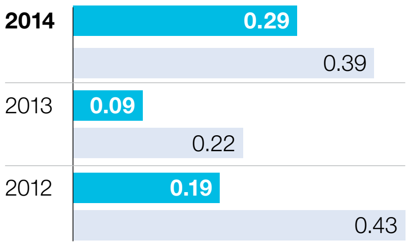
US industry sector employee averages 2013[2] and Tate & Lyle employees 2014



Lost-work case rate

Number of injuries that resulted in lost-work days per 200,000 hours

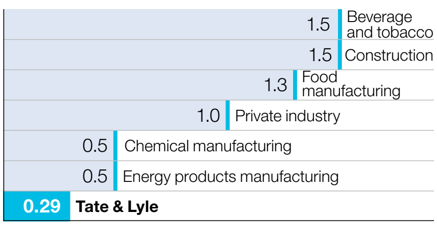
- Tate & Lyle employees
- Contractors



Number of cases combined (2014)

25

US industry sector employee averages 2013[2] and Tate & Lyle employees 2014



1 We report safety performance by calendar year.
2 Source: US Department of Labor, December 2014.

Taking action to prevent accidents

Early in 2014 we analysed 10 years of safety data. This analysis indicated that 47% of our serious incidents were related to working at height. Therefore, we implemented a fall prevention/protection campaign across all sites, using external experts on the 'hierarchy of safety controls' to address hazards and prevent incidents, and installed new equipment to make it safer to work at height. For example, we replaced barrier chains with self-closing gates; installed platforms instead of using ladders and scaffolding; and installed pedestrian barricades/anchorage points near potential floor and wall openings.

During the year, we appointed external auditors to carry out a thorough review of our safety systems and procedures at our major manufacturing sites. This has been very helpful in identifying improvements both at global and site level. Overall, the auditors concluded that Tate & Lyle does have a good safety management programme, and that people generally know what is expected of them; whilst key areas on which to focus for ongoing improvement were identified as eliminating and engineering out hazards, ensuring the safe design of process equipment and improving behavioural safety. Below we report on some of the actions we have taken so far in these areas.

Eliminating and engineering out hazards

Looking for ways to eliminate and engineer out hazards – so preventing accidents before they occur – is a key area of activity, and we used external experts to improve our understanding of 'prevention through design' – for example, by removing hazards before new equipment is installed. We reviewed and updated our minimum standards on equipment safety and communicated these to all sites, and launched a 'Lifesaver' campaign to eliminate hazards of severe injury. We also looked at vehicle safety, and have implemented an on-site vehicle safety programme globally, including with our contractors, based on the US Occupational Safety & Health Administration (OSHA) standard for powered industrial trucks.

Ensuring the safe condition and design of process equipment

We work hard to ensure that all equipment is checked thoroughly through preventative maintenance programmes and periodic risk assessments. We carry out internal risk assessments on driers and storage systems, and integrity checks on concrete silos, tall structures and other process equipment. We also brought in external trainers to help us with mechanical integrity, combustible dust, flammable liquids and vapours, static electricity hazards, hazardous area classifications, and process safety management.

Behavioural safety and safety culture

How people behave each and every day is at the heart of staying safe. Many of our plants had previously been trained on the 'SafeStart' (www.safestart.com) behavioural safety programme, and we have been holding refresher training and also introducing the programme at those sites not previously covered. We also developed a 'PAR' campaign, communicating that everyone has the 'permission, ability and responsibility' to act by stopping operations and processes if they see an unsafe act or condition. Using these two programmes, we reinforced the importance of conducting thorough pre-job hazard assessments.

Occupational health and well-being

We contract with external occupational health professionals to monitor and safeguard the health of employees at work, and to provide information, advice and support to them on general health and wellness matters.

Relationship with employees

We believe in equal opportunities for all, regardless of gender, sexual orientation, age, marital status, disability, race, religion or other beliefs and ethnic or national origin.

Our policies, practices and procedures for recruitment, training and career development promote equality of opportunity. We are committed to treating people with disabilities fairly in all respects, including regarding applications, training, promotion and career development. An employee who becomes disabled would, where appropriate, be offered retraining for a more suitable role.

Diversity and inclusion

We believe in a culture where all employees contribute to the performance of the Group and have the opportunity to develop fully according to their individual abilities. We aim to attract a diverse workforce that reflects the communities in which we operate. Our Diversity and Inclusion Council works on creating awareness of diversity and inclusion issues, tracking inclusion metrics, and championing our diversity and inclusion programme across the Group.

Corporate Responsibility continued

Progress during the year included:

- Appointment of two women to the Group's Executive Committee
- Establishing Employee Resource Groups across five different areas of interest; and providing platforms for employees to support and celebrate our unique strengths
- Enhanced cultural diversity from the acquisition of Winway Biotechnology, the Chinese manufacturer of polydextrose and the formation of Tate & Lyle Gemacom Tech in Brazil
- Further embedding diversity and inclusion into our recruitment practices.

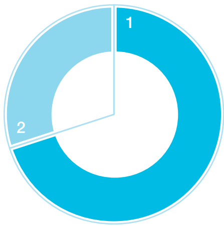
Employee engagement
We believe that employees who are committed to Tate & Lyle, our goals, Values and strategy, and to each other, are happier and ultimately deliver better results.

Good internal communication is essential to this. We communicate with our employees in a number of ways, from Group-wide media including our intranet and our quarterly employee magazine which is published in 13 languages, to face-to-face dialogue such as site-wide meetings, functional meetings and small group or team meetings.

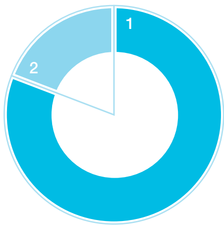
We continue to invest in helping employees and managers stay up to date with the latest requirements of their roles. Courses provided during the year included a supervisors' development programme, a people management development programme, stakeholder management and influencing, and sales training. A significant amount of training was provided to further embed our performance management principles and our refreshed employee induction process.

Gender diversity (as at 31 March 2015)

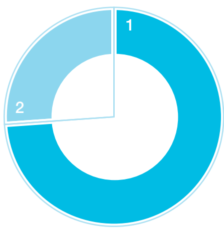
Board of Directors
1. Men **70%** (7)
2. Women **30%** (3)



Senior managers and statutory directors[1]
1. Men **82%** (122)
2. Women **18%** (27)



All employees[2]
1. Men **74%** (3,042)
2. Women **26%** (1,094)



1 Gender diversity for senior managers, excluding statutory directors, is 44 (77%) men and 13 (23%) women.

2 Excludes employees of joint ventures where we do not have management control.

Environment

We aim to operate our business with a strong regard for environmental sustainability. By using resources such as energy and water more efficiently, and reducing waste, we seek to improve our environmental sustainability while also controlling operating costs. We work to address environmental considerations across the life-cycle of our products, from our agricultural supply chain to how our products are packaged and transported.

Implementing our strategy, by growing our Speciality Food Ingredients business, is gradually changing the shape of our manufacturing operations. We are producing more speciality products which involve additional manufacturing steps compared with Bulk Ingredients products, and this generally means using more energy and water resources and producing more waste. We are working to mitigate this through continual improvements in resource and operational efficiency, and waste reduction programmes.

Policy and standards
Our environmental policy and standards apply to all our activities globally and we aim to integrate environmental considerations into all major decisions. We review our environmental policy annually and undertake communication and awareness across the Group, including through induction and other training at our manufacturing facilities. Our policy is available on our corporate website www.tateandlyle.com.

Our facilities operate under local environmental authorisations and permits and we require strict compliance with these at all times. If a site breaches an operating limit, we seek to take steps immediately to resolve the issue and prevent reoccurrence.

Our internal global compliance audit programme confirms conformity with our environmental and food safety, quality and health and safety management standards. Additionally, our rolling programme of external, independent environmental compliance audits assures compliance with regulatory requirements.

Within our own operations and joint ventures, we focus on those aspects of our activities that have the greatest potential impact on the environment, namely the use of energy (and consequent air emissions and carbon footprint), water use, and waste management.

Beyond our own operations we focus our attention on our agricultural raw material and ingredient supply chain, the transportation of our products to our customers, and our product packaging.

Environmental sustainability targets and achievements

We have four medium-term environmental sustainability targets.

Target by end of 2016	Calendar year 2014 status	Examples
Reduce CO_2e emissions from energy use by 12.5% per tonne of production (baseline year 2008)[1]	10% reduction in CO_2e emissions per tonne of production versus 2008	In October 2014 our Sagamore plant in Lafayette, US changed from coal to gas, to fuel its combined heat and power (CHP) energy system; thereby reducing CO_2e emissions by up to 56,000 tonnes per year.
Implement packaging reduction programmes with customers representing >50% of sales (£)	Programmes initiated with customers representing >35% of sales (£)	Recent projects include changing from shrink wrap to stretch wrap to secure pallet loads at a Food Systems manufacturing facility in Europe, reducing their wrapping film use by about 75%; and moving additional product sacks from bleached to unbleached paper stock.
Implement transport efficiency programmes with customers representing >50% of sales (£)	Programmes initiated with customers representing >35% of sales (£)	We have implemented several projects shifting regional product distribution from road to rail in the US.
Implement sustainable agricultural sourcing programmes for our top 20 agricultural raw materials and ingredients by volume	We are on track to surpass our sustainable agriculture target, with programmes currently being implemented for 24 agricultural raw materials/ingredients (see Our Marketplace section for more details)	Corn is by far our largest agricultural raw material/ingredient by volume. We buy corn from the 'corn belts' of the US and Europe. We are engaging with the US National Corn Growers Association (NCGA), with other growers' representatives, and with corn growers directly, on sustainable agriculture – alongside other matters such as food safety and quality.

1 We recognise that installing new air emissions control equipment at several locations over the next few years, and the manufacture of more speciality products, will make it more challenging to reduce our energy use and CO_2e emissions in the medium term.

Operational performance

Our biggest challenge is that our strategy – to grow our Speciality Food Ingredients business – means producing a greater proportion of speciality ingredients, which are generally more resource-intensive to manufacture than bulk ingredients. We are working therefore on capital projects and operational practices that will help us control this in terms of our direct environmental performance; whilst also working on transport and packaging, and sustainable agriculture in our supply chain.

Energy use and carbon emissions

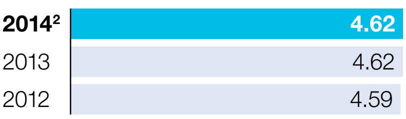
In calendar year 2014, compared with 2013, energy use per tonne of production was flat. Since 2008 we have reduced energy use per tonne of production by 6%. Our carbon footprint from energy use reduced slightly (down 0.3%) per tonne of production in 2014. Since 2008 we have reduced CO_2e emissions per tonne of production by 10%.

Group greenhouse gas (GHG) emissions for the period 1 January to 31 December 2014 in tonnes of carbon dioxide equivalent (tCO_2e) were:

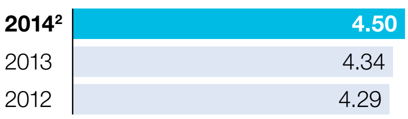
- From combustion of fuel and operation of facilities (Scope 1) – 2,266,975 tCO_2e[2] (2013 – 2,291,999[1])
- From electricity, heat, steam and cooling purchased (Scope 2) – 1,247,700 tCO_2e[2] (2013 – 1,213,099[1])
- In total (Scope 1 and 2) – 3,514,675 tCO_2e[2] (2013 – 3,505,098[1]) which equates to an intensity of 0.375 tCO_2e[2] (2013 – 0.376[1]) per tonne of production.

Environmental performance[1]

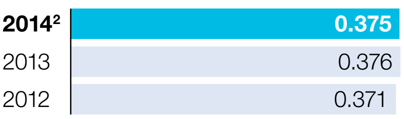
Energy use
Gigajoules (GJ) per tonne production



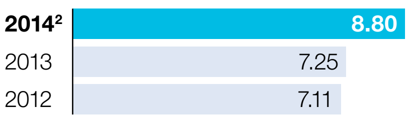
Water use
Cubic metres per tonne production



Primary carbon footprint
Tonnes CO_2e per tonne production



Waste to landfill
Tonnes per 1,000 tonnes production



1 We report environmental performance by calendar year. Data for 2012 and 2013 is restated to include our McIntosh facility (which reopened in 2012) in line with our methodology for incorporating new sites (set out at www.tateandlyle.com/CR2015).

2 Refers to 2014 data that has been externally assured by Bureau Veritas UK Ltd. Their assurance statement is at www.tateandlyle.com/CR2015.

Corporate Responsibility continued

We have reported on all of the material emission sources required under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. We report GHG emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard. The scope, principles and methodologies we use in reporting CR performance are provided in 'CR Reporting Criteria Annual Report 2015' at www.tateandlyle.com/CR2015.

Water use

Water use per tonne of production increased by 3.8% in 2014, due to the increased production of speciality ingredients, and one-off site-specific factors such as the replacement of a cooling tower at our Decatur, US facility, which caused a significant but temporary increase in water use. Since 2008 we have reduced water use per tonne of production by 2%. During the year, new water re-use and recycling projects were implemented across many of our sites, including Dayton and McIntosh, US.

Waste to landfill

Our waste to landfill increased significantly by 21% per tonne of production in 2014. This was due to a number of factors, including: process changes at our Decatur, US facility that, whilst improving the operational efficiency of process equipment, led to a significant increase in the volume of inert waste going to landfill; severe winter conditions in the first quarter of 2014 that disrupted our waste water treatment plant at Lafayette Sagamore, US; and construction waste being created by expansion work at several sites including Loudon and Sagamore, US. Since 2008 we have reduced waste to landfill per tonne of production by 8%.

Marketplace

The food and beverage industry is our largest market sector and accounts for 70% of Group sales. Other industry sectors we sell into include industrial, animal feed and personal care.

Over the last few years, stakeholders such as customers and investors have been looking for increasing volumes of information around sustainability and corporate responsibility matters. In 2013, we carried out a review with the help of an independent consultant to confirm our understanding of the CR issues of most interest to our stakeholders. The most important issues for external stakeholders are: the safety, integrity and functionality of our products; the sustainability of our agricultural raw materials/ingredients; and the CR standards within our own business and supply chain.

During 2014, we saw a significant increase in interest from customers around two of these areas in particular, in terms of how we can help them meet their own objectives and targets on sustainable agriculture, and our use of the Sedex (www.sedexglobal.com) ethical compliance platform within our own business and our supply chain.

Product safety, quality and sustainability

Our products adhere to the highest standards of food safety, quality and traceability. Each year, all of our manufacturing facilities are externally certified to the Global Food Safety Initiative, and the international quality standard ISO 9000, and we have well-established global processes and procedures to ensure that we comply with these standards. Our control arrangements include: in-process testing; our global compliance audit programme; annual product traceability and recall testing, both globally and locally at each facility; and independent food safety audits of every manufacturing site.

We consider sustainability criteria in the development of new products, and use a sustainability evaluation tool as part of our innovation pipeline to:

- Identify any potential sustainability concerns early in the product development process
- Evaluate sustainability issues as product development progresses, to avoid or reduce any potential adverse impacts such as the use of energy and non-renewable resources, and to leverage positive impacts such as health and wellness benefits.

Our aim is to help our customers provide consumers with healthy, nutritious foods and beverages as part of a normal balanced diet. We aim to ensure that our ingredients, and any claims we make regarding their benefits or efficacy, are supported by clear, demonstrated science.

In line with our strategy, we focus particularly on growing our Speciality Food Ingredients division, and as such the majority of our new product development is in this area. Many of our speciality sweeteners and fibres improve stability, thereby helping to extend consumer product shelf life and assist in avoiding food waste, which is an important food industry sustainability issue. Our platforms deliver innovative ingredients with substantiated health benefits to customers worldwide. For example, DOLCIA PRIMA™ Allulose, a new product we launched in February 2015, is a monosaccharide (simple sugar) found in nature and made from corn, and has 90% fewer calories than, and is 70% as sweet as sucrose (normal table sugar), but tastes just like it.

Sustainable agriculture

Our products are derived from agricultural raw materials, principally corn, and it is important that we have a robust, sustainable supply chain. In 2012 we announced a sustainable agriculture target, to implement sustainable agricultural sourcing programmes for our top 20 agricultural raw materials/ingredients by volume, by the end of 2016. We are on track to surpass this target, with programmes currently being implemented for 24 agricultural raw materials/ingredients.

Our programme has five steps:

1. Initial sustainability (social, environmental and economic) risk assessment for each of our agricultural raw materials/ ingredients
2. Requests to individual suppliers for ingredient-specific information on social, ethical and environmental matters, standards and certifications
3. Follow-up discussions with suppliers on their responses
4. Establishing sustainable sourcing criteria for each material/ingredient
5. Monitoring of compliance against the agreed criteria; whilst seeking continuous improvement in management, reporting and performance.

Our customers are increasingly interested in this area, and we are working closely with several key customers to support them in their own targets and ambitions around sustainable agriculture.

In 2014 we joined Field to Market (www.fieldtomarket.org), the US alliance for sustainable agriculture, to help define, measure and advance sustainability in US agriculture, particularly with regard to corn.

Conduct of commercial relationships

We are committed to ensuring a safe, open and responsible culture in all our business dealings wherever we operate, in line with our Code of Ethics (our Code), and we expect the same standards of our business partners and suppliers as we do of our own employees. Our Code is made available in 13 languages and is communicated internally via our intranet, through local 'Ethics and Values Ambassadors' across the business, and via training programmes. Externally, we require all our suppliers and business partners to comply with the standards set out in the Code.

Our Code is supported by a set of Standards on particular subjects, and this year we carried out a review and updated several of these, including the Group Competition (Anti-trust) Standard, the Group Gifts and Hospitality Standard, and the Group Standard on the Engagement of Agents and Payment of Commissions. We also carried out 'train-the-trainer' meetings for our local Ethics and Values Ambassadors in the US and in Europe, Middle East and Africa, to enable them to help their colleagues uphold the Code both internally and with our business partners and suppliers.

Standards in our supply chain

We communicate our Code to our suppliers through our contracts and other engagement with them. Our purchase contract terms and conditions include the requirement that suppliers comply with the standards set out in our Code, and that they should require similar standards from their own suppliers. Specifically, suppliers must uphold international business standards and be fully compliant with all applicable laws and regulations, including but not limited to those regarding freedom of association and collective bargaining, non-discrimination, anti-corruption/anti-bribery, and the prevention of child or forced labour.

Our procurement function has a process to assesses the environmental, social and governance risks of suppliers based on their source country (where independent ratings of human rights risk are applied), and the item itself being supplied (with reference to an external sustainability risk assessment of our agricultural raw materials/ingredients). As set out above, our sustainable agriculture programme specifically addresses these issues in our agricultural raw materials/ingredient supply chain (see page 42).

In addition, having used the Sedex social and ethical compliance system (www.sedexglobal.com) across our own manufacturing facilities for almost 10 years, we are now using it with our suppliers as one of the tools to promote and assure good practices.

Reporting concerns

We encourage our employees and business partners to come forward with any information concerning actual or alleged breaches of our Code. We provide an independent, anonymous third-party reporting service through free phone numbers in 47 countries and by email. We promote this 'Speak Up' service across the Group, and externally via our corporate website. Any issues reported are investigated by members of our Speak Up Committee (see page 52).

Community

We have a strong history of community involvement and during the year we continued to support communities both local to our operations and globally.

Our approach

For Tate & Lyle, community involvement is about having a positive and lasting relationship with the community: changing lives for the better. We focus on three specific areas:

- **Well-being:** to provide practical assistance in the area of well-being from health issues including nutrition through to general welfare, such as supporting food banks
- **Education:** to develop young people's knowledge and understanding of science, technology, engineering and mathematics (STEM subjects), and their preparedness for a career in a STEM-based discipline, either academically or vocationally
- **Environment:** to promote environmental sustainability and good environmental management, addressing issues of climate change, natural resources and conservation.

Overview of the year

In the year ended 31 March 2015, charitable donations were £435,000 (2014 – £501,000).

Local programmes/partnerships

We seek to engage with local communities where our principal facilities are located. Employees at each location can make their own decisions as to the specific projects they support and the partnerships that they develop. As a result, we support a range of initiatives and organisations in our local communities worldwide.

- **Well-being:** we supported a wide variety of well-being initiatives this year, including: child community care centres in Johannesburg, South Africa; and local hospices, healthcare and food aid charities in Europe and the US.
- **Education:** this year, support provided, included enhanced maths and science delivery in the Decatur, Lafayette, Loudon and McIntosh school districts in the US; road safety events for children near Mold, UK for the second year running; and, bursary/scholarship funds to help students access higher education.
- **Environment:** this year we supported a number of environmental initiatives, including improvement works to local park and conservation areas, and the provision of a rejuvenated local parking and community information area in Koog, Netherlands.

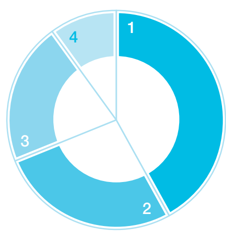
Global partnerships

We have further developed our global partnership programmes during the year.

- **Well-being:** for the third year running, we have supported the homeless charity Crisis (www.crisis.org.uk) in the UK and the Northern Illinois Food Bank (www.solvehungertoday.org) in the US. Both organisations provide immediate, practical assistance to those in need.
- **Education:** we are progressing development of a wider bursary/scholarship programme across selected universities internationally, assisting undergraduates to access courses in STEM disciplines. This year we provided the first four (of eight) fellowships to University leaders in Vietnam, building capacity in higher education by increasing skills in educational leadership and governance. We also provided bursaries/scholarships to the University of Illinois, Purdue University and Richland Community College, US; and, ran a US National Merit scholarship programme.
- **Environment:** we are entering our third year as a corporate partner of the environmental research and engagement charity Earthwatch (www.eu.earthwatch.org), with whom we are working on the ecology, conservation and sustainable harvesting of seaweed in Asia.

Community spend by area
Year ended 31 March 2015

1. Well-being **42**%
2. Education **27**%
3. Environment **21**%
4. Other **10**%



The Strategic Report from page 1 to page 43 of this Annual Report was approved by the Board on 27 May 2015.

On behalf of the Board

Lucie Gilbert
Company Secretary
27 May 2015

Who is on our Board?

Sir Peter Gershon CBE

Chairman and Chairman of the Nominations Committee

Joined the Board in February 2009. Appointed Chairman in July 2009. Aged 68. British.

Skills and experience

Sir Peter has broad business experience gained in large and complex international organisations and has held various leadership roles in the UK private and public sector. He was formerly Chairman of Premier Farnell plc; Chief Executive of the Office of Government Commerce; Managing Director of Marconi Electronic Systems; and a member of the UK Defence Academy Advisory Board.

Other directorships

- Chairman of National Grid plc
- Chairman of the Aircraft Carrier Alliance
- Member of the advisory board of The Sutton Trust

Javed Ahmed

Chief Executive

Joined the Board as Chief Executive in October 2009. Aged 55. Pakistani/American.

Skills and experience

Javed has extensive international experience from a wide variety of senior management roles. He started his career with Procter & Gamble and then spent five years with Bain & Co. before joining Benckiser (later Reckitt Benckiser plc) in 1992 where he gained significant experience of international consumer goods markets and held positions including Senior Vice President, Northern Europe; President, North America; Executive Vice President, North America, Australia and New Zealand; and Executive Vice President, Europe.

Other directorships

- Member of Mosaic Advisory Board

Nick Hampton

Chief Financial Officer

Joined the Board on 1 September 2014 as Chief Financial Officer. Aged 48. British.

Skills and experience

Prior to joining Tate & Lyle, Nick held a number of senior roles over his 20-year career at PepsiCo, most recently as Senior Vice President and Chief Financial Officer, Europe in 2008, a position he held until 2013 when he was appointed PepsiCo's President, West Europe Region and Senior Vice President Commercial, Europe.

Other directorships

None

Douglas Hurt

Non-Executive Director and Chairman of the Audit Committee

Joined the Board in March 2010. Aged 58. British.

Skills and experience

Douglas is a Chartered Accountant. He held a number of financial and operational roles, including US and European senior management positions, at GlaxoSmithKline and was Finance Director of IMI plc between 2006 and 2015.

Other directorships

- Senior Independent Director of Vesuvius plc

Virginia Kamsky

Non-Executive Director

Joined the Board in December 2012. Aged 61. American.

Skills and experience

Ginny is Chairman and Chief Executive Officer of Kamsky Associates, Inc. She also served as an Executive Vice President of Foamex International, Inc. and held a variety of leadership roles at Chase Manhattan Bank.

Other directorships

- Non-executive director of Dana Holding Corporation
- Member of the US Secretary of the Navy Advisory Panel
- Trustee of the China Institute in America

Anne Minto OBE

Non-Executive Director and Chairman of the Remuneration Committee

Joined the Board in December 2012. Aged 61. British.

Skills and experience

Anne was Group Director of Human Resources at Centrica plc from 2002 until her retirement in 2011. She previously held senior management roles at Shell UK and Smiths Group plc and was Deputy Director-General of the Engineering Employers' Federation.

Other directorships

- Non-executive director of Shire PLC
- Vice Chairman of the University of Aberdeen Development Trust
- Non-executive director of the Court of the University of Aberdeen
- Non-executive director of ExlService Holdings, Inc.

Liz Airey
Senior Independent Director
Joined the Board in January 2007.
Aged 56. British.

Skills and experience
Liz was an investment banker and has extensive financial experience in the UK and internationally. She was formerly Finance Director of Monument Oil and Gas plc.

Other directorships
- Chairman of Jupiter Fund Management PLC
- Senior Independent Director of Dunedin Enterprise Investment Trust PLC

William Camp
Non-Executive Director and Chairman of the Corporate Responsibility Committee
Joined the Board in May 2010.
Aged 66. American.

Skills and experience
Bill worked for 22 years for Archer Daniels Midland Company, before retiring in 2007, and held a variety of management positions including Executive Vice President, Asia Strategy; Executive Vice President, Processing; and Senior Vice President, Global Oil Seeds, Cocoa and Wheat Milling.

Other directorships
- Senior Advisor, Naxos Capital
- Director of Culligan International
- Director of First Illinois Corporation

Paul Forman
Non-Executive Director
Joined the Board on 1 January 2015.
Aged 50. British.

Skills and experience
Paul is Group Chief Executive of Coats Group plc, a leading global industrial thread and consumer textiles crafts business. Prior to joining Coats in 2009, he was Group Chief Executive of Low & Bonar PLC, a global performance materials group, and was previously Managing Director at Unipart International, a leading European automotive aftermarket supplier. Paul also served as a non-executive director at Brammer PLC from 2006 to 2010.

Other directorships
- Group Chief Executive of Coats Group plc

Dr Ajai Puri
Non-Executive Director and Chairman of the Research Advisory Group
Joined the Board in April 2012.
Aged 61. Indian/American.

Skills and experience
Ajai has a PhD in Food Science from the University of Maryland, USA. He was President – Research, Development and Product Integrity and a member of the Executive Board of Koninklijke Numico N.V. from 2003 to 2007. Prior to this, Ajai held various management positions with The Coca-Cola Company, culminating in Senior Vice President Technical, The Minute Maid Company.

Other directorships
- Non-executive director of Britannia Industries Limited
- Non-executive director of Firmenich SA

Lucie Gilbert
Company Secretary
Appointed Company Secretary in August 2012. Aged 43. British.

Skills and experience
Lucie was appointed Deputy Company Secretary in 2008 and previously held senior company secretarial roles in several listed companies, including Experian PLC and Brit Insurance Holdings PLC. Lucie is a Fellow of the Institute of Chartered Secretaries and Administrators and an Associate of the Chartered Insurance Institute.

Directorships
None

Who is on the Board Committees?

Certain responsibilities are delegated to four Board Committees, details of which are provided on pages 53 to 57 and on page 70.

Audit Committee
Douglas Hurt (Chairman), Liz Airey, Paul Forman, Anne Minto

Remuneration Committee
Anne Minto (Chairman), William Camp, Paul Forman, Sir Peter Gershon[1], Dr Ajai Puri

Nominations Committee
Sir Peter Gershon (Chairman), Javed Ahmed, Liz Airey, William Camp, Paul Forman, Douglas Hurt, Virginia Kamsky, Anne Minto, Dr Ajai Puri

Corporate Responsibility (CR) Committee
William Camp (Chairman), Douglas Hurt, Sir Peter Gershon, Virginia Kamsky, Dr Ajai Puri

1 Sir Peter Gershon will cease to be a member of the Remuneration Committee with effect from 1 June 2015.

How do we provide oversight?

Dear shareholder

As discussed in this Annual Report, Tate & Lyle has faced a number of challenges in our operations and our business environment which have significantly impacted on our performance over the course of the past year.

We have discussed our individual and collective learnings from this experience and have implemented actions to address the issues that have arisen over the year.

Board effectiveness review

Following on from the 2014 review which was facilitated by Schneider Ross, the Board agreed that the 2015 review should be facilitated by our Senior Independent Director, Liz Airey. The review identified a number of improvements that could be made to how we manage ourselves as a Board during times of turbulence in our business environment and change within the organisation itself. Further details are contained in the section on the Board effectiveness review on page 49.

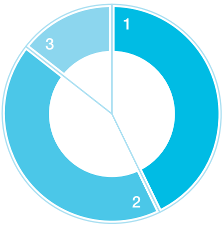
Board composition

We welcomed two new directors to the Board this year: Nick Hampton succeeded Tim Lodge as Chief Financial Officer on 1 September 2014 and Paul Forman joined the Board as a non-executive director on 1 January 2015. I am delighted that we have been able to attract strong talent to the Board.

Robert Walker retired as a director on 31 December 2014 having served on the Board for nine years, latterly as Senior Independent Director and Chairman of the Remuneration Committee. Liz Airey and Anne Minto respectively were appointed to succeed him in these roles. I would like to thank Tim and Robert for their commitment and hard work during their tenures with us.

Tenure of non-executive directors

1. 0 to 3 years **3**
2. 4 to 6 years **3**
3. over 7 years **1**



Focus for the 2016 financial year

We regularly review the Board's areas of focus. The key areas to which we will continue to devote significant time at Board and Committee level are as follows:

- Safety, including the ongoing implementation of initiatives to improve hazard identification and accident prevention at all our sites
- The implementation of the new planning and forecasting system
- The execution of action plans relating to the restructuring of our SPLENDA® Sucralose business and the re-alignment of our Eaststarch European joint venture
- The performance of the Speciality Food Ingredients and Bulk Ingredients divisions
- Communications with shareholders, employees, customers and other stakeholders
- Talent management, senior recruitment and succession planning activities
- The Group's innovation pipeline.

I look forward to meeting shareholders at our forthcoming AGM.

Sir Peter Gershon
Chairman

Corporate Governance

UK Corporate Governance Code

The UK Corporate Governance Code, dated September 2012 (the Code) and issued by the Financial Reporting Council, is applicable to companies with a premium listing on the London Stock Exchange. As such, we are required to state how we have applied the principles contained in the Code and to disclose whether we have complied with the provisions of the Code during the year. Throughout the year from 1 April 2014 to 31 March 2015 the Company has complied fully with the Code.

This Governance section of the Annual Report, including the Directors' Remuneration Report plus the disclosures contained in the Risks section on pages 34 to 36, provides details of how the Company applies the principles and complies with the provisions of the Code. The Directors' responsibilities for the preparation of financial statements are explained in the Directors' Statement of Responsibilities on page 80. Their statement on going concern is on page 33. Further information on the Code can be found on the Financial Reporting Council's website www.frc.org.uk.

The Board

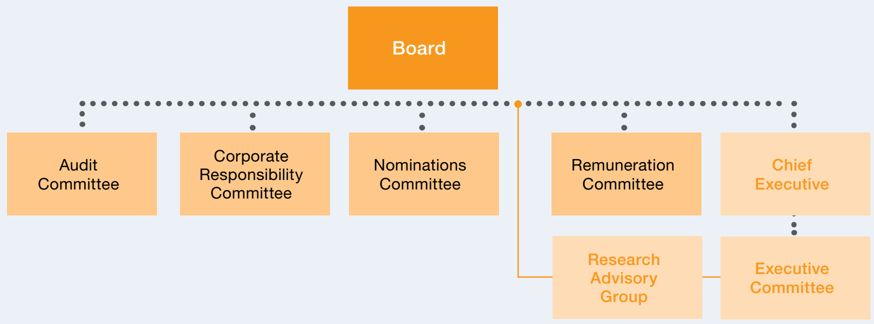
The role of the Board

The Board is collectively responsible for promoting the success of the Company and for providing entrepreneurial leadership within a framework of prudent and effective controls that enable risk to be assessed and managed. It sets the Company's objectives, ensures that the Company has the necessary financial resources and people to meet them, and reviews management's performance. The Board also sets the Company's Values and ensures that its obligations to shareholders and others are met.

There is a schedule of matters reserved to the Board for decision, which includes approval of:

- Group strategy
- Annual budget and operating plans
- Major capital expenditure, acquisitions or divestments
- Interim dividends
- Full-year and half-year results
- Board and Company Secretary appointments
- Senior management structure and responsibilities
- Treasury policies
- Directors' conflicts of interest
- Systems of internal control and risk management.

Governance structure



Board committees

The Board has delegated certain responsibilities to committees, details of which can be found on pages 53 to 57 and on page 70.

Research Advisory Group

The Research Advisory Group (RAG) is chaired by Dr Ajai Puri and comprises external subject matter experts and senior Tate & Lyle managers. The RAG's remit covers reviewing the innovation pipeline and providing insight into how leading-edge science and technology can be applied to enhance the Group's speciality food ingredients portfolio. The RAG meets regularly, principally at the global Commercial and Food Innovation Centre in Chicago, USA and Dr Puri provides regular updates to the Board on the work of the RAG.

Operation of the Board

Board meetings

The Board and its Committees meet regularly according to a schedule linked to key events in the Company's corporate calendar. Ad hoc meetings are also arranged to consider matters requiring review and decision outside the scheduled meetings. Six scheduled Board meetings were held during the year ended 31 March 2015, including one held at the global Commercial and Food Innovation Centre in Chicago, USA. Three additional Board meetings were also held to consider proposals relating to the Group's business transformation programme and to review business performance and the impact of changes in the business environment on the Group's performance. The Board also met on one other occasion during the year under review to focus on strategy. It has also met twice since the end of the financial year and prior to the signing of this Annual Report.

The rolling programme of items for discussion by the Board is reviewed at each Board meeting and updated to reflect topical matters. All substantive agenda items have comprehensive briefing papers which are distributed via the electronic Board portal, generally five working days before the meeting. In the few instances where a director is unable to attend a meeting, his or her comments on the briefing papers are given in advance to the Chairman.

Meetings are structured to facilitate open debate, and all directors participate in discussing safety, strategy, trading, financial performance and risk management. Members of executive management attend Board meetings and regularly make presentations.

The Chairman continued to hold a short discussion with the non-executive directors collectively both immediately before and after each scheduled Board meeting.

Directors' attendance at Board meetings

Directors as at 31 March 2015	Number of meetings eligible to attend	Number of meetings attended
Sir Peter Gershon	9	9
Javed Ahmed	9	9
Nick Hampton[1]	5	5
Liz Airey	9	9
William Camp	9	9
Paul Forman[2]	3	3
Douglas Hurt	9	9
Virginia Kamsky	9	9
Anne Minto[3]	9	8
Dr Ajai Puri	9	9
Former directors		
Tim Lodge[4]	4	4
Robert Walker[5]	6	6

1 Joined the Board on 1 September 2014.
2 Joined the Board on 1 January 2015.
3 Unable to attend one meeting due to illness.
4 Ceased to be a director on 31 August 2014.
5 Ceased to be a director on 31 December 2014.

Corporate Governance continued

Work undertaken during the year
During the year, the Board continued to oversee the ongoing transformation of the Group's culture and business and considered all matters within its remit, focusing in particular on the following:

- Safety
- Operational performance including the performance of the Speciality Food Ingredients (SFI) and Bulk Ingredients (BI) divisions and the effectiveness of the manufacturing facilities and the global supply chain
- The Group's approach to customer engagement and collaboration
- The implementation of the project to create one global IS/IT system
- Talent management and succession planning activities
- Major capital expenditure projects
- Restructuring of the Group's SPLENDA® Sucralose business
- Re-alignment of the Eaststarch European joint venture.

In the 2016 financial year, the Board will focus in particular on the areas listed on page 46.

Board allocation of time
The chart below shows the approximate time the Board has spent discussing agenda items during the year, separated into broad categories.

1. Strategy **30%**
2. Risk **23%**
3. Business results **12%**
4. Execution of strategy **28%**
5. Governance **7%**

Division of responsibilities
The roles of the Chairman, Chief Executive and Senior Independent Director are separated and their responsibilities are set out in writing and agreed by the Board.

The Chairman
Key responsibilities include:

- The effective operation, leadership and governance of the Board
- Ensuring the effectiveness of the Board, and each director individually
- Setting the style and tone of Board discussions
- Ensuring the directors receive accurate, timely and clear information.

The Chief Executive
Key responsibilities include:

- Proposing strategy to the Board and delivering it
- Running the business
- Communicating the Board's expectations with regard to culture, values and behaviours
- Ensuring the Board is aware of the executive directors' views on business issues.

The Senior Independent Director
Key responsibilities include:

- Acting as a sounding board for the Chairman
- Conducting an annual review of the Chairman's performance
- Being available to shareholders if they have any concerns that they have been unable to resolve through the normal channels.

Board effectiveness

Board diversity
As set out in the Board's statement on diversity, published on the Group's website, the Directors believe that Board composition is a key element of Board effectiveness and each member, and potential member, of the Board must be able to demonstrate the skills, experience and knowledge required to contribute to the effectiveness of the Board. Subject to that overriding principle, the Directors believe that the Board's perspective and approach can be greatly enhanced through gender, age and cultural diversity. It is the Board's policy to consider overall Board balance and diversity when appointing new directors.

Board composition
At the date of this Annual Report, the Board comprised ten directors with deep knowledge and experience in diverse business sectors within global markets: the Chairman, who has no executive responsibilities; two executive directors; and seven non-executive directors. The names and biographies of the directors are on pages 44 and 45.

Independence
With the exception of the Chairman, who is presumed under the Code not to be independent, the Board considers all the non-executive directors to be independent. The Senior Independent Director, Liz Airey, is available to shareholders if they have any issues or concerns which they have not resolved through the usual channels, and leads the annual review of the Chairman's performance.

The non-executive directors have a wide range of skills and knowledge and combine broad business and commercial experience with independent and objective judgement. The terms and conditions of appointment of the non-executive directors can be inspected at the Company's registered office and will be available for inspection at the Annual General Meeting (AGM).

As part of the annual Board effectiveness review, each director goes through a formal performance review process. All directors completed this process during the year and, in line with the Code, Sir Peter Gershon and Liz Airey, who have served for over six years, have been subject to a particularly rigorous review.

Time commitment
All directors have disclosed any significant external commitments to the Board and confirmed that they continue to have sufficient time to discharge their duties to Tate & Lyle. The other significant commitments of the Directors are set out on pages 44 and 45. The time commitment of all non-executive directors and the Chairman is reviewed annually and the Board is comfortable that all Directors continue to devote the necessary time to the Company.

Advice and support
The appointment and removal of the Company Secretary is a matter for the Board as a whole. All directors have access to the advice and services of the Company Secretary, Lucie Gilbert, who is responsible for ensuring that Board processes are followed and that applicable rules and regulations are complied with.

There is also a formal procedure whereby directors can obtain independent professional advice, if necessary, at the Company's expense.

Information and professional development
The Chairman, assisted by the Company Secretary, is responsible for ensuring that the directors receive accurate, timely and clear information on all relevant matters.

Directors receive ongoing training and updates on relevant issues as appropriate, taking into account their individual qualifications and experience. The Company Secretary helps directors undertake any other professional development they consider necessary to assist them in carrying out their duties. Visits to external events are also arranged to help non-executive directors in particular to gain a deeper insight into the Group's operating environment. During the year, in addition to the Board's visit to Chicago, the Chairman and the non-executive directors visited five of the Group's sites in Europe and the US as part of their independent site visit programme. These visits provide directors with the opportunity to interact with local management and gain in-depth knowledge about the challenges being faced by the Group's operations across the world. Over the past three years, the Chairman and non-executive directors have visited 20 of the Group's principal locations as part of this programme.

Directors' induction programme
Two new directors joined the Board during the financial year, Nick Hampton, Chief Financial Officer, and Paul Forman, non-executive director. On appointment to the Board, each of the directors received background reading about the Group and details of Board procedures and other matters related to governance. The Company Secretary then worked with Paul Forman to deliver a tailored induction programme, and the VP, Global Talent worked with Nick Hampton to develop and implement an appropriate induction programme reflecting his executive responsibilities.

Director	Aim of induction programme	Details of programme
Paul Forman Non-executive director	To increase Paul's knowledge of the Group's business, processes and its people.	Paul visited the global Commercial and Food Innovation Centre in Chicago, USA, the Group's plants in Lafayette, Indiana, and the London head office where he met with senior operational management and key functional heads.
Nick Hampton Chief Financial Officer	To accelerate Nick's transition into the CFO role and to increase his understanding of the Group's business and operations, in particular the global finance team and support functions.	Nick met with the external auditors, external advisers and Group lawyers. He has also visited the Global Commercial and Food Innovation Centre in Chicago, USA, and group sites in the US, Brazil, Germany and Poland.

Performance evaluation
A review of the Board's effectiveness is undertaken each year. The process is conducted by an external facilitator at least every third year and internally in the intervening years. In 2013, the process was led by the Chairman and in 2014 by an external facilitator, Schneider Ross. For the 2015 review, the Board decided that the Senior Independent Director, Liz Airey, should facilitate an internal review, supported by the Company Secretary, Lucie Gilbert. The objective was to introduce a fresh approach and a new perspective.

2014 Board effectiveness review
The actions undertaken after the 2014 Board effectiveness review are set out below.

Recommendations	Actions taken
Board dynamics	
• Chief Executive to meet with executives who attend Board meetings immediately afterwards to discuss how the Board operated as a whole and to reflect on any learnings • Thinking styles of candidates for the Board and Executive Committee to be taken into consideration once skill set and experience have been confirmed • Undertake an externally-facilitated session for the Board focusing on boardroom dynamics, relationships and how to make even better use of Board diversity	• The practice of a post-meeting review with executive attendees is now well embedded and feedback is provided to the Chairman via the Chief Executive. • The Nominations Committee considered the need for diversity of thinking styles when leading the process which led to the appointment of Paul Forman as a director • In March 2015, all Directors participated in a project to review and build upon the diversity of thinking and behavioural styles across the Board. See page 50 for more details
Board specifics	
• Building on the progress made in 2013, further proposals to be developed to drive customer-centricity in the boardroom • Board Committees to oversee the executive focus on building an inclusive culture • Revisit the timing and location of the scheduled Board meetings, in particular the timing of the annual Board strategy day	• The Board's insights into customers' perceptions, needs and behaviours continued to evolve during the year with interactions with customer-facing managers within and outside formal Board meetings. The Board also met with representatives from a major customer during its visit to the global Commercial and Food Innovation Centre in Chicago, USA • The CR, Remuneration and Nominations Committees have reviewed actions to support and drive forward an inclusive culture through their work during the year • The location of one Board meeting and the timing of the Board strategy day have been changed, as recommended
Board mechanics	
• Ways to further improve the support for incoming presenters to be considered and implemented • A working party to be established to identify ways to enhance site visits	• Incoming presenters are offered a one-to-one session with committee chairmen, the Chairman of the Board, or the Company Secretary before their first attendance at a meeting • A Board group has been established to support interaction at site visits

Corporate Governance continued

How are we leveraging our diverse thinking styles?

A key recommendation from the 2014 Board effectiveness review was that, in addition to the annual effectiveness review, an externally-facilitated session should be carried out focusing on boardroom dynamics, relationships and how to make better use of the Board's diversity.

Accordingly, in February 2015, each director completed a number of questionnaires on their psychological preferences, how they make decisions and their personal thinking styles. Their responses were analysed by a business psychologist, Voula Grand, who presented her findings to the Board in March 2015. This formed the basis of an engaged Board discussion, facilitated by Voula, during which the Board reviewed collective and individual experiences and agreed how the findings could be used to enhance the Board's effectiveness.

A number of actions were agreed, including: a review of how the Board allocates its time when it is together for meetings; obtaining feedback from meeting attendees; and building relationships outside the boardroom. This was considered to be a valuable exercise and Voula will be invited back during the 2016 financial year to review progress.

2015 Board effectiveness review

Review of the Board

The process involved the preparation of a short questionnaire by Liz Airey, the Senior Independent Director, working with Lucie Gilbert, the Company Secretary. This was then circulated to all directors, the Executive VP General Counsel and the Company Secretary. The results were then analysed and a report produced.

The Board's discussions primarily focused on: the Group's recent under-performance; specific challenges faced within the business environment over the year; and how effectively the Board had handled these. It also discussed feedback from investors and other stakeholders on how the Board had responded to, and communicated, the consequential under-performance. A number of individual and collective actions were developed to address the lessons learnt from the experiences of the past year. These actions are now being implemented and include the following:

- Improving the robustness of our investor communications and processes
- Improving the way information is presented to the Board to allow more time for discussion of key issues during Board and Committee meetings
- Ensuring issues are fully surfaced in Board presentations through pre- and post-Board meeting reviews
- Applying additional disciplines to operational or strategic proposals that are submitted to the Board for consideration
- Driving forward succession planning and talent development at senior management levels.

Progress will be monitored by the Chairman, the Senior Independent Director and the Company Secretary throughout the 2016 financial year and regular updates will be provided to the Board.

Whilst the discussion focused on areas for improvement, the Board acknowledged that the feedback from the participants recognised that the Board operates effectively and works well as a team in many areas. Numerous positive attributes were also identified, including the recent changes to the Board, and the actions taken during the year to refresh the senior management team.

Review of the committees

The effectiveness of the Board's committees was also reviewed, with each of the individual committee chairmen facilitating their own committee's review. It was confirmed that all committees continue to provide effective support to the Board. Areas for further focus are noted in the individual committee reports.

Review of individual directors

The review of the Chairman was carried out by Liz Airey, who sought the individual views of each of the executive and non-executive directors, led a meeting of the non-executive directors to discuss the feedback and then provided feedback to the Chairman.

The Chairman led performance reviews of the non-executive directors and the performance of the Chief Executive and Chief Financial Officer was considered by the Nominations Committee, in line with its terms of reference. These reviews confirmed that each director continues to make an effective contribution to the Board's work and is well-prepared and informed about issues they needed to consider. In every case, their commitment remains strong.

2015 Board effectiveness review

"In this review, we were determined to address the hard lessons we had learnt during this very difficult year"

When the Board asked me to lead this year's effectiveness review, we all agreed that it was imperative that a clear, frank and honest assessment of the Board's performance during the past year should be conducted. It was also agreed that the review should specifically assess whether the lessons from the events of this year had been fully taken on board.

My boardroom colleagues provided an invaluable array of thoughtful and constructive comments and these, together with comments from other stakeholders, formed the basis of my discussion paper for the Board. The Board fully engaged with the issues raised in a healthy debate (which I led) at our March 2015 Board meeting. Whilst we agreed that the Board is generally effective, our discussion focused on what we had learnt from the events of the last year and what we needed to do to improve our performance as a Board going forward. This includes: how we address and follow up key concerns which surface during discussions in the boardroom; how proposals are presented to us; and how we communicate both externally and internally.

We will be taking a number of steps to address the personal and collective actions that we agreed this year and I will be working with the Chairman, the Chief Executive and the Company Secretary to ensure that these actions are appropriately implemented. Our progress will be reported in next year's Annual Report.

Liz Airey
Senior Independent Director

Re-election of directors
The Company's Articles of Association require all directors to seek re-election by shareholders at least once every three years. In addition, any directors appointed by the Board must stand for re-election at the first AGM following his or her appointment. Any non-executive directors who have served for more than nine years are subject to annual re-election.

The Code provides that all directors should seek re-election on an annual basis and all directors will seek re-election at the forthcoming AGM. The directors standing for re-election, with the exception of Javed Ahmed and Nick Hampton, do not have service contracts.

At no time during the year has any director had any material interest in a contract with the Group, being a contract of significance in relation to the Group's business. A statement of directors' interests in Company shares is set out on page 78.

Directors' conflicts of interest
As permitted under the Companies Act 2006, the Company's Articles of Association allow directors to authorise conflicts of interest and the Board has a policy and procedures for managing and, where appropriate, authorising, actual or potential conflicts of interest. Under those procedures, directors are required to declare all directorships or other appointments to organisations that are not part of the Group and which could result in actual or potential conflicts of interest, as well as other situations which could result in a potential conflict of interest. The Board is required to review directors' actual or potential conflicts of interest at least annually. Directors are required to disclose proposed new appointments to the Chairman before taking them on, to ensure that any potential conflicts of interest can be identified and addressed appropriately. Any potential conflicts of interest in relation to proposed directors are considered by the Board prior to their appointment.

Directors' indemnities and insurance cover
As at the date of this Annual Report, indemnities are in force under which the Company has agreed to indemnify the directors, to the extent permitted by the Companies Act 2006, against claims from third parties in respect of certain liabilities arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the Company or any of its subsidiaries. The directors are also indemnified against the cost of defending a criminal prosecution or a claim by the Company, its subsidiaries or a regulator provided that where the defence is unsuccessful the director must repay those defence costs. These indemnities are qualifying indemnity provisions for the purposes of Sections 232 to 234 of the Companies Act 2006 and copies are available for inspection at the registered office of the Company during business hours on any weekday except UK public holidays. Equivalent indemnities remain in force for Tim Lodge and Robert Walker who ceased to be directors on 31 August 2014 and 31 December 2014 respectively.

The Company also maintains directors' and officers' liability insurance cover, the level of which is reviewed annually.

Accountability

Internal control
The Board has overall responsibility for the Group's system of internal control and risk management and for reviewing its effectiveness. The objective of internal control within Tate & Lyle is to support efficient implementation of the Group's strategy and effective operations whilst enabling it to respond appropriately to significant business, operational, financial, compliance and other risks to achieving the Company's objectives. The system of internal controls is designed to safeguard the assets of the Group and to ensure the reliability of financial information for both internal use and external publication and to comply with guidance published by the Financial Reporting Council, 'Internal Control: Revised Guidance for Directors' (formerly the Turnbull Guidance). The Board recognises that internal control systems are designed to identify and manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material mis-statement or losses and the breach of laws and regulations.

Internal control system
The Board determines the level of risk that it is prepared to accept in the business (risk appetite) and oversees the strategies for significant risks that have been identified. Executive management works within the risk appetite and develops the mechanisms and processes to direct the organisation, through setting the tone and expectations from the top, delegating authority and monitoring compliance. Line management has primary responsibility for compliance with Group policies, principles and compliance requirements. In certain functions, notably safety and product quality, executive management has also established separate assurance teams to oversee the effective execution of controls.

The risk management function works with executive management and the divisions to help identify, measure, monitor and report significant risks. The units report regularly on progress with the implementation of the Group's strategy, including its impact on the risk environment. Key risks are reviewed regularly by the Board. Further information on the Group's risk management process can be found on page 34.

The internal audit function provides independent and objective assessment of the appropriateness and effectiveness of the Group's internal control systems to the Audit and CR Committees, and to the Board. It has the authority to review any relevant aspect of the business and a duty to report on any material weaknesses. The Group has a risk-based internal audit plan which is approved by the Audit and CR Committees. It is updated regularly to reflect changes to the control environment.

The findings from audits are discussed with executive management and action plans put in place where appropriate. Progress against these plans is monitored regularly by the internal audit function. Summaries of both audits and progress on any actions are discussed regularly at meetings of the Audit and CR Committees.

The Board also commissions external specialists to supplement internal processes as appropriate. Given the significant business transformation activity undertaken during the year, in addition to regular reports from the internal audit function, the Board received reports from external specialists retained to review key elements of the transformation programme.

Key features of the internal control system
The Group's internal control system has a number of key features which ensure that risk is monitored and managed throughout the year, including those listed below.

- The schedule of matters reserved to the Board which ensures that the directors control, among other matters, all significant strategic, financial and organisational issues.
- A clear organisational structure and limits of authority in respect of items such as capital expenditure, pricing and contract authorisation.
- A comprehensive planning and budgeting system for all items of expenditure with an annual budget approved by the Board. Performance is reported monthly against budget and prior year results; significant variances are investigated; and revised forecasts for the current financial year and financial projections for future years are prepared regularly.
- The Group has comprehensive safety, product quality assurance and environmental management systems. Where appropriate, these are independently certified to internationally recognised standards; they are also subject to a regular independent audit process.

Corporate Governance continued

- The Audit and CR Committees oversee the operation of controls and report regularly to the Board. If a failure of control has a material impact, then a detailed investigation, analysis and action plan would be provided to and considered by the Audit Committee, the CR Committee and the Board (as appropriate).

Speak Up (whistleblowing)
Speak Up, the Group's whistleblowing programme, has been in place for a number of years in all operations controlled by the Group. This programme, which is monitored by the Audit and CR Committees, is designed to enable employees, contractors, customers, suppliers and other stakeholders to raise concerns confidentially in cases where conduct is deemed to be contrary to the Group's Values. It may include, for example, actions that may endanger safety; unethical practices; or criminal offences.

The Speak Up programme provides a number of alternative ways to raise concerns including a telephone reporting line, email, and a web-based reporting facility. The multilingual communication facilities are operated by independent service providers who submit a report to the Speak Up Committee for investigation.

Reports received during the year were kept strictly confidential and the concerns identified were referred to appropriate managers within the Group for resolution. Where appropriate, action was taken to address the issues raised. The reports were analysed and monitored to ensure the process continued to be effective. There were no cases of fraud that were significant or that demonstrated material weaknesses in internal controls.

Controls over financial reporting
The financial reporting control system covers the financial reporting process and the Group's process for preparing consolidated accounts, and includes policies and procedures which provide for:

- The maintenance of records that, in reasonable detail, accurately and fairly reflect transactions including the acquisition and disposal of assets
- Reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards
- Reasonable assurance regarding the prevention or timely detection of unauthorised use of the Group's assets.

In addition, specific disclosure controls and procedures are in place to support the approval of the Group's financial statements. Twice a year, representatives from SFI and BI certify that their reported information provides a true and fair view of the state of the financial affairs of their division and its results for the period. The results of this financial disclosure process are reported to the Audit Committee.

Joint ventures
All material joint ventures, as set out in Note 16, follow either the Group's formal systems of internal control, or their own internal control procedures. These separate procedures are subject to review by the Group's internal audit function, and the Group works with its partners to ensure that action plans are in place to address any issues identified during those reviews.

2015 review of the effectiveness of the system of internal control
The effectiveness of the Group's internal control system is monitored throughout the year. Once a year the Board, with the assistance of the Audit and CR Committees, conducts its own review of the effectiveness of the systems of risk management and internal control. In 2015, this review was once again facilitated by the internal audit function and covered the period from the start of the financial year to the date of this Annual Report. The process included a two-stage review to facilitate discussion, with the Audit and CR Committees discussing the results of the review at their meetings in March and May 2015. The Board then discussed the output at its meeting in May 2015.

The 2015 review covered financial, operational and compliance controls, Values and behaviours, and the risk management process, and included questionnaires and representation letters completed by management. The internal audit function monitored and selectively checked the results of the review, ensuring that the responses from management were consistent with the results of its work during the year. As part of this process, areas for enhancements to internal controls, and associated action plans to deliver them, were identified. Delivery of these enhancements is being monitored by the Audit Committee or CR Committee as appropriate.

As set out in the Chief Executive's Review, supply chain disruption significantly affected our business in the financial year, leading to both additional costs of order fulfilment and missed sales opportunities. The Board asked Nick Hampton to lead a full diagnostic review of global demand, supply and planning processes, details of which are on page 9. The review confirmed that improvements were needed to operating and supply chain planning capabilities and to the robustness of internal planning processes and a programme to implement these improvements is progressing well, with a number of actions already in place.

The Board considers that no other areas identified for enhancement constituted a significant weakness.

Remuneration

The Board has delegated to the Remuneration Committee responsibility for agreeing the remuneration policy for the Chairman, Chief Executive, Chief Financial Officer and senior executives. The Chairman was a member of the Remuneration Committee during the year but was not involved in any aspect of his own remuneration. The Directors' Remuneration Report on pages 58 to 78 sets out the remuneration policy and the way in which it has been implemented.

Relations with shareholders

Shareholder communications
The Chief Executive, Chief Financial Officer and Group VP, Investor and Media Relations maintain a regular programme of visits and presentations to institutional shareholders both in the UK and overseas. The Chairman also undertook separate visits to institutional shareholders and Liz Airey also met with a number of institutional shareholders following her appointment as Senior Independent Director. Feedback on interaction with institutional shareholders is provided to all directors. The Investor Relations team provides the Board with a report on any meetings with major institutional shareholders at each scheduled Board meeting. All directors receive copies of analysts' reports on the Company. In addition, the Company's external advisors give an annual briefing on investors' perceptions of Tate & Lyle and its investor relations activities. The non-executive directors are encouraged to attend the full-year and half-year results presentations. The Company aims to present a balanced and clear assessment in all its communications with shareholders. Key announcements, financial reports and other information about the Group can be found on the Company's website, www.tateandlyle.com.

Annual General Meeting
The 2015 AGM will be held at The QEII Centre in London on Wednesday 29 July 2015 at 11.00 am. Full details are set out in the Notice of Meeting. Shareholders have the opportunity to put questions to the Board at the AGM on matters relating to the Group's operations and performance. Resolutions are decided by means of a poll and the votes received in respect of each Resolution, together with the level of abstentions, are notified to the London Stock Exchange and published on the Company's website. Shareholders are offered the choice of receiving shareholder documentation, including the Annual Report, electronically or in paper format, as well as the choice of submitting proxy votes either electronically or by post.

Audit Committee Report

Dear shareholder

I am pleased to present the activities of the Audit Committee during the year.

On 1 January 2015, we welcomed Paul Forman to the Board and this Committee; and I succeeded Liz Airey as Committee Chairman on 1 March 2015. I would like to thank Liz for her diligent leadership.

During the year, in addition to our usual matters, including the financial results for the full year and half year and the interim management statements, applicable accounting policies and going concern assumptions, we continued to undertake in-depth reviews of key topics. These included a review of the functional and presentational currencies used by the Group, the finance controls used in Speciality Food Ingredients and commodities risk management.

Earlier in the Annual Report, we set out the issues relating to the supply chain disruption that significantly affected our business during the financial year under review. While this would ordinarily be an area of focus for both the Committee and the CR Committee, the directors agreed that the issue would be addressed and monitored by the Board. Further information is set out on page 52.

I led a review of the Committee's effectiveness which concluded that the Committee continued to operate effectively and identified a number of topics for additional focus this year.

I look forward to meeting with shareholders at the forthcoming AGM on 29 July 2015.

Douglas Hurt
Chairman of the Audit Committee

Composition and constitution

The Audit Committee, which comprises four non-executive directors, oversees the Group's financial reporting and internal controls and provides a formal reporting link with the external auditors. The Committee's terms of reference, which are reviewed annually, are available on the Company's website, www.tateandlyle.com.

Main responsibilities of the Audit Committee

These include:

- Overseeing the Group's financial reporting process and monitoring the integrity of the financial statements and formal announcements relating to the Group's financial performance
- Reviewing significant financial reporting issues and accounting policies and disclosures in financial reports
- Reviewing the effectiveness of the Group's internal control procedures and risk management systems
- Reviewing the effectiveness of the internal audit function
- Overseeing the Group's relationship with the external auditors including the level of fees
- Reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process
- Making recommendations to the Board on the appointment or reappointment of the Group's external auditors.

Meetings during the year

The Committee met six times during the year and the minutes of each meeting are made available to all directors via the Board portal. Membership of the Committee and attendance during the year were as follows:

Directors as at 31 March 2015	Number of meetings eligible to attend	Number of meetings attended
Douglas Hurt[1]	6	6
Liz Airey	6	6
Paul Forman[2]	2	2
Anne Minto	6	6

1 Succeeded Liz Airey as Chairman of the Audit Committee on 1 March 2015.
2 Appointed as director and a member of the Audit Committee with effect from 1 January 2015.

The Committee also met twice since the end of the financial year and prior to the signing of this Annual Report.

All the Committee members have extensive management experience in large international organisations. It is a requirement of the Code that at least one Committee member has recent and relevant financial experience. Two members meet this requirement: Douglas Hurt was Finance Director at IMI plc until 28 February 2015 and is a member of the Institute of Chartered Accountants in England and Wales and Liz Airey was an investment banker and former finance director of Monument Oil and Gas plc.

The Chief Financial Officer; VP, Group Audit and Assurance; Group VP, Finance and Control; Executive VP, General Counsel; and representatives of the external auditors are normally invited to attend each meeting. The Chairman of the Board and Chief Executive attend meetings of the Committee by invitation. In addition, the Committee continues to enhance its exposure to the business through its programme of key topics for in-depth review, which involves operational and other key senior managers presenting to the Committee.

The VP, Group Audit and Assurance and the external auditors have direct access to, and meet regularly with, the Chairman of the Committee outside formal Committee meetings.

Independence of the external auditors

The Group's external auditors are PricewaterhouseCoopers LLP (PwC) and the Committee operates a policy to safeguard their objectivity and independence. This policy sets out certain disclosure requirements by the external auditors to the Committee; restrictions on the employment of the external auditors' former employees; and partner rotation. During the year, the Committee reviewed the processes that the external auditors have in place to safeguard their independence, and received a letter from the external auditors confirming that, in their opinion, they remained independent.

The policy also sets out the circumstances in which the external auditors may be permitted to undertake non-audit services. The Chief Financial Officer and Chairman of the Committee have authority to approve the provision of certain services up to £100,000 or £250,000 respectively. The Committee must approve any proposed non-audit services that exceed those thresholds. Such proposals must be justified and, if appropriate, be subject to tender. In addition, the policy specifies the services which are not permitted under any circumstances, such as the provision of remuneration advice and internal audit outsourcing.

The Committee reviews the policy on an annual basis and considers quarterly reports which set out the ongoing non-audit services provided by the auditors and the fees incurred.

In June 2014, restrictions around the provision of non-audit services by the auditors and a 70% non-audit services fee cap came into effect at EU level. These proposals are likely to come into force at UK level during 2016 and the Committee will revise the policy to reflect the new requirements as they take effect.

Corporate Governance continued

A breakdown of the fees paid to the external auditors in respect of audit- and non-audit-related work is included in Note 7. The total amount paid in respect of the Group audit, audit of subsidiaries and the half-year review was £2.0 million, and £0.2 million was paid in respect of non-audit-related services. Fees paid in respect of non-audit-related services therefore comprised 10% of the total fees paid to PwC.

Work undertaken during the year

The Committee maintains a calendar of items for consideration at each meeting. In addition to the activities outlined in the statement from the Committee Chairman, during the year and up to the date of this Annual Report, the work undertaken by the Committee fell under four main areas: financial reporting; oversight of the external auditors; oversight of the internal audit function; and internal control and risk management.

Financial reporting

At each of its meetings, the Audit Committee reviewed accounting papers prepared by management and determined, with the perspective of the external auditors, the appropriateness of key accounting policies, estimates and judgements. The significant issues considered by the Committee in relation to the financial statements for the year ended 31 March 2015 are listed below.

Sucralose assets

As explained in the Chief Executive's Review, the Group undertook a detailed analysis of our SPLENDA® Sucralose business to evaluate how to maximise returns in a competitive market. The Board agreed to re-focus the SPLENDA® Sucralose business in two ways: by taking a rigorous valued based approach to securing volume, and by materially lowering the manufacturing cost base of the business by consolidating all production into the McIntosh, Alabama facility and closing the facility in Singapore. The Committee reviewed the carrying value of the Group's SPLENDA® Sucralose assets and determined that the full carrying value of the Singapore facility should be written off in advance of the closure of the facility. The Committee further determined, that based on the analysis of the business and future cost base, no impairment was required in respect of the McIntosh assets.

Commodity risk

The Group uses corn commodity contracts to manage and hedge its corn positions in the US. The valuation of the corn book, which is underpinned by a number of judgements, has a material impact on the reported results of the Group. The Committee received regular updates on the key commodity risks and the risk management framework in place to mitigate these risks. In addition, the Committee considered the work performed by the external auditors before concluding that the judgments made in determining the valuation were appropriate. This will continue to be a key area of focus for the Committee going forward.

Implementation of Common IS/IT system

As set out in the Chief Executive's Review, the Group deployed its global IS/IT platform in the North American business and in Singapore during the year, following deployment in Europe in 2012. The Committee closely monitored plans to mitigate the risk of breakdown in internal financial controls during the transition and the increased risk of inaccurate or incomplete migration of financial data. Following implementation, the Committee continues to monitor the controls in place as part of its ongoing oversight role.

Taxation

The Group operates in a number of tax jurisdictions and provision for potential direct tax exposures with local tax authorities is underpinned by a range of judgements. The Committee reviewed the Group's principles and processes for managing tax risks during the year and reviewed the key judgements made in estimating the Group's tax charge along with the key disclosures, including a statement of tax principles, included in the Annual Report (set out on page 29 and in Notes 10 and 28). The Committee was satisfied that the judgements made in estimating the Group's tax charge were reasonable, and that the disclosures in the Annual Report were appropriate.

Retirement obligations

The Group has significant retirement benefit obligations in the UK and the US, including unfunded retirement medical plans in the US and a number of judgements have to be made when calculating the fair value of the Group's legacy retirement obligations. The Committee reviewed the assumptions proposed by management (reflecting advice from the Group's external actuary) which have driven an increase in the pension and healthcare net liability (see Note 29) and considered reports from the external auditors before agreeing that the assumptions were reasonable.

Reported and adjusted earnings

The Committee considered management's review of reported and adjusted earnings, and satisfied itself that significant one-off items of income and expense had been correctly classified and that external disclosure of these items was appropriate.

The Committee also reviewed management's annual goodwill impairment assessment paper, considering future performance of the underlying divisions, including discussion of the discount rates used and forecast assumptions and sensitivities. The Committee was satisfied that, other than in respect of the SPLENDA® Sucralose plant in Singapore, no impairment charges, or reversal of impairments, were required. Papers on the Group's existing and emerging litigation risks were considered.

External auditors

PwC (or its predecessor firms) have been the Company's auditors since 1989. The lead audit partner is rotated on a five-yearly basis. The current lead audit partner, John Waters, has been in place since the audit for the year ended 31 March 2014. Accordingly, he is due to rotate off at the conclusion of the audit for the year ending 31 March 2018.

Following the conclusion of the audit for the year ended 31 March 2014, the Committee conducted an internal review of the effectiveness of the auditors (the last external review being in 2010). As part of the process, the Committee reviewed the auditors' performance against criteria set at the start of the audit, together with feedback from management at Group level and at divisional level and considered the most recent public report on the inspection of PwC which was issued by the FRC in May 2014. The Committee concluded that the external audit process was operating effectively and that PwC continued to provide effective and independent challenge to management. The review identified a number of areas for process enhancements which were implemented and incorporated into the criteria set for the audit in respect of the year ended 31 March 2015.

The Code states that FTSE 350 companies should tender the provision of audit services at least every ten years or explain their approach, if different. The Competition & Markets Authority has published additional proposals which came into effect in January 2015. These require FTSE 350 companies to put their statutory audit engagement out to tender at least every ten years. In addition to this, the European Parliament's proposals, which include the requirement that audit firms of all EU companies listed on a regulated market are subject to retender after ten years and rotate off after 20 years, came into force at EU level in June 2014. The Committee continues to keep under review the legal and regulatory developments in this regard.

Under the transitional provisions attached to the EU rules, the Group would be required to change auditors for the next audit appointment after 17 June 2020. As a result, the final year that PwC could be appointed would be the year ending 31 March 2020 and an audit tender to appoint new external auditors would need to take place in time for the Group's Annual General Meeting in 2020 at the latest.

The Committee discussed the timing of a tender on a regular basis during the financial year ended 31 March 2015. In light of the change in Chief Financial Officer and the ongoing embedding of the global IS/IT system, the Committee agreed to revisit timing of the tender during the year ending 31 March 2016. The Committee has recommended to the Board that PwC continue to act as auditors to the Group. PwC has indicated its willingness to continue in office; a resolution that PwC be reappointed will be proposed at the AGM.

Internal audit function
The Committee reviewed the remit, organisation, annual plan and resources of the internal audit function and concluded that the function continued to operate effectively. The last external review was undertaken in November 2013.

Internal control and risk management
The Committee continued to receive and consider regular reports from management and the VP, Group Audit and Assurance on the effectiveness of the Group's risk management system. The reports from the latter included the findings from reviews of internal financial controls and actions to address any weaknesses in those controls. The Committee also reviewed the operation of the independent confidential reporting line.

Throughout the year, the Committee focused in particular on the impact of the implementation of the new IS/IT system and associated changes to the control environment, together with any potential impact on financial reporting processes. It also reviewed controls to mitigate fraud risk and the Group assurance map outlining the key risks and associated assurance processes. In addition, the Committee reviewed the output from the annual review of the effectiveness of internal financial reporting controls and then reported to the Board on that review.

Nominations Committee Report

Dear shareholder

This year, the Committee continued to focus on both Board succession plans and executive succession planning and the outcomes are set out in this report.

I led the review of the Committee's effectiveness. The review concluded that the Committee was functioning effectively and recommended some process changes that we have already implemented.

Looking ahead, this year, we plan to focus in particular on talent management and succession planning for critical roles outside the Board and Group Executive Committee to ensure that our talent pipeline is appropriately resourced and supported.

Sir Peter Gershon
Chairman of the Nominations Committee

Composition and constitution

The Nominations Committee comprises the Chairman of the Company, the Chief Executive and all the non-executive directors. It ensures that the balance of skills and experience of the Board remains appropriate for the needs of the Group. The Committee's terms of reference, which are reviewed annually, are available on the Company's website, www.tateandlyle.com.

Main responsibilities of the Committee

These include:

- Reviewing the size and composition of the Board, including succession planning, and the leadership needs of the Group generally
- Recommending candidates for appointment as executive and non-executive directors and as Company Secretary, taking into account the balance of the Board and the required blend of skills and experience, bearing in mind the need for diversity
- Making recommendations on the process for the appointment of the Chairman of the Board
- Reviewing annually the performance of each member of the Group Executive Committee and reporting on that review to the Remuneration Committee.

Meetings during the year

The Committee met five times during the year. Membership of the Committee and attendance during the year were as follows:

Directors as at 31 March 2015	Number of meetings eligible to attend	Number of meetings attended
Sir Peter Gershon[1]	5	5
Javed Ahmed	5	5
Liz Airey	5	5
William Camp	5	5
Paul Forman[2]	1	1
Douglas Hurt	5	5
Virginia Kamsky	5	5
Anne Minto	5	5
Dr Ajai Puri	5	5
Former directors		
Robert Walker[3]	4	4

1 Committee Chairman.
2 Joined the Board on 1 January 2015.
3 Ceased to be a director on 31 December 2014.

The Committee has also met once since the end of the financial year and prior to the signing of this Annual Report.

Work undertaken during the year

During the year and up to the date of this Annual Report, in addition to the work set out in the Chairman's letter above, the work undertaken by the Nominations Committee included:

Corporate Governance continued

Board succession planning

Appointment of Nick Hampton

Following Tim Lodge's indication that he was ready for a new challenge, the Committee, supported by the Executive VP, Human Resources, appointed The Zygos Partnership to assist them in the search for a new Chief Financial Officer. Zygos Partnership, which is a signatory to the Executive Search Firms Voluntary Code of Conduct, has worked on other assignments with the Group and proposed a number of candidates who were interviewed by the Chief Executive and Executive VP, Human Resources. The final candidate, Nick Hampton, was then interviewed by the Chairman and four non-executive directors. In line with our standard process for senior executive recruitment, an independent external assessment of capabilities was undertaken by YSC, a specialist business psychology company, before the Committee recommended that Nick Hampton be appointed Chief Financial Officer from 1 September 2014. The recommendation was approved by the Board.

Appointment of Paul Forman

As explained last year, the Committee retained Spencer Stuart to assist the Committee with the search for an additional non-executive director who could serve on the Audit and Remuneration Committees. Spencer Stuart is a signatory to the Executive Search Firms Voluntary Code of Conduct and has a good understanding of the Group's business as it has previously assisted in the identification of individuals to fill other senior executive roles. Spencer Stuart prepared a 'long list' comprising a diverse range of potential candidates meeting the specification. The search consultants and the Chairman then identified a subset of this long list to meet face-to-face with the Chairman. Following these initial interviews, the Chairman recommended a short list of candidates to be interviewed by a working party comprising the Chief Executive and two other members of the Committee.

The Committee subsequently discussed the results of these interviews and also reviewed the candidates' anticipated ability to provide the necessary time commitment to Tate & Lyle. The Committee recommended that Paul Forman be appointed as an additional non-executive director. This recommendation, together with the Committee memberships proposed for Paul, was approved by the Board and he joined the Board on 1 January 2015.

Senior Independent Director

In addition, the Committee recommended that Liz Airey, with eight years of Board service and having very good experience of the UK market and institutional shareholders, should be appointed as Senior Independent Director with effect from 1 January 2015.

Chairmanship of Committees

The Committee reviewed the chairmanship of the Board committees and recommended that Anne Minto, who has significant remuneration experience, be appointed chairman of the Remuneration Committee with effect from 1 January 2015. The Committee also recommended that Douglas Hurt, with his extensive experience as the former Finance Director of IMI plc, be appointed as Chairman of the Audit Committee with effect from 1 March 2015.

Committee membership

With regard to the composition of the Board's Committees, the Committee recommended that Sir Peter Gershon step down as a member of the Remuneration Committee with effect from 1 June 2015, in line with practice in other large listed companies.

All recommendations were approved by the Board.

Succession planning – Group Executive Committee

Another key area of focus this year was the refreshment of the Group Executive Committee. Members of the Committee participated in the interview processes and met with the Chief Executive and Executive VP, Human Resources to provide feedback. The Committee agreed that Gabriella Parisse, Joan Braca, Jim Stutelberg, Pierre Schoumacher and Rowan Adams be appointed to the Group Executive Committee during the year and these appointments were subsequently approved by the Board.

Talent management

The Committee also reviewed the wider succession plans and talent management process and the progress made to embed HR processes to assist in retaining and developing existing employees while attracting new talent into the Group.

Performance evaluation

The Committee undertook a performance evaluation of each member of the Group Executive Committee and reported its conclusions to the Remuneration Committee.

Corporate Responsibility Committee Report

Dear shareholder

Last year, I wrote of our deep shock and sadness at the tragic fatalities at three of our sites.

As explained on page 6, very sadly, two contractors died in an accident that occurred in April 2014 and then in June 2014, one of our colleagues died in a tractor accident at one of our grain elevators. We are extremely saddened by these losses at our sites. These accidents have been thoroughly investigated internally and externally and we have ensured that the families and others affected by the accidents have been supported.

Against this tragic backdrop, the Group's safety performance has improved significantly since June 2014. We have overseen management's efforts to re-focus and refresh our approach to safety which is set out on page 38, and I have personally visited a number of our sites in the US during the year to meet local safety management and review safety activities. We continue to review safety at each Committee meeting.

On 1 March 2015, we welcomed Douglas Hurt to the Committee as he succeeded Liz Airey as Chairman of the Audit Committee. I would like to thank Liz for her contribution to the Committee since its inception and look forward to working with Douglas on the Committee.

I look forward to meeting shareholders at our AGM.

William Camp
Chairman of the CR Committee

Composition and constitution

The Committee comprises four non-executive directors and the Chairman of the Company. The Committee oversees the Group's processes and measures used to manage social, environmental and ethical risks and associated internal controls.

The Committee's terms of reference, which are reviewed annually, can be found on the Company's website, www.tateandlyle.com.

Main responsibilities of the Corporate Responsibility Committee

These include:

- Monitoring the Group's approach to corporate responsibility and ensuring it aligns with Group strategy
- Reviewing the effectiveness of the Group's policies and procedures relating to a safe working environment
- Approving, or recommending to the Board for approval, CR policies
- Reviewing the implementation of appropriate environmental policies
- Monitoring the effectiveness of workplace policies concerning employee relations, equal opportunities, travel, entertainment and conflicts of interest
- Reviewing whistleblowing arrangements
- Satisfying itself that the Group has appropriate policies, systems and controls in place in respect of the risks falling within the Committee's remit.

Meetings during the year

The Committee met five times during the year. Membership of the Committee and attendance during the year were as follows:

Directors as at 31 March 2015	Number of meetings eligible to attend	Number of meetings attended
William Camp[1]	5	5
Sir Peter Gershon	5	5
Douglas Hurt[2]	1	1
Virginia Kamsky	5	5
Dr Ajai Puri	5	5
Former Committee members		
Liz Airey[3]	4	4

1 Committee Chairman.

2 Joined the Committee on 1 March 2015.

3 Ceased to be a member of the Committee on 28 February 2015.

The Committee has also met once since the end of the financial year and prior to the signing of this Annual Report.

Work undertaken during the year

As explained in the Audit Committee report, the directors agreed that the issues relating to the supply chain disruption experienced during the year would be addressed and monitored by the Board. Further information is set out on page 52.

During the year and up to the date of this Annual Report, in addition to the work outlined in the Committee Chairman's letter, the work undertaken by the CR Committee included the following:

Safety

The Committee undertook a series of detailed reviews focusing first on proposals to re-focus and refresh the approach to safety and subsequently on the implementation and evolution of the initiatives. The Committee also received reports from the VP, Global Quality and Food Safety on the operation of the Group's quality assurance processes.

Diversity and inclusion

The Committee received an update on the implementation of diversity and inclusion initiatives and agreed the areas of management focus for the next 12 to 18 months.

Business practices

The Global Ethics Director provided regular updates on the implementation of the Ethics Strategy across the Group. In addition, the Committee reviewed the operation of the independent confidential reporting (whistleblowing) line. Further information on this is on page 52.

Community

The Committee received an update on implementation of the community involvement programme and the evaluation of the global partnership programmes.

Environment

The VP, Sustainability provided the Committee with updates on the Group's environmental performance and initiatives on a regular basis.

Internal control and risk

The Committee received regular reports from management and the VP, Group Audit and Assurance in respect of the policies, systems and controls in place in respect of the risks falling within the Committee's remit. The Committee reviewed the output from the annual review of the effectiveness of controls falling within its terms of reference and then reported to the Board on this review.

The Committee also undertook a detailed review of the Group's approach to managing intellectual property, focusing in particular on actions being taken to protect our new products and new product pipeline. In addition it continued to monitor the ongoing efforts to tackle cyber security and agreed to review this more frequently over the course of the year ahead given the quickly-evolving nature of this general risk.

Committee effectiveness

The Committee Chairman led the 2015 effectiveness review which concluded that the Committee continues to operate effectively. The Committee agreed to revisit the scope of its work to ensure that it continues to focus on, and devote sufficient discussion to, the appropriate issues going forward. The Committee also agreed to provide more direct feedback to presenters and authors of papers to ensure that the information provided evolves in line with requirements. The Committee Chairman will continue to meet with presenters before each meeting and also share feedback with them after meetings.

Directors' Remuneration Report

Dear shareholder

As Chairman of the Remuneration Committee, I am pleased to present our Remuneration Report for the financial year ended 31 March 2015. This introduction provides context for the Committee's decision-making during the year, and summarises key points from the Report, including those relating to performance and incentive plan outcomes, and Committee activities during the year.

I succeeded Robert Walker as Chairman of the Committee on 1 January 2015, and I would like to thank him for his stewardship.

Business performance context

The year under review has been very challenging, with financial performance held back by some key factors which are discussed in the Chief Executive's Review and Chairman's Statement, primarily:

- Significant disruption to our supply chain resulting from prolonged and severe winter conditions in the US which led to the Company starting the financial year with much lower inventory than usual
- Supply constraints, resulting from an extended shutdown of the SPLENDA® Sucralose facility in Singapore at the start of the financial year, coupled with extremely competitive market conditions.

Notwithstanding these challenges, the fundamentals of the business remain strong and the Company continues to make clear strategic progress:

- We completed two bolt-on acquisitions in the emerging markets during the year, including a joint venture with Gemacom Tech, the leading domestically-owned Food Systems business in Brazil.
- We continue to see the benefits of the investment we have made in our innovation capabilities with two major new product launches: CLARIA® Functional Clean-Label Starches, boosts our texturant offering; and in February, we launched in the US, DOLCIA PRIMA™ Allulose, a low-calorie sugar that provides many of the same attributes as table sugar, but with 90% fewer calories.

Remuneration outcomes for the year

As set out in this report, remuneration outcomes for the year were as follows:

- **Annual Bonus Plan:** No bonus is payable to executive directors for the year ending 31 March 2015, as profit fell below the threshold level that was set by the Committee at the start of the year.
- **Performance Share Plan:** Our published adjusted return on capital employed in the year to 31 March 2015 was 13.9%, which exceeds the threshold requirement of 13.4% and is in excess of our cost of capital. Earnings per share (EPS) targets have not been achieved. Accordingly, a vesting level just above threshold was achieved. Javed Ahmed has informed the Committee that, having taken into account financial performance in the round, he would waive his entitlement to the award.

Key Committee activities during the year

In addition to the responsibilities of the Committee (which are described in summary on page 70), the Committee spent significant time on matters relating to the following key items during the year:

- **Executive director changes:** Nick Hampton was appointed Chief Financial Officer and joined the Group on 1 September 2014; Tim Lodge stepped down as Chief Financial Officer on 31 August 2014. The Committee considered and approved remuneration terms in respect of these transitions, operating within the remuneration policy that shareholders approved at the Company's Annual General Meeting (AGM) on 24 July 2014. Further details are provided in this Report and key terms are summarised on page 71.
- **Senior executive appointments:** During the year, a number of changes at Executive Committee level were made to strengthen the broader executive team. The Committee has carefully considered appropriate remuneration terms for each of these appointments, taking account of individual skills and experience, in conjunction with the Nominations Committee.
- **Review and planning:** The remuneration framework has essentially been in place in its current form since 2010. In January 2015, the Committee set aside time to consider, with input from management and our external advisor, whether there were opportunities to improve the effectiveness of our arrangements. Based on this review, the Committee noted that:
  - The overall framework is considered to be fit for purpose, providing for a clear alignment between Company performance and Directors' remuneration
  - The remuneration policy conforms to a number of 'good practice' expectations, and is supported by shareholders
  - Both the Annual Bonus Plan and Performance Share Plan require careful calibration of targets against the business strategy and outlook, to ensure the continued effectiveness of these plans
  - The inclusion of non-financial objectives within the Annual Bonus Plan (consistent with our remuneration policy) would provide an opportunity to align the organisation behind some critical strategic and operational priorities to strengthen the business through the year ending 31 March 2016 and beyond.

Accordingly, I can confirm that no changes are proposed to the remuneration policy which was approved by shareholders at the 2014 AGM.

In March 2015, I led the annual review of the Committee's effectiveness. The review concluded that the Committee appropriately fulfilled its role and carried out its duties against the responsibilities described in its terms of reference.

Business re-alignment to focus on and strengthen Speciality Food Ingredients
On 21 April 2015, we announced a restructuring of our European and SPLENDA® Sucralose businesses to establish a more focused Company through which to accelerate the delivery of our strategy.

These actions improve our strategic positioning and are expected to improve our long-term outlook and ability to maximise returns in a competitive market. However, the structural and mid-term financial considerations will also impact the appropriateness of the performance conditions attached to future incentive awards. We therefore expect to review the PSP conditions that will apply for awards made in 2015, in keeping with our approved remuneration policy, and to consult with shareholders, as appropriate, later in the year.

Remuneration Report and implementation of policy for the year ahead
Our Remuneration Policy was approved by shareholders at last year's AGM with 97.87% of votes in favour.

The Committee is satisfied that this policy provides for a strong alignment between Company performance and the remuneration of executive directors and, as stated in this Report, we intend to continue to operate within this approved remuneration policy during the financial year ending 31 March 2016.

Anne Minto
Chairman of the Remuneration Committee

About these Reports
The information regarding directors' remuneration is presented in two Reports: the first relates to our remuneration policy (the Directors' Remuneration Policy Report), and the second relates to the way in which our established policy has been implemented during the year under review (the Annual Report on Remuneration).

A resolution to approve the Annual Report on Remuneration will be proposed at the AGM on 29 July 2015.

The Directors' Remuneration Policy Report was formally approved by shareholders at the AGM in 2014 and it remains our intention that the policy will apply for a period of three years from the date of that AGM.

These Reports have been prepared in accordance with the requirements of the Companies Act 2006 (the Act) and Schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the Regulations), the Listing Rules of the UK Listing Authority and the UK Corporate Governance Code. PricewaterhouseCoopers LLP has audited such content as required by the Act (the information on pages 73 to 78 marked as '(audited)').

Directors' Remuneration Policy Report

Introduction
This Report sets out the Company's policy in relation to directors' remuneration, which was approved by shareholders at the 2014 AGM. This approach was originally established in 2010 in connection with the review of the business strategy following Javed Ahmed's appointment as Chief Executive, and the policy and remuneration framework we have today is fundamentally unchanged from that set out in the Annual Reports since 2011.

Specifically, no changes have been made to the Remuneration Policy which was approved by our shareholders at the 2014 AGM (and which is included in this Report). We intend to operate within this policy during the financial year ending 31 March 2016.

The Committee retains discretion on specific aspects of policy and implementation, as described in this Report, along with an overriding discretion to determine bonus outcomes and judge the level at which share awards vest, in order to ensure that payments are consistent with the underlying health and performance of the business, within the maximum opportunity stated in the policy tables.

The Committee may make minor changes to the policy without seeking shareholder approval, for example, to benefit the administration of arrangements, or to take account of changes in legislation. Any such changes would be disclosed in the relevant Annual Report.

Directors' Remuneration Report continued

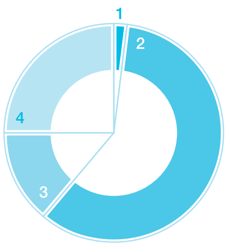
Remuneration strategy and key principles

The Company's remuneration strategy, and supporting principles which apply consistently across employee, management and executive populations, is summarised in the table below.

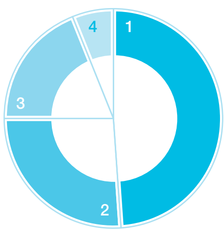
Remuneration strategy	Key principles
The Company's remuneration strategy is to provide packages that enable the Company to recruit, retain and motivate high-calibre individuals in the markets in which we operate to deliver superior operational performance and outstanding financial results	• Base pay and benefits are generally positioned at local market 'median' levels • For all employees, our pay for performance framework provides for meaningful differentiation in salary progression and opportunities for career progression, based on each individual's contribution
	• The total package opportunity should provide meaningful reward for superior performance and encourage the achievement of genuinely stretching short-term and long-term objectives • Below executive level, key individuals who have a specific accountability for driving annual and longer-term performance may be selected to participate variously in our sales incentive plan, the Annual Bonus Plan, and/or the Performance Share Plan
	• Alignment with shareholders' long-term interests is carefully preserved, for example, through: a significant proportion of pay being based on performance; effective governance around remuneration decisions; a considered approach to setting performance targets; the adoption of shareholding guidelines at senior executive levels; and malus and claw back provisions on incentive awards
	• All aspects of remuneration are designed to encourage a focus on long-term, sustained performance and risk management
	• Our approach is intended to be equitable and transparent and operate across the Group, recognising that we recruit talented individuals and operate in an international market
	• Outcomes must be achieved in a way that is consistent with the Group's core Values and Code of Ethics, and that fosters sustainable, profitable growth

The charts below illustrate the international nature of our business – although we are UK-listed and headquartered in London, a very significant proportion of our people, our shareholders, and our customers are based outside the UK. Accordingly, it is important that our remuneration arrangements are appropriately competitive in that international context.

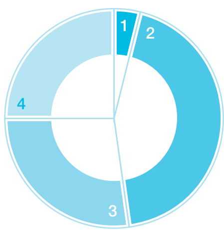
Our sales[1]
1. UK **1%**
2. US **60%**
3. Other European countries **14%**
4. Rest of world **25%**



Our shareholders[2]
1. UK **49%**
2. North America **26%**
3. Other European countries **19%**
4. Rest of world **6%**



Our employees
1. UK **4%**
2. US **44%**
3. Other European countries **27%**
4. Rest of world **25%**



1 Sales by destination (from continuing operations) as per Note 4 to the Financial Statements.
2 Analysis of shareholder register as at 28 April 2015.

A clear link between our strategy and directors' remuneration

The Company's remuneration arrangements place a clear emphasis on driving Company performance, through incentives that are directly linked to the key performance indicators (KPIs) which come from our business strategy. In this way, we maintain a keen focus on delivering long-term growth, thereby enhancing long-term value for shareholders.

The table below summarises the KPIs that we use to measure the Group's success against our strategy. The right-hand column describes how these KPIs link directly to remuneration arrangements.

p22 Key Performance Indicators

Key performance indicators	Link to directors' remuneration
Financial results	
Adjusted operating profit	This is a key determinant of awards under the Annual Bonus Plan
Adjusted diluted EPS growth	Awards under the Performance Share Plan depend on this metric
Dividend per share	The dividend has a direct impact through individual executive share ownership and dividend equivalents on deferred bonus awards
Net debt	Objectives are reflected in incentive plan target setting, but this metric does not directly impact remuneration
Performance and financial strength (in addition to the above)	
Speciality Food Ingredients sales growth	Informs the sales target in the Annual Bonus Plan that is set by the Committee each year
Return on capital employed	Awards under the Performance Share Plan depend on this metric
Cash conversion cycle	This is a performance metric in the Annual Bonus Plan
Net debt to EBITDA and interest cover	Objectives are reflected in Annual Bonus Plan targets, but this metric does not directly impact remuneration
Corporate responsibility	
Safety metrics	Safety and broader corporate responsibility matters are specific factors that the Committee may factor into decisions on pay and annual incentive plan outcomes

Key components of directors' remuneration

As a Committee, we believe that our approach to remuneration provides a relatively simple but effective overall framework that is aligned with long-term success and returns to shareholders.

The executive directors' remuneration consists of base salary, annual bonus, long-term incentives, and retirement and other benefits as described in the table overleaf. Malus and claw back provisions apply to incentive awards following release (as described in the policy table on pages 62 to 65), and a strong alignment with shareholders' interests is maintained through significant personal shareholding requirements imposed on each director.

The key components of the remuneration framework for executive directors are summarised in the table below, and the full policy in relation to each item is described in the tables that follow.

Key components of directors' remuneration		
Fixed	**Variable (short-term)**	**Variable (long-term)**
Base salary: providing fixed remuneration which reflects the market value of the role	**Annual bonus:** to deliver the Company's annual financial performance objectives	**Long-term share incentive:** to deliver shareholder value linked to efficient use of capital and profitable long-term growth
Employment/retirement benefits: consistent with local market practice	**Malus and claw back** provisions mean cash and share incentives may be recouped in specific circumstances	
	Personal share ownership: strengthens alignment between executives and shareholders	

Directors' Remuneration Report continued

Executive directors' remuneration policy table

Purpose and alignment with strategy	Operation	Opportunity
Base salary (short-term, fixed remuneration)		
To provide fixed remuneration that reflects the market value of the individual, his or her skills and experience and performance	• Base salaries are positioned at around the median of the relevant market based on company size and operations (for UK directors, the Committee currently has regard to the 50th to 130th largest UK-listed companies), and taking account of personal performance, as well as individual circumstances (for example following promotion into a new role)	• Base salary reviews take into account increases awarded to employees below executive level, and the impact on pension and other consequences of increases • Increases arising from the normal annual review will normally be limited to the local market increase applicable to employees at the same location generally. However, the Committee may use its discretion to award a higher or lower increase to ensure that salaries remain appropriately aligned with the external market, and to reflect changes in experience, role or responsibility
Employment and retirement benefits (short-term, fixed remuneration)		
• To provide employment and retirement benefits in line with the relevant local market	• Retirement benefits are provided by way of defined contribution arrangements, or an equivalent cash allowance • Other employment benefits include car (or car allowance), health insurance, group income protection and, where appropriate, life cover	• The value of retirement and/or cash benefits in lieu of pension is set by reference to external market practice (using the same market reference point as for base salary), and is subject to periodic review • The value of non-cash benefits is determined by the cost of provision, for example, third-party health insurance premiums
Annual bonus (short-term, performance-related remuneration)		
• To support the Company's strategy by rewarding the achievement of the Company's annual performance objectives	• The discretionary Annual Bonus Plan rewards the achievement of financial and other objectives established by the Committee for the relevant financial year • The bonus award is made, subject to the Committee's approval, following the end of the financial year and the audit of full-year results • The bonus award may comprise cash and deferred shares, depending on the level of award that is made	• No bonus is payable if performance is below 'threshold', regardless of performance against other metrics • The 'target' bonus is 75% of base salary for the Chief Executive, and 50% of base salary for the Chief Financial Officer • The maximum cash bonus is 100% of base salary; any annual bonus above 100% of base salary is delivered in Tate & Lyle PLC shares which are deferred for two years • The maximum cash and share bonus is 175% of base salary • Deferred shares carry the right to receive a cash payment in lieu of the dividend that would have been paid on those shares between award and release

Performance framework	Commentary
• Base salary is a fixed element of the remuneration package, paid monthly • Employees generally participate in a merit-based review, which means that the general market increase which applies will be sufficient to maintain competitiveness against the local market, while individual high performers may be rewarded with higher salary increases	• A consistent framework applies to employees generally – salaries are positioned by reference to the local market median, and salary reviews take into account local market increases, external benchmarking, and personal performance • No changes to the policy for executive directors have been made in the year or are proposed for the year ahead
• Benefits are a fixed part of the remuneration package, and typically accrue monthly • Retirement benefits are defined contribution in nature, limiting the financial risk and potential costs to the Company	• The provision of employment and retirement benefits to executive directors is consistent with our policy and approach for employees generally: appropriate benefits are provided in line with local competitive market practice • No changes to the policy for executive directors have been made in the year or are proposed for the year ahead
• Performance is assessed over the relevant financial year • Performance metrics are selected by the Committee at the start of the relevant year, and are drawn from key financial metrics. Additionally, the Committee may select quantifiable metrics that are aligned with our strategic and/or operational objectives on a personal or collective basis • Targets for each metric are set at the start of each financial year, taking account of the business strategy, performance in previous years, market expectations and the prevailing economic climate • The greatest weighting will be given to financial performance; specifically, a minimum profit hurdle applies before any bonus is payable against any of the metrics • The final bonus award is made at the Committee's discretion. Subject to the overall maximum, the Committee may make appropriate adjustments to ensure that the bonus outcomes are a fair reflection of the underlying performance of the Company and may also take into account factors such as Group safety, operational performance, and personal performance	• Malus and claw back provisions apply, which means cash and share elements may be recouped in specific circumstances during the two-year period following the end of the financial year to which the bonus relates • The discretionary Annual Bonus Plan applies to a broad population who have roles which allow them to contribute materially to the successful delivery of the Company's annual performance objectives. The Annual Bonus Plan operates within a consistent framework for all participants, with financial targets typically set by reference to the business area that is most relevant to the employee's role • No changes to the policy for executive directors have been made in the year or are proposed for the year ahead

Directors' Remuneration Report continued

Executive directors' remuneration policy table continued

Purpose and alignment with strategy	Operation	Opportunity
Performance Share Plan (long-term, performance-related remuneration)		
To support the Company's strategy by incentivising sustained profit growth and capital efficiency over successive three-year performance periods, and to help retain senior executive talent	• Awards over Tate & Lyle PLC shares may be made, at the Committee's discretion, on an annual basis taking an individual executive's contribution and performance into account • Awards will only vest to participants if demanding financial performance requirements have been achieved over a period of at least three financial years commencing with the financial year in which the award is made	• The Committee has the flexibility to make awards of up to 300% of base salary (at the time of award) if appropriate to ensure market competitiveness and taking account of the Company's performance • The award will lapse entirely if threshold performance targets are not achieved • Only 15% of any award made to executive directors vests for achieving threshold performance
Personal share ownership requirements (this information is provided here to explain a key feature of the remuneration framework, but these requirements do not form part of the binding 'policy')		
To strengthen long-term alignment of interests between senior executives and the Company's shareholders	• Executive directors are subject to individual minimum share ownership requirements • Specified holdings must be built up over an initial five-year period following the adoption of the policy (or appointment, if later) and retained for the duration of employment	• Share ownership requirements for executive directors are as follows: – Chief Executive: four times base salary – Chief Financial Officer: three times base salary

Other (potential) benefits	Operation	Opportunity
To address specific commercial or administrative situations, the following benefits may be provided: • Director relocation and associated benefits, including international healthcare • Payment in lieu of dividend on specific share awards • UK savings-related share options (Sharesave Plan)	• If a director is required to relocate at the Company's request, for example, as a result of changing business requirements, additional benefits may arise in accordance with the Group relocation policy. Benefits may include (without limitation): relocation assistance; health cover; travel; accommodation; and tax equalisation • Certain share awards carry the right to receive a cash payment in lieu of the dividend that would have been paid on those shares pending delivery • The Company operates a Sharesave Plan which is open to all employees in the UK, and provides a mechanism for employees to purchase shares at a discounted price through savings that accumulate from monthly deductions from net salary	• No directors currently receive relocation benefits • The cost of provision will be determined by the policy and will depend on the specific circumstances • Specific benefits and the cost of provision would be approved by the Remuneration Committee at the time • The value of any payment in lieu of dividend will depend on: the value of the relevant dividends paid over the relevant period, and the number of shares to which the participant is entitled • The value of individual grants is capped by reference to maximum participant savings (monthly savings/deductions from salary may not exceed HMRC limits, and a savings contract may run for a three- or five-year period)

Performance framework	Commentary
• Long-term performance is assessed over three financial years, commencing with the year in which the award is made • Awards are subject to the achievement of financial performance metrics which are confirmed by the Committee in advance of each new grant. Two performance metrics have applied to awards made since 2010, and equal weight has been given to each: – Growth in adjusted diluted earnings per share from continuing operations (EPS) over the three-year performance period – Adjusted return on capital employed (ROCE) achieved at the end of the performance period • These metrics were selected because together they represent key determinants of shareholder value creation: measuring the effectiveness of strategic investment decisions and the quality of earnings generated. If material changes to the metrics or weightings are proposed, the Committee would consult with key shareholders in advance of making a new award • Targets for each new award are carefully considered by the Committee ahead of the grant of awards in any year, to ensure these remain appropriately stretching over the three-year performance period, taking into account: the business strategy and long-term financial plan, market expectations and the prevailing economic climate • Before any shares are released at the end of the performance period, the Committee must also be satisfied that the level of vesting determined by performance against these targets is justified by the broader underlying financial performance of the Company	• Malus and claw back provisions apply to awards made from 2013, which means they may be recouped in specific circumstances during the two-year period following the end of the performance period (as described on page 75) • Participation in the Performance Share Plan is extended to a targeted population of senior executives who are expected to make material individual contributions to the successful delivery of the Company's strategy and long-term performance. All awards under the Performance Share Plan are subject to the same performance framework, ensuring alignment and focus on our financial goals • No changes to the policy for executive directors have been made in the year or are proposed for the year ahead
• The value of an individual director's interests in shares is directly affected by share price performance	• Similar share ownership requirements extend to Executive Committee members (at three times base salary), and to a broader group of executives in senior leadership roles (at a level equal to their base salary) • No changes to the policy for executive directors have been made in the year or are proposed for the year ahead

Performance framework	Commentary
• Relocation benefits are fixed in accordance with Group policy • The payment in lieu of dividend is a benefit attached to specific awards, where applicable conditions have been satisfied at vesting. Accordingly, no additional performance conditions apply • No performance conditions are attached to Sharesave awards because the Sharesave Plan is an all-employee scheme	• Any such benefits would be payable in accordance with policies applicable more generally to employees within the Group • The value of any payment in lieu of dividends will be included in the 'single figure' table in the year the payment is made • Executive directors are entitled to participate in the Sharesave Plan because the plan must be open to all employees in the UK

Directors' Remuneration Report continued

Remuneration policy for the Chairman and non-executive directors

Terms of appointment

The Chairman and non-executive directors have letters of appointment and do not have service contracts or notice periods. Under the terms of their appointment, they are usually expected to serve on the Board for between three and nine years, subject to their re-election by shareholders. The Company Chairman and non-executive directors receive a fee for their services, and do not participate in the Group's incentive or pension schemes, do not receive any other benefits, and have no right to compensation if their appointment is terminated.

Chairman and non-executive directors' fees

Non-executive directors' fees (excluding the Chairman) are reviewed annually by the Chairman and executive directors of the Board. The Chairman's fee is reviewed annually by the Committee (excluding the Chairman).

Aggregate fees depend on the responsibilities assumed by each non-executive director. A basic fee is paid to the Chairman, to the Senior Independent Director and to each non-executive director. In addition, supplemental fees are payable to each Committee chairman. Accordingly, supplemental fees are paid to the chairmen of the Audit, Corporate Responsibility, Remuneration Committees, and the Research Advisory Group, to reflect the extra responsibilities required by each of these positions.

Increases in fees arising from the normal annual review will generally be limited to the market increase applicable to UK employees generally. However, a higher or lower increase may be awarded to ensure that fees paid are commensurate with those paid by other UK-listed companies over time and are set at a level to retain individuals with the necessary experience and ability to make a substantial contribution to the Group.

Status of previously approved Remuneration policy statements

It is intended that provisions consistent with previously disclosed directors' remuneration policies and/or incentive plans previously approved by shareholders will continue to apply after the resolution to adopt the remuneration policy set out in this Policy Report is approved. Such provisions will allow, without limitation:

- Contractual commitments entered into before the policy takes effect, or before an individual was subject to this policy on directors' remuneration, to be honoured
- The satisfaction of awards and/or commitments made in relation to short-term and long-term incentive plan awards (providing they were consistent with the policy in effect at the time the original award/commitment was made).

Such arrangements shall remain in effect and be included in the current remuneration policy by reference, even if they are not specifically provided for within the policy set out in this Policy Report.

Executive directors' external appointments

The Board believes that the Company can benefit from executive directors holding external non-executive directorships. Such appointments are subject to approval by the Board and are normally restricted to one position for each executive director. Fees may be retained by the executive director concerned.

Additional share plan disclosures

Potential impact of mergers and acquisitions or other corporate activity

In the context of a merger or acquisition, or other relevant corporate activity, any potential impact on the incentive plans would be specifically considered by the Committee. In such circumstances, the Committee retains the authority to vary the performance target or the vesting outcome to ensure that outcomes are equitable for both the participant and shareholders.

Change of control and voting

All of the Company's share plans contain provisions relating to a change of control. Outstanding awards would normally vest and become exercisable on a change of control, subject to the satisfaction of any performance conditions at that time, and in proportion to the time served during the performance period.

Service contracts

The Company's policy regarding executive directors' service contracts and appointment terms is to take account of market practice, and to ensure that provisions in relation to notice periods or termination payments are not excessive, as well as to ensure that contracts provide appropriate protection for the Company, for example, in relation to restrictions on competition, solicitation of customers or employees, and the protection of intellectual property.

Executive directors are employed under service contracts commencing on dates as follows: Javed Ahmed (Chief Executive) – 10 October 2009; Nick Hampton (Chief Financial Officer) – 1 September 2014. The contracts provide for six months' notice from the executive and 12 months' notice from the Company.

Service contracts for executive directors and letters of appointment for the Chairman and non-executive directors are available for inspection at the Company's registered office.

Beyond the items disclosed in this Report, there are no further obligations on the Company which could give rise to a remuneration or loss of office payment to a director.

Policy on the terms of directors' appointment

In order to ensure the continued growth and success of the business over time, the Company must have the flexibility to appoint new individuals to the Board, either by way of internal promotion or external appointment, on terms that are sufficient to attract and motivate individuals of the highest calibre.

The following key principles describe our intended approach in these circumstances (and are consistent with the principles that apply to the broader employee population).

- The starting point for negotiating any package on appointment will be the structure of the annual package within the remuneration policy that has been approved by shareholders and is current at the time of the appointment.
- We will review the appropriateness of the total package (both fixed and variable elements), to ensure that it is appropriate in the context of relevant external market practice, the complexity and scope of the role, the particular needs and requirements of the Company at the time, internal relativities, and the appointee's skills, experience and qualifications.
- To respond to specific circumstances and/or to allow for differences in practice over time and by location, the Committee accepts that employment benefits may need to be structured differently from the specific provisions in place for current directors. The Committee therefore retains flexibility to make appropriate adjustments in provision, as considered appropriate, to provide market-referenced benefits which are necessary or appropriate in the proper performance of the role, for example in relation to: healthcare and insurance; transport and security; and provision for retirement.
- Where an appointment requires an individual to relocate, internationally or otherwise, the Company may agree to make payment(s) to offset certain expenses incurred as a consequence of relocation or may provide benefits in line with our global/domestic mobility policy, on appointment and on an ongoing basis, depending on the circumstances. Such benefits may include, without limitation: travel; relocation and tax-related assistance; and similar benefits on repatriation at the end of the term.
- The current policy provides for a maximum level of variable remuneration that is equivalent to 475% of base salary in the financial year of appointment. This is consistent with the aggregate current maximum award under the Annual Bonus Plan (including any deferred shares) and the maximum award value under our Performance Share Plan, although the balance between short-term and long-term elements may be different from the current policy, and awards may be made on different terms.
- Where an internal candidate is appointed, contractual commitments that have been made prior to appointment to the Board, along with any benefits and/or incentive awards that have been awarded at that time, may remain in effect and be honoured, even if they would not otherwise be consistent with the shareholder-approved remuneration policy in effect at the time.
- In order to secure the appointment of a suitable external candidate, the Committee retains the flexibility to provide additional compensation for the value of incentive awards or other benefits that are forfeited on leaving a former employer. In such circumstances, the Committee may make use of cash and/or shares, as it considers appropriate in the circumstances. The Committee will exercise careful judgement in formulating the terms on which such a compensatory award will be made, taking into account the form of award(s) that are forfeited, the timeframes over which they may otherwise have been earned and any performance conditions that would have applied.

This policy is intended to enable the Committee to structure an offer on terms that it considers to be in the best interests of the Company and its shareholders. Depending on the circumstances, and any restrictions or requirements that may apply, the Company may consult with key shareholders as part of this process and/or disclose terms on which a new appointment is made through the Regulatory Information Service, or in the following Annual Report.

Policy on payments in connection with loss of office

It is the Company's policy that executive directors are normally employed on contracts that provide for not more than 12 months' notice from the Company and at least six months' notice from the executive. To protect the Company's interests, restrictive covenants (non-compete/non-solicitation) apply for a period of 12 months following termination, less any period of 'garden leave'. The Chief Executive and Chief Financial Officer are each employed on contracts consistent with this policy.

The Committee's policy in respect of the treatment of executive directors leaving the Company is summarised in this section. The key principles are that the framework is designed to support a smooth transition from the Company, encouraging an orderly transfer of responsibilities, and taking into account the interests of shareholders in securing the sustained performance of the business beyond the executive's departure.

Termination for dishonesty or misconduct are circumstances in which the executive would retain the minimum contractual entitlements on departure (as described in column 'A' of the table on page 68), consistent with the need to avoid providing any element of reward for failure. An executive's departure in compassionate circumstances such as death or permanent disability would generally result in the most beneficial terms being received (as described in column 'B' of the table on page 68).

The terms that will apply if an executive departs from the Company in other circumstances would be considered at the Committee's discretion and approved on a case-by-case basis, in keeping with the principles above. Such circumstances would potentially result in treatment that is more favourable than the minimum but no more generous than that which applies in the compassionate circumstances described above.

Directors' Remuneration Report continued

Summary of policy on payments in connection with loss of office

	(A) Termination for dishonesty or misconduct	(B) Death or permanent disability
Fixed elements of remuneration: • Base salary • Pension • Benefits	Cash elements, including accrued holiday pay, are paid pro rata to the termination date. Non-cash benefits may continue to be provided until the termination date, or paid as a cash equivalent (based on the cost of provision) on a pro rata basis.	Cash elements, including accrued holiday pay, are paid pro rata to the end of the relevant notice period. Non-cash benefits may continue to be provided until the end of the notice period, or paid as a cash equivalent (based on the cost of provision) on a pro rata basis.
Annual bonus awards	No discretionary bonus would be awarded in these circumstances. More generally, no discretionary bonus will normally be awarded unless an individual is in active employment on the payment date (for cash awards) and/or the award date (for deferred share awards). Dishonesty or misconduct may lead to the operation of malus and/or claw back provisions within the terms of the plan.	Any discretionary bonus that is payable will be approved on a case-by-case basis by the Committee. Any bonus will normally be pro-rated to reflect the portion of the financial year prior to cessation, and would be paid at the normal time, reflecting the extent to which the original performance targets have been met. However, within a discretionary bonus framework, the Committee retains the flexibility to approve the timing and amount of the bonus on some other basis.
Deferred share awards	Unvested deferred shares will lapse. Vested awards that have not been transferred/ released/exercised prior to cessation will lapse. Dishonesty or misconduct may lead to the operation of malus and/or claw back provisions within the terms of the plan.	Previously vested but unexercised awards may be released in the normal way. In respect of unvested awards: • If a participant dies, a deferred bonus award will vest in full on that date • In the event of permanent disability, a deferred bonus award will continue on its existing terms, unless the Committee exercises its discretion to approve the release of the award on an earlier date. In the event of a change of control, an award may, at the Committee's discretion, be released on or prior to the event, or be exchanged for a replacement award with an acquiring company.
Long-term share incentive (Performance Shares Plan)[1]	Unvested awards will lapse. Vested awards that have not been transferred, released or exercised prior to cessation will lapse. Dishonesty or misconduct may lead to the operation of malus and/or claw back provisions within the terms of the plan.	Previously vested but unexercised awards may be released during a period ending six months following cessation. In respect of unvested awards: • Awards made in prior years will remain in effect and, unless the Committee determines that awards should vest on some other basis, an individual may receive a proportion of the potential award depending on the extent to which the original performance conditions have been achieved at the end of the normal performance period • Other than in the case of death or permanent disability, awards will generally be reduced to reflect the proportion of the performance period which has elapsed prior to cessation. The same provisions apply in the event of a change of control, but for the fact that the achievement of performance conditions will be assessed when the change of control is effective.
Provision for payments in lieu of notice, and requirements for mitigation	The Company has the option to make a payment in lieu of notice in relation to the fixed elements of remuneration only (base salary, pension, and contractual benefits). Depending on the circumstances, such a payment may be subject to a duty of mitigation. The Chief Financial Officer's contract gives the Company the contractual right to phase the payments and to reduce them if the executive mitigates his loss. Other elements of remuneration described in the table are not affected by these provisions.	

1 Savings-related share options granted under the HMRC-approved Sharesave Plan will vest or lapse in keeping with HMRC regulations applicable to the circumstances at the relevant date.

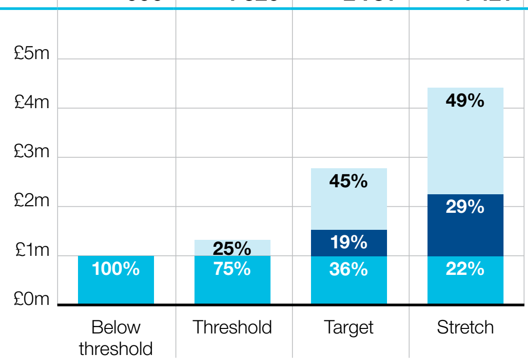
In addition to contractual rights to any payment on loss of office, any employee, including executive directors, may have statutory and/or common law or other rights to certain additional payments, for example in a redundancy situation. Similarly, additional consideration may be provided, if necessary, to secure specific agreements following separation (for example an enhanced non-compete provision) that protect the Company's interests.

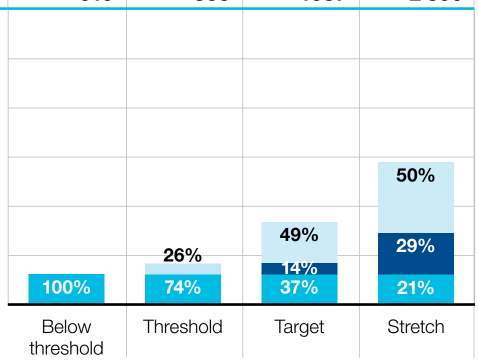
Depending on the role and circumstances of departure, a director who has been relocated may be repatriated in accordance with previously agreed terms. The Company may pay some or all of the costs incurred by the executive in respect of legal, financial, outplacement or other relevant personal advisory services and/or expenses in connection with relocation. The Committee will approve such arrangements on a case-by-case basis, with a view to maintaining compliance with regulatory requirements and consistency with internal Company policies that may apply.

Application of remuneration policy

The tables and charts below illustrate the application of the remuneration policy described in this report, by showing the value that may be delivered from each element of the package under different performance scenarios during the financial year to which the Report relates.

	Chief Executive				Chief Financial Officer[3]			
Element/value (£000s)	Below threshold	Threshold	Target	Stretch	Below threshold	Threshold	Target	Stretch
Base salary	721	721	721	721	480	480	480	480
Pension allowance	252	252	252	252	120	120	120	120
Other benefits	23	23	23	23	19	19	19	19
Annual bonus[1]	0	0	541	1 262	0	0	240	840
Performance Share Plan[2]	0	324	1 244	2 163	0	216	828	1 440
Total potential value	**996**	**1 320**	**2 781**	**4 421**	**619**	**835**	**1687**	**2 899**





1 Annual bonus shows cash and deferred shares. No bonus is paid at or below threshold; the 'target' opportunity is 75% for the CEO and 50% for the CFO; while the maximum is 175% of salary.

2 The maximum award is 300% of base salary. 15% vests at threshold, and the 'target' shown is halfway between threshold and stretch (ie 57.5% of maximum).

3 Nick Hampton joined the Company on 1 September 2014. The values shown here represent the annual value of the core remuneration terms on which he was appointed (and are not pro-rated for the part-year). This does not include the potential value from one-off awards made in connection with his appointment (details are given in the Annual Report on Remuneration).

Consideration of shareholder views

The remuneration strategy and policy described here were established in 2010 following a review and extensive consultation with major shareholders. Shareholders overwhelmingly approved the continuing use of the Performance Share Plan as our long-term incentive at the AGM in 2012, and formally approved the Remuneration Policy at the AGM in 2014.

The Committee (led by the Committee Chairman) engages with our major institutional shareholders each year specifically on remuneration topics, alongside the Board's wider-ranging shareholder engagement programme.

The Committee also receives regular updates on investors' views and corporate governance matters. These lines of communication ensure that emerging best practice principles are factored into the Committee's decision making during the year.

Statement of consideration of employment conditions elsewhere in the Company

The principles on which we base remuneration decisions for executives (as described on page 60) are broadly consistent with those on which we base remuneration decisions for all employees. In particular, the Committee takes into account the general pay and employment conditions of other employees of the Company when making decisions on executive directors' remuneration. This includes considering the levels of base salary increase for employees below executive level, and ensuring that the same principles apply in setting performance targets for executives' incentives as for other employees of the Group. The Committee also reviews information on bonus payments and share awards made to the broader management of the Group when determining awards and outcomes at executive director level.

Directors' Remuneration Report continued

Annual Report on Remuneration

Introduction

As explained on page 59, this Report sets out how our established remuneration policy has been implemented during the year. The Report also covers details relating to the composition and key responsibilities of the Remuneration Committee and provides more information on how our incentive plans have operated.

Implementation of the remuneration policy in the financial year ending 31 March 2016

The Company intends to continue to operate within this approved directors' remuneration policy for the financial year ending 31 March 2016.

Meetings during the year

The Remuneration Committee comprises independent non-executive directors and the Chairman of the Board. The Committee met five times during the year. In addition, the Committee held a review and planning meeting in January 2015, as referenced in the Chairman's introduction on page 58. Membership and attendance during the year were as follows:

Directors as at 31 March 2015	Number of meetings eligible to attend	Number of meetings attended
Anne Minto[1] (Committee Chairman)	5	5
Sir Peter Gershon	5	5
William Camp	5	5
Paul Forman[2]	2	2
Dr Ajai Puri	5	5
Former directors		
Robert Walker[3]	3	3

1 Anne Minto succeeded Robert Walker as Chairman of the Committee on 1 January 2015.
2 Paul Forman joined the Board and the Committee on 1 January 2015.
3 Robert Walker ceased to be a director and Chairman of the Remuneration Committee on 31 December 2014.

The Committee also met twice since the end of the financial year, and before the signing of the Annual Report. The Company Secretary serves as secretary to the Committee. The Chief Executive; the Executive VP, Human Resources; the VP, Global Compensation and Benefits; and the Executive VP, General Counsel are normally invited to attend meetings to assist the Committee, although none is present or involved when his or her own remuneration is discussed.

Main responsibilities of the Remuneration Committee

The main responsibilities of the Committee include:

- Assessing the appropriateness of executive remuneration in the context of the Company's strategy and priorities as well as overall competitiveness, taking into account data from independent, external sources
- Setting the detailed remuneration of the executive directors, designated members of senior management, and the Company Chairman (in consultation with the Chief Executive), including: base salary or fees; annual bonus; long-term incentives; benefits; and contractual terms
- Setting performance targets for awards made to senior executives under the Annual Bonus Plan and the long-term incentive plan, and reviewing performance outcomes
- Reviewing the broader operation of the Annual Bonus and Performance Share Plans, including participation and overall award levels
- Reviewing the effectiveness of the Committee on an annual basis.

The Committee has a formal calendar of items for consideration. The Committee's terms of reference, which are reviewed annually, are available on the Company's website, www.tateandlyle.com.

Committee advisor

The Committee appointed Deloitte LLP as its external advisor following a review and competitive tender process during 2012. As part of its annual processes, the Committee considered and confirmed that advice received during the year from Deloitte LLP was objective and independent. Deloitte LLP is a signatory to the Remuneration Consultants' Code of Conduct; this gives the Committee additional confidence that the advice received is objective and independent of conflicts of interest.

Fees charged by Deloitte LLP for the provision of remuneration advice to the Committee amounted to £65,650 for the year ended 31 March 2015, with fees being charged on a time incurred basis. During the year, Deloitte LLP also provided services to the rest of the Group on corporate finance, consulting, internal audit, systems, tax compliance and accounting.

Statement of shareholder voting

Resolutions to approve the Directors' Remuneration Policy Report and the Annual Report on Remuneration were passed at the AGM on 24 July 2014. The voting outcome, which was disclosed following the AGM, was as follows:

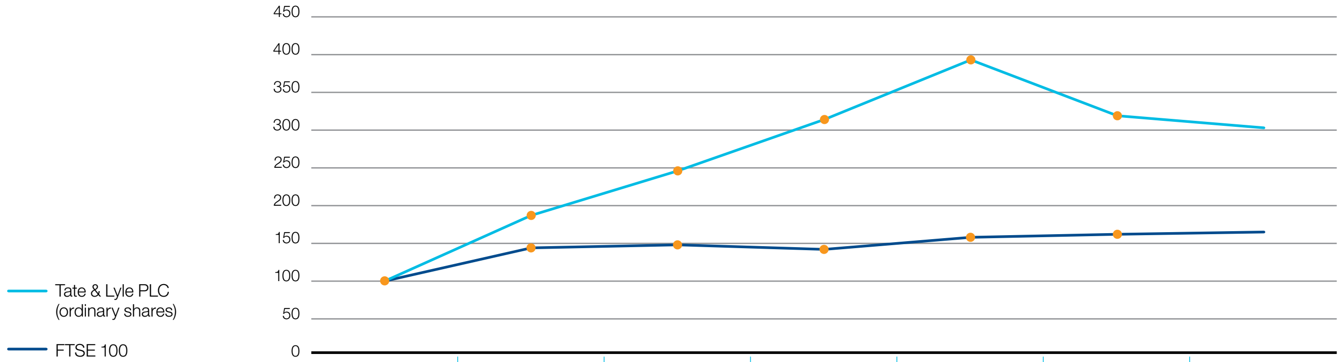
Resolution	Total for (number of votes)	% of vote	Total against (number of votes)	% of vote	Votes withheld[1] (number of votes)
Directors' Remuneration Policy Report	289 561 233	97.87	6 296 870	2.13	2 779 849
Annual Report on Remuneration	290 831 905	98.79	3 572 147	1.21	4 233 899

1 Votes withheld are not counted in the calculation of the proportion of votes for or against a resolution. On 24 July 2014, there were 467,386,228 ordinary shares in issue (excluding treasury shares).

Chart showing total shareholder return and Chief Executive pay

The chart, as required under the Regulations, illustrates the cumulative total shareholder return (TSR) performance of Tate & Lyle PLC against the FTSE 100 Index over the past six years. The FTSE 100 Index is considered to be an appropriate benchmark for this purpose since it is a broad equity market index with constituents comparable in size to Tate & Lyle over the period. The graph shows the value of £100 invested in the FTSE 100 Index and Tate & Lyle in the six years from 31 March 2009.

The table provides the accompanying statistics required by the Regulations: a total compensation figure (determined on the same basis as for the single figure) for amounts paid to the individual serving as Chief Executive; and the proportion of any annual bonus and long-term incentive (LTI) that vested in the year (as a percentage of the maximum opportunity).



	31 March 2009	31 March 2010	31 March 2011	31 March 2012	31 March 2013	31 March 2014	31 March 2015
Chief Executive[1] total remuneration (£000s per single figure)	Javed Ahmed	977	3 277	11 198	5 367	2 728	996
	Iain Ferguson	1 312	nil	170	n/a	n/a	n/a
Annual bonus (% of maximum)		86%	100%	58%	18%	1.6%	0%
LTI vesting (% of maximum)		0%	81%	100%	100%	67.7%	0%

1 Javed Ahmed has served as Chief Executive since his appointment on 1 October 2009. Iain Ferguson was Chief Executive prior to that date. The total remuneration figure shown for the year ended 31 March 2012 includes the value from a number of one-off compensatory awards made to Javed Ahmed on his appointment, as disclosed and explained in the 2009 and 2012 Annual Reports.

Comparison of movement in Chief Executive and broader employee remuneration

Change in value: year ended 31 March 2015 vs 31 March 2014	Base salary	Value of benefits	Annual bonus[3]
Chief Executive	0%	0%	-100%
Broader employee population[2]	3%	-8%[1]	-74%

1 No changes to benefit policies or provision were made in respect of employees during the year. The % change shown vs prior year is the result of differences in employee participation levels and reductions in the cost of insured benefits.

2 The broader employee population refers to a global population of salaried employees for salary comparison and the UK employee population for the benefits comparison, reflecting the context in which executive directors' salaries and benefits are determined; for the bonus comparisons, it refers to the global group of participants in the Annual Bonus Plan so that the combination of business performance across our divisions that contributes to the Group's results is appropriately represented.

3 Includes deferred shares where applicable.

Relative importance of spend on pay

	Year ended 31 March 2014	Year ended 31 March 2015	% change
Remuneration paid to or receivable by all employees of the Group[1]	£232m	£225m	-3.0%
Distributions to shareholders (by way of dividend and purchase of ordinary shares into treasury)	£153m	£142m	-7.2%

1 See Note 8 to the Financial Statements relating to continuing operations (with 2014 restated).

The sections that follow provide more information on remuneration decisions and the operation of incentive plans during the year ended 31 March 2015.

Executive director changes during the year

Appointment of Nick Hampton as Chief Financial Officer

Nick Hampton's appointment as Chief Financial Officer was announced on 24 June 2014, along with details of the remuneration terms on which he was appointed. Nick's remuneration, benefits and incentives are consistent with the policy on directors' remuneration approved by shareholders.

Consistent with our remuneration policy relating to the terms of directors' appointment, as approved by shareholders, we have made provision to compensate Nick for specific short-term and long-term incentives given up by him as a consequence of him leaving his former employer. As announced at the time of his appointment, these compensatory awards comprised a one-off Restricted Stock Award (RSA) of £1,200,000 worth of shares in Tate & Lyle PLC (subject to employment and specified performance conditions) and an award of £1,440,000 worth of shares in Tate & Lyle PLC (subject to the same EPS and ROCE performance conditions that are applicable to 2014 awards under

Directors' Remuneration Report continued

the Performance Share Plan). Nick joined the Board on 1 September 2014 and, in light of the matters covered in the trading updates issued on 23 September 2014 which had their origins prior to his arrival and the associated market reaction, the Committee re-considered the compensatory awards. Following consultation with a number of the Company's largest shareholders which indicated a broad level of support, and in keeping with our shareholder approved policy in relation to the terms of directors' appointments, the Company has agreed to make a restricted stock award to Nick with a face value of £700,000 on grant, to honour the agreed value of the compensatory awards. This award will vest following the announcement of results for the year ending 31 March 2017. As a condition of the grant of this award, Nick will be required to surrender the award that was made over £1,440,000 worth of shares.

Tim Lodge
As announced on 24 June 2014, and to enable an orderly transition of responsibilities, Tim Lodge stepped down as Chief Financial Officer on 31 August 2014 and ceased employment with the Group on 31 December 2014. Arrangements relating to his departure were disclosed at the time and are set out on page 75.

Base salary

Executive directors' salaries are reviewed annually, with effect from 1 April. At the 2015 review, the Committee agreed executive director salaries for the year ahead, taking current market positioning into account. The average increase awarded to employees across the Group was approximately 3%.

Executive directors' base salaries as at 1 April (£)	2015	2014	% change
Javed Ahmed	721 000	721 000	nil
Nick Hampton[1]	495 400	480 000	3.2%

1 Nick Hampton was appointed on 1 September 2014 and the figure for 2014 reflects the full annual salary on appointment.

Chairman's and non-executive directors' fees

Fees are reviewed annually, in accordance with our stated policy, by the Committee (excluding the Chairman) in respect of the Chairman's fee, and by the Chairman and the executive directors in respect of other non-executive directors' fees.

At the 2015 review, taking into account the competitiveness of current fees against the comparable market position, and the time commitment required of each role, it was agreed that no changes would be made for the year ahead.

Fees (per annum) as at 1 April (£)	2015	2014	% change
Basic fees			
Chairman[1]	324 500	324 500	nil
Non-executive director	62 850	62 850	nil
Senior Independent Director	72 850	72 850	nil
Supplemental fees (per annum)			
Chairman of Audit Committee	16 650	16 650	nil
Chairman of Remuneration Committee	12 500	12 500	nil
Chairman of Corporate Responsibility Committee	11 100	11 100	nil
Chairman of Research Advisory Group	23 300	23 300	nil

1 The Chairman's fee includes his role as Chairman of the Nominations Committee.

Annual bonus

The bonus structure described here applied during the year ended 31 March 2015 and will be retained for the year ending 31 March 2016 with a change to the cash metric, as described below.

The bonus focused performance on three objectives: profitability; sales performance; and cash conversion. Before any bonus is payable, a minimum level of profit has to be achieved by the Company, regardless of performance against other metrics.

For each performance metric, there is a corresponding multiplier, which varies between threshold, target and stretch levels of performance. Once the minimum profit threshold is achieved, bonuses are calculated by applying the multipliers which have the effect of increasing or decreasing the value of the bonus depending on performance against each metric in turn. To achieve the maximum payout, performance against all three metrics must be at or above the stretch level.

		Step 1		Step 2		Step 3		
Target bonus (% of base salary) Chief Executive (75%) Chief Financial Officer (50%)	X	Profitability multiplier (once minimum threshold is achieved)	X	Sales performance multiplier	X	Cash conversion multiplier	=	Bonus achieved (as % of base salary)

Profit performance is the most important of the three metrics, so multipliers for the profitability factor are more heavily geared than for the other two metrics, that is, improvements in profitability have the greatest impact on bonus payments. All multipliers and their weightings are agreed by the Committee when targets are set at the start of the year, reflecting the importance of each of the metrics in the context of the progress made against the Company's long-term business strategy.

Annual bonus for the year ended 31 March 2015 (audited)

The table below provides further information on each metric. The Board considers that bonus targets are commercially sensitive because they may reveal information about the business plan in the year ahead that may damage our competitive advantage, and accordingly does not disclose these on a prospective basis. However, we continue our practice of reporting the level of performance required to achieve maximum bonus for the year just ended relative to the prior year's performance, and the level of performance actually achieved against those targets.

Bonus objective	Profitability	Sales performance	Cash management
Metric	PBTEA	Net sales less cost of raw materials	Cash conversion cycle
Definition	Adjusted profit before tax, exceptional items, amortisation and net retirement benefit interest	Gross sales net of associated selling costs, less the costs of raw materials used in production	The number of days between cash expenditure and collection, taking account of inventory, payables and receivables; based on the average of the four quarter-end results
Rationale	Measures the underlying profit generated by the business and whether management is converting growth into profit effectively	Measures whether management is growing the business: by assessing growth after deducting the cost of raw materials, this metric better reflects the value added by the business	Measures whether the business is managing its working capital and converting profit into cash effectively
Performance required for maximum bonus	2.3% increase vs prior year	5.5% increase vs prior year	1.8% improvement vs prior year
Actual performance	28% reduction vs prior year	5.9% increase vs prior year	17.5% lengthening vs prior year
Bonus outcome	Below threshold	Above stretch	Below threshold
Comments on actual performance	Performance in both divisions was adversely impacted by supply chain disruption. Speciality Food Ingredients' operating profit, lower by 30%, was also impacted by the price erosion in SPLENDA® Sucralose. Bulk Ingredients' operating profit was lower by 23% as a result of the supply chain issues and the impact of price volatility in commodity markets	Lower reported sales largely driven by supply chain disruption and SPLENDA® Sucralose pricing as well as exchange rate movements	Our average quarterly cash conversion cycle worsened by eight days, primarily as a result of higher inventories (driven by an increase in finished goods year on year) and higher receivables following the deployment of our upgraded IS/IT system in North America

Performance is measured on the basis of constant exchange rates for the Group's continuing operations. The Committee reviews and approves the performance outcomes, considers the Group's safety performance, and then may make adjustments on an exceptional basis to ensure that the results are a true reflection of the underlying strength and performance of the Company.

On the basis of these performance outcomes, no annual bonus (0% of base salary) was awarded by the Committee to either the Chief Executive or the Chief Financial Officer for the year ended 31 March 2015.

Arrangements for the coming year

As described above, this framework is retained for the year ahead, with a change to the cash metric. Having considered the effectiveness of the cash conversion cycle metric over the past few years, the Committee has agreed that targets for the year ahead will be set against Adjusted Group Operating Cash Flow. The Committee believes this simpler metric will have greater impact on promoting effective overall cash management in the business, and is more closely aligned with shareholders' interests.

Deferral and malus/claw back provisions

Any bonus amount up to 100% of base salary is paid in cash. Any excess above 100% of base salary is paid in the form of deferred shares. The shares are released after two years subject to the executive director remaining in service with the Company, and carry the right to receive a payment in lieu of dividend between award and release.

Both the cash and share elements are subject to malus and claw back provisions for a period of 24 months following award, which mean that they may be recouped in whole or in part, at the discretion of the Committee, in the exceptional event that results were found to have been misstated or if an executive director commits an act of gross misconduct.

Long-term incentive – Performance Share Plan

The Performance Share Plan (PSP) was reviewed in 2010 to provide a long-term incentive that is consistent with the business strategy. We consulted with shareholders in detail at that time and again when we renewed the PSP on the same key terms in 2012. The PSP closely aligns executive directors' and senior executives' interests with the strategy and with the interests of shareholders over the long term, and is therefore an important component of the overall package. At the 2012 AGM, 98% of shareholder votes cast supported the resolution to approve the PSP.

Directors' Remuneration Report continued

Maximum award level

Since the 2010 AGM, awards to executive directors and other senior executives have been granted at the discretion of the Committee, with flexibility for the Committee to make awards of up to 300% of base salary where necessary to ensure market competitiveness, while taking into account Company performance.

Performance conditions

The release of awards depends on the Group's performance during the three-year performance period beginning on 1 April in the year of the award. For awards made since 2010, the performance conditions comprised two elements, explained in the table below, consistent with the principles established following the review and consultation with shareholders at that time.

Metric	Adjusted diluted earnings per share (EPS)		Adjusted return on capital employed (ROCE)	
Definition	Performance is measured by comparing the compound annual growth rate (CAGR) of the Company's adjusted diluted EPS from continuing operations over the performance period against pre-determined targets		Performance is measured by the adjusted ROCE on continuing operations achieved at the end of the three-year performance period against the pre-determined targets[1]	
Weighting	50% of the award depends on this metric		50% of the award depends on this metric	
Rationale	The Committee selected this metric as it is a key determinant of shareholder value creation		The Committee selected this metric as it is a good indicator of the effectiveness of strategic investment decisions and of the quality of earnings generated	
Vesting schedule (2012, 2013, 2014 awards)	**EPS performance (CAGR)**	**Vesting outcome (% of maximum)**	**ROCE performance**	**Vesting outcome (% of maximum)**
	Below 6%	Nil	Below 13.4%	Nil
	6%	15%	13.4%	15%
	Between 6% and 15%	On a straight line between 15% and 100%	Between 13.4% and 16.4%	On a straight line between 15% and 100%
	At or above 15%	100%	At or above 16.4%	100%

1 The ROCE outcome may be adjusted downward in the event of an asset impairment (adding this back into capital employed); this is to encourage a prudent investment strategy. For this reason, in the event of there being an impairment of assets during the performance period, the ROCE figure for PSP purposes can be significantly lower than the unadjusted ROCE number reported in the Company's accounts. In relation to the closure of Singapore, no adjustments have been made to the reported ROCE on the basis that the impairment is a non-cash item and the underlying investment has delivered strong cash returns to the business over the full life-cycle.

The Committee reviews the appropriateness of metrics and targets ahead of the grant of awards in any year to ensure these remain sufficiently stretching. In practice, no changes to the performance targets have been made since they were established in 2010, and accordingly shares awarded under the PSP in 2012, 2013 and 2014 may vest in accordance with the schedule set out in the table above.

Before any shares are released, the Committee must also be satisfied that the level of vesting determined by performance against these targets is justified by the broader underlying financial performance of the Company.

2015 awards

As noted in the Chairman's introduction, our review of current arrangements indicated that incentive awards require careful calibration of targets against the business strategy and outlook, to ensure their continued effectiveness.

On 21 April 2015, we announced a restructuring of our European and SPLENDA® Sucralose businesses to establish a more focused company from which to accelerate the delivery of our strategy.

These actions improve our strategic positioning and are expected to improve our long-term outlook and ability to maximise returns in a competitive market. However, the structural and mid-term financial considerations will also impact the appropriateness of the performance conditions attached to future incentive awards. We therefore expect to review the PSP conditions that will apply for awards made in 2015, in keeping with our approved remuneration policy, and to consult with shareholders, as appropriate, later in the year.

2012 PSP awards vesting by reference to the period ended 31 March 2015 (audited)

PSP awards made in 2012 were dependent on EPS growth and ROCE targets as described above, with each condition applicable to half of the award. Performance against these conditions and the vesting outcome is indicated in the table below.

Performance condition	Weighting	Performance outcome	Vesting outcome for this element	Combined vesting outcome
EPS growth	50%	12.3% reduction	nil	Based on the combination of EPS and ROCE performance, the Committee has confirmed that 14.7% of the PSP awards made in 2012 are capable of vesting. However, the Chief Executive has informed the Committee that, having taken into account financial performance in the round, he has waived his entitlement to the award.
ROCE	50%	13.9%	Above threshold	

In confirming any vesting outcome, the Committee also considers the broader underlying financial performance of Tate & Lyle over the performance period, to ensure that vesting results based on these performance outcomes are consistent with a broader view of the financial health and performance of the business.

Malus and claw back provisions

Awards made under the PSP from 1 April 2013 are subject to malus and claw back provisions for a period following the vesting date and extending to the fifth anniversary following the date of grant. During this period, the Committee may determine that an award will lapse wholly or in part (or may require that a participant shall repay up to 100% of the value of any award that has vested by virtue of performance), in the event of circumstances including the following: material misstatement of financial results; misconduct which justifies, or could justify, summary dismissal of the participant; or if information has emerged which would have affected the value of the original award that was granted to a participant, or the level at which the performance conditions were judged to have been satisfied.

Single figure table (audited)

£000s	Salary/fees		Benefits[1]		Annual bonus		PSP shares[2]		Pension		Total	
Year ended 31 March	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Chairman												
Sir Peter Gershon	325	316	–	–	–	–	–	–	–	–	325	316
Executive directors												
Javed Ahmed	721	721	23	23	–	20	–	1 712	252	252	996	2 728
Nick Hampton[3]	280	–	19	–	–	–	–	–	70	–	369	–
Non-executive directors												
Liz Airey	81	78	–	–	–	–	–	–	–	–	81	78
William Camp	74	72	–	–	–	–	–	–	–	–	74	72
Paul Forman	16	–	–	–	–	–	–	–	–	–	16	
Douglas Hurt	64	62	–	–	–	–	–	–	–	–	64	62
Virginia Kamsky	63	62	–	–	–	–	–	–	–	–	63	62
Anne Minto	66	62	–	–	–	–	–	–	–	–	66	62
Dr Ajai Puri	86	84	–	–	–	–	–	–	–	–	86	84
Former directors												
Tim Lodge[4]	169	406	6	15	–	8	142	903	42	101	359	1 433
Robert Walker[5]	64	79	–	–	–	–	–	–	–	–	64	79
Totals	2 009	1 942	48	38	–	28	142	2 615	364	353	2 563	4 976

1 Benefits for executive directors include health insurance and car allowance.

2 PSP awards outcomes are discussed on page 74.

3 Nick Hampton joined the Group on 1 September 2014.

4 Tim Lodge stepped down as Chief Financial Officer and as a director on 31 August 2014 and ceased to be an employee of the Group on 31 December 2014. The amounts shown in the single figure table above relate to the period while he was in office as a director. Arrangements on departure were included in our announcement on 24 June 2014, and are set out below in detail.

5 Robert Walker ceased to be a director on 31 December 2014.

Total pension entitlements (audited)

Directors participate in arrangements that are defined contribution in nature. Contributions made to or in lieu of pension in respect of each director during the year are shown in the single figure table.

As a deferred member of the Group Pension Scheme, Tim Lodge's total accrued pension from the Group Scheme at the end of the year amounted to £198,088 per annum (31 March 2014 – £193,340). The Scheme was closed to future accrual from April 2011; the year-on-year change relates only to the inflation-linked contractual uplift in deferred pension values that applies under the Scheme rules. Tim's normal retirement date is the end of the month in which he attains age 62. No additional benefits arose when he ceased to be an employee of the Group on 31 December 2014.

Termination and loss of office and payments to past directors (audited)

As announced on 24 June 2014, and to enable an orderly transition of responsibilities, Tim Lodge stepped down as Chief Financial Officer on 31 August 2014 and ceased employment with the Group on 31 December 2014. As previously announced, Tim received his normal contractual remuneration until 31 December 2014, and received a contractual payment of salary in lieu of the six-month balance of his notice period from that date. Remuneration earned in the period to 31 August 2014 as a director is shown in the single figure table above. Remuneration relating to his employment in the period 1 September to 31 December 2014 amounted to £135,273 in salary, £4,896 in benefits, and £33,818 in pension contributions. The payment in relation to the balance of his notice period was £203,000.

As we announced at the time, and in keeping with our shareholder approved policy, the Committee determined that Tim would retain rights to previously granted PSP awards which may vest subject to the rules of the Performance Share Plan and the relevant performance criteria, on a time prorated basis reflecting the proportion of the three-year vesting period during which he was employed (as shown in the table on page 77). The Committee has not exercised any discretion in relation to the assessment of performance conditions or the timing of such vesting.

There have been no other payments to past directors other than as disclosed in this Report. No loss of office payments have been made during the year.

Directors' Remuneration Report continued

Share awards made during the year (audited)

	Award	Type of award	Date of grant	Number of shares	Face value of award	Performance conditions	Performance period	% of vesting at threshold
Javed Ahmed	Performance Share Plan	Nil cost option	7 July 2014	305 584	£2 163 015[1]	50% adjusted diluted EPS growth; 50% adjusted ROCE[2]	Three financial years ending 31 March 2017	15%
	Sharesave Scheme[3]	Savings-related options	5 Dec 2014	5 941	£30 299	Continued employment (SAYE)	1 March 2020	–
Nick Hampton	Share Award[4]	Nil cost option	18 Nov 2014	232 033	£1 440 000	50% adjusted diluted EPS growth; 50% adjusted ROCE[2]	Three financial years ending 31 March 2017	15%
	Restricted Share Award[4]	Nil cost option	18 Nov 2014	193 361	£1 200 000	Continued employment and specified performance conditions	1 September 2014 – 1 September 2016	0%
	Sharesave Scheme[3]	Savings-related options	5 Dec 2014	3 529	£17 997	Continued employment (SAYE)	1 March 2018	–

1 Under the terms of the Plan approved by shareholders, the number of shares comprising an award in any year is calculated based on the average share price over the last three months of the preceding financial year, being 707.83 pence per share for the 2014 award. During the year, the Committee approved an award of 300% of salary, in accordance with our approved remuneration policy.

2 Performance conditions are described on page 74.

3 Savings-related share options are options granted under the HMRC-approved Sharesave Plan. Options are granted on the same terms to all participating employees, are not subject to performance conditions, and are normally exercisable during the six-month period following the end of the relevant three- or five-year savings contract. The exercise price per share for these shares under option is 510.00 pence, reflecting a 20% discount to market value permitted under HMRC rules, which is applicable to all participants. The share price value on the date of grant was 637.00 pence.

4 These awards are the compensatory awards made in connection with Nick Hampton's appointment, as previously disclosed to shareholders and described on page 72, being:

- A one-off 'Share Award' award of £1,440,000 worth of shares in Tate & Lyle PLC, subject to the same EPS and ROCE performance conditions that are applicable to 2014 awards under the Performance Share Plan[2].
- A one-off 'Restricted Share Award' (RSA) of £1,200,000 worth of shares in Tate & Lyle, PLC vesting in two equal tranches on the first and second anniversary of appointment, subject to employment and specified performance conditions.

As these awards are intended to compensate for incentives forfeited with his previous employer, specific provisions were agreed at the time of Nick's appointment in relation to the minimum value that may be realisable in the specific circumstances relating to a change in control prior to 31 March 2016. The performance conditions attached to the RSA relate to strategic and operational milestone activities agreed by the Committee, the detailed disclosure of which would be commercially sensitive at this time.

These awards have been made based on an average share price over the five days prior to the date of award, being 620.60 pence per share.

As described on page 72, the Committee has agreed to make a restricted stock award to Nick, with a face value of £700,000 on grant, to honour the agreed value of the compensatory awards. This follows a consultation with our largest shareholders, which indicated broad support, and is in keeping with our shareholder-approved policy in relation to the terms of directors' appointments. As a condition of the grant of this award, Nick will be required to surrender the share award shown in the table above that was made over £1,440,000 worth of shares.

Historic awards under all-employee schemes (audited)

The table below sets out the current position of options to subscribe for ordinary shares of the Company that were granted to current and former executive directors in the years prior to the current reporting year.

Savings-related share options are options granted under the HMRC-approved Sharesave Scheme. Options are not subject to performance conditions and are normally exercisable during the six-month period following the end of the relevant (three- or five-year) contract.

	As at 1 April 2014 (number)	Options granted during year (number)	Options exercised during year (number)	Options lapsed during year (number)	As at 31 March 2015 (number)	Exercise price (pence)	Exercise period
Current director							
Javed Ahmed (Chief Executive) Savings-related options 2009	3 720	–	–	–	3,720	418.00	01/03/15 to 31/08/15
Former director							
Tim Lodge (former Chief Financial Officer) Savings-related options 2012	2 471	–	–	2 471	–	607.00	01/03/18 to 31/08/18

Share awards made in prior years (audited)

The table below sets out the current position of share-based awards made to executive directors.

	As at 1 April 2014 (number)	Awards vested during year (number)	Awards lapsed during year (number)	Awards exercised during year (number)	As at 31 March 2015 (number)	Market price on date awards granted (pence)	Market price on date awards vested (pence)	Vesting date
Current director								
Javed Ahmed								
Share-incentive arrangements on recruitment:								
Compensatory Award A[1]	419 403	–	–	–	419 403	444.90	632.50	01/10/11
Compensatory Award C[2,3]	257 870	–	–	–	257 870	444.90	676.50	29/05/12
Long-term incentive Award A[2,3]	656 640	–	–	–	656 640	444.90	676.50	29/05/12
Long-term incentive Award B[2,4]	473 042	–	–	–	473 042	440.20	875.50	28/05/13
Long-term incentive Award C[2,5,6]	378 337	256 134	122 203	–	256 134	590.50	668.50	27/05/14
Performance Share Plan[2,7]:								
2012[8]	310 567	–	–	–	310 567	671.00	–	After 31/03/15
2013	267 418	–	–	–	267 418	817.50	–	After 31/03/16
Deferred shares from annual bonus[9]:								
2011 bonus year	2 010	–	–	–	2 010	671.00	701.50	29/05/14
Former director								
Tim Lodge								
Performance Share Plan[2,7]:								
2011[6]	212 950	135 010	77 940	135 010	–	590.50	668.50	27/05/14
2012[8]	174 805	–	14 369[10]	–	160 436	671.00	–	After 31/03/15
2013	150,518	–	62 631[10]	–	87 887	817.50	–	After 31/03/16
Deferred shares from annual bonus[9]:								
2011 bonus year	1 131		–	1 131	–	676.5	701.50	29/05/14

1 This award, to compensate Javed Ahmed for certain long-term incentives given up by him as a consequence of leaving his former employer, is not subject to performance conditions. The shares were available to exercise from 1 October 2011, being the second anniversary of Javed Ahmed joining the Company, and will remain exercisable until 30 September 2017. Pending delivery, he receives a payment in lieu of dividend on these shares which is subject to the deduction of tax. In the event of a change in control, the shares would be delivered immediately.

2 The three-year performance period for these awards begins on the first day of the financial year in which the award is granted.

3 This award is subject to the same performance conditions as PSP awards made in 2009.

4 This award is subject to the same performance conditions as PSP awards made in 2010.

5 This award is subject to the same performance conditions as PSP awards made in 2011.

6 This award vested by 67.7%, based on the achievement of adjusted diluted EPS growth, and adjusted ROCE performance, as described in the Annual Report 2014.

7 The performance conditions for PSP awards made in 2012, 2013 and 2014 are 50% adjusted diluted EPS and 50% adjusted ROCE, as described in this Report.

8 The PSP award made in 2012 will vest at just above threshold, following the Committee's assessment of performance conditions (as described on page 74). As described on page 74, Javed Ahmed has informed the Committee that he has elected to waive his award.

9 Deferred shares are granted under the annual bonus scheme (as described on page 73). The full value of these awards has been disclosed previously in the emoluments table(s) in the relevant bonus year(s). For example, the values of deferred shares relating to performance in the year ended 31 March 2012 are included in the emoluments table for the year ended 31 March 2012 (contained within the Annual Report 2012).

10 Tim Lodge's awards have been adjusted to reflect the proportion of the performance period during which he was employed, and accordingly, this number represents the number of shares that are no longer capable of vesting.

Directors' Remuneration Report continued

Statement of directors' shareholding and share interests (audited)

Personal share ownership requirements (policy on executive share ownership)

The Committee and executive management believe that personal investment in Company shares is an important part of our overall remuneration framework. Material personal investment in Company shares serves to strengthen the long-term alignment of interests between senior executives and shareholders.

Our executive shareholding requirements are more demanding and extend to a greater number of senior executives in the Group when compared with similar UK-listed companies.

- The Chief Executive has a target share ownership requirement of four times base salary, and his shareholding currently exceeds this target.
- The Chief Financial Officer has a target shareholding of three times base salary, to be achieved within five years of appointment. In this capacity, Tim Lodge's shareholding exceeded this target. Nick Hampton joined Tate & Lyle in September 2014, and therefore has until September 2019 to meet this target.
- Other Executive Committee members are subject to the share ownership policy, with target holdings at three times salary.
- This policy extends to a broader group of executives who have senior leadership roles within the Company. The shareholding targets for this group is equal to their base salary.

The Committee monitors progress against the share ownership requirements annually.

Directors' interests (audited)

The interests held by each person who was a director during the financial year in the ordinary shares of 25 pence each in the Company are shown below. All of the interests set out in the table are beneficially held and no director had interests in any class of shares other than ordinary shares. The table also summarises the interests in shares held through the Company's various share plans.

	Interest in shares[1]	Shares – conditional on performance[2]	Shares – not conditional on performance[3]	Options – not conditional on performance[4]	**Total as at 31 March 2015**	Total as at 31 March 2014
Chairman						
Sir Peter Gershon	106 006	–	–	–	**106 006**	82 080
Executive directors						
Javed Ahmed	1 288 407	883 569[3]	2 065 099[3]	9 661	**4 246 736**	3 973 464
Nick Hampton	10 000	425 394[3]	–	3 529	**438 923**	n/a
Non-executive directors						
Liz Airey	26 000	–	–	–	**26 000**	16 000
William Camp	4 800	–	–	–	**4 800**	2 200
Paul Forman	–	–	–	–	**–**	n/a
Douglas Hurt	10 000	–	–	–	**10 000**	10 000
Virginia Kamsky	10 000				**10 000**	5 000
Anne Minto	8 600				**8 600**	8 600
Dr Ajai Puri	6 018				**6 018**	2 018
Former directors						
Tim Lodge[5]	400 789	248 323	–	–	**649 112**	858 226
Robert Walker[6]	22 841	–	–	–	**22 841**	22 162

1 Includes shares owned by connected persons.

2 Includes awards under the Performance Share Plan and the special arrangements that were put in place to facilitate Javed Ahmed's and Nick Hampton's recruitment which are subject to performance conditions (as described on page 76).

3 Includes deferred share awards made under the Annual Bonus Plan and vested but unexercised awards granted to Javed Ahmed, and unexercised awards granted to Nick Hampton in connection with their respective appointments.

4 Includes HMRC-approved Sharesave Plan awards, of which 3,720 relating to Javed Ahmed are vested but unexercised as at the date of this Report.

5 As at cessation of directorship on 31 August 2014.

6 As at cessation of directorship on 31 December 2014.

There were no changes in directors' interests in the period from 1 April 2015 to 27 May 2015.

The market price of the Company's ordinary shares at the close of business on 31 March 2015 was 597.50 pence, and the range during the year ended 31 March 2015 was 558.00 pence to 743.50 pence.

On behalf of the Board

Anne Minto
Chairman of the Remuneration Committee
27 May 2015

Directors' Report

About the Directors' Report

The Directors' Report comprises the Governance section from pages 44 to 57, the Directors' Report on pages 79 and 80 and the Useful Information section from pages 156 to the inside back cover. Other information that is relevant to the Directors' Report, and which is incorporated by reference into the Directors' Report, is disclosed as follows:

- Likely future developments of the Company (throughout the Strategic Report)
- Human rights (page 38)
- Greenhouse gas emissions (pages 41 and 42)
- Relationship with employees (page 39)
- Financial instruments (Note 18).

Results and dividend

A review of the results can be found on pages 1 to 43.

An interim dividend of 8.2 pence per ordinary share was paid on 2 January 2015. The Directors recommend a final dividend of 19.8 pence per ordinary share to be paid on 31 July 2015 to shareholders on the register on 3 July 2015, subject to approval at the 2015 Annual General Meeting (AGM). The total dividend for the year is 28.0 pence per ordinary share (2014 – 27.6 pence).

The Trustees of the Tate & Lyle PLC Employee Benefit Trust have waived their right to receive dividends over their total holding of 2,889,210 ordinary shares as at 31 March 2015.

Research and development

The Group spent £32 million (2014 – £33 million) on research and development during the year.

Articles of Association

The Articles of Association set out the internal regulation of the Company and cover such matters as the rights of shareholders, the appointment or removal of directors, and the conduct of the Board and general meetings. Copies are available on request and are displayed on the Company's website, www.tateandlyle.com.

In accordance with the Articles of Association, directors can be appointed or removed by the Board or by shareholders in general meeting. Amendments to the Articles of Association have to be approved by at least 75% of those voting in person or by proxy at a general meeting of the Company. Subject to UK company law and the Articles of Association, the Directors may exercise all the powers of the Company, and may delegate authorities to committees, and may delegate day-to-day management and decision making to individual executive directors. Details of the Board Committees can be found on pages 53 to 57 and on page 70.

Share capital

As at 31 March 2015, the Company had nominal issued ordinary and preference share capital of £119 million comprising £117 million in ordinary shares, including £0.5 million in treasury shares and £2 million in preference shares.

To satisfy obligations under employee share plans, the Company issued 21,092 ordinary shares during the year and reissued 1,628,492 ordinary shares from treasury. The Company issued 1,630 shares during the period from 1 April 2015 to 27 May 2015. Further information about share capital is in Note 23. Information about options granted under the Company's employee share plans is in Note 25.

The Company was given authority at the 2014 AGM to make market purchases of up to 46,585,888 of its own ordinary shares. The Company purchased 1,315,000 of its own ordinary shares during the year ended 31 March 2015; these shares are held in treasury to satisfy awards made under performance share plans. This authority will expire at the 2015 AGM and approval will be sought from shareholders for a similar authority to be given for a further year.

Restrictions on holding shares

There are no restrictions on the transfer of shares and prior approval is not required from the Company nor from other holders for such a transfer. No limitations are placed on the holding of shares and no share class carries special rights of control of the Company. There are no restrictions on voting rights other than those outlined below on preference shares. The Company is not aware of any agreements between shareholders that may restrict the transfer or exercise of voting rights.

Shareholders' rights

Holders of ordinary shares have the rights accorded to them under UK company law, including the rights to receive the Company's annual report and accounts, attend and speak at general meetings, appoint proxies and exercise voting rights.

Holders of preference shares have limited voting rights and may not vote on: the disposal of surplus profits after the dividend on the preference shares has been provided for; the election of directors or their remuneration; any agreement between the directors and the Company; or the alteration of the Articles of Association dealing with any such matters. Further details regarding the rights and obligations attached to share classes are contained in the Articles of Association which are available on the Company's website, www.tateandlyle.com.

DTR Rule 5 disclosure

As at 27 May 2015, the Company had been notified under Rule 5 of the Disclosure and Transparency Rules of the following holdings of voting rights in its shares:

	Number of shares[2]	% held[2]
Black Rock, Inc[1]	46 514 801	9.97
The Capital Group Companies, Inc.	28 452 377	6.10
AXA S.A.[1]	22 890 148	4.98
Artemis Investment Management LLP[1]	23 207 193	4.97
Invesco Limited[1]	23 111 061	4.95
Schroders plc	23 098 654	4.59
Barclays Global Investors[1]	17 568 133	3.59
Norge Bank	13 988 192	3.00

1 Notification was made over 12 months ago; as permitted under Rule 5, shareholders may not be required to notify us of subsequent changes within certain ranges.
2 As at the date in the notification to the Company.

Disclosure table pursuant to Listing Rule LR9.8.4C

In accordance with LR 9.8.4C, the table below sets out the location of the information required to be disclosed, where applicable.

Applicable sub-paragraph within LR 9.8.4		Page(s)
(1)	Interest capitalised by the Group	103
(2)	Unaudited financial information	31 and 158
(4)	Long-term incentive scheme only involving a director	71 to 72 and 76
(5)	Directors' waivers of emoluments	None
(6)	Directors' waivers of future emoluments	74
(7)	Non pro-rata allotments for cash (issuer)	79
(8)	Non pro-rata allotments for cash (major subsidiaries)	None
(9)	Listed company is a subsidiary of another company	Not applicable
(10)	Contracts of significance involving a director	None
(11)	Contracts of significance involving a controlling shareholder	Not applicable
(12)	Waivers of dividends	79
(13)	Waivers of future dividends	79
(14)	Agreement with a controlling shareholder	Not applicable

Directors' Report continued

Change of control

The Company has a committed bank facility of US$800 million, which matures in 2019. Under the terms of this facility, the banks can give notice to Tate & Lyle to prepay outstanding amounts and cancel the commitments where there is a change of control of the Company. The Company is the guarantor of a £200 million bond issue by its subsidiary, Tate & Lyle International Finance PLC, dated 25 November 2009, which is repayable in 2019. Under the terms of the bond issue, noteholders have the option to request an early repayment where there is a change of control of the Company.

All of the Company's share plans contain provisions relating to a change of control. Further information is on page 66.

Political donations

Again this year, in line with the Group's policy, no political donations were made in the European Union (EU). Outside the EU, the Group's US business made contributions during the year totalling US$26,700; (£17,000) (2014 – US$22,000; £14,000) to state political party committees and to the campaign committees of state candidates affiliated to the major parties. In all, 14 separate donations were made, the largest being of $5,000 and the smallest $500. US$11,500; (£7,000) (2014 – US$14,000; £9,000) was also contributed by the Tate & Lyle Political Action Committee (PAC).

Eight separate donations were made, the largest being of $2,500 and the smallest $500. The PAC is funded entirely by US employees. Employee contributions are entirely voluntary and no pressure is placed on US employees to participate. No funds are provided to the PAC by Tate & Lyle but under US law, an employee-funded PAC must bear the name of the employing company.

Directors' Statement of Responsibilities

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the Parent Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether IFRSs as adopted by the EU and, with regard to the Parent Company Financial Statements, applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Parent Company Financial Statements respectively
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the directors, whose names and functions are listed on pages 44 and 45, confirm that, to the best of his or her knowledge:

- The Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's and the Group's performance, business model and strategy
- The Group Financial Statements, which have been prepared in accordance with IFRSs as adopted by the EU, and the Parent Company Financial Statements in accordance with UK Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group and Parent Company
- The Strategic Report and the Directors' Report include a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

Disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and he or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Directors' Report on pages 44 to 57, pages 79 and 80 and pages 156 to the inside back cover and the Directors' Remuneration Report from pages 58 to 78 of this Annual Report were approved by the Directors on 27 May 2015.

On behalf of the Board

Lucie Gilbert
Company Secretary
27 May 2015

Independent Auditors' Report to the Members of Tate & Lyle PLC

Report on the Group financial statements

Our opinion

In our opinion, Tate & Lyle PLC's Group financial statements (the 'Group financial statements') defined below:

- give a true and fair view of the state of the Group's affairs as at 31 March 2015 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

What we have audited

The Group financial statements comprise:

- the consolidated statement of financial position as at 31 March 2015;
- the consolidated income statement and consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and IFRSs as adopted by the European Union.

Our audit approach

Overview

Materiality

- Overall Group materiality: £10 million which represents 5% of profit before tax adding back the share of tax of joint ventures and associates and exceptional items, as defined in Note 2 in the Group financial statements.

Audit scope

- Our audit included full-scope audits of six reporting components (Tate & Lyle PLC, Tate & Lyle International Finance, the US Bulk Ingredients business, the US Speciality Food Ingredients business, Sucralose Singapore and Food Systems Germany) with specified audit procedures performed at a further 13 reporting components.
- Taken together, the components at which audit work was performed accounted for 87% of consolidated sales and 66% of consolidated profit before tax and covered all components that individually contributed more than 15% of sales and profit before tax.

Areas of focus

- Commodity risk
- SAP implementation
- Uncertain tax positions
- Retirement benefit obligations
- Impairment of SPLENDA® Sucralose assets

The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)').

We designed our audit by determining materiality and assessing the risks of material misstatement in the Group financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as 'areas of focus' in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the Group financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

For each area of focus below, where appropriate, we evaluated the design and tested the operating effectiveness of key internal controls over financial reporting, including testing the operation of IT systems from which financial information is generated.

Area of focus	How our audit addressed the area of focus
Commodity risk	
Refer to Notes 3, 18 and 19 in the Group financial statements. The Group's accounting policy for its US business is to mark to market its commodity positions at each balance sheet date, including forward sales and purchase contracts with customers and grain suppliers, and physical inventory, in line with common industry practice. The Group manages the commodity price risk on sales and purchase contracts by taking certain long and short positions of physical contracts, and through the use of derivative financial instruments, primarily futures and options contracts. This is an area of focus due to the complexity of the calculations and the judgement involved in the valuation of certain commodities, most notably co-products that do not have an actively traded futures market. These co-products include corn gluten feed, corn gluten meal and corn oil. Additionally, basis adjustments are made to certain commodity valuations to reflect market conditions, which necessitate further management judgement. The fair values of commodities pricing contracts were assets of £58 million and liabilities of £25 million.	We understood and evaluated management's process for managing the commodity price risk inherent within its commodity positions, and compared it to management's underlying risk management and accounting policy. No matters were identified that would indicate the risk management and accounting policies are not being followed. We obtained management's forward pricing sheet for all commodities used in the fair value calculations. For those commodities with an actively traded market, we assessed the consistency of the forward prices with those published by the Chicago Mercantile Exchange or similar exchange. For those commodities where an active futures market does not exist (principally co-products) and for the basis adjustments made, we have understood and challenged management's methodology for determining these valuations, including the inputs and assumptions used. To further assess the reasonableness of the estimated forward prices, we have performed trend analyses against similar market or exchange traded commodities and compared certain ratios of co-product prices against historical ratios. In addition to testing the forward price estimates, we have audited the calculations of the fair value and associated unrealised gains and losses on the commodity-based positions. We found that management's forward price estimates and the calculation of fair value of these contract positions were reasonable and supported by market observable data, where appropriate. Where management had calculated values by reference to non-market observable data, we found that these were within acceptable ranges. Where derivative financial instruments, including futures and options contracts with third-party brokers were used to manage the commodity price risk, we independently confirmed these positions with the brokerage houses, and recalculated the confirmed fair value of the positions held. We found that the fair values of these derivative financial instruments were supported by these confirmations and recalculations.

Independent Auditors' Report to the Members of Tate & Lyle PLC continued

Area of focus	How our audit addressed the area of focus
SAP implementation	
The Group continues to rationalise and simplify its finance processes. As part of this, the Group has designed and developed a common SAP system. During the current year, this common system was implemented in the US Bulk Ingredients and US Speciality Food Ingredients businesses. These represent the two largest components of the Group audit. The implementation introduced heightened risk as controls and processes that have been established and embedded over a number of years were updated and migrated into the new environment. There was an increased risk of breakdown in internal financial controls during the transition and an increased risk of inaccurate or incomplete migration of financial data, which in turn increased the risk of material misstatements in the Group financial statements.	We understood and evaluated management's project governance and data migration plan, and validated certain controls over the migration and go-live processes, and found these to be operating effectively. We understood and evaluated IT general controls and segregation of duties within the new environment. While IT general controls were largely operating effectively, we did not place reliance on automated controls in respect of managing segregation of duties risks, and instead we validated management's mitigating manual controls which we found to be operating effectively. In addition to the validation of management's controls we also independently verified the migration of data for a sample of general ledger, sub-level and transaction level items. Based on the procedures performed, we did not identify any material unresolved matters in respect of the system implementation that had an impact on the Group financial statements.
Uncertain tax positions	
Refer to Notes 3, 10 and 28 in the Group financial statements. The nature of the Group's multinational and cross-border operations exposes the Group to complicated tax regulations. This requires management to exercise judgement in determining the appropriate amount of tax to provide in a number of jurisdictions. In particular, certain financing arrangements that the Group has entered into, while not uncommon or unduly aggressive, have been previously subject to enquiry by tax authorities. Changes in management's estimates of the likely result of enquiries by tax authorities could materially affect the quantum of tax provisions recognised in the Group financial statements.	Using our specialist tax knowledge, we evaluated and challenged management's judgements in respect of estimates of tax exposures and contingencies in order to assess the adequacy of the Group's tax provisions. This included obtaining a detailed understanding of the Group's key technical tax matters and risks related to business and legislative developments. We recalculated management's valuations of direct tax provisions and determined whether the calculations were in line with the Group's methodology and principles and whether they had been applied consistently with previous years. We also examined management's ongoing analysis of its financing arrangements and considered recent correspondence with the tax authorities. From the evidence obtained, we considered the level of provisioning to be at the prudent end of an acceptable range.
Retirement benefit obligations	
Refer to Notes 3 and 29 in the Group financial statements. The Group has significant retirement benefit obligations in the UK and the US, including unfunded retirement medical plans in the US. At 31 March 2015 the present value of these obligations was £1,761 million (2014 – £1,525 million). These obligations were determined based on a number of actuarial assumptions and calculations, which were subject to significant judgement and estimate. Changes in these assumptions can have a material impact on the quantum of obligations recognised.	We understood and evaluated the assumptions used by the Group's actuaries and management in calculating the retirement benefit obligations for the defined benefit pension plans in the UK and the US, and the unfunded retirement medical scheme in the US. We challenged each of the actuarial assumptions by comparing these to benchmark ranges based on market conditions and expectations at 31 March 2015. In each case we found that the actuarial assumption used was reasonable, sat within our acceptable range, and was applied consistently with the prior year. In addition, we independently confirmed the pension assets held by the UK and US schemes with third-party investment custodians and fund managers. We did not identify any exceptions in this work.
Carrying value of SPLENDA® Sucralose assets	
Refer to Notes 6 and 37 in the Group financial statements. As part of the re-focus and restructure of its SPLENDA® Sucralose business, the Group took the decision to write-off the assets of its Singapore facility in advance of the anticipated closure of this facility in Spring 2016. At the same time, given the continued competitive pricing pressure on this business, the Group undertook an impairment assessment of the carrying value of the SPLENDA® Sucralose assets at McIntosh, which had a carrying value of £103 million at 31 March 2015, which principally comprises property, plant and equipment and working capital. We focused on this area, as the impairment review contains a number of significant judgements and estimates, of which the most significant is the anticipated future pricing the Group will achieve on sales of SPLENDA® Sucralose.	Leveraging our specialist valuations knowledge, we obtained the Group's impairment analysis and tested the reasonableness of key assumptions, including anticipated future pricing within the revenue assumption, the terminal growth rate applied and the determination of the discount rate. We challenged management to substantiate its assumptions, including considering the output of external advice the Group took as part of its strategic review of the SPLENDA® Sucralose business. We obtained and evaluated management's sensitivity analyses to ascertain the impact of reasonably possible changes and we performed our own independent sensitivity calculations to quantify the downside changes to management's model required to result in impairment. As a result of our work, we determined that the decision to fully write-off the Singapore facility at 31 March 2015 was appropriate and that management's conclusion that the McIntosh facility was not impaired was also appropriate. We found that this judgement was supported by reasonable assumptions that would require significant downside changes before any impairment was necessary.

How we tailored the audit scope

In identifying these areas of focus, we tailored the scope of our audit to ensure that we performed sufficient work to be able to issue an opinion on the Group financial statements as a whole, taking into account the geographic structure of the Group, the accounting processes and controls and the industry in which the Group operates.

The Group is primarily structured across two divisions; Speciality Food Ingredients and Bulk Ingredients, with a central support function. The Group financial statements are a consolidation of the Group's reporting units, spread across these two divisions, which comprise the Group's operating businesses and centralised functions covering more than 250 individual components.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed at the reporting units by us, as the Group engagement team, or component auditors from other PwC network firms operating under our instructions. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient and appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole. This involvement included oversight visits and review of working papers at the Group's significant components in the US and at the Global Shared Services audit in Poland, and attendance at clearance meetings. In addition, we met with component management in China and Singapore.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of any misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall Group materiality	£10 million (2014 – £15 million)
How we determined it	5% of profit before tax (£51 million) adding back the share of tax of joint ventures and associates (£14 million) and exceptional items (£142 million), as defined in Note 2 in the Group financial statements.
Rationale for benchmark applied	The Group's principal measure of earnings is adjusted profit before tax, which excludes exceptional items, amortisation of acquired intangible assets and net retirement benefit interest from profit before tax. The Group adjusts for exceptional items as it believes that doing so is necessary to provide an understanding of financial performance. We have not used adjusted profit before tax, as defined above, as our benchmark since the amortisation of acquired intangible assets and net retirement benefit interest are recurring items. Materiality is lower than last year due to the reduction in the Group's profit.

We agreed with the Audit Committee that we would report to it misstatements identified during our audit above £750,000 (2014 – £1 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

Under the Listing Rules we are required to review the Directors' statement, set out on page 33, in relation to going concern. We have nothing to report having performed our review.

As noted in the Directors' statement, the Directors have concluded that it is appropriate to prepare the Group financial statements using the going concern basis of accounting. The going concern basis presumes that the Group has adequate resources to remain in operation, and that the Directors intend it to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the Directors' use of the going concern basis is appropriate.

However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Group's ability to continue as a going concern.

Other required reporting

Consistency of other information

Companies Act 2006 opinion

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ISAs (UK & Ireland) reporting	
Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:	
• Information in the Annual Report is: – materially inconsistent with the information in the audited financial statements; or – apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or – otherwise misleading.	We have no exceptions to report arising from this responsibility.
• the statement given by the Directors on page 80, in accordance with provision C.1.1 of the UK Corporate Governance Code ('the Code'), that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Group's performance, business model and strategy is materially inconsistent with our knowledge of the Group acquired in the course of performing our audit.	We have no exceptions to report arising from this responsibility.
• the section of the Annual Report on page 53, as required by provision C.3.8 of the Code, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.	We have no exceptions to report arising from this responsibility.

Independent Auditors' Report to the Members of Tate & Lyle PLC continued

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion, we have not received all the information and explanations we require for our audit. We have no exceptions to report arising from this responsibility.

Directors' remuneration

Directors' Remuneration Report – Companies Act 2006 opinion

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other Companies Act 2006 reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Corporate governance statement

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to the Parent Company's compliance with ten provisions of the UK Corporate Governance Code. We have nothing to report having performed our review.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Statement of Responsibilities set out on page 80, the Directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the Group financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

An audit involves obtaining evidence about the amounts and disclosures in the Group financial statements sufficient to give reasonable assurance that the Group financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the Group financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the Group financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matter

We have reported separately on the Parent Company financial statements of Tate & Lyle PLC for the year end 31 March 2015 and on the information in the Directors' Remuneration Report that is described as having been audited.

John Waters (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

27 May 2015

Notes:

(a) The maintenance and integrity of the Tate & Lyle PLC website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated Income Statement

	Notes	Year ended 31 March 2015 £m	Restated* 2014 £m
Continuing operations			
Sales	4	**2 356**	2 754
Operating profit	4, 5	**33**	251
Finance income	9	**1**	2
Finance expense	9	**(32)**	(37)
Share of profit after tax of joint ventures and associates	16	**49**	61
Profit before tax		**51**	277
Income tax expense	10	**(21)**	(32)
Profit for the year from continuing operations		**30**	245
Profit for the year from discontinued operations	11	**–**	28
Profit for the year		**30**	273
Profit for the year attributable to:			
– owners of the Company		**30**	273
– non-controlling interests		**–**	–
Profit for the year		**30**	273
Earnings per share		**pence**	pence
Continuing operations:	12		
– basic		**6.6p**	52.8p
– diluted		**6.5p**	52.1p
Continuing and discontinued operations:	12		
– basic		**6.6p**	58.8p
– diluted		**6.5p**	58.0p

Analysis of adjusted profit from continuing operations	Notes	Year ended 31 March 2015 £m	Restated* 2014 £m
Profit before tax		**51**	277
Adjusted for:			
Exceptional items	6	**142**	14
Amortisation of acquired intangible assets	14	**9**	10
Net retirement benefit interest	9,29	**8**	8
Share of tax of joint ventures and associates	16	**14**	13
Adjusted profit before tax		**224**	322
Adjusted income tax expense	10	**(48)**	(60)
Adjusted profit after tax	41	**176**	262

The Notes on pages 90 to 148 form part of these financial statements.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

Consolidated Statement of Comprehensive Income

	Notes	2015 £m	Restated* 2014 £m
		Year ended 31 March	
Profit for the year		**30**	273
Other comprehensive income/(expense)			
Items that have been/may be reclassified to profit or loss			
Fair value loss on cash flow hedges	24	**(5)**	(2)
Fair value gain on cash flow hedges transferred to profit or loss	24	**(2)**	–
Fair value gain on available-for-sale financial assets	24,17	**2**	–
Gain/(loss) on currency translation of foreign operations	24	**56**	(104)
Fair value (loss)/gain on net investment hedges	24	**(32)**	50
Share of other comprehensive expense of joint ventures	24,16	**(18)**	(25)
Tax income relating to the above items	10	**2**	–
		3	(81)
Items that will not be reclassified to profit or loss			
Retirement benefit plans:			
– actual return higher/(lower) than interest on plan assets	29	**161**	(29)
– net actuarial (loss)/gain on retirement benefit obligations	29	**(186)**	19
Tax income/(expense) relating to the above items	10	**20**	(22)
		(5)	(32)
Total other comprehensive expense		**(2)**	(113)
Total comprehensive income		**28**	160
Analysed by:			
– continuing operations		**28**	132
– discontinued operations	11	**–**	28
Total comprehensive income		**28**	160
Attributable to:			
– owners of the Company		**28**	160
– non-controlling interests		**–**	–
Total comprehensive income		**28**	160

The Notes on pages 90 to 148 form part of these financial statements.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

Consolidated Statement of Financial Position

	Notes	2015 £m	At 31 March Restated* 2014 £m	At 1 April Restated* 2013 £m
ASSETS				
Non-current assets				
Goodwill and other intangible assets	14	**340**	307	270
Property, plant and equipment	15	**750**	732	812
Investments in joint ventures	16	**323**	308	377
Investments in associates	16	**4**	4	4
Available-for-sale financial assets	17	**15**	28	27
Derivative financial instruments	19	**30**	23	54
Deferred tax assets	28	**4**	4	8
Trade and other receivables	22	**2**	–	–
Retirement benefit surplus	29	**25**	–	12
		1 493	1 406	1 564
Current assets				
Inventories	21	**363**	372	438
Trade and other receivables	22	**290**	265	321
Current tax assets		**2**	1	3
Available-for-sale financial assets	17	**16**	–	–
Derivative financial instruments	19	**62**	78	84
Other financial assets	17	**2**	–	–
Cash and cash equivalents	32	**195**	346	305
		930	1 062	1 151
Assets held for sale	17	**–**	–	1
		930	1 062	1 152
TOTAL ASSETS		**2 423**	2 468	2 716
EQUITY				
Capital and reserves				
Share capital	23	**117**	117	117
Share premium	23	**406**	406	406
Capital redemption reserve		**8**	8	8
Other reserves	24	**61**	58	139
Retained earnings		**343**	460	366
Equity attributable to owners of the Company		**935**	1 049	1 036
Non-controlling interests		**1**	1	–
TOTAL EQUITY		**936**	1 050	1 036
LIABILITIES				
Non-current liabilities				
Trade and other payables	26	**13**	2	3
Borrowings	27	**463**	437	816
Derivative financial instruments	19	**15**	2	21
Deferred tax liabilities	28	**32**	42	21
Retirement benefit deficits	29	**252**	220	277
Provisions for other liabilities and charges	30	**8**	9	15
		783	712	1 153
Current liabilities				
Trade and other payables	26	**316**	283	344
Current tax liabilities		**45**	38	52
Borrowings and bank overdrafts	27	**305**	323	58
Derivative financial instruments	19	**25**	49	55
Provisions for other liabilities and charges	30	**13**	13	18
		704	706	527
TOTAL LIABILITIES		**1 487**	1 418	1 680
TOTAL EQUITY AND LIABILITIES		**2 423**	2 468	2 716

The Notes on pages 90 to 148 form part of these financial statements.

The consolidated financial statements on pages 85 to 148 were approved by the Board of Directors on 27 May 2015 and signed on its behalf by:

Javed Ahmed, Nick Hampton **Directors**

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

Consolidated Statement of Cash Flows

	Notes	Year ended 31 March 2015 £m	Restated* 2014 £m
Cash flows from operating activities			
Profit before tax from continuing operations		**51**	277
Adjustments for:			
– depreciation of property, plant and equipment	15	**85**	83
– amortisation of intangible assets	14	**24**	20
– share-based payments	25	**–**	8
– exceptional items (non-cash)		**113**	–
– other non-cash items		**–**	(6)
– finance income	9	**(1)**	(2)
– finance expense	9	**32**	37
– share of profit after tax of joint ventures and associates		**(49)**	(61)
Change in working capital	31	**8**	15
Net retirement benefit obligations		**(47)**	(43)
Cash generated from continuing operations		**216**	328
Interest paid		**(30)**	(33)
Income tax paid		**(7)**	(9)
Net cash generated from operating activities		**179**	286
Cash flows from investing activities			
Purchase of intangible assets		**(34)**	(45)
Purchase of property, plant and equipment		**(121)**	(102)
Proceeds on disposal of property, plant and equipment		**–**	33
Acquisitions of businesses, net of cash acquired	36	**(26)**	(15)
Disposal of businesses, net of cash disposed	36	**–**	3
Purchase of available-for-sale financial assets	17	**(2)**	(4)
Disposal of available-for-sale financial assets	17	**2**	2
Interest received		**1**	2
Dividends received from joint ventures and associates	16	**16**	105
Net cash used in investing activities		**(164)**	(21)
Cash flows from financing activities			
Purchase of own shares	23	**(12)**	(29)
Cash inflow from additional borrowings		**278**	8
Cash outflow from repayment of borrowings		**(319)**	(50)
Repayment of capital element of finance leases		**(2)**	(2)
Dividends paid to owners of the Company	13	**(130)**	(124)
Net cash used in financing activities		**(185)**	(197)
Net (decrease)/increase in cash and cash equivalents	33	**(170)**	68
Cash and cash equivalents			
Balance at beginning of year		**346**	305
Net (decrease)/increase in cash and cash equivalents	33	**(170)**	68
Currency translation differences		**19**	(27)
Balance at end of year	32	**195**	346

A reconciliation of the movement in cash and cash equivalents to the movement in net debt is presented in Note 33.

The Notes on pages 90 to 148 form part of these financial statements.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

Consolidated Statement of Changes in Equity

	Share capital and share premium (Note 23) £m	Capital redemption reserve £m	Other reserves (Note 24) £m	Retained earnings £m	Attributable to the owners of the Company £m	Non-controlling interests £m	Total equity £m
At 1 April 2013*	523	8	139	366	1 036	–	1 036
Year ended 31 March 2014*							
Profit for the year	–	–	–	273	273	–	273
Other comprehensive expense	–	–	(81)	(32)	(113)	–	(113)
Total comprehensive (expense)/income	–	–	(81)	241	160	–	160
Share-based payments, net of tax	–	–	–	8	8	–	8
Purchase of own shares (Note 23)	–	–	–	(29)	(29)	–	(29)
Non-controlling interests in subsidiaries acquired	–	–	–	–	–	1	1
Initial recognition of put option on non-controlling interest (Note 36)	–	–	–	(2)	(2)	–	(2)
Dividends paid (Note 13)	–	–	–	(124)	(124)	–	(124)
At 31 March 2014*	**523**	**8**	**58**	**460**	**1 049**	**1**	**1 050**
Year ended 31 March 2015							
Profit for the year	**–**	**–**	**–**	**30**	**30**	**–**	**30**
Other comprehensive income/(expense)	**–**	**–**	**3**	**(5)**	**(2)**	**–**	**(2)**
Total comprehensive income	**–**	**–**	**3**	**25**	**28**	**–**	**28**
Share-based payments, net of tax	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Purchase of own shares (Note 23)	**–**	**–**	**–**	**(12)**	**(12)**	**–**	**(12)**
Dividends paid (Note 13)	**–**	**–**	**–**	**(130)**	**(130)**	**–**	**(130)**
At 31 March 2015	**523**	**8**	**61**	**343**	**935**	**1**	**936**

* The adoption of IFRS 11 'Joint Arrangements' did not impact on the opening or closing equity balance for the 2014 financial year.

Other comprehensive income/(expense) recognised in retained earnings relates wholly to retirement benefit plans. An analysis of other comprehensive income/(expense) recognised in other reserves by component of equity is presented in Note 24.

At 31 March 2015, retained earnings included a deduction of £37 million (2014 – £37 million) for the cumulative cost of own shares held in relation to share-based incentive plans. Further information on own shares is presented in Note 23.

	Year ended 31 March	
Dividends on ordinary shares	**2015 pence**	2014 pence
Per ordinary share:		
– interim paid	**8.2p**	7.8p
– final proposed	**19.8p**	19.8p
	28.0p	27.6p

The Notes on pages 90 to 148 form part of these financial statements.

Notes to the Consolidated Financial Statements

1 Basis of preparation

Description of business
Tate & Lyle PLC (the Company) is a public limited company incorporated and domiciled in the United Kingdom. The Company's ordinary shares are listed on the London Stock Exchange.

The Company, and its subsidiaries, joint ventures and associates (together 'the Group') provides ingredients and solutions to the food, beverage and other industries. The Group operates from more than 30 production facilities around the world.

The Group's continuing operations comprise two operating segments: Speciality Food Ingredients and Bulk Ingredients. Segment information is presented in Note 4.

Accounting period
The Group's annual financial statements are drawn up to 31 March. These financial statements cover the year ended 31 March 2015 with comparative amounts for the year ended 31 March 2014. The Group has also presented a statement of financial position as at 1 April 2013 following the adoption of IFRS 11 'Joint Arrangements'.

Basis of accounting
The consolidated financial statements on pages 85 to 148 have been prepared on the going concern basis in accordance with International Financial Reporting Standards (IFRS) and related interpretations as adopted for use in the European Union and those parts of the Companies Act 2006 that are applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, modified in respect of the revaluation to fair value of available-for-sale financial assets, derivative financial instruments, assets classified as held for sale and assets held by defined benefit pension plans.

The Group's principal accounting policies are set out in Note 2.

Company financial statements
The Company has not adopted IFRS and prepares its separate financial statements in accordance with applicable law and UK Accounting Standards (UK GAAP). The Company's separate financial statements are set out on pages 150 to 155.

Going concern
For the reasons set out on page 33, the Directors have adopted the going concern basis in preparing the Company's and the Group's financial statements.

Discontinued operations
In the Group's financial statements, the results, assets and liabilities and cash flows of discontinued operations are presented separately from those of continuing operations. An operation is classified as discontinued if it is a component of the Group that: (i) has been disposed of, or meets the criteria to be classified as held for sale; and (ii) represents a separate major line of business or geographic area of operations or will be disposed of as part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations. As the Eaststarch disposal transaction was not highly probable at the balance sheet date, the assets are not classified as held for sale. Continuing operations therefore include the results of Eaststarch.

Fair value measurement
Fair value is the price that would be received from the sale of an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can assess at the measurement date
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability either directly or indirectly
- Level 3 inputs are unobservable inputs for the asset or liability.

Use of adjusted measures
Tate & Lyle presents adjusted performance measures including adjusted sales, operating profit, profit before tax and earnings per share that are used for internal performance analysis and incentive compensation arrangements for employees and are presented because they provide investors with valuable additional information about the performance of the business. For the periods presented, adjusted performance measures exclude, where relevant, exceptional items, the amortisation of acquired intangible assets, net retirement benefit interest and tax on those adjustments. Adjusted measures are also presented using proportionate consolidation reflecting the Group's management of its joint ventures on an integrated basis with its subsidiaries. Adjusted performance measures reported by the Group are not defined terms under IFRS and may therefore not be comparable with similarly-titled measures reported by other companies. The Directors do not regard these measures as a substitute for, or superior to, the equivalent measures presented in accordance with IFRS.

Reconciliations of the adjusted performance measures to the most directly comparable measures presented in accordance with IFRS are presented in Note 41.

Accounting standards adopted during the year
In the current year, the Group has adopted a number of new or revised accounting standards that are outlined below. With the exception of the changes arising from the adoption of IFRS 11 'Joint Arrangements', and IFRS 12 'Disclosure of Interests in Other Entities' the Group's principal accounting policies are unchanged compared with the year ended 31 March 2014.

IFRS 10 Consolidated Financial Statements
IFRS 10 replaces the parts of IAS 27 'Consolidated and Separate Financial Statements' that deal with consolidated financial statements and SIC-12 'Consolidation – Special Purpose Entities'. IFRS 10 establishes a single control model for consolidation that applies to all entities, including special purpose entities.

IFRS 11 Joint Arrangements
With effect from 1 April 2014, the Group adopted IFRS 11 'Joint Arrangements' which has significantly changed the basis of accounting for its interests in joint ventures while not affecting the Group's earnings or net assets.

Previously, the Group had accounted for its interests in joint ventures on a proportionate consolidation basis, whereby the Group's share of the income and expenses, assets and liabilities and cash flows of joint ventures are combined on a line-by-line basis with those of Tate & Lyle PLC and its subsidiaries. IFRS 11 prohibits the use of proportionate consolidation and requires that joint ventures are accounted for using the equity method of accounting. Under the equity method of accounting, the Group's share of the after tax profits and losses of joint ventures is shown on one line of the consolidated income statement, its share of their net assets is shown on one line of the consolidated statement of financial position and the consolidated statement of cash flows reflects cash flows between the Group and the joint ventures within cash flows from investing activities.

Comparative amounts for 2014 have been restated on a consistent basis. An explanation and analysis of the effect of IFRS 11 on the Group's financial information is presented in Note 42. In accordance with IAS 1, the Group has also presented a third statement of financial position as at 1 April 2013.

IAS 27 (Revised 2011) Separate Financial Statements
IAS 27 (Revised 2011) now only deals with the requirements to prepare separate financial statements because the requirements to prepare consolidated financial statements are now contained in IFRS 10.

1 Basis of preparation
continued

IAS 28 (Revised 2011) Investments in Associates and Joint Ventures
IAS 28 was revised as a consequence of the issuance of IFRS 11 in order to set out the requirements for the application of the equity method when accounting for joint ventures.

IFRS 12 Disclosure of Interests in Other Entities
IFRS 12 is a new standard that prescribes disclosure requirements for all forms of interests in other entities, including joint ventures and associates.

- Interest in subsidiaries
  IFRS 12 requires disclosures for each of an entity's subsidiaries that have material non-controlling interests. As of 31 March 2015, the Group did not have any subsidiaries with a material non-controlling interest.
- Interest in Joint Ventures and Associates
  IFRS 12 has significantly changed the way that the Group presents and discloses information about its interests in joint ventures and associates. The disclosures for individual joint ventures and associates are more prescriptive than previously required by IAS 31 'Interests in Joint Ventures', and IAS 28 'Investments in Associates'. As presented in Note 16, for those joint ventures which are material to the Group, summarised financial information has been provided. The information disclosed reflects the amounts required to be presented in the financial statements of the joint ventures, together with the Group's share of those amounts. Comparative amounts for 2014 have also been provided on a consistent basis.

Other standards
Amendment to IAS 32 *Financial Instruments: Presentation on offsetting financial assets and financial liabilities*. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms.

Amendments to IAS 36 *Impairment of Assets on the recoverable amount disclosures for non-financial assets*. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13.

Amendment to IAS 39 *Financial Instruments: Recognition and measurement on the novation of derivatives and the continuation of hedge accounting*. This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria.

2 Principal accounting policies

Basis of consolidation

(a) Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which the Group obtains control. They are deconsolidated from the date that control ceases.

A non-controlling interest in a subsidiary represents the share of the net assets of the subsidiary that is attributable to the equity interest in the subsidiary that is not owned by the Group.

The Group's income and expenses, assets and liabilities and cash flows include those of each of its subsidiaries from the date on which the Company obtains control until such time as control is lost. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Joint ventures
A joint venture is a contractual arrangement under which the Group and other parties undertake an activity that is subject to joint control, whereby strategic financial and operating policy decisions require unanimous consent of the Group and the other parties. The Group's interests in joint ventures are accounted for under the equity method, whereby the Group's share of the profit or loss, other comprehensive income and net assets are shown on one line of the relevant primary financial statements.

Losses of a joint venture in excess of the Group's interest in the entity are not recognised, except to the extent that the Group has incurred obligations or made payments on behalf of the joint venture.

Unrealised profits or losses on transactions between the Group and its joint ventures are normally eliminated to the extent of the Group's interest in the joint venture. Losses are, however, recognised in full where they represent a reduction in the net realisable value of a current asset or an impairment loss.

(c) Associates
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in financial and operating policy decisions but not to control or jointly control them. Significant influence generally exists where the Group holds more than 20% and less than 50% of the shareholders' voting rights. Associates are accounted for under the equity method, whereby the Group's share of the profit or loss, other comprehensive income and net assets are shown on one line of the relevant primary financial statements.

Losses of an associate in excess of the Group's interest in the entity are not recognised, except to the extent that the Group has incurred obligations or made payments on behalf of the associate.

Unrealised profits or losses on transactions between the Group and its associates are normally eliminated to the extent of the Group's interest in the associate. Losses are, however, recognised in full where they represent a reduction in the net realisable value of a current asset or an impairment loss.

Business combinations
A business combination is a transaction or other event in which the Group obtains control over a business.

Business combinations are accounted for using the acquisition method.

Goodwill arising in a business combination represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquired business and, in a business combination achieved in stages, the fair value at the acquisition date of the Group's previously held equity interest, over the net total of the identifiable assets and liabilities of the acquired business at the acquisition date. Any shortfall is recognised immediately as a gain in the income statement.

Consideration transferred represents the sum of the fair values at the acquisition date of the assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control over the acquired business.

Acquisition-related costs are charged to the income statement in the period in which they are incurred.

Identifiable assets and liabilities of the acquired business are measured at their fair value at the acquisition date, except for certain items that are measured in accordance with the relevant Group accounting policy, including retirement benefit obligations and deferred tax assets and liabilities.

Any non-controlling interest in the acquired business is measured either at fair value or at the non-controlling interest's proportionate share of the identifiable assets and liabilities of the business.

Notes to the Consolidated Financial Statements continued

2 Principal accounting policies continued

Put options issued by the Group over non-controlling interests are initially recognised as a liability measured at fair value with a corresponding charge directly to equity. Subsequently, the liability is measured at amortised cost using the effective interest method and changes in its carrying amount are recognised in the income statement.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for within equity. Any gain or loss on loss of control is recognised in the income statement.

Foreign currency translation

At entity level, transactions in foreign currencies are translated into the entity's functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the period-end date. Currency translation differences arising at entity level are recognised in the income statement.

The consolidated financial statements are presented in pounds sterling which is the Company's functional currency.

On consolidation, the results of foreign operations are translated into pounds sterling at the average rate of exchange for the period and their assets and liabilities are translated into pounds sterling at the exchange rate ruling at the period-end date. Currency translation differences arising on consolidation are recognised in other comprehensive income and taken to the currency translation reserve. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated accordingly.

In the event that a foreign operation is sold, the gain or loss on disposal recognised in the income statement is determined after taking into account the cumulative currency translation differences arising on consolidation of the operation subsequent to the adoption of IFRS.

In the cash flow statement, the cash flows of foreign operations are translated into pounds sterling at the average exchange rate for the period.

Revenue recognition

(a) Sales of goods and services

Sales comprise the amount receivable in the ordinary course of business, net of value added and sales taxes, for goods and services provided. It comprises the fair value of the consideration received or receivable for the sale of goods and services. Sales are recognised at the point or points at which the Group has performed its obligations in connection with the contractual terms of the sales agreement, primarily at the point of delivering to the customer, and in exchange obtains the right to consideration.

(b) Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate method.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

Exceptional items

Exceptional items comprise items of income and expense, including tax items, that are material in amount and unlikely to recur and which merit separate disclosure in order to provide an understanding of the Group's underlying financial performance. Examples of events giving rise to the disclosure of material items of income and expense as exceptional items include, but are not limited to, impairment events, significant business transformation activities, disposals of operations or significant individual assets, litigation claims by or against the Group and the restructuring of components of the Group's operations.

Borrowing costs

Borrowing costs directly arising from the purchase, construction or production of an asset are capitalised as part of the cost of that asset.

Goodwill

Goodwill arising in a business combination is recognised as an intangible asset and is allocated to the cash-generating unit (CGU) or group of CGUs that is expected to benefit from the synergies of the business combination.

Goodwill is not amortised but is tested for impairment annually and whenever there are events or changes in circumstances that indicate that its carrying amount may not be recoverable.

Goodwill is carried at cost less any recognised impairment losses.

Other intangible assets

Other intangible assets are stated at cost less accumulated amortisation and any recognised impairment losses. Other than goodwill, all intangible assets recognised by the Group have finite useful lives.

(a) Acquired in business combinations

An intangible resource acquired in a business combination is recognised as an intangible asset if it is separable from the acquired business or arises from contractual or legal rights. Acquired intangible assets, for example, patents and customer relationships, are amortised on a straight-line basis so as to charge their cost, which represents their fair value at the date of acquisition, over the periods of their expected benefit to the Group, which are in the range three to 15 years.

(b) Other intangibles

Other intangible assets mainly comprise certain product development expenditure, marketing-related intangibles, computer software costs and capitalised costs relating to the common global IS/IT system.

Costs incurred on the development, design and testing of new or improved products are capitalised only when the technical and commercial feasibility of the product has been proven and prior to the product going into full production. Research and other development expenditures are charged to the income statement in the period in which they are incurred.

Other intangibles include marketing-related intangibles relating to several key customers.

Other intangible assets are amortised on a straight-line basis so as to charge their cost over the periods of their expected benefit to the Group, which are in the range of three to 10 years.

Capitalised costs in respect of the global IS/IT system are being amortised over seven years.

Property, plant and equipment

Land and buildings mainly comprise manufacturing sites and administrative facilities. Plant and machinery mainly comprises equipment used in the manufacturing and operating process. Assets under the course of construction comprise property, plant and equipment which is in the process of being completed and not ready for use.

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance expenditures are charged to the income statement during the period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over its useful economic life as follows:

Freehold land	No depreciation
Freehold buildings	20 to 50 years
Leasehold property	Period of the lease
Bulk liquid storage tanks	12 to 20 years
Plant and machinery	3 to 28 years

Residual values and useful lives are reviewed at each period-end date and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the income statement.

2 Principal accounting policies
continued

Leased assets
Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets held under finance leases are capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The corresponding leasing commitments, net of finance charges, are included in liabilities.

Leasing payments are analysed between capital and interest components so that the interest element is charged to the income statement over the period of the lease at a constant periodic rate of interest on the remaining balance of the liability outstanding.

Depreciation on assets held under finance leases is charged to the income statement, and depreciated over the shorter of the lease term and its useful life. All other leases are treated as operating leases with annual rentals charged to the income statement, net of any incentives granted to the lessee, over the term of the lease with incentives recognised over the period of the lease at a constant periodic rate.

Impairment of non-financial assets
Goodwill, other intangible assets and property, plant and equipment are tested for impairment whenever events or circumstances indicate that their carrying amounts may not be recoverable. Additionally, goodwill and intangible assets not subject to amortisation are subject to an annual impairment test.

An asset is impaired to the extent that its carrying amount exceeds its recoverable amount. An asset's recoverable amount represents the higher of the asset's value in use and its fair value less costs of disposal. An asset's value in use represents the present value of the future cash flows expected to be derived from continued use of the asset. Fair value less costs of disposal is the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount is determined for the CGU to which the asset belongs. An asset's CGU is the smallest group of assets that includes that asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill does not generate cash inflows independently of other assets and is, therefore, tested for impairment at the level of the CGU or group of CGUs to which it is allocated.

Value in use is based on estimates of pre-tax cash flows discounted at a pre-tax discount rate that reflects the risks specific to the CGU to which the asset belongs.

Where necessary, impairment of non-financial assets other than goodwill is recognised before goodwill is tested for impairment. When goodwill is tested for impairment and the carrying amount of the CGU or group of CGUs to which it is allocated exceeds its recoverable amount, the impairment is allocated first to reduce the carrying amount of the goodwill and then pro-rata to the other non-financial assets belonging to the CGU or group of CGUs on the basis of their respective carrying amounts.

Impairment losses are recognised in the income statement. Impairment losses recognised in previous periods for assets other than goodwill are reversed if there has been a change in the estimates used to determine the asset's recoverable amount, but only to the extent that the carrying amount of the asset does not exceed its carrying amount had no impairment been recognised in previous periods. Impairment losses recognised in respect of goodwill cannot be reversed.

Inventories
Inventories are stated at the lower of cost and net realisable value with the exception of certain items of merchandisable agricultural commodities in the US which are stated at market value, in line with regional industry accounting practices.

Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the 'first in/first out' or 'weighted average' cost methods, appropriate to the materials and production processes involved. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Provisions are made for any slow moving, obsolete or defective inventories.

Financial instruments
(a) Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the income statement.

(b) Trade payables
Non-current and current trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

(c) Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less and, for the purposes of the cash flow statement only, bank overdrafts where the legal right of offset exists.

(d) Available-for-sale financial assets and other financial assets
Equity instruments held by the Group and designated as available-for-sale are carried at fair value, with movements in fair value recognised in other comprehensive income. Where fair value cannot be reliably measured, the assets are approximated at cost. Cumulative fair value gains or losses on an asset are recycled through the income statement when the asset is disposed or impaired. A significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. Impairments are recognised in the income statement. Other financial assets represent cash held in an escrow account and are carried at fair value.

(e) Borrowings
Borrowings are initially measured at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate method, whereby any difference between the proceeds (net of transaction costs) and the initial fair value is recognised in the income statement over the period of the borrowings. As explained under 'Hedge accounting' (see following page), the carrying amount of a borrowing may be subject to adjustment where it is a hedged liability in a fair value hedge.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after period-end date.

Dividends on preference shares are recognised in the income statement as interest expense.

(f) Derivative financial instruments
The Group uses derivative financial instruments to reduce its exposure to commodity price, currency exchange rate and interest rate movements. The Group does not hold or issue derivatives for speculative purposes.

All derivative financial instruments held by the Group are recognised as assets or liabilities measured at their fair values at the period-end date. As explained under 'Hedge accounting' below, unless and to the extent that a derivative is in a designated and effective cash flow or net investment hedging relationship,

Notes to the Consolidated Financial Statements continued

2 Principal accounting policies continued

fair value gains and losses on derivatives are recognised in the income statement.

Derivative financial instruments that are not in a designated hedging relationship are classified as held for trading.

(g) Embedded derivatives

Where an embedded derivative is not closely related to the host contract and where the host contract itself is not already recognised at fair value, movements in the fair value of the embedded derivative are separated from the associated transaction and, except where the embedded derivative is designated as a cash flow hedging instrument, recognised in the income statement.

(h) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Hedge accounting

For a hedging relationship to qualify for hedge accounting, it must be documented at inception together with the Group's risk management objective and strategy for initiating the hedge and it must both be expected to be highly effective in offsetting the changes in cash flows or fair value attributed to the hedged risk and actually be highly effective in doing so.

(a) Cash flow hedges

Hedging relationships are classified as cash flow hedges where the hedging instrument hedges exposure to variability in cash flows that are attributable either to a particular risk associated with a recognised asset or liability (such as interest payments on variable rate debt), a highly probable forecast transaction (such as commodity purchases) or the foreign currency risk in a firm commitment (such as the purchase of an item of equipment).

Where a hedging relationship is classified as a cash flow hedge, to the extent that the hedge is effective, changes in the fair value of the hedging instrument are recognised in other comprehensive income rather than in the income statement. When the hedged item affects the income statement, the cumulative fair value gain or loss recognised in other comprehensive income is transferred to the income statement. When a hedged firm commitment results in the recognition of a non-current asset, the initial carrying amount of the asset is adjusted for the cumulative fair value gain or loss.

If the hedging instrument expires or is sold, or if the hedging relationship no longer meets the conditions for hedge accounting, the cumulative fair value gain or loss remains in equity until the forecast transaction is recognised in the income statement. If a hedged forecast transaction is no longer expected to occur, the cumulative fair value gain or loss is immediately transferred to the income statement.

(b) Net investment hedges

A net investment hedge is the hedge of the currency exposure on the retranslation of the Group's net investment in a foreign operation.

Net investment hedges are accounted for similarly to cash flow hedges. Changes in the fair value of the hedging instrument are, to the extent that the hedge is effective, recognised in other comprehensive income.

In the event that the foreign operation is disposed of, the cumulative fair value gain or loss recognised in other comprehensive income is transferred to the income statement where it is included in the gain or loss on disposal of the foreign operation.

(c) Fair value hedges

Hedging relationships are classified as fair value hedges where the hedging instrument hedges the exposure to changes in the fair value of a recognised asset or liability that is attributable to a particular risk (such as the fair value of fixed rate debt).

Where the hedging relationship is classified as a fair value hedge, the carrying amount of the hedged asset or liability is adjusted by the change in its fair value attributable to the hedged risk and the resulting gain or loss is recognised in the income statement where, to the extent that the hedge is effective, it offsets the fair value gain or loss on the hedging instrument.

Provisions

A provision is a liability of uncertain timing or amount that is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is more likely than not that a payment will be required to settle the obligation and the amount can be estimated reliably.

Where the effect is material, the expected future payments are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of any discount is recognised in the income statement within finance expense.

Provision is made for restructuring costs when a detailed formal plan for the restructuring has been determined and the plan has been communicated to those affected by it. Gains from the expected disposal of assets are not taken into account in measuring restructuring provisions.

Provisions are not recognised for future operating losses.

Provisions are recognised for onerous contracts to the extent that the benefits expected to be derived from a contract are lower than the unavoidable cost to the Group of meeting its obligations under the contract.

Income taxes

Current tax is the amount of tax payable or recoverable in respect of the taxable profit or loss for the period. Taxable profit differs from accounting profit because it excludes income and expenses that are recognised in the period for accounting purposes but are either not taxable or not deductible for tax purposes or are taxable or deductible in earlier or subsequent periods. Current tax is calculated using tax rates that have been enacted or substantively enacted at the period-end date.

Deferred tax is tax payable or recoverable on temporary differences between the carrying amount of an asset or liability in the financial statements and its tax base used in the computation of taxable profit. Deferred tax is accounted for using the liability method, whereby deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available in the foreseeable future against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction other than a business combination that affects neither accounting profit nor taxable profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in foreign subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is calculated using the enacted or substantively enacted rates that are expected to apply when the asset is recovered or the liability is settled.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the amounts and management intends to settle on a net basis. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax is recognised in the income statement unless it relates to an item that is recognised in the same or a different period outside the income statement, in which case it too is recognised outside the income statement, either in other comprehensive income or directly in equity.

2 Principal accounting policies continued

Retirement benefits

As described in Note 29, the Group operates pension plans in most of the countries in which it operates. Defined benefit pension plans are principally in the UK and the US and, until December 2013, were also in the Netherlands, and the Group operates a number of defined contribution pension plans. The Group also operates defined benefit retirement medical plans in the US.

(a) Defined benefit plans

A valuation of each of the defined benefit plans for accounting purposes is carried out annually at 31 March by independent qualified actuaries. Benefit obligations are measured using the projected unit credit method and are discounted using the market yields on high quality corporate bonds denominated in the same currency as, and of similar duration to, the benefit obligations. Plan assets are measured at their fair value at the period-end date. Where a plan holds a qualifying insurance policy, the fair value of the policy is deemed to be equivalent to the present value of the related benefit obligations. A deficit or surplus is recognised on each plan which represents the difference between the present value of the benefit obligation and the fair value of the plan assets. Where a plan is in surplus, the surplus recognised is limited to the present value of any amounts that the Group expects to recover by way of refunds or a reduction in future contributions.

The defined benefit cost recognised in the income statement comprises the current service cost, any past service cost and the net interest on the deficit or surplus. Gains or losses on curtailments or settlements of the plans are also recognised in the income statement in the period in which the curtailment or settlement occurs.

Remeasurements of the deficit or surplus are recognised in other comprehensive income.

Current service cost represents the increase in the present value of the benefit obligation due to benefits accrued during the period, less employee contributions. Past service cost represents the change in the present value of the benefit obligation that arises from benefit changes that are applied retrospectively to benefits accrued in previous years. Any past service cost is recognised in full in the period in which the benefit changes are made.

Net interest on the deficit or surplus is calculated by applying the discount rate that is used in measuring the present value of the benefit obligation to the deficit or surplus.

Plan administration costs incurred by the Group are also recognised in the income statement.

Remeasurements comprise differences between the actual return on plan assets (less asset management expenses) and the interest on the plan assets and actuarial gains and losses. Actuarial gains and losses represent the effect of changes in the actuarial assumptions made in measuring the present value of the benefit obligation and experience differences between those assumptions and actual outcomes. Actuarial gains and losses are recognised in full in the period in which they occur.

(b) Defined contribution plans

Contributions made by the Group to defined contribution pension schemes are recognised in the income statement in the period in which they fall due.

Share-based incentives

As described in Note 25, the Company operates share-based compensation plans under which it grants awards over its ordinary shares to its own employees and to those of its subsidiaries. All of the awards granted under the existing plans are classified as equity-settled awards. The Group recognises a compensation expense that is based on the fair value of the awards measured at the grant date using the Black-Scholes option pricing formula. Fair value is not subsequently remeasured unless relevant conditions attaching to the award are modified.

Fair value reflects any market performance conditions and all non-vesting conditions. Adjustments are made to the compensation expense to reflect actual and expected forfeitures due to failure to satisfy service conditions or non-market performance conditions.

Generally, the resulting compensation expense is recognised in the income statement on a straight-line basis over the vesting period and a corresponding credit is recognised in equity. In the event of the cancellation of an award, whether by the Group or a participating employee, the compensation expense that would have been recognised over the remainder of the vesting period is recognised immediately in the income statement.

Dividends

Dividends on the Company's ordinary shares are recognised when they have been appropriately authorised and are no longer at the Company's discretion. Accordingly, interim dividends are recognised when they are paid and final dividends are recognised when they are declared following approval by shareholders at the Company's AGM. Dividends are recognised as an appropriation of shareholders' equity.

Own shares

Own shares represent the Company's ordinary shares that are held by the Company in treasury or by a sponsored Employee Benefit Trust that are used to satisfy awards made under the Company's share-based incentive plans. When own shares are acquired, the cost of purchase in the market is deducted from equity. Gains or losses on the subsequent transfer or sale of own shares are also recognised in equity.

Assets held for sale

An asset or group of assets is classified as held for sale if its carrying amount will be principally recovered through a sale transaction rather than through continuing use in the business, it is available for immediate sale in its present condition and management has committed to, and has initiated, a plan to sell the asset which, when initiated, was expected to result in a completed sale within 12 months. Assets that are classified as held for sale are measured at the lower of their carrying amount when they were classified as held for sale and their fair value less costs to sell.

Accounting standards issued but not yet adopted

A number of new standards and amendments to standards and interpretations have been issued that are relevant to the Group but had not been adopted at 31 March 2015.

(a) IFRS 9 Financial instruments

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through the income statement. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted subject to EU endorsement.

(b) IFRS 15 Revenue from contracts with customers

IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard will replace IAS 18 Revenue and IAS 11 Construction contracts and related interpretations. The IASB is considering deferring the adoption until at least 1 January 2018.

(c) IAS 19 Defined Benefit Plans: Employee Contributions (Amendments)

The Amendments clarify how employee contributions that are linked to service should be attributed to periods of service and when such contributions may be treated as a reduction in the service cost that is recognised in the income statement. Subject to its endorsement for use in the EU, the Group will adopt the Amendments with effect from 1 April 2015.

Notes to the Consolidated Financial Statements continued

2 Principal accounting policies continued

(d) Other pronouncements

Various minor improvements to accounting standards arising from the IASB's 2010-2012, 2011-2013 and 2012-2014 review cycles.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments and IFRS 15 may have an impact on revenue recognition and related disclosures. Beyond the information above, it is not practical to provide a reasonable estimate of the effect of IFRS 9 and IFRS 15 until a detailed review has been completed.

3 Critical accounting estimates and judgements

In order to prepare these consolidated financial statements in accordance with the accounting policies set out in Note 2, management has used estimates and judgements to establish the amounts at which certain items are recorded. Critical accounting estimates and judgements are those that have the greatest impact on the financial statements and require the most difficult, subjective and complex judgements about matters that are inherently uncertain. Estimates are based on factors including historical experience and expectations of future events that management believes to be reasonable. However, given the judgemental nature of such estimates, actual results could be different from the assumptions used. The critical accounting estimates and judgements are set out below.

Taxation

The Group operates in a large number of tax jurisdictions around the world. Tax regulations generally are complex and in some jurisdictions agreeing tax liabilities with local tax authorities can take several years. Consequently, at the period-end date, tax liabilities and assets are based on management's best estimate of the future amounts that will be settled. While the Group aims to ensure that the estimates recorded are accurate, the actual amounts could be different from those expected.

Deferred tax assets mainly arise from asset impairments and retirement benefit obligations that the Group expects to recover at some time in the future and by their nature the amounts recorded are therefore dependent on management's judgement about future events.

Further details are set out in Notes 10 and 28.

Derivatives and hedge accounting

The Group uses derivative financial instruments to reduce its exposure to commodity price, currency exchange rate and interest rate movements.

In particular, the Group uses corn and other commodity contracts to manage and hedge its corn book in the US. The US corn book comprises the commodity contracts, inventory and contracts for the purchase and sale of corn and co-products, some elements of which are expected to mature in more than 12 months' time, and is measured at fair value at each period-end date. The valuation of the corn book, which is underpinned by a number of judgements, has a material impact on the reported results of the Group.

At 31 March 2015, the Group recognised derivative assets of £92 million (including commodity pricing contracts of £58 million) and derivative liabilities of £40 million (including commodity pricing contracts of £25 million). The fair value of derivatives continually changes in response to changes in prevailing market conditions affecting future corn and other commodity prices, currency exchange rates and interest rates. Where practicable, the Group uses hedge accounting to mitigate the impact of changes in the fair value of its hedging instruments on the income statement, but the Group's results may be affected by these fair value changes where hedge accounting cannot be applied or due to hedge ineffectiveness.

Retirement benefits

The Group operates defined benefit pension plans principally in the UK and the US and unfunded retirement medical plans in the US. Generally, a deficit or surplus is recognised on each plan which represents the difference between the present value of the benefit obligation and the fair value of the plan assets (any surplus may be restricted in certain circumstances).

At 31 March 2015, the present value of the benefit obligations on the plans was £1,761 million (2014 – £1,525 million), including £69 million (2014 – £54 million) in respect of the unfunded medical plans. The present value of the benefit obligations is based on actuarial estimates of the future benefits that will be payable to the members of the plans. As such, the benefit obligations are based on a number of assumptions, changes to which could have a material impact on the reported amounts.

With regard to the pension plans, the present value of the benefit obligations is most sensitive to the discount rate applied to the benefit obligations, assumed life expectancies, and expected future price inflation rates. At 31 March 2015, a reduction in the discount rate of 100 basis points would have increased the obligations by £304 million, an increase of one year in life expectancy would have increased the obligations by £74 million, and an increase in future price inflation of 50 basis points would have increased the obligations by £78 million.

At 31 March 2015, the assets held by the pension plans amounted to £1,534 million (2014 – £1,305 million), of which £367 million (2014 – £346 million) comprised qualifying insurance policies. Plan assets are measured at their fair value at the period-end date. The fair values of qualifying insurance policies held by the plans are deemed to be equivalent to the present value of the related benefit obligations. Otherwise, the carrying amounts of the plan assets are affected more by market risks, including interest rate risk, and other risks than by assumptions made in estimating the fair values of unquoted assets.

Whilst changes in the assumptions used in determining the present value of the benefit obligations will have an impact on the Group's income statement through their effect on the service cost and the net interest on the deficit or surplus in the plans, most of the impact of such changes, together with fluctuations in the actual return on the plan assets, will be reflected in other comprehensive income.

Full details of the assumptions made, which are based on advice from the Group's actuaries, are set out in Note 29.

Impairment of assets

Asset impairments have the potential to significantly impact operating profit. In order to determine whether impairments are required the Group estimates the recoverable amount of the asset. This calculation is usually based on projecting future cash flows over a five-year period and using a terminal value to incorporate expectations of growth thereafter. A discount factor is applied to obtain a present value ('value in use'). The 'fair value less costs of disposal' of an asset is used if this results in an amount in excess of 'value in use'.

Estimated future cash flows for impairment calculations are based on management's expectations of future volumes and margins based on plans and best estimates of the productivity of the assets in their current condition. Future cash flows therefore exclude benefits from major expansion projects requiring future capital expenditure where that expenditure has not been approved on the dates the assets are tested.

Future cash flows are discounted using a discount rate based on the Group's weighted average cost of capital, adjusted if appropriate for circumstances specific to the asset being tested. The weighted average cost of capital is impacted by estimates of interest rates, equity returns and market and country-related risks. The Group's weighted average cost of capital is reviewed on an annual basis.

If the cash flow or discount rate assumptions were to change because of market conditions, the level of impairment could be different and could result in the asset impairment being increased or reversed, in part or in full, at a future date. Goodwill impairment is never reversed.

Sensitivities are performed around the discount rate and operating profit growth which are considered the critical assumptions in the review.

Further details are set out in Notes 14 and 15.

3 Critical accounting estimates and judgements continued

Provisions

The Group recognises a provision where a legal or constructive obligation exists at the period-end date and a reliable estimate can be made of the likely outcome. Where appropriate, future cash outflows that are expected to arise over a number of years are discounted to a present value using a relevant discount rate.

At 31 March 2015, provisions included amounts for insurance claims payable by the Group's reinsurance company, legal matters, employee termination and other restructuring costs.

Although provisions are reviewed on a regular basis and adjusted for management's best current estimates, the judgemental nature of these items means that future amounts settled may be different from those provided. Further details are set out in Note 30.

4 Segment information

Segment information is presented on a consistent basis with the information presented to the Board (the designated Chief Operating Decision Maker) for the purposes of allocating resources within the Group and assessing the performance of the Group's businesses. Continuing operations comprise two operating segments: Speciality Food Ingredients and Bulk Ingredients. Central, which comprises central costs including head office, treasury and re-insurance activities, does not meet the definition of an operating segment under IFRS 8 'Operating Segments' but no sub-total is shown for the Group's operating segments in the tables below so as to be consistent with the presentation of segment information to the Board.

Both segments are served by a single manufacturing network, and receive services from a number of global support functions. The segmental information presented in Note 4 and Note 8 reflects the allocation of assets and costs based on the most appropriate methodology in each case, consistently applied over time.

The Board uses adjusted operating profit as the measure of the profitability of the Group's businesses. Adjusted operating profit is, therefore, the measure of segment profit presented in the Group's segment disclosures. Adjusted operating profit represents operating profit before specific items that are considered to hinder comparison of the trading performance of the Group's businesses either year-on-year or with other businesses. During the years presented, the items excluded from operating profit in arriving at adjusted operating profit were the amortisation of acquired intangible assets and exceptional items. The Group has presented segment and adjusted financial information on a proportionate consolidation basis, as this reflects the management of its joint ventures on an integrated basis with the Group's subsidiaries. The segmental classification of exceptional items is defined in Note 6.

An analysis of total assets and total liabilities by operating segment is not presented to the Board but it does receive segmental analysis of net working capital (inventories, trade and other receivables, less trade and other payables). Accordingly, the amounts presented for segment assets and segment liabilities in the tables below represent those assets and liabilities that comprise elements of net working capital. The segment results were as follows:

(a) Segment sales

	Notes	**Year to 31 March 2015 £m**	Restated* Year to 31 March 2014 £m
Sales			
Speciality Food Ingredients		**908**	983
Bulk Ingredients		**1 786**	2 164
Adjusted sales		**2 694**	3 147
Elimination of proportionate consolidation		**(338)**	(393)
Sales		**2 356**	2 754

(b) Segment results

	Notes	**Year to 31 March 2015 £m**	Restated* Year to 31 March 2014 £m
Operating profit			
Speciality Food Ingredients		**149**	213
Bulk Ingredients		**133**	172
Central		**(35)**	(36)
Adjusted operating profit		**247**	349
Elimination of proportionate consolidation		**(63)**	(74)
		184	275
Adjusting items:			
– Exceptional items	6	**(142)**	(14)
– Amortisation of acquired intangible assets	14	**(9)**	(10)
Operating profit		**33**	251
Finance income	9	**1**	2
Finance expense	9	**(32)**	(37)
Share of profit after tax of joint ventures and associates	16	**49**	61
Profit before tax		**51**	277

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

Notes to the Consolidated Financial Statements continued

4 Segment information continued

	Year to 31 March 2015 Percentage	Year to 31 March 2014 Percentage
Adjusted operating margin		
Speciality Food Ingredients	**16.4%**	21.7%
Bulk Ingredients	**7.4%**	7.9%
Central	**n/a**	n/a
Total	**9.2%**	11.1%

(c) Segment assets/(liabilities)

	At 31 March 2015		
	Assets £m	**Liabilities £m**	**Net £m**
Net working capital			
Speciality Food Ingredients	**306**	**(132)**	**174**
Bulk Ingredients	**408**	**(199)**	**209**
Central	**48**	**(37)**	**11**
Total working capital	**762**	**(368)**	**394**
Elimination of proportionate consolidation	**(107)**	**39**	**(68)**
Group working capital	**655**	**(329)**	**326**
Other assets/(liabilities)	**1 768**	**(1 158)**	**610**
Group assets/(liabilities)	**2 423**	**(1 487)**	**936**

	Restated* At 31 March 2014		
	Assets £m	Liabilities £m	Net £m
Net working capital			
Speciality Food Ingredients	242	(94)	148
Bulk Ingredients	447	(181)	266
Central	44	(42)	2
Total working capital	733	(317)	416
Elimination of proportionate consolidation	(96)	32	(64)
Group working capital	637	(285)	352
Other assets/(liabilities)	1 831	(1 133)	698
Group assets/(liabilities)	2 468	(1 418)	1 050

(d) Other information – Depreciation

	Notes	Year to 31 March 2015 £m	Restated* Year to 31 March 2014 £m
Depreciation			
Speciality Food Ingredients		**40**	38
Bulk Ingredients		**56**	55
Central		**2**	4
Adjusted depreciation		**98**	97
Elimination of proportionate consolidation	16	**(13)**	(14)
Total	15	**85**	83

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

4 Segment information continued

(e) Other information – Amortisation

	Notes	Year to 31 March 2015 £m	Restated* Year to 31 March 2014 £m
Amortisation			
Speciality Food Ingredients		**20**	18
Bulk Ingredients		**3**	2
Central		**1**	1
Adjusted amortisation		**24**	21
Elimination of proportionate consolidation	16	**–**	(1)
Total	14	**24**	20

(f) Other information – Share-based payments

	Notes	Year to 31 March 2015 £m	Restated* Year to 31 March 2014 £m
Share-based payments			
Speciality Food Ingredients		**(1)**	2
Bulk Ingredients		**–**	1
Central		**1**	5
Adjusted share based payments		**–**	8
Elimination of proportionate consolidation		**–**	-
Total	25	**–**	8

(g) Other information – Capital investment

Capital investment comprises the cost of acquisition of businesses and capital expenditure on property, plant and equipment, intangible assets (including amounts accrued) and investments.

	Year to 31 March 2015 £m	Restated* Year to 31 March 2014 £m
Capital investment		
Speciality Food Ingredients	**105**	88
Bulk Ingredients	**84**	66
Central	**17**	35
Adjusted capital investment	**206**	189
Elimination of proportionate consolidation	**(11)**	(11)
Total	**195**	178

(h) Geographical information – Sales by destination

	Year to 31 March 2015 £m	Restated* Year to 31 March 2014 £m
Sales by destination		
United Kingdom	**41**	64
United States	**1 617**	1 858
Other European countries	**367**	520
Rest of the world	**669**	705
Adjusted sales by destination	**2 694**	3 147
Elimination of proportionate consolidation	**(338)**	(393)
Total	**2 356**	2 754

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

Notes to the Consolidated Financial Statements continued

4 Segment information continued

(i) Geographical information – Sales by origin

	Year to 31 March 2015 £m	Restated* Year to 31 March 2014 £m
Sales by origin		
United Kingdom	**21**	22
United States	**1 934**	2 282
Other European countries	**462**	546
Rest of the world	**277**	297
Adjusted sales by origin	**2 694**	3 147
Elimination of proportionate consolidation	**(338)**	(393)
Total	**2 356**	2 754

Concentration of revenue

During the financial year 2015, one customer contributed 11% of the Group's external sales from continuing operations (2014 restated* – one customer contributed 12%).

(j) Geographical information – location of non-current assets

The United Kingdom is the home country of the Parent Company. Non-current assets, other than financial instruments, deferred tax assets and retirement benefits in the principal territories are as follows:

	Year to 31 March 2015 £m	Restated* Year to 31 March 2014 £m
United Kingdom	**31**	25
United States	**874**	734
Other European countries	**426**	433
Rest of the world	**88**	159
Non-current assets	**1 419**	1 351

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

5 Operating profit

Analysis of operating expenses/(income) by nature:

	Notes	Year ended 31 March 2015 Continuing operations £m	Restated* Year ended 31 March 2014 Continuing operations £m
External sales	4	**2 356**	2 754
Operating expenses/(income)			
Cost of inventories (included in cost of sales)		**1 319**	1 724
Staff costs (of which £127 million (2014 – £121 million) was included in cost of sales)	8	**225**	232
Gain on settlement of defined benefit pension plan	29	**–**	(4)
Depreciation of property, plant and equipment:			
– owned assets (of which £77 million (2014 – £77 million) was included in cost of sales)	15	**82**	78
– leased assets (included in cost of sales)	15	**3**	5
Exceptional items	6	**142**	14
Amortisation of intangible assets:			
– acquired intangible assets	14	**9**	10
– other intangible assets	14	**15**	10
Operating lease rentals:			
– plant and machinery		**18**	17
Research and development expenditure		**32**	33
Decrease in allowance for doubtful debts	22	**–**	(1)
Gain on disposal of property, plant and equipment		**–**	(3)
Other operating expenses		**478**	388
Total operating expenses		**2 323**	2 503
Operating profit		**33**	251

6 Exceptional items

Exceptional items recognised in arriving at operating profit were as follows:

	Year ended 31 March 2015 £m	Year ended 31 March 2014 £m
Continuing operations		
Business transformation costs (a)	**(12)**	(14)
Business re-alignment – impairment and related costs (b)	**(118)**	–
Termination of distribution rights agreement (c)	**(12)**	–
Total	**(142)**	(14)

Continuing operations

(a) During the year, the Group completed the implementation of a common global IS/IT system, and recognised costs of £12 million (2014 – £14 million) which did not meet the criteria to be capitalised. These costs are classified within Central costs in each of the above disclosed periods. During the year, in total we incurred £22 million of costs associated with the implementation of the common global IS/IT system. This brings total expenditure on the project to £146 million, including £5 million of hardware, software and associated costs.

(b) As part of the major business re-alignment announced on 21 April 2015, the Group announced its intention to consolidate all SPLENDA® Sucralose production into our facility in the US, and close the Singapore facility which will not be cost competitive going forward. The Group recognised an impairment charge of £113 million within the Speciality Food Ingredients segment, comprising a full impairment of the property, plant and equipment (£108 million) and associated intangible assets (£5 million). In addition the Group incurred £5 million of one-off costs associated with the business re-alignment (primarily consultancy and redundancy costs) which were classified as Central costs.

(c) The Group made a payment of £12 million in December 2014 to terminate distribution rights previously awarded to a third party to sell our crystalline fructose principally in Asia Pacific. The expense was recognised within the Speciality Food Ingredient segment.

The tax impact on exceptional items was a £8 million credit (2014 – £9 million credit). Tax credits on exceptional costs are only recognised to the extent that losses incurred will result in tax recoverable in the future.

Discontinued operations

The Group did not recognise any exceptional items in respect of discontinued operations during the year to 31 March 2015.

During the year to 31 March 2014, the Group recognised an exceptional tax credit of £28 million in discontinued operations (see Note 11) following the favourable resolution of outstanding tax matters associated with the starch facilities which formed part of the Group's former Food & Industrial Ingredients, Europe segment.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

Notes to the Consolidated Financial Statements continued

7 Auditors' remuneration

Fees payable to the Company's auditors, PricewaterhouseCoopers LLP, and its associates were as follows:

	Year ended 31 March 2015 £m	Restated* 2014 £m
Fees payable for the audit of the Company and consolidated financial statements	**0.7**	0.7
Fees payable for other services:		
– the audit of the Company's subsidiaries	**1.2**	1.2
– audit-related services	**0.1**	–
– other non-audit services[1]	**0.2**	–
	2.2	1.9
Fees in respect of the audit of the Group's pension schemes	**0.1**	0.1
Total	**2.3**	2.0

1 Non-audit services related primarily to a project to identify potential cost savings in US logistics activities.

The audit and non-audit fees related to joint ventures payable to PricewaterhouseCoopers LLP and its associates, excluded from the table above, were £0.1 million (2014 – £0.1 million) and £nil (2014 – £0.1 million) respectively.

8 Staff costs

Staff costs were as follows:

	Notes	Year ended 31 March 2015 Continuing operations £m	Restated* Year ended 31 March 2014 Continuing operations £m
Wages and salaries		**199**	197
Social security costs		**18**	17
Other pension costs:			
– defined benefit pension schemes	29	**4**	5
– defined contribution pension schemes	29	**5**	3
Retirement medical benefits	29	**(1)**	2
Share-based payments	25	**–**	8
Total		**225**	232

The monthly average number of people employed by the Company and its subsidiaries is set out below. As required by the Companies Act 2006, this includes part-time employees:

By operating segment	Year ended 31 March 2015	Restated* 2014
Continuing operations		
Speciality Food Ingredients	**2 017**	1 795
Bulk Ingredients	**1 633**	1 619
Central	**414**	432
	4 064	3 846
Discontinued operations	**–**	–
Total	**4 064**	3 846

At 31 March 2015, the Group employed 4,136 (31 March 2014 – 3,899) people, all in continuing operations.

Following the adoption of IFRS 11 'Joint Arrangements', the staff numbers presented above exclude employees of the Group's joint ventures and associates. Employee numbers are presented to management on a proportionate consolidation basis (including employees from the Group's joint ventures) as this better reflects the management of joint ventures on an integrated basis with the Group's subsidiaries. When including those additional employees, at 31 March 2015 the Group employed 4,759 (31 March 2014 – 4,523) people, all in continuing operations.

Central includes shared service employees who perform activities for the whole Group, including the Speciality Food Ingredients and Bulk Ingredients segments.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

8 Staff costs continued

Key management compensation

	Year ended 31 March 2015 £m	2014 £m
Salaries and short-term employee benefits	**6**	5
Retirement benefits	**1**	1
Share-based payments	**–**	4
Total	**7**	10

Key management is represented by the Group Executive Committee and the Company's directors. Remuneration details of the Company's directors are given in the Directors' Remuneration Report on pages 58 to 78. Members of the Group Executive Committee are identified on page 13.

As determined in accordance with the Companies Act 2006, the aggregate gains made by the directors on the exercise of share options were £5 million (2014 – £4 million).

9 Finance income and finance expense

	Notes	Year ended 31 March 2015 £m	Restated* 2014 £m
Finance income			
Interest receivable		**1**	2
Total finance income		**1**	2
Finance expense			
Interest payable on bank and other borrowings		**(23)**	(28)
Fair value hedges:			
– fair value loss on interest rate derivatives	19	**(3)**	(20)
– fair value adjustment of hedged borrowings	19	**3**	20
Finance lease interest		**(1)**	(1)
Net retirement benefit interest	29	**(8)**	(8)
Total finance expense		**(32)**	(37)
Net finance expense		**(31)**	(35)

Finance expense is shown net of borrowing costs of £1 million (2014 – £2 million) capitalised within intangible assets at a capitalisation rate of 3.4% (2014 – 3.9%).

Interest payable on other borrowings includes £0.2 million (2014 – £0.2 million) of dividends in respect of the Group's 6.5% cumulative preference shares.

Finance income and finance expense relate wholly to continuing operations.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

Notes to the Consolidated Financial Statements continued

10 Income tax expense

Analysis of charge for the year

Continuing operations	Note	Year ended 31 March 2015 £m	Restated* 2014 £m
Current tax:			
In respect of current period			
– United Kingdom (UK)		–	–
– Overseas		15	27
Adjustments in respect of previous years		(2)	–
		13	27
Deferred tax:	28		
Charge for the year		8	10
Adjustments in respect of previous years		–	(5)
Income tax expense		21	32

Profit for the year from continuing operations reflected an income tax expense of £21 million (2014 – expense of £32 million), including an income tax credit of £8 million (2014 – credit of £9 million) in respect of exceptional items (see Note 6).

Adjustments to current tax in respect of previous years for the year ended 31 March 2015 totalled £2 million (2014 – £nil) reflecting non-recurring tax credits relating to prior years in several European jurisdictions.

Adjustments to deferred tax in respect of prior years totalled £nil (2014 – credit of £5 million). The amount recognised in the prior year reflects non-recurring tax credits in relation to prior years in the US, following a detailed review of underlying tax information.

The standard rate of corporation tax in the UK reduced from 21% to 20% with effect from 1 April 2015.

The tax on the Group's profit before tax differs from the standard rate of corporation tax in the UK as follows:

	Year ended 31 March 2015 £m	Restated* 2014 £m
Profit before tax	51	277
Less share of profit after tax of joint ventures and associates	(49)	(61)
Parent Company and subsidiaries profit before tax	2	216
Corporation tax charge thereon at 21% (2014 – 23%)	–	50
Adjusted for the effects of:		
– items not taxable	23	2
– losses not recognised	11	3
– adjustments to tax in respect of previous years	(2)	(5)
– different tax rates applied on overseas earnings	(11)	(18)
Total	21	32

The Group's adjusted effective tax rate is sensitive to the geographic mix of profits and losses and reflects a combination of higher tax rates in certain jurisdictions such as the US, nil effective tax rates in the UK (due to brought forward tax losses) and in Singapore (due to having 'pioneer status' awarded by the government in 2008) and rates that lie somewhere in between, for example, in certain eastern European countries. Our tax rate is favourably affected by our internal financing which involves borrowing by our US operations from the UK, the interest on which has the effect of reducing the amount of tax payable in the US.

The Group's adjusted effective tax rate on continuing operations, calculated on the basis of the adjusted income tax expense of £48 million (2014 – £60 million) as a proportion of adjusted profit before tax of £224 million (2014 – £322 million) was 21.2% (2014 – 18.5%).

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

10 Income tax expense continued

Discontinued operations

Profit for the prior year from discontinued operations reflected an exceptional income tax credit of £28 million as explained in Note 11.

Tax charge relating to components of other comprehensive income

	Note	Year ended 31 March 2015 £m	2014 £m
Retirement benefit obligations		**20**	(22)
Cash flow hedges		**2**	–
Tax credit/(charge) relating to components of other comprehensive income		**22**	(22)
Deferred tax	28	**22**	(22)

Tax on items recognised directly in equity

	Year ended 31 March 2015 £m	Restated* 2014 £m
Current tax credit on share-based payments	**–**	(1)
Deferred tax charge on share-based payments	**–**	1
Total	**–**	–

11 Discontinued operations

The Group did not recognise any operations as being discontinued during the year ended 31 March 2015. Continuing operations include the results of Eaststarch which is not treated as a discontinued operation for the financial year ended 31 March 2015.

During the year ended 31 March 2014, the Group recognised a non-cash exceptional income tax credit of £28 million following the favourable resolution of outstanding tax matters associated with the starch facilities which formed part of the Group's former Food & Industrial Ingredients, Europe segment.

	Note	Year ended 31 March 2015 £m	2014 £m
Operating profit		**–**	–
Profit before tax		**–**	–
Income tax credit		**–**	28
Profit for the year		**–**	28
Non-controlling interests		**–**	–
Profit attributable to owners of the Company		**–**	28

12 Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year, excluding an average of 4 million shares (2014 – 4 million shares) held by the Company or the Employee Benefit Trust to satisfy awards made under the Group's share-based incentive plans.

	Year ended 31 March 2015			Year ended 31 March 2014		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
Profit attributable to owners of the Company (£million)	**30**	**–**	**30**	245	28	273
Weighted average number of ordinary shares in issue (millions)	**464.2**	**464.2**	**464.2**	464.1	464.1	464.1
Basic earnings per share	**6.6p**	**–**	**6.6p**	52.8p	6.0p	58.8p

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all potentially dilutive ordinary shares. Potentially dilutive ordinary shares arise from awards made under the Group's share-based incentive plans. Where the vesting of these awards is contingent on satisfying a service or performance condition, the number of potentially dilutive ordinary shares is calculated based on the status of the condition at the end of the period. Potentially dilutive ordinary shares are actually dilutive only when the average market price of the Company's ordinary shares during the period exceeds their exercise price (options) or issue price (other awards). The greater any such excess, the greater the dilutive effect. The average market price of the Company's ordinary shares during the year was 640p (2014 – 788p). The dilutive effect of share-based incentives was 3.8 million shares (2014 – 6.4 million shares).

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

Notes to the Consolidated Financial Statements continued

12 Earnings per share continued

	Year ended 31 March 2015			Year ended 31 March 2014		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
Profit attributable to owners of the Company (£million)	**30**	**–**	**30**	245	28	273
Weighted average number of diluted ordinary shares (millions)	**468.0**	**468.0**	**468.0**	470.5	470.5	470.5
Diluted earnings per share	**6.5p**	**–**	**6.5p**	52.1p	5.9p	58.0p

Adjusted earnings per share

Adjusted earnings per share measures are calculated based on profit for the year from continuing operations attributable to owners of the Company before adjusting items as follows:

		Year ended 31 March	
			Restated*
Continuing operations	Notes	**2015 £m**	2014 £m
Profit attributable to owners of the Company		**30**	245
Adjusting items:			
– exceptional items	6	**142**	14
– amortisation of acquired intangible assets	14	**9**	10
– net retirement benefit interest	9,29	**8**	8
– tax effect of the above adjustments		**(13)**	(15)
Adjusted profit attributable to owners of the Company	41	**176**	262
Adjusted basic earnings per share		**38.0p**	56.5p
Adjusted diluted earnings per share		**37.7p**	55.7p

13 Dividends on ordinary shares

Dividends on ordinary shares in respect of the financial year:

	Year ended 31 March	
	2015 pence	2014 pence
Per ordinary share:		
– interim dividend paid	**8.2**	7.8
– final dividend proposed	**19.8**	19.8
Total dividend	**28.0**	27.6

The Directors propose a final dividend for the financial year of 19.8p per ordinary share that, subject to approval by shareholders, will be paid on 31 July 2015 to shareholders who are on the Register of Members on 3 July 2015.

Dividends on ordinary shares paid in the year:

	Year ended 31 March	
	2015 £m	2014 £m
Final dividend paid relating to the prior year	**92**	88
Interim dividend paid relating to the year	**38**	36
Total dividend paid	**130**	124

Based on the number of ordinary shares outstanding at 31 March 2015 and the proposed amount, the final dividend for the financial year is expected to amount to £92 million.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

14 Goodwill and other intangible assets

	Goodwill £m	Patents and other intellectual property £m	Other acquired intangible assets £m	Total acquired intangible assets £m	Other intangible assets £m	Total £m
Cost						
At 1 April 2014 (Restated*)	**133**	**39**	**114**	**286**	**165**	**451**
Subsidiaries acquired	**27**	**–**	**–**	**27**	**–**	**27**
Additions at cost	**–**	**–**	**–**	**–**	**34**	**34**
Disposals and write-offs	**–**	**–**	**–**	**–**	**(1)**	**(1)**
Currency translation differences	**(2)**	**1**	**(7)**	**(8)**	**5**	**(3)**
At 31 March 2015	**158**	**40**	**107**	**305**	**203**	**508**
Accumulated amortisation and impairment						
At 1 April 2014 (Restated*)	**–**	**31**	**72**	**103**	**41**	**144**
Impairment charge	**–**	**–**	**–**	**–**	**5**	**5**
Disposals and write-offs	**–**	**–**	**–**	**–**	**(1)**	**(1)**
Amortisation charge	**–**	**2**	**7**	**9**	**15**	**24**
Currency translation differences	**–**	**–**	**(3)**	**(3)**	**(1)**	**(4)**
At 31 March 2015	**–**	**33**	**76**	**109**	**59**	**168**
Net book value at 31 March 2015	**158**	**7**	**31**	**196**	**144**	**340**
Cost						
At 1 April 2013 (Restated*)	132	34	119	285	114	399
Subsidiaries acquired	10	5	–	15	–	15
Additions at cost	–	–	–	–	57	57
Currency translation differences	(9)	–	(5)	(14)	(6)	(20)
At 31 March 2014 (Restated*)	133	39	114	286	165	451
Accumulated amortisation and impairment						
At 1 April 2013 (Restated*)	–	28	68	96	33	129
Amortisation charge	–	3	7	10	10	20
Currency translation differences	–	–	(3)	(3)	(2)	(5)
At 31 March 2014 (Restated*)	–	31	72	103	41	144
Net book value at 31 March 2014 (Restated*)	133	8	42	183	124	307

(a) Goodwill

The carrying amount of goodwill is allocated as follows:

	At 31 March	
	2015 £m	Restated* 2014 £m
Allocated by geographical area		
United States	**62**	55
Allocated by business segment		
Speciality Food Ingredients	**95**	77
Bulk Ingredients	**1**	1
	96	78
Total	**158**	133

(i) Impairment tests carried out during the year

Goodwill is tested for impairment annually and whenever there is an indication of impairment at the level of the cash-generating unit (CGU) or group of CGUs to which it is allocated. Tate & Lyle is principally managed as an integrated network in the United States and Europe, with a large amount of interdependency between plants servicing both the Speciality Food Ingredients and Bulk Ingredients segments. Goodwill is therefore tested for impairment on a geographical basis, except where it can be allocated to a specific CGU or group of CGUs.

A description of the impairment tests conducted in relation to the most significant goodwill amounts are set out on the following page. In each case, the recoverable amount was calculated based on value in use. Value in use was calculated based on budgets and plans covering the next five years that have been reviewed by the Board. Cash flows were projected during the five-year period based on budgeted operating profit and management's expectations of market developments. Beyond the five-year plan, cash flows were generally assumed to grow at the long-term growth rate for the relevant geographical markets based on forecasts included in industry reports. Cash flows were discounted using pre-tax rates that are based on the Group's weighted average cost of capital adjusted, where appropriate, to reflect differences between the risk profile of the geographical areas or CGUs concerned and that of the Group as a whole.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

Notes to the Consolidated Financial Statements continued

14 Goodwill and other intangible assets continued

Goodwill allocated by geographical area

United States

Goodwill allocated to the US single ingredients operations of £62 million (2014 – £55 million) relates to the Staley acquisition in 1988. The key assumptions in the model are derived from the Group's Annual Operating Plan for 2016, which includes mid-single digit volume growth in Speciality Food Ingredients and flat volumes in Bulk Ingredients. From 2017 onwards, volumes are projected to grow broadly in line with 2016 expectations, and operating profit is assumed to increase by 3% for Speciality Food Ingredients and 1% for Bulk Ingredients thereafter, based on management's long term industry expectations. Cash flows were discounted using a pre-tax rate of 10.0% (2014 – 10.1%). Significant headroom exists and management concluded that no impairment is required.

Goodwill allocated by operating segment

Speciality Food Ingredients

Goodwill allocated to the Speciality Food Ingredients segment includes £53 million (2014 – £61 million) that relates to the European Food Systems acquisitions of G.C. Hahn and Company in June 2007 and that of Cesalpinia Foods in December 2005. As these businesses are operationally integrated, they are tested for impairment as one CGU. The key assumptions in the model are derived from the Group's Annual Operating Plan for 2016, with mid-single digit operating profit growth assumed over a five year period. Cash flows were discounted using a pre-tax rate of 10.0% (2014 – 10.1%). Management concluded that no impairment is required.

The only other CGU within the Speciality Food Ingredients operating segment with individually material goodwill is the Brazilian Food Systems business (Gemacom), which contains provisional goodwill of £24 million (see Note 36). Cash flows in 2016 are based on the Annual Operating Plan approved by the Board. Cash flows are then expected to grow at a compound annual rate of around 40% over the subsequent four years, and at 5% thereafter reflecting the long-term growth rate for this market. Cash flows were discounted using a pre-tax rate of 16.7% (2014 – N/A). The value in use of this CGU exceeds its carrying value, and management concluded that no impairment is required.

There are no other individually material elements of goodwill allocated to either the Speciality Food Ingredients or Bulk Ingredients operating segments.

(ii) Possibility of impairment in the near future

Management considers that there is no reasonably possible change in one or more of the key assumptions used in the impairment tests for goodwill and other intangible assets that would give rise to an impairment loss during the coming year.

(b) Other intangible assets

Other intangible assets include capitalised development costs with a carrying amount of £72 million (net of impairment and amortisation) (2014 – £77 million) relating to the common global IS/IT platform.

During the year, the system was successfully deployed across our US operations (having previously been deployed in our European Single Ingredient operations). As part of the major business re-alignment, the Group recognised a £5 million impairment charge relating to these assets in our SPLENDA® Sucralose facility in Singapore. The charge was recognised as an exceptional item (see Note 6).

15 Property, plant and equipment

	Land and buildings £m	Plant and machinery £m	Assets in the course of construction £m	Total £m
Cost				
At 1 April 2014 (Restated*)	**390**	**1 757**	**58**	**2 205**
Additions at cost	**–**	**8**	**125**	**133**
Subsidiaries acquired	**9**	**3**	**–**	**12**
Transfer on completion	**7**	**52**	**(59)**	**–**
Disposals and write-offs	**–**	**(1)**	**–**	**(1)**
Currency translation differences	**36**	**158**	**–**	**194**
At 31 March 2015	**442**	**1 977**	**124**	**2 543**
Accumulated depreciation and impairment				
At 1 April 2014 (Restated*)	**195**	**1 278**	**–**	**1 473**
Depreciation charge	**11**	**74**	**–**	**85**
Impairment charge	**19**	**64**	**25**	**108**
Disposals and write offs	**–**	**(1)**	**–**	**(1)**
Currency translation differences	**20**	**108**	**–**	**128**
At 31 March 2015	**245**	**1 523**	**25**	**1 793**
Net book value at 31 March 2015	**197**	**454**	**99**	**750**

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

15 Property, plant and equipment continued

	Land and buildings £m	Plant and machinery £m	Assets in the course of construction £m	Total £m
Cost				
At 1 April 2013 (Restated*)	432	1 849	57	2 338
Additions at cost	16	4	82	102
Subsidiaries acquired	1	2	–	3
Transfers on completion	9	72	(81)	–
Disposals and write-offs	(31)	(5)	–	(36)
Currency – translation differences	(37)	(165)	–	(202)
At 31 March 2014 (Restated*)	390	1 757	58	2 205
Accumulated depreciation and impairment				
At 1 April 2013 (Restated*)	203	1 323	–	1 526
Depreciation charge	10	73	–	83
Disposals and write-offs	(2)	(4)	–	(6)
Currency translation differences	(16)	(114)	–	(130)
At 31 March 2014 (Restated*)	195	1 278	–	1 473
Net book value at 31 March 2014 (Restated*)	195	479	58	732

In December 2013, the Group completed the back-to-back purchase, sale and leaseback under an operating lease of its building at the global Commercial and Food Innovation Centre in Chicago, USA. The transaction generated a one-off gain of £6 million in the 2014 financial year, which comprised a gain of £3 million on the recognition of the remainder of the lease incentive on the original lease and a gain of £3 million on the sale of the property. The majority of the gain was included in the results of the Speciality Food Ingredients segment.

Impairment reviews

As part of the major business re-alignment the Group recognised a £108 million impairment charge relating to the property, plant and equipment in our SPLENDA® Sucralose facility in Singapore. The charge was recognised as an exceptional item (see Note 6).

Management conducted impairment reviews of other property, plant and equipment during the year and concluded that there was no further impairment.

Leased assets

Property, plant and equipment includes plant and machinery held under finance leases with a net book value of £10 million (2014 – £15 million).

16 Investments in associates and joint ventures

The amounts recognised in the Group consolidated income statement are as follows:

	Year ended 31 March 2015 £m	Restated* 2014 £m
Associates	**–**	–
Joint ventures	**49**	61

The amounts recognised in the Group consolidated statement of financial position are as follows:

	At 31 March 2015 £m	Restated* 2014 £m
Associates	**4**	4
Joint ventures	**323**	308

Associates

The Group's principal associate, which is accounted for under the equity method, is Tapioca Development Corporation (see Note 40). The associate has share capital consisting solely of ordinary shares, which are held directly by the Group and the country of incorporation or registration is also their principal place of business. Tapioca Development Corporation is a private company and there is no quoted market price available for its shares.

In the opinion of the Directors this associate is not considered to be material to the Group and there are no contingent liabilities relating to the Group's interest in the associate.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

Notes to the Consolidated Financial Statements continued

16 Investments in associates and joint ventures continued

The amounts equity accounted in (a) the Group consolidated income statement; and (b) the Group consolidated statement of financial position are summarised below:

Associates	£m
At 31 March 2014 (Restated*)	4
Exchange and other movements	–
At 31 March 2015	4

(a) Income statement	Year ended 31 March **2015** **£m**	Restated* 2014 £m
Sales	**4**	4
Expenses	**(4)**	(4)
Profit before and after tax	**–**	–

b) Statement of financial position	At 31 March **2015** **£m**	Restated* 2014 £m
Assets	**7**	10
Liabilities	**(3)**	(6)
Net assets	**4**	4

Joint ventures

In the opinion of the directors, the Group's material joint ventures, which are accounted for under the equity method, are Eaststarch C.V. (Eaststarch), Almidones Mexicanos SA (Almex) and DuPont Tate & Lyle Bio Products Company, LLC (Bio-PDO™) (see Note 40). The joint ventures listed above have share capital consisting solely of ordinary shares, which are held directly by the Group (and its joint venture partners) and are private companies. No quoted market price is available for their shares. There are no contingent liabilities relating to the Group's interest in the joint ventures. There are guarantees in respect of banking facilities of Eaststarch totalling £8 million (2014 – £9 million).

The movements in the carrying value of the Group's investment in joint ventures are summarised as follows:

Investment in Joint ventures	£m
At 1 April 2014	308
Profit for the year	49
Other comprehensive expense	(18)
Dividends	(16)
At 31 March 2015	**323**

	£m
At 1 April 2013	377
Profit for the year	61
Other comprehensive expense	(25)
Dividends	(105)
At 31 March 2014	308

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

16 Investments in associates and joint ventures continued

Set out below is the summarised financial information for each material joint venture accounted for using the equity method.

The information reflects the amounts presented in the financial statements of the joint ventures (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the joint ventures to make it consistent with the Group's accounting policies.

Income Statement	Eaststarch £m	Almex £m	Bio-PDO™ £m	Other £m	**Total £m**
					Year ended 31 March 2015
Sales	**266**	**434**	**60**	**–**	**760**
Depreciation and amortisation	**(18)**	**(2)**	**(6)**	**–**	**(26)**
Finance income	**1**	**–**	**–**	**–**	**1**
Finance expense	**–**	**–**	**–**	**–**	**–**
Other expense	**(165)**	**(400)**	**(44)**	**–**	**(609)**
Profit before tax	**84**	**32**	**10**	**–**	**126**
Income tax expense	**(18)**	**(10)**	**–**	**–**	**(28)**
Profit for the year from continuing operations	**66**	**22**	**10**	**–**	**98**
Other comprehensive (expense)/income related to assets and liabilities	**(39)**	**(4)**	**7**	**–**	**(36)**
Other comprehensive expense related to goodwill	**–**	**–**	**–**	**–**	**–**
Total comprehensive income	**27**	**18**	**17**	**–**	**62**
Dividends	**–**	**(28)**	**–**	**(4)**	**(32)**

Income Statement	Eaststarch £m	Almex £m	Bio-PDO™ £m	Other £m	Total £m
					Year ended 31 March 2014
Sales	319	500	61	–	880
Depreciation and amortisation	(22)	(2)	(6)	–	(30)
Finance income	1	–	–	–	1
Finance expense	–	(1)	–	–	(1)
Other expense	(190)	(462)	(50)	–	(702)
Profit before tax	108	35	5	–	148
Income tax expense	(16)	(10)	–	–	(26)
Profit for the year from continuing operations	92	25	5	–	122
Other comprehensive expense related to assets and liabilities	(25)	(16)	(3)	–	(44)
Other comprehensive expense related to goodwill	(3)	–	–	–	(3)
Total comprehensive income	64	9	2	–	75
Dividends	(181)	(29)	–	–	(210)

Statement of financial position	Eaststarch £m	Almex £m	Bio-PDO™ £m	Other £m	Total £m
					At 31 March 2015
Assets					
Non-current assets	**156**	**38**	**54**	**1**	**249**
Cash and cash equivalents	**146**	**2**	**15**	**–**	**163**
Other current assets	**88**	**164**	**11**	**1**	**264**
	390*	**204**	**80**	**2**	**676**
Liabilities					
Other non-current liabilities	**10**	**7**	**–**	**–**	**17**
Current borrowings	**8**	**54**	**–**	**–**	**62**
Other current liabilities	**38**	**63**	**15**	**–**	**116**
	56	**124**	**15**	**–**	**195**
Net assets	**334**	**80**	**65**	**2**	**481**

* Excludes investment of joint venture holding companies.

Notes to the Consolidated Financial Statements continued

16 Investments in associates and joint ventures continued

At 31 March 2014

Statement of financial position	Eaststarch £m	Almex £m	Bio-PDO™ £m	Other £m	Total £m
Assets					
Non-current assets	180	44	52	2	278
Cash and cash equivalents	107	11	12	3	133
Other current assets	113	109	7	1	230
	400*	164	71	6	641
Liabilities					
Other non-current liabilities	11	3	–	–	14
Current borrowings	33	20	16	–	69
Other current liabilities	49	51	7	–	107
	93	74	23	–	190
Net assets	307	90	48	6	451

* Excludes investment of joint venture holding companies.

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in joint ventures.

Reconciliation of summarised financial information	Eaststarch £m	Almex £m	Bio-PDO™ £m	Other £m	**Total £m**
Opening net assets at 1 April 2014	**307**	**90**	**48**	**6**	**451**
Profit for the year	**66**	**22**	**10**	**–**	**98**
Other comprehensive (expense)/income related to assets and liabilities (excluding goodwill)	**(39)**	**(4)**	**7**	**–**	**(36)**
Dividends	**–**	**(28)**	**–**	**(4)**	**(32)**
Closing net assets at 31 March 2015	**334**	**80**	**65**	**2**	**481**
Interest in Joint venture (%)	**50%**	**50%**	**50%**	**50%**	
Interest in Joint venture at share	**167**	**40**	**33**	**1**	**241**
Goodwill at 1 April 2014	**82**	**–**	**–**	**–**	**82**
Other comprehensive expense related to goodwill	**–**	**–**	**–**	**–**	**–**
Goodwill at 31 March 2015	**82**	**–**	**–**	**–**	**82**
Carrying value	**249**	**40**	**33**	**1**	**323**

Reconciliation of summarised financial information	Eaststarch £m	Almex £m	Bio-PDO™ £m	Other £m	Total £m
Opening net assets at 1 April 2013	421	110	46	6	583
Profit for the year	92	25	5	–	122
Other comprehensive expense related to assets and liabilities (excluding goodwill)	(25)	(16)	(3)	–	(44)
Dividends	(181)	(29)	–	–	(210)
Closing net assets at 31 March 2014	307	90	48	6	451
Interest in Joint venture (%)	50%	50%	50%	50%	
Interest in Joint venture at share	154	45	24	3	226
Goodwill at 1 April 2013	85	–	–	–	85
Other comprehensive expense related to goodwill	(3)	–	–	–	(3)
Goodwill at 31 March 2014	82	–	–	–	82
Carrying value	236	45	24	3	308

17 Available-for-sale financial assets and other financial assets

	£m
At 1 April 2013 (includes £1 million classified as held for sale)	28
Additions	4
Disposals	(2)
Currency translation differences	(2)
At 31 March 2014	**28**
Additions	**2**
Disposals	**(2)**
Fair value gain in other comprehensive income	**2**
Fair value loss in operating profit	**(2)**
Currency translation differences	**3**
At 31 March 2015	**31**

Presented in the statement of financial position as follows:

	At 31 March	
	2015 £m	2014 £m
Current assets	**16**	–
Non-current assets	**15**	28
Total	**31**	28

Available-for-sale financial assets comprise £31 million (2014 – £28 million) of unlisted securities. The fair values of available-for-sale financial assets are approximated at cost where fair value cannot be reliably measured. The carrying value of the available-for-sale financial assets are denominated in the following currencies:

	At 31 March	
	2015 £m	2014 £m
US dollar	**20**	23
Sterling	**11**	5
Total	**31**	28

The Group also paid £2 million (2014 – £nil) into an escrow account to which the Group has restricted access, as part of the acquisition of Winway Biotechnology Nantong Co., Ltd (see Note 36). The amount is presented as 'Other financial assets' on the statement of financial position.

18 Financial instruments by category

Set out below is a comparison by category of carrying values and fair values of all of the Group's financial assets and financial liabilities as at 31 March 2015 and 31 March 2014.

		At 31 March 2015					
	Notes	**Amortised cost /cash £m**	**Derivatives in a hedging relationship £m**	**Held for trading £m**	**Available-for-sale and other financial assets £m**	**Total carrying value £m**	**Fair value £m**
Available-for-sale financial assets	17	**–**	**–**	**–**	**31**	**31**	**31**
Other financial assets	17	**–**	**–**	**–**	**2**	**2**	**2**
Trade and other receivables	22	**281**	**–**	**–**	**–**	**281**	**281**
Cash and cash equivalents	32	**195**	**–**	**–**	**–**	**195**	**195**
Derivative financial instruments – assets	19	**–**	**34**	**58**	**–**	**92**	**92**
Borrowings	27	**(768)**	**–**	**–**	**–**	**(768)**	**(792)**
Derivative financial instruments – liabilities	19	**–**	**(20)**	**(20)**	**–**	**(40)**	**(40)**
Trade and other payables	26	**(327)**	**–**	**–**	**–**	**(327)**	**(327)**
Total		**(619)**	**14**	**38**	**33**	**(534)**	**(558)**

Notes to the Consolidated Financial Statements continued

18 Financial instruments by category continued

	Notes	Amortised cost/cash cost £m	Derivatives in a hedging relationship £m	Held for trading £m	Available-for-sale £m	Total carrying value £m	Fair value £m
							Restated* At 31 March 2014
Available-for-sale financial assets	17	–	–	–	28	28	28
Trade and other receivables	22	252	–	–	–	252	252
Cash and cash equivalents	32	346	–	–	–	346	346
Derivative financial instruments – assets	19	–	35	66	–	101	101
Borrowings	27	(760)	–	–	–	(760)	(794)
Derivative financial instruments – liabilities	19	–	(5)	(46)	–	(51)	(51)
Trade and other payables	26	(283)	–	–	–	(283)	(283)
Total		(445)	30	20	28	(367)	(401)

Trade and other receivables presented above excludes £11 million (2014 – £13 million) relating to prepayments.

Trade and other payables presented above excludes £2 million (2014 – £2 million) relating to social security.

Included in borrowings are items in a hedging relationship which are held at amortised cost, with a fair value adjustment applied, as these items are held in a fair value hedge.

Fair value hierarchy

Set out on page 115 is how the Group's financial instruments measured at fair value, fit within the following fair value hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2)
- Inputs for the asset or liability that are not based on observable market data (Level 3).

The following tables illustrate the Group's net financial assets and liabilities measured at fair value at 31 March 2015 and 31 March 2014:

	Notes	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**	**Total £m**
					At 31 March 2015
Assets at fair value					
Available-for-sale financial assets	17	**–**	**–**	**31**	**31**
Other financial assets	17	**2**	**–**	**–**	**2**
Derivative financial instruments:					
– currency swaps	19	**–**	**9**	**–**	**9**
– interest rate swaps	19	**–**	**24**	**–**	**24**
– forward foreign exchange contracts	19	**–**	**1**	**–**	**1**
– commodity pricing contracts	19	**2**	**19**	**37**	**58**
Assets at fair value		**4**	**53**	**68**	**125**
Liabilities at fair value					
Other financial liability (within other payables)	36	**–**	**–**	**(2)**	**(2)**
Derivative financial instruments:					
– currency swaps	19	**–**	**(15)**	**–**	**(15)**
– interest rate swaps	19	**–**	**–**	**–**	**–**
– commodity pricing contracts	19	**(12)**	**(7)**	**(6)**	**(25)**
Liabilities at fair value		**(12)**	**(22)**	**(8)**	**(42)**

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

18 Financial instruments by category continued

	Notes	Restated* At 31 March 2014 Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets at fair value					
Available-for-sale financial assets	17	–	–	28	28
Derivative financial instruments:					
– currency swaps	19	–	3	–	3
– interest rate swaps	19	–	33	–	33
– forward foreign exchange contracts	19	–	1	–	1
– commodity pricing contracts	19	9	13	42	64
Assets at fair value		9	50	70	129
Liabilities at fair value					
Derivative financial instruments:					
– currency swaps	19	–	(2)	–	(2)
– interest rate swaps	19	–	(5)	–	(5)
– commodity pricing contracts	19	(13)	(10)	(21)	(44)
Liabilities at fair value		(13)	(17)	(21)	(51)

Level 1 financial instruments
The fair value of financial instruments traded in active markets (commodity futures) is based on quoted market prices at the period-end date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 financial instruments
The fair values of financial instruments that are not traded in an active market (interest rate swaps, cross currency swaps, commodity pricing contracts and forward foreign exchange contracts) are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates.

The fair value of interest rate swaps, currency swaps and forward foreign exchange contracts is calculated as the present value of the future cash flows based on observable inputs drawn from interest yield curves sourced from a reputable third-party source.

Level 3 financial instruments
The fair value of financial instruments is based on unobservable inputs that are supported by little or no market activity at the statement of financial position date. These inputs generally reflect the entity's own assumptions about how a market participant would reasonably be expected to determine the price of a financial instrument.

For commodity pricing contracts, in evaluating the significance of fair value inputs, the Group generally classifies assets or liabilities as Level 3 when their fair value is determined using unobservable inputs that individually, or when aggregated with other unobservable inputs, represent more than 10% of the fair value of the observable inputs of the assets or liabilities. An explanation of the key inputs used in calculating the fair value of these contracts is set out in Note 3 under the heading 'Derivatives and hedge accounting'.

Available-for-sale financial assets which are analysed at Level 3 primarily represent investments in unlisted securities. The fair values of the unlisted securities are principally approximated at cost. Values are adjusted for permanent impairments and fair value movements as disclosed in Note 17.

For financial instruments in Level 3, the Group does not consider that changes to inputs to reasonable alternatives would have a material impact on the income statement or equity.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

Notes to the Consolidated Financial Statements continued

18 Financial instruments by category continued

The following table reconciles the movement in the Group's net financial instruments classified in 'Level 3' of the fair value hierarchy:

	Commodity pricing contracts – assets £m	Commodity pricing contracts – liabilities £m	Available-for-sale assets £m	Other financial liability £m	Total £m
At 1 April 2013 (Restated*)	53	(21)	27	–	59
Total gains/(losses):					
– in operating profit	42	(21)	–	–	21
– in other comprehensive income	–	–	(2)	–	(2)
Purchases	–	–	4	–	4
Settlements	(53)	21	(1)	–	(33)
At 31 March 2014 (Restated*)	42	(21)	28	–	49
Total gains/(losses):					
– in operating profit	**37**	**(6)**	**(2)**	**–**	**29**
– in other comprehensive income	**–**	**–**	**5**	**–**	**5**
Purchases	**–**	**–**	**2**	**(2)**	**–**
Settlements	**(42)**	**21**	**(2)**	**–**	**(23)**
At 31 March 2015	**37**	**(6)**	**31**	**(2)**	**60**

19 Derivative financial instruments

	At 31 March 2015		Restated* At 31 March 2014	
	Assets £m	**Liabilities £m**	Assets £m	Liabilities £m
Non-current derivative financial instruments used to manage the Group's net debt profile				
Currency swaps:				
– net investment hedges	**9**	**(15)**	3	(2)
Interest rate swaps:				
– fair value hedges	**21**	**–**	20	–
	30	**(15)**	23	(2)
Current derivative financial instruments used to manage the Group's net debt profile				
Interest rate swaps:				
– accrued interest	**3**	**–**	6	(2)
– fair value hedges	**–**	**–**	4	–
– held for trading	**–**	**–**	3	(3)
	3	**–**	13	(5)
Total derivative financial instruments used to manage the Group's net debt profile	**33**	**(15)**	36	(7)
Other current derivative financial instruments				
Forward foreign exchange contracts:				
– cash flow hedges	**1**	**–**	1	–
Commodity pricing contracts:				
– cash flow hedges	**–**	**(5)**	1	(1)
– held for trading	**58**	**(20)**	63	(43)
	59	**(25)**	65	(44)
Total other derivative financial instruments	**59**	**(25)**	65	(44)
Total derivative financial instruments	**92**	**(40)**	101	(51)
Presented in the statement of financial position as follows:				
Non-current derivative financial instruments	**30**	**(15)**	23	(2)
Current derivative financial instruments	**62**	**(25)**	78	(49)
	92	**(40)**	101	(51)

The ineffective portion recognised in operating profit that arises from cash flow hedges amounts to £nil (2014 – £nil).

The ineffective portion recognised in operating profit that arises from net investment hedges amounts to £nil (2014 – £nil).

The ineffective portion recognised in net finance expense that arises from fair value hedges amounts to £nil (2014 – £nil).

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

19 Derivative financial instruments continued

Cash flow hedges

The Group employs forward foreign exchange contracts and commodity pricing contracts to hedge cash flow risk associated with forecast transactions. The notional principal amounts of the outstanding forward foreign exchange contracts are as follows:

	At 31 March	
	2015 £m	Restated* 2014 £m
US dollar	**(29)**	(71)
Singapore dollar	**20**	49
Brazilian real	**7**	25
Euro	**4**	2
Other	**(3)**	(3)

Gains and losses recognised in the hedging reserve in equity (Note 24) on forward foreign exchange and commodity pricing contracts at 31 March 2015 are expected to be reclassified to the income statement at various dates until December 2016.

Fair value hedges

The Group employs interest rate swap contracts to hedge interest rate risks associated with its borrowings. The notional principal amounts of the outstanding interest rate swap contracts applied in fair value hedging relationships as of 31 March 2015 were £204 million (2014 – £345 million).

Net investment hedges

The Group employs currency swap contracts to hedge the currency risk associated with its net investments in subsidiaries located primarily in the US and Europe. The notional principal amounts of the outstanding currency swap contracts applied in net investment hedging relationships as of 31 March 2015 were £154 million (2014 – £147 million). Within net investment hedging gains/losses, a fair value loss of £7 million (2014 – £12 million gain) on translation of the currency swap contracts to pounds sterling at the period-end date was recognised in the translation reserve in shareholders' equity (Note 24).

In addition, at 31 March 2015, of the Group's borrowings, a total of £373 million (2014 – £456 million) are designated as hedges of the net investments in overseas subsidiaries.

Debt-related derivatives held for trading

Some of the Group's interest rate swap contracts hedge the Group's exposure to interest rate risk, but do not qualify for hedge accounting. The notional amounts of the outstanding interest rate swap contracts not designated within hedge relationships as of 31 March 2015 were £nil (2014 – £210 million).

Trading contracts

Commodity pricing contracts held for trading relate to the Group's commodity trading activities which are undertaken for the purposes of supporting underlying operations.

20 Financial risk factors

Management of financial risk

The key financial risks faced by the Group are credit risk, liquidity risk, and market risks, which include interest rate risk, foreign exchange risk and certain commodity price risks. The Board regularly reviews these risks and approves written policies covering the use of financial instruments to manage these risks and sets overall risk limits. The derivative financial instruments approved by the Board of Tate & Lyle PLC to manage financial risks include swaps, both interest rate and currency, swaptions, caps, forward rate agreements, foreign exchange and commodity forward contracts and options, and commodity futures.

The Chief Financial Officer retains the overall responsibility for management of financial risk for the Group. Most of the Group's financing, interest rate and foreign exchange risk are managed through the Group treasury company, Tate & Lyle International Finance PLC, whose operations are controlled by its board. Group interest rate and currency exposures are concentrated either in the treasury company or in appropriate holding companies through market-related transactions with Group subsidiaries. Tate & Lyle International Finance PLC arranges funding and manages interest rate, foreign exchange and bank counterparty risks within limits approved by the Board of Tate & Lyle PLC.

Commodity price risks are managed through divisional commodity trading functions in the US and Europe. These functions are controlled by divisional management who are responsible for ratifying general strategy and overseeing performance on a monthly basis. Commodity price contracts are categorised as being held either for trading or for hedging price exposures. Commodity contracts held for trading within the Group are limited, confined only to tightly controlled areas within the corn pricing areas.

Market risks

Foreign exchange management

Tate & Lyle operates internationally and is exposed to foreign exchange risks arising from commercial transactions (transaction exposure), and from recognised assets, liabilities and investments in overseas operations (translation exposure).

Transaction exposure

The Group's policy requires subsidiaries to hedge transactional currency exposures against their functional currency once the transaction is committed or highly probable, mainly through the use of forward foreign exchange contracts. The amounts deferred in equity from derivative financial instruments designated as cash flow hedges are released to the income statement and offset against the movement in underlying transactions only when the forecast transactions affect the income statement.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

Notes to the Consolidated Financial Statements continued

20 Financial risk factors continued

Translation exposure

The Group manages the foreign exchange exposure to net investments in overseas operations, particularly in the US and Europe, by borrowing principally in US dollars and euro, which provide a partial match for the Group's major foreign currency assets. The Group also manages some of its foreign exchange exposure to net investments in overseas operations through the use of currency swap contracts and borrowings. The amount deferred in equity from derivative financial instruments designated as net investment hedges is offset against the foreign currency translation effect of the net investment in overseas operations, and is released to the income statement upon disposal of those investments.

A weakening of the US dollar and euro against sterling would result in exchange gains on net debt denominated in these currencies which would be offset against the losses on the underlying foreign currency assets.

At the year end, net debt amounting to £504 million (2014 – £353 million) was held in the following currencies: net borrowings of US dollars 105% (2014 – 112%), euro net deposits 1% (2014 – net deposits 2%), net borrowing of pounds sterling 1% (2014 – net deposits 9%) and other currencies net deposits 5% (2014 – net deposits 1%). The Group's interest cost through the income statement is impacted by changes in the relevant exchange rates.

The following table illustrates only the Group's sensitivity to the fluctuation of the major currencies on its financial assets and liabilities, as defined and set out in Note 18:

	At 31 March 2015		At 31 March 2014	
	Income statement –/+£m	**Equity –/+£m**	Income statement –/+£m	Equity –/+£m
Sterling/US dollar 10% change	**1**	**47**	–	37
Sterling/euro 10% change	**3**	**5**	3	6

Interest rate management

The Group has an exposure to interest rate risk, arising principally from changes in US dollar, sterling and euro interest rates. This risk is managed by fixing or capping portions of debt using interest rate derivatives to achieve a target level of fixed/floating rate net debt, which aims to optimise net finance expense and reduce volatility in reported earnings. The Group's policy is that between 30% and 75% of Group net debt (excluding the Group's share of joint-venture net debt) is fixed for more than one year and that no interest rates are fixed for more than 12 years. At 31 March 2015, the longest term of any fixed rate debt held by the Group was until November 2019 (2014 – November 2019). The proportion of net debt at 31 March 2015 (excluding the Group's share of joint-venture net debt) that was fixed or capped for more than one year was 31% (2014 – 40%).

The Group considers a 100 basis point change in interest rates a reasonably possible change except where rates are less than 100 basis points. In these instances it is assumed that the interest rates increase by 100 basis points and decrease to zero for the purpose of performing the sensitivity analysis. The impact is calculated with reference to the gross debt and cash held as at 31 March 2015 assuming that other variables remain unchanged.

As at 31 March 2015 if interest rates increase by 100 basis points, Group's profit before tax will decrease by £3 million (2014 – no impact). If interest rates decrease by 100 basis points, or less where applicable, Group profit before tax will increase by £2 million (2014 – £1 million increase).

Price risk management

Tate & Lyle participates mainly in four markets: food and beverage; industrial ingredients; pharmaceutical and personal care; and animal feed. Food and beverage and industrial ingredients are the most significant. All ingredients are produced from renewable crops, predominantly corn (maize).

Tate & Lyle is exposed to movements in the future prices of commodities in those domestic and international markets where the Group buys and sells corn (and related co-products) and energy for production. Commodity futures, forwards and options are used where available to hedge inventories and the costs of raw materials for unpriced and prospective contracts not covered by forward product sales. In most cases, these hedging contracts mature within one year and are either traded on recognised exchanges or over the counter.

The table below illustrates the sensitivity of the Group's commodity pricing contracts as at 31 March to the price movement of commodities:

	At 31 March 2015		At 31 March 2014	
	Income statement –/+£m	**Equity –/+£m**	Income statement –/+£m	Equity –/+£m
Corn 50% change	**1**	**–**	1	–

The majority of the Group's commodity pricing contracts are held for trading and changes in mark-to-market values of these contracts are taken directly into the income statement. Amounts deferred in equity from commodity pricing contracts designated as cash flow hedges are released to the income statement and offset against the movement in underlying transactions when they occur.

Credit risk management

Counterparty credit risk arises from the placing of deposits and entering into derivative financial instrument contracts with banks and financial institutions, as well as credit exposures inherent within the Group's outstanding receivables.

The Group manages credit risk by entering into financial instrument contracts only with highly credit-rated authorised counterparties which are reviewed and approved annually by the Board.

20 Financial risk factors continued

The Group has Board approved maximum counterparty exposure limits for specified banks and financial institutions based on the long-term credit ratings of Standard & Poor's and Moody's (typically single A long-term credit ratings or higher). Trading limits assigned to commercial customers are based on ratings from Dun & Bradstreet and Credit Risk Monitor. In cases where published financial ratings are not available or inconclusive, credit application, reference checking, and obtaining of customers' financial information such as liquidity and turnover ratio, are required to evaluate customers' credit worthiness.

Analysis of amounts set off

The following tables set out the financial assets and financial liabilities which are subject to offsetting, enforceable master netting arrangements and similar agreements. Amounts which are set off against financial assets and liabilities in the Group's statement of financial position are set out below. Amounts not offset but which could be offset under certain circumstances are also shown.

At 31 March 2015	Notes	Gross financial assets/ (liabilities) £m	Gross financial (liabilities)/ assets set off £m	Net financial assets/ (liabilities) £m	Related amounts not set off £m	Net £m
Trade and other receivables	18	**281**	**–**	**281**	**–**	**281**
Derivative financial assets	19	**92**	**–**	**92**	**(15)**	**77**
Cash and cash equivalents	32	**195**	**–**	**195**	**–**	**195**
Total		**568**	**–**	**568**	**(15)**	**553**
Trade and other payables	18	**(327)**	**–**	**(327)**	**–**	**(327)**
Derivative financial liabilities	19	**(40)**	**–**	**(40)**	**15**	**(25)**
Bank loans and overdrafts	27	**(768)**	**–**	**(768)**	**–**	**(768)**
Total		**(1 135)**	**–**	**(1 135)**	**15**	**(1 120)**

At 31 March 2014 (Restated*)	Notes	Gross financial assets/ (liabilities) £m	Gross financial (liabilities)/ assets set off £m	Net financial assets/ (liabilities) £m	Related amounts not set off £m	Net £m
Trade and other receivables	18	252	–	252	–	252
Derivative financial assets	19	101	–	101	(5)	96
Cash and cash equivalents	32	346	–	346	–	346
Total		699	–	699	(5)	694
Trade and other payables	18	(283)	–	(283)	–	(283)
Derivative financial liabilities	19	(51)	–	(51)	5	(46)
Bank loans and overdrafts	27	(760)	–	(760)	–	(760)
Total		(1 094)	–	(1 094)	5	(1 089)

Amounts which do not meet the criteria for offsetting on the statement of financial position but could be settled net in certain circumstances principally relate to derivative transactions under International Swaps and Derivatives Association (ISDA) agreements where each party has the option to settle amounts on a net basis in the event of default of the other party.

Analysis of maximum credit exposure

Counterparties' positions are monitored on a regular basis to ensure that they are within the approved limits and there are no significant concentrations of credit risks.

The Group considers its maximum exposure to credit risk at the year end date is as follows:

		At 31 March	
	Notes	**2015 £m**	Restated* 2014 £m
Cash and cash equivalents	32	**195**	346
Trade and other receivables	22	**281**	252
Derivative financial instruments – assets	19	**92**	101
Other financial assets	17	**2**	–
Available-for-sale financial assets	17	**31**	28

The Group's trade receivables are short term in nature and largely comprise amounts receivable from business customers. Concentrations of credit risk with respect to trade receivables are limited due to the Group's having a number of key quality customers and a customer base which is large, unrelated and internationally dispersed.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

Notes to the Consolidated Financial Statements continued

20 Financial risk factors continued

Liquidity risk management

The Group manages its exposure to liquidity risk and ensures maximum flexibility in meeting changing business needs, by maintaining access to a wide range of funding sources, including capital markets and bank borrowings. Capital market issues outstanding at 31 March 2015 include the US$250 million 6.625% 144A bond maturing in June 2016, and the £200 million 6.75% bond maturing in November 2019.

The Group ensures that it has sufficient undrawn committed bank facilities to provide liquidity back-up to cover its funding requirements for the foreseeable future. The Group has a core committed bank facility of US$800 million which was renewed in July 2014 and matures in July 2019. This facility is unsecured and contains common financial covenants for Tate & Lyle and its subsidiary companies that the pre-exceptional and amortisation interest cover ratio should not be less than 2.5 times and the multiple of net debt to EBITDA, as defined in our financial covenants, should not be greater than 3.5 times. The Group intends to refinance the core committed bank facility no later than 12 months prior to the facility's maturity in July 2019. The Group monitors compliance against all its financial obligations and it is Group policy to manage the consolidated statement of financial position so as to operate well within these covenanted restrictions. In both the current and comparative reporting period, the Group complied with its financial covenants at all measurement points. The majority of the Group's borrowings are raised through the Group treasury company, Tate & Lyle International Finance PLC, and are then on-lent to the business units on an arm's length basis.

Current Group policy is to ensure that, after subtracting the total of undrawn committed facilities, no more than 10% of gross debt matures within 12 months and at least 35% has a maturity of more than 2.5 years. At 31 March 2015, after subtracting total undrawn committed facilities, there was no debt maturing within 12 months (2014 – none) and 24% maturing within two and a half years (2014 – 29%). The average maturity of the Group's gross debt was 4.2 years (2014 – 3.9 years). At the year end the Group held cash and cash equivalents of £195 million (2014 – £346 million) and had committed facilities of £539 million (2014 – £480 million) of which £539 million (2014 – £480 million) was undrawn. These resources are maintained to provide liquidity back-up and to meet the projected maximum cash outflow from debt repayment, capital expenditure and seasonal working capital needs foreseen for at least a year into the future at any one time.

The table below analyses the Group's non-derivative financial liabilities and derivative assets and liabilities based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	At 31 March 2015		
Liquidity analysis	**<1 year £m**	**1–5 years £m**	**> 5 years £m**
Borrowings including finance leases	**(307)**	**(385)**	**(57)**
Interest on borrowings	**(25)**	**(60)**	**(1)**
Trade and other payables	**(316)**	**(13)**	**–**
Derivative contracts:			
– receipts	**67**	**217**	**–**
– payments	**(60)**	**(206)**	**–**
Commodity contracts	**(8)**	**–**	**–**

	Restated* At 31 March 2014		
Liquidity analysis	<1 year £m	1–5 years £m	> 5 years £m
Borrowings including finance leases	(321)	(164)	(255)
Interest on borrowings	(38)	(69)	(14)
Trade and other payables	(283)	(2)	–
Derivative contracts:			
– receipts	99	244	–
– payments	(86)	(226)	–
Commodity contracts	(10)	–	–

Included in borrowings are £2,394,000 of 6.5% cumulative preference shares. Only one year's worth of interest payable on these shares is included in the less than one year category.

Interest on borrowings is calculated based on borrowings held at year end without taking into account future issues. Floating-rate interest is calculated using forward interest rates derived from interest rate yield curves as at year end.

Derivative contracts include currency swaps, forward exchange contracts and interest rate swaps. All commodity pricing contracts such as options and futures are shown separately under commodity contracts.

Commodity contracts include only net settled commodity derivative contracts and gross settled commodity purchase contracts with negative fair values. Purchase contracts outflows represent actual contractual cash flows under the purchase contracts and not their fair values. Cash outflows from the purchase contracts are offset by cash inflows received from sale contracts; however, these inflows are not included as part of this analysis.

Financial assets and liabilities denominated in currencies other than pounds sterling are converted to pounds sterling using year end exchange rates.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

20 Financial risk factors continued

Capital risk management

The Group's primary objectives in managing its capital are to safeguard the business as a going concern; to maintain the dividend policy; to maintain sufficient financial flexibility to undertake its investment plans and to retain as a minimum an investment grade credit rating which enables consistent access to debt capital markets. The Group's financial profile and level of financial risk is assessed on a regular basis in the light of changes to the economic conditions, business environment, the Group's business profile and the risk characteristics of its businesses.

Tate & Lyle has contractual relationships with Moody's and Standard & Poor's (S&P) for the provision of credit ratings, and it is the Group's policy to keep them informed of all major developments. At 31 March 2015, the long-term credit rating from Moody's was Baa2 (stable outlook) and from S&P was BBB (stable outlook). The Group is committed to maintaining investment grade credit ratings.

The Group regards its total capital as follows:

	Note	At 31 March 2015 £m	2014 £m
Net debt (including share of net cash of joint ventures)	33	**504**	353
Equity attributable to owners of the Company		**935**	1 049
Total capital		**1 439**	1 402

The Board 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 two times and interest cover should exceed five 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 2015 and 31 March 2014 are:

	Year ended 31 March 2015 times	2014 times
Net debt/EBITDA	**1.3**	0.8
Interest cover	**10.7**	11.6

21 Inventories

	At 31 March 2015 £m	Restated* 2014 £m
Raw materials and consumables	**172**	218
Work in progress	**22**	19
Finished goods	**169**	135
Total	**363**	372

Finished goods inventories of £5 million (2014 – £4 million) are carried at realisable value, this being lower than cost. Inventories of £96 million (2014 – £150 million) are carried at market value. During the year to 31 March 2015, the Group did not recognise a net impairment charge against inventories (2014 – £nil).

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

Notes to the Consolidated Financial Statements continued

22 Trade and other receivables

	At 31 March 2015 £m	Restated* 2014 £m
Non-current trade and other receivables		
Other receivables	**2**	–
Total	**2**	–

	At 31 March 2015 £m	Restated* 2014 £m
Current trade and other receivables		
Trade receivables	**256**	239
Less: allowance for doubtful debts	**(8)**	(8)
Trade receivables – net	**248**	231
Prepayments and accrued income	**11**	13
Margin deposits	**7**	6
Other receivables	**24**	15
Total	**290**	265

The carrying amounts of trade and other receivables were denominated in the following currencies:

	At 31 March 2015 £m	Restated* 2014 £m
US dollar	**177**	143
Euro	**70**	64
Sterling	**13**	11
Other	**32**	47
Total	**292**	265

Allowance for doubtful debts

Trade receivables are subject to limited credit risk because the Group has a number of key customers of good credit quality and a large number of internationally dispersed customers. Trade receivables are regularly reviewed for collectibility and an allowance has been established for doubtful debts against which trade receivables are written-off when they are no longer considered to be collectible. Movements on the allowance for doubtful debts were as follows:

	Year ended 31 March 2015 £m	Restated* 2014 £m
At 1 April	**(8)**	(10)
Net credit/(expense) for the year (Note 5)	**–**	1
Currency translation differences	**–**	1
At 31 March	**(8)**	(8)

As at 31 March 2015, trade receivables of £22 million (2014 – £18 million) were past due but not impaired because they were considered to be collectible. The ageing analysis of these trade receivables was as follows:

	At 31 March 2015 £m	Restated* 2014 £m
Up to 30 days past due	**13**	18
1–3 months past due	**5**	–
Over 3 months past due	**4**	–
Total	**22**	18

Trade receivables are not generally interest-bearing but interest may be charged to customers on overdue amounts.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

23 Share capital and share premium

	Ordinary share capital £m	Share premium £m	Total £m
At 31 March 2014 and 31 March 2015	**117**	**406**	**523**

Ordinary shares carry the right to participate in dividends and each share entitles the holder to one vote on matters requiring shareholder approval.

Allotted, called up and fully paid equity share capital

	Year ended 31 March 2015		Year ended 31 March 2014	
	Shares	**£m**	Shares	£m
At 1 April	**468 202 883**	**117**	468 192 900	117
Allotted under share option schemes	**21 092**	**–**	9 983	–
At 31 March	**468 223 975**	**117**	468 202 883	117

Own shares

Own shares represent the Company's ordinary shares that are acquired to meet the Group's expected obligations under share-based incentive arrangements (see Note 25). Own shares are held either by the Company in treasury or by an Employee Benefit Trust that was established by the Company.

Movements in own shares held were as follows:

	Year ended 31 March 2015		Year ended 31 March 2014	
	Number	**Cost £m**	Number	Cost £m
At 1 April	**4 706 429**	**37**	4 413 175	29
Purchased in the market	**2 025 551**	**12**	3 545 000	29
Transferred to employees	**(1 713 348)**	**(12)**	(3 251 746)	(21)
At 31 March	**5 018 632**	**37**	4 706 429	37

During the year, 1,315,000 (2014 – 3,045,000) shares were purchased into treasury at a cost of £8 million (2014 – £25 million) and 710,551 (2014 – 500,000) shares were purchased into the Employee Benefit Trust at a cost of £4 million (2014 – £4 million).

During the year, 1,628,492 (2014 – 2,443,619) shares held in treasury and 84,856 (2014 – 808,127) shares held in the Employee Benefit Trust were transferred to employees to satisfy vested share awards.

At 31 March 2015, 2,129,422 (2014 – 2,442,914) shares were held in treasury with a market value of £13 million (2014 – £16 million) and 2,889,210 (2014 – 2,263,515) shares were held in the Employee Benefit Trust with a market value of £17 million (2014 – £15 million).

At 31 March 2015, own shares held represented 1.1% (2014 – 1.0%) of the Company's called up share capital.

Analysis of ordinary shareholders

			At 31 March 2015	
Number of shares of 25p each	**Number of holdings**	**%**	**Total**	**%**
Up to 500	4 693	31.83%	1 228 327	0.26%
501 – 1 000	3 735	25.33%	2 922 371	0.63%
1 001 – 1 500	1 888	12.81%	2 358 680	0.50%
1 501 – 2 000	1 193	8.09%	2 144 189	0.46%
2 001 – 5 000	1 915	12.99%	5 905 692	1.26%
5 001 – 10 000	504	3.42%	3 513 836	0.75%
10 001 – 200 000	589	4.00%	29 139 092	6.22%
200 001 – 500 000	96	0.65%	31 191 604	6.66%
Above 500 000	130	0.88%	389 820 184	83.26%
Total	**14 743**	**100.00%**	**468 223 975**	**100.00%**

Notes to the Consolidated Financial Statements continued

24 Other reserves

	Hedging reserve £m	Currency translation reserve £m	Other reserves £m	Total £m
At 1 April 2013*	2	40	97	139
Other comprehensive income				
Cash flow hedges:				
– Fair value losses in the year	(2)	–	–	(2)
Currency translation differences:				
– Loss on currency translation of foreign operations	–	(104)	–	(104)
– Gain on net investment hedges	–	50	–	50
Share of other comprehensive expenses of joint ventures	1	(26)	–	(25)
At 31 March 2014*	1	(40)	97	58
Other comprehensive income				
Cash flow hedges:				
– Fair value losses in the year	(5)	–	–	(5)
– Reclassified and reported in the income statement in the year	(2)	–	–	(2)
– Tax effect of the above movements	2	–	–	2
Gain on revaluation of available-for-sale financial assets	–	–	2	2
Currency translation differences:				
– Gain on currency translation of foreign operations	–	56	–	56
– Loss on net investment hedges	–	(32)	–	(32)
Share of other comprehensive expenses of joint ventures	–	(18)	–	(18)
At 31 March 2015	**(4)**	**(34)**	**99**	**61**

* The adoption of IFRS 11 'Joint Arrangements' did not impact on the opening or closing balance of Other reserve for the 2014 financial year.

25 Share-based incentives

The Company operates share-based incentive arrangements for the executive directors, senior executives and other eligible employees under which awards and options are granted over the Company's ordinary shares. All of the arrangements under which awards and options were outstanding during the 2015 and 2014 financial years are classified as equity-settled. During the year, the compensation expense recognised in profit or loss in respect of share-based incentives was £nil million (2014 – £8 million).

Background

Performance Share Plan

The Group's principal ongoing share-based incentive arrangement is the Performance Share Plan (PSP). Participation in the PSP is restricted to the executive directors and other senior executives. Awards made under the PSP normally vest provided the participant remains in the Group's employment during the performance period and the Group achieves earnings per share (EPS) and return on capital employed (ROCE) targets. Up to 50% of each award vests dependent on the compound annual growth rate of the Group's adjusted diluted EPS from continuing operations reaching specified levels over the performance period. Up to 50% of each award vests dependent on the Group's adjusted ROCE from continuing operations reaching specified levels at the end of the performance period. The performance period is the period of three financial years beginning with the financial year in which the award is granted. During the 2015 and 2014 financial years, the Group recognised an expense in relation to share-based incentives that were awarded to the Chief Executive Officer in 2010 and 2011 that were subject to the same performance conditions that applied to awards made under the PSP in those years. From 2012, the Chief Executive Officer has participated in the PSP.

Further information on the PSP is set out in the Directors' Remuneration Report on pages 58 to 78.

Group Bonus Plan – Deferred Element

Bonuses earned under the Group Bonus Plan are normally paid in cash up to 100% of the base salary of the participating executive. Any excess above 100% of base salary is paid in the form of deferred shares that are released after two years subject to the executive remaining in the Group's employment. During the vesting period, payments in lieu of dividends are made in relation to the deferred shares.

Further information on the Group Bonus Plan is set out in the Directors' Remuneration Report.

Sharesave Plan

Options are granted from time to time under the Company's Sharesave Plan, which is open to all employees in the UK. It offers eligible employees the option to buy shares in the Company after a period of three or five years funded from the proceeds of a savings contract to which they contribute on a monthly basis.

Executive Share Option Scheme

Options are outstanding under the Company's legacy executive share option scheme. The last grant of options was made under this scheme in 2004 and those options vested in 2007.

Restricted Share Awards

The Company has made restricted share awards to a number of eligible employees. Awards made normally vest provided the participant remains in the Group's employment during the performance period and other conditions, specific to the individual awards are met.

Further information for these awards made in relation to executive directors are set out in the Directors' Remuneration Report on page 58 to 78.

25 Share-based incentives continued

Movements in the year

Movements in the awards outstanding during the year were as follows:

	Year ended 31 March 2015		Year ended 31 March 2014	
	Awards (Number)	**Weighted average exercise price (Pence)**	Awards (Number)	Weighted average exercise price (Pence)
Outstanding at 1 April	**9 858 384**	**10p**	10 838 115	10p
Granted	**3 946 005**	**17p**	2 591 210	11p
Exercised	**(1 734 440)**	**24p**	(3 261 729)	14p
Lapsed	**(2 174 467)**	**12p**	(309 212)	20p
Outstanding at 31 March	**9 895 482**	**10p**	9 858 384	10p
Exercisable at 31 March	**2 093 156**	**–**	1 981 524	16p

The weighted average market price of the Company's ordinary shares on the dates on which awards were exercised during the year was 670p (2014 – 817p).

Awards granted in the year

During the year, PSP awards were granted over 2,878,550 shares (2014 – 2,548,235 shares), Restricted Share Awards were granted over 938,914 shares (2014 – nil) and Sharesave options were granted over 128,541 shares (2014 – 42,975 shares). The compensation expense recognised in relation to these awards is based on the fair value of the awards at their respective grant dates. The weighted average fair values of the awards granted during the year and the principal assumptions made in measuring those fair values were as follows:

	Year ended 31 March 2015		Year ended 31 March 2014	
	PSP	**Sharesave**	PSP	Sharesave
Fair value at grant date	**598p**	**127p**	752p	198p
Principal assumptions:				
Share price on grant date	**660p**	**605p**	817p	782p
Expected life of the awards	**3 years**	**3.3/5.3 years**	3 years	3.3/5.3 years
Risk-free interest rate	**–**	**1.2%/1.95%**	–	0.45%/0.9%
Dividend yield on the Company's shares	**4.2%**	**3.4%**	3.5%	3.5%
Volatility of the Company's shares	**n/a**	**25%**	n/a	30%

The fair value of the awards was measured using the Black-Scholes option pricing formula, taking into account factors such as non-transferability, exercise restrictions and behavioural considerations.

Expected volatility was based on the historical volatility of the market price of the Company's shares over the expected life of the awards.

No deferred shares were issued under the Group Bonus Plan during this, or the prior year.

Awards outstanding at the end of the year

The range of exercise prices and the weighted average remaining contractual life of awards outstanding at the end of the year were as follows:

	At 31 March 2015		At 31 March 2014	
Exercise price	**Awards (Number)**	**Weighted average contractual life (Months)**	Awards (Number)	Weighted average contractual life (Months)
Nil	**9 705 477**	**49.3**	9 638 499	48.2
200p to 399p	**–**	**–**	98 694	14.2
400p to 799p	**190 005**	**38.7**	121 191	34.5
Total	**9 895 482**	**49.1**	9 858 384	47.7

Notes to the Consolidated Financial Statements continued

26 Trade and other payables

	At 31 March 2015 £m	Restated* 2014 £m
Non-current payables		
Other payables	**13**	–
Accruals and deferred income	**–**	2
Total	**13**	2

	At 31 March 2015 £m	Restated* 2014 £m
Current payables		
Trade payables	**228**	198
Social security	**2**	2
Accruals and deferred income	**73**	59
Margin payables	**–**	1
Other payables	**13**	23
Total	**316**	283

27 Borrowings

Non-current borrowings

	At 31 March 2015 £m	Restated* 2014 £m
Unsecured borrowings		
2,394,000 6.5% cumulative preference shares of £1 each	**2**	2
Industrial Revenue Bonds 2016–2036 (US$77,655,000)	**52**	47
6.625% Guaranteed Notes 2016 (US$250,000,000)	**173**	157
6.75% Guaranteed Notes 2019 (£200,000,000)	**218**	214
Total	**445**	420
Bank loans		
Variable unsecured loans	**2**	–
Total	**2**	–
Other borrowings		
Obligations under finance leases	**16**	17
Total	**16**	17
Total non-current borrowings	**463**	437

On a return of capital on a winding-up, the holders of 6.5% cumulative preference shares shall be entitled to £1 per share, in preference to all other classes of shareholders. Holders of these shares are entitled to vote at meetings, except on the following matters: any question as to the disposal of the surplus profits after the dividend on these shares has been provided for; the election of directors; their remuneration; any agreement between the directors and the Company; or the alteration of the Articles of Association dealing with any such matters.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

27 Borrowings continued

Current borrowings

	At 31 March 2015 £m	Restated* 2014 £m
Unsecured borrowings		
5.0% Guaranteed Notes 2014 (US$500,000,000)	**–**	304
US commercial paper	**252**	–
Short-term loans	**11**	13
Loans from joint ventures	**40**	4
Total	**303**	321
Other borrowings		
Obligations under finance leases	**2**	2
Total current borrowings	**305**	323

Included within borrowings are £204 million (2014 – £345 million) of borrowings subject to fair value hedges, of which amortised cost has been increased by £22 million (2014 – £24 million) in the tables above.

Secured borrowings

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Fair values

The fair values of the Group's borrowings compared with their book values are as follows:

	At 31 March 2015		Restated* At 31 March 2014	
	Book value £m	**Fair value £m**	Book value £m	Fair value £m
Non-current unsecured borrowings	**445**	**469**	420	451
Non-current bank loans	**2**	**2**	–	–
Other non-current borrowings	**16**	**16**	17	17
Current borrowings	**305**	**305**	323	326
Total	**768**	**792**	760	794

The fair value of borrowings has been determined using either quoted market prices, broker dealer quotations or discounted cash flow analysis.

Interest rate risks and maturity of borrowings

The maturity profile of the Group's non-current borrowings is as follows:

	At 31 March 2015 £m	Restated* 2014 £m
One to two years	**181**	3
Two to five years	**226**	167
After five years	**56**	267
Total non-current borrowings	**463**	437

Floating rate borrowings bear interest based on relevant national LIBOR equivalents. If the interest rates applicable to the Group's floating rate debt and cash held as at 31 March 2015 rise by an average of 1% over the year to 31 March 2016, there would be £3 million impact on the Group's profit before tax (2014 – £nil).

Taking into account the Group's interest rate and cross currency swap contracts, the effective interest rates of its borrowings are as follows:

	At 31 March 2015	2014
2,394,000 6.5% cumulative preference shares of £1 each	**6.5%**	6.5%
Industrial Revenue Bonds 2016–2036 (US$77,655,000)	**0.1%**	0.1%
5.0% Guaranteed Notes 2014 (US$500,000,000)	**n/a**	2.8%
6.625% Guaranteed Notes 2016 (US$250,000,000)	**4.1%**	4.1%
6.75% Guaranteed Notes 2019 (£200,000,000)	**4.4%**	4.3%

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

Notes to the Consolidated Financial Statements continued

27 Borrowings continued

Short-term loans and overdrafts

Current short-term loans mature within the next 12 months and overdrafts are repayable on demand. Both short-term loans and bank overdrafts are arranged at floating rates of interest and expose the Group to cash flow interest rate risk.

Credit facilities and arrangements

Tate & Lyle International Finance PLC holds a US$800 million five year committed multi-currency club facility with a core of highly-rated banks that was refinanced in July 2014, and matures in July 2019.

As at 31 March 2015, this committed facility remains undrawn. The facility has a value of £539 million (2014 – £480 million). This facility incurs commitment fees at market rates prevailing when the facility was arranged. The facility may only be withdrawn in the event of specified events of default. In addition, the Group has substantial uncommitted facilities.

Finance lease commitments

Amounts payable under finance lease commitments are as follows:

	At 31 March 2015		At 31 March 2014	
	Minimum lease payments £m	**Present value of minimum lease payments £m**	Minimum lease payments £m	Present value of minimum lease payments £m
Within one year	**4**	**2**	4	2
Between one and five years	**10**	**9**	10	9
After five years	**9**	**7**	11	8
Total	**23**	**18**	25	19
Less future finance charges	**(5)**		(6)	
Present value of minimum lease payments	**18**		19	

28 Deferred tax

Deferred tax is calculated on temporary differences arising between the carrying amount of assets and liabilities for accounting purposes and their respective tax values. Deferred tax liabilities arise where the carrying amount is higher than the tax value (more tax deduction has been taken). This can happen where we invest in capital assets, as governments often encourage investment by allowing tax depreciation to be recognised faster than accounting depreciation. This reduces the tax value of the asset relative to its carrying amount. Deferred tax liabilities are generally provided on all taxable temporary differences. Deferred tax assets arise where the carrying amount is lower than the tax value (less tax benefit has been taken). This can happen where we have trading losses, which cannot be offset in the current period but can be carried forward and we consider it probable that we will be able to offset the losses against future taxable profits.

Movements in deferred income tax net assets/(liabilities) in the year are as follows:

Deferred tax	£m
At 1 April 2013 (Restated*)	(13)
Charged to the income statement	(5)
Charged to other comprehensive income	(22)
Charged directly to equity	(1)
Currency translation differences	3
At 31 March 2014 (Restated*)	(38)
Charged to the income statement	(8)
Credited to other comprehensive income	22
Charged directly to equity	–
Currency translation differences	(4)
At 31 March 2015	**(28)**

Of the amounts of deferred tax charged to the income statement and other comprehensive income, a charge of £nil million (2014 – £1 million) arose from changes in tax rates. There was no impact from the imposition of new taxes.

Deferred tax assets in respect of unutilised tax losses of £664 million (2014 – £614 million) have not been recognised to the extent that they exceed taxable profits against which these assets may be recovered. No unrelieved tax losses expired under current tax legislation in the year ended 31 March 2015.

The total deferred tax on unremitted earnings is £3 million (2014 – £3 million) of which £nil (2014 – £nil) has been recognised. The Group has not recognised the amount as it is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. The aggregate amount of temporary differences arising from unremitted profits at the period-end date was approximately £3 million (2014 – £3 million).

Other deferred tax liabilities principally relate to deferred tax on acquired intangible assets.

Other deferred tax assets principally relate to deferred tax on provisions.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

28 Deferred tax continued

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax liabilities	Capital allowances in excess of depreciation £m	Other £m	Total £m
At 1 April 2013 (Restated*)	(134)	(30)	(164)
Transfers between categories	–	3	3
Credited to the income statement	1	23	24
Currency translation differences	12	2	14
At 31 March 2014 (Restated*)	(121)	(2)	(123)
Transfers between categories	–	(1)	(1)
Credited to the income statement	1	4	5
Currency translation differences	(12)	(2)	(14)
At 31 March 2015	**(132)**	**(1)**	**(133)**

Deferred tax assets	Retirement benefit obligations £m	Share-based payments £m	Tax losses £m	Other £m	Total £m
At 1 April 2013 (Restated*)	100	7	42	2	151
Transfers between categories	–	–	–	(3)	(3)
(Charged)/credited to the income statement	(6)	(1)	(23)	1	(29)
Charged to other comprehensive income	(22)	–	–	–	(22)
Charged directly to equity	–	(1)	–	–	(1)
Currency translation differences	(8)	–	(3)	–	(11)
At 31 March 2014 (Restated*)	64	5	16	–	85
Transfers between categories	–	–	–	1	1
Charged to the income statement	(5)	(1)	(5)	(2)	(13)
Credited to other comprehensive income	20	–	–	2	22
Charged directly to equity	–	–	–	–	–
Currency translation differences	8	–	2	–	10
At 31 March 2015	**87**	**4**	**13**	**1**	**105**

Deferred tax assets and liabilities are offset where there is a legally enforceable right of offset and there is an intention to settle the balances net. As a result of these offsets, the deferred tax balances are presented in the statement of financial position as follows:

	At 31 March	
	2015 £m	Restated* 2014 £m
Deferred tax liabilities	**(32)**	(42)
Deferred tax assets	**4**	4
Net deferred tax liability	**(28)**	(38)

29 Retirement benefit obligations

(a) Plan information

(i) Pensions

The Group operates a number of defined benefit pension plans, principally in the UK and the US and, until December 2013, in the Netherlands. Generally, the pension benefits provided under these plans are determined based on the pensionable salary and period of pensionable service of the individual members. Most of the plans are funded and the plan assets held separately from those of the Group in funds that are under the control of trustees. The extent of the powers of the trustees, in particular in respect of funding and investment strategy, varies and is dependent on local regulations and the rules of each plan. Payments made by the Group to the plans principally comprise funding contributions agreed with the trustees that are determined in accordance with local regulations to ensure that appropriate funding levels are maintained and funding deficits are eliminated over a reasonable period of time. All of the significant defined benefit pension plans operated by the Group are closed to new entrants and most are closed to future accrual.

The Group operates defined contribution pension plans in a number of countries. Contributions payable by the Group to these plans during the year amounted to £5 million (2014 – £3 million).

(ii) Other benefits

The Group's subsidiaries in the US provide unfunded retirement medical plans to the majority of their employees. Such plans provide financial assistance in meeting various costs including medical, dental and prescription drugs. Employees are required to contribute to the cost of benefits received under the plans. The Group meets the remaining costs of providing these benefits in the period in which they are incurred.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

Notes to the Consolidated Financial Statements continued

29 Retirement benefit obligations continued

(b) Summary of financial effect

(i) Analysis of amounts presented in the income statement

	Year ended 31 March 2015 £m	2014 £m
Charged/(credited) to operating profit		
Defined benefit plans:		
– Current service cost		
Pension plans	**3**	5
Medical plans	**1**	2
– Past service cost		
Pension plans	**1**	
Medical plans	**(2)**	
– Gain on settlement	**–**	(4)
– Plan administration expenses	**3**	2
	6	5
Defined contribution plans	**5**	3
Net charge to operating profit	**11**	8
Charged/(credited) to finance expense		
Interest on benefit obligations	**62**	64
Interest on plan assets	**(54)**	(56)
Net charge to finance expense	**8**	8

During the year ended 31 March 2014, the assets and liabilities of the defined benefit pension plan in the Netherlands were transferred to a new collective defined contribution plan and the defined benefit plan was closed. For accounting purposes, this transfer was treated as a settlement on which the Group recognised a gain of £4 million (of which £2 million was attributed to the Bulk Ingredients segment and £2 million was attributed to the Speciality Food Ingredients segment).

(ii) Analysis of amounts presented in other comprehensive income

	Year ended 31 March 2015 £m	2014 £m
Return on plan assets		
Actual return on plan assets (net of asset management expenses)	**215**	27
Interest on plan assets	**(54)**	(56)
Actual return higher/(lower) than interest on plan assets	**161**	(29)
Actuarial gains/(losses)		
(Loss)/gain from changes in financial assumptions	**(155)**	60
Loss from changes in demographic assumptions	**(46)**	(40)
Gain/(loss) from experience against assumptions	**15**	(1)
Net actuarial (loss)/gain	**(186)**	19

During the year ended 31 March 2014, the trustees of the Amylum UK Pension Scheme agreed a full buy-in of its benefit obligations at a cost of £82 million (which was partially funded by an additional contribution from the Group of £6 million). For accounting purposes, the related benefit obligation was valued at £69 million such that there was a loss on plan assets of £13 million.

(iii) Analysis of defined benefit liability

	At 31 March 2015			At 31 March 2014		
	Pensions £m	**Medical benefits £m**	**Total £m**	Pensions £m	Medical benefits £m	Total £m
Benefit obligations:						
Funded plans	**(1 636)**	**–**	**(1 636)**	(1 425)	–	(1 425)
Unfunded plans	**(56)**	**(69)**	**(125)**	(46)	(54)	(100)
	(1 692)	**(69)**	**(1 761)**	(1 471)	(54)	(1 525)
Fair value of plan assets	**1 534**	**–**	**1 534**	1 305	–	1 305
Net deficit	**(158)**	**(69)**	**(227)**	(166)	(54)	(220)
Presented in the statement of financial position:						
Retirement benefit surplus	**25**	**–**	**25**	–	–	–
Retirement benefit deficit	**(183)**	**(69)**	**(252)**	(166)	(54)	(220)
	(158)	**(69)**	**(227)**	(166)	(54)	(220)

29 Retirement benefit obligations continued

(iv) Analysis of movements in the net deficit

	Pensions £m	Medical benefits £m	Total £m
At 1 April 2013	(185)	(80)	(265)
Year ended 31 March 2014			
– Decrease in the benefit obligation	121	26	147
– Decrease in the fair value of plan assets	(102)	–	(102)
At 31 March 2014	(166)	(54)	(220)
Year ended 31 March 2015			
– Increase in the benefit obligation	**(221)**	**(15)**	**(236)**
– Increase in the fair value of plan assets	**229**	**–**	**229**
At 31 March 2015	**(158)**	**(69)**	**(227)**

(c) Defined benefit obligations

(i) Principal assumptions

Pensions

For accounting purposes, the benefit obligation of each plan has been calculated in accordance with IAS 19 based on data gathered for the most recent actuarial valuation and by applying assumptions made by the Group on the advice of independent actuaries.

As required by local regulations, actuarial valuations of the US pension plans are carried out each year and those of the UK pension plans are carried out at least every three years. An actuarial valuation at 31 March 2013 of the Tate & Lyle Group Pension Scheme (Scheme) has been concluded. Under the new arrangements core funding contributions remain at £12 million per year. A new secured funding account was established where supplimentary contributions of £6 million per year will be made during the first six years, payable to the Trustee on certain triggering events such as under performance of the Scheme's investments or a deterioration in the strength of Tate & Lyle's financial covenant. The first two annual payments amounting to £12 million were credited to the secured funding account upon its establishment in October 2014 and have been accounted for as additional contributions to the Scheme in the second half of the year. An actuarial valuation of the Amylum UK Pension Scheme was last carried out at 30 June 2011.

Principal assumptions used in calculating the benefit obligation were as follows:

	At 31 March 2015		
	UK	**US**	**Other**
Inflation rate	**CPI 2.0% RPI 3.0%**	**2.5%**	**n/a**
Expected rate of salary increases	**n/a**	**3.5%**	**n/a**
Expected rate of pension increases:			
– Deferred pensions	**2.0%**	**n/a**	**n/a**
– Pensions in payment	**2.8%**	**n/a**	**n/a**
Discount rate	**3.3%**	**3.8%**	**n/a**

	At 31 March 2014		
	UK	US	Other
Inflation rate	CPI 2.4% RPI 3.4%	2.5%	2.0%
Expected rate of salary increases	n/a	3.5%	2.0%
Expected rate of pension increases:			
– Deferred pensions	2.4%	n/a	1.6%
– Pensions in payment	3.2%	n/a	1.6%
Discount rate	4.2%	4.3%	3.5%

Assumptions regarding future mortality rates of members of the Group's pension plans are based on published statistics and taking into account the profile of the plan members. On this basis, the average life expectancies assumed for members of the plans are as follows:

	At 31 March 2015		At 31 March 2014	
	UK	**US**	UK	US
Male aged 65 now	**23 years**	**22 years**	23 years	19 years
Male aged 65 in 20 years' time	**26 years**	**23 years**	26 years	20 years
Female aged 65 now	**24 years**	**24 years**	24 years	21 years
Female aged 65 in 20 years' time	**27 years**	**25 years**	27 years	22 years

Shorter longevity assumptions are used for members who retire on grounds of ill health.

Notes to the Consolidated Financial Statements continued

29 Retirement benefit obligations continued

Medical benefits

Principal assumptions used in calculating the benefit obligation are medical cost inflation and the discount rate applied to the expected benefit payments. Management assumed medical cost inflation at 6.0% per annum (2014 – 6.0%), grading down to 5% by 2016, and used a discount rate of 3.5% (2014 – 4.1%).

(ii) Analysis of movements in the benefit obligation

	Pension benefits					
	UK £m	US £m	Other £m	Total £m	Medical benefits £m	Total £m
At 1 April 2013	(998)	(519)	(75)	(1 592)	(80)	(1 672)
Year ended 31 March 2014						
Service cost	–	(1)	(4)	(5)	(2)	(7)
Plan administration costs	(2)	–	–	(2)	–	(2)
Interest on benefit obligation	(41)	(19)	(1)	(61)	(3)	(64)
Actuarial gains/(losses):						
– Changes in financial assumptions	23	21	(2)	42	18	60
– Changes in demographic assumptions	(39)	(1)	–	(40)	–	(40)
– Experience against assumptions	(7)	3	1	(3)	2	(1)
Net actuarial (loss)/gain	(23)	23	(1)	(1)	20	19
Employees' contributions	–	–	(1)	(1)	–	(1)
Benefits paid	49	26	2	77	4	81
Transfer on settlement	–	–	67	67	–	67
Currency translation differences	2	45	–	47	7	54
(Increase)/decrease in the benefit obligation	(15)	74	62	121	26	147
At 31 March 2014	(1 013)	(445)	(13)	(1 471)	(54)	(1 525)
Year ended 31 March 2015						
Service cost current	**–**	**(1)**	**(2)**	**(3)**	**(1)**	**(4)**
Service cost past	**–**	**(1)**	**–**	**(1)**	**2**	**1**
Plan administration costs	**(3)**	**–**	**–**	**(3)**	**–**	**(3)**
Interest on benefit obligation	**(41)**	**(19)**	**–**	**(60)**	**(2)**	**(62)**
Actuarial gains/(losses):						
– Changes in financial assumptions	**(115)**	**(35)**	**–**	**(150)**	**(5)**	**(155)**
– Changes in demographic assumptions	**(1)**	**(41)**	**–**	**(42)**	**(4)**	**(46)**
– Experience against assumptions	**15**	**3**	**–**	**18**	**(3)**	**15**
Net actuarial loss	**(101)**	**(73)**	**–**	**(174)**	**(12)**	**(186)**
Employees' contributions	**–**	**–**	**–**	**–**	**–**	**–**
Benefits paid	**51**	**25**	**–**	**76**	**4**	**80**
Currency translation differences	**(2)**	**(54)**	**–**	**(56)**	**(6)**	**(62)**
Increase in the benefit obligation	**(96)**	**(123)**	**(2)**	**(221)**	**(15)**	**(236)**
At 31 March 2015	**(1 109)**	**(568)**	**(15)**	**(1 692)**	**(69)**	**(1 761)**

(iii) Maturity of obligations

At 31 March 2015, the weighted average duration of the significant defined benefit obligations was as follows:

	Duration
Pension plans:	
– UK	18 years
– US	13 years
Medical benefits	10 years

At 31 March 2015, the benefits expected to be paid by the plans over the next 10 years were as follows:

	Pension benefits					
	UK £m	US £m	Other £m	Total £m	Medical benefits £m	Total £m
Benefit payments:						
– Within 12 months	48	28	–	76	5	81
– Between 1 to 2 years	48	29	–	77	4	81
– Between 2 to 5 years	148	91	–	239	13	252
– Between 5 to 10 years	257	161	–	418	22	440

29 Retirement benefit obligations continued

(d) Plan assets

(i) Investment strategy

Principal risks

The defined benefit pension plans expose the Group to actuarial risks such as interest rate, longevity, inflation and investment risk.

Interest rate risk	Inflation risk
Volatility in the financial markets can have a significant effect on the benefit obligation as the calculation of the obligation involves discounting based on yields on AA-rated corporate bonds. A decrease in the bond yield will increase the benefit obligation.	Inflation risk arises where pensionable salaries, deferred pensions or pensions in payment are subject to inflation increases. A higher rate of inflation will lead to a higher benefit obligation.
Longevity risk	**Investment risk**
Longevity (or life expectancy) represents a risk because the longer members of the plans live the higher benefit payments to them will be. An increase in life expectancy beyond that assumed will increase the benefit obligation.	If the return on the plan assets is lower than the discount rate applied to the benefit obligation, there will be an increase in the deficit (or reduction in the surplus) on the plan.

Mitigation of risk

The Group encourages the trustees of the plans to adopt an investment policy that seeks to mitigate these risks, which involves investing a significant proportion of the plan assets in liability-driven investment portfolios that mitigate interest rate, inflation and investment risks. The Group seeks to ensure that, as far as is practicable, the investment portfolios of the funded plans are invested in long-term fixed interest securities with maturities and in currencies that match the expected future benefit payments as they fall due. In the UK, interest rate derivatives are used to achieve close matching where matching fixed-interest securities are not available in the market. Most of the inflation risk for the Group arises in the UK since deferred pensions and pensions in payment in the US do not attract inflation increases. Inflation risk is mitigated by holding index-linked government bonds and corporate bonds and, in the UK, inflation derivatives. At 31 March 2015, £367 million (2014 – £346 million) of the benefit obligation was matched by qualifying insurance policies that also mitigate longevity risk. The plans also maintain a portfolio of return-seeking investments, principally in the form of equities and property.

(ii) Plan assets by category

			At 31 March 2015
	UK £m	**US £m**	**Total £m**
Equities – quoted	**291**	**101**	**392**
Corporate bonds – quoted	**125**	**230**	**355**
Government bonds – quoted	**250**	**57**	**307**
Property – unquoted	**26**	**21**	**47**
Insurance policies – unquoted	**364**	**3**	**367**
Other assets – unquoted	**66**	**–**	**66**
	1 122	**412**	**1 534**

			At 31 March 2014
	UK £m	US £m	Total £m
Equities – quoted	237	95	332
Corporate bonds – quoted	148	173	321
Government bonds – quoted	105	43	148
Property – unquoted	45	17	62
Insurance policies – unquoted	343	3	346
Other assets – unquoted	96	–	96
	974	331	1 305

Plan assets do not include any direct investments in securities issued by the Group or any property occupied by or other assets used by the Group.

Assets are classified as quoted only if they have a quoted market price in an active market as defined by IFRS 13 'Fair Value Measurement'. All other assets are classified as unquoted.

Notes to the Consolidated Financial Statements continued

29 Retirement benefit obligations continued

(iii) Analysis of movements in the plan assets

	UK £m	US £m	Other £m	Total £m
At 1 April 2013	999	346	62	1 407
Year ended 31 March 2014				
Interest on plan assets	42	13	1	56
Actual return (lower)/higher than interest on plan assets	(41)	12	–	(29)
Employer's contributions	24	18	1	43
Employees' contributions	–	–	1	1
Benefits paid	(49)	(26)	(2)	(77)
Transfer on settlement	–	–	(63)	(63)
Currency translation differences	(1)	(32)	–	(33)
Decrease in fair value of plan assets	(25)	(15)	(62)	(102)
At 31 March 2014	974	331	–	1 305
Year ended 31 March 2015				
Interest on plan assets	**40**	**14**	**–**	**54**
Actual return higher than interest on plan assets	**129**	**32**	**–**	**161**
Employer's contributions	**29**	**19**	**–**	**48**
Employees' contributions	**–**	**–**	**–**	**–**
Benefits paid	**(51)**	**(25)**	**–**	**(76)**
Currency translation differences	**1**	**41**	**–**	**42**
Increase in fair value of plan assets	**148**	**81**	**–**	**229**
At 31 March 2015	**1 122**	**412**	**–**	**1 534**

Employer contributions to the pension plans for the year ended 31 March 2015 were £48 million (2014 – £43 million). The Company also paid an additional £4 million (2014 – £4 million) to the US unfunded retirement medical plans to meet the cost of providing the benefits in the financial year.

(e) Funding of the plans

A full valuation is performed by actuaries for the trustees of each plan to determine the level of funding required. Employer contributions are agreed between the trustees of each plan and the Group on the basis of these valuations. The assumptions used by the trustees for funding purposes may differ from the assumptions made by the Group for accounting purposes. As a result, the funding deficits or surpluses on the plans may be very different from the accounting deficits or surpluses.

During the year ending 31 March 2016, the Group expects to contribute approximately £41 million to its defined benefit pension plans and to pay approximately £5 million in relation to retirement medical benefits.

(f) Sensitivity analysis

At 31 March 2015, the sensitivity of the net deficit on the plans to changes in the principal assumptions was as follows (assuming in each case that the other assumptions are unchanged):

		Increase/(decrease) in obligation	
	Change in assumption +/-	Increase in assumption £m	Decrease in assumption £m
Pension plans			
Inflation rate	50 bp	78	(53)
Life expectancy	1 year	74	(74)
Discount rate	100 bp	(245)	304
Medical benefits			
Medical cost inflation	50 bp	3	(2)
Discount rate	100 bp	(7)	8

30 Provisions for other liabilities and charges

	Insurance funds £m	Restructuring and closure provisions £m	Other provisions £m	Total £m
At 31 March 2014 – Restated*	6	2	14	22
Provided in the year	4	–	–	4
Released in the year	–	–	–	–
Utilised in the year	(1)	(1)	(1)	(3)
Exchange and other movements	(2)	–	–	(2)
At 31 March 2015	**7**	**1**	**13**	**21**

	At 31 March	
	2015 £m	Restated* 2014 £m
Provisions are expected to be utilised as follows:		
– within one year	**13**	13
– after more than one year	**8**	9
Total	**21**	22

Insurance funds represent amounts provided by the Group's captive insurance subsidiary in respect of the expected level of insurance claims. These provisions are expected to be utilised within five years.

Restructuring and closure provisions relate to restructuring within the Group and are expected to be utilised within five years.

Other provisions primarily relate to Group legal matters and previously disposed businesses and are expected to be utilised within five years.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

Notes to the Consolidated Financial Statements continued

31 Change in working capital

Continuing operations	Year ended 31 March 2015 £m	Restated* 2014 £m
Decrease in inventories	**6**	44
(Increase)/decrease in receivables	**(9)**	34
Increase/(decrease) in payables	**1**	(56)
Increase/(decrease) in derivative financial instruments (excluding debt-related derivatives)	**13**	(3)
Decrease in provisions for other liabilities and charges	**(3)**	(4)
Decrease in working capital	**8**	15

32 Cash and cash equivalents

	At 31 March 2015 £m	Restated* 2014 £m
Cash at bank and in hand	**108**	191
Short-term bank deposits	**87**	155
Total	**195**	346

Presented in the financial statements as follows:

	At 31 March 2015 £m	Restated* 2014 £m
Cash and cash equivalents	**195**	346
Total	**195**	346

The effective interest rate on short-term deposits was 0.3% (2014 – 0.3%), with an average maturity of three days (2014 – four days).

The carrying amount of cash and cash equivalents are denominated in the following currencies:

	At 31 March 2015 £m	Restated* 2014 £m
Euro	**31**	33
US dollar	**107**	238
Sterling	**29**	52
Other	**28**	23
Total	**195**	346

33 Net debt

Reconciliation of the (decrease)/increase in cash and cash equivalents to the movement in net debt:

	Year ended 31 March 2015 £m	Restated* 2014 £m
Net (decrease)/increase in cash and cash equivalents	**(170)**	68
Net decrease in borrowings	**43**	44
Decrease in net debt resulting from cash flows	**(127)**	112
Fair value and other movements	**1**	–
Debt acquired on acquisition of subsidiaries	**(5)**	(3)
Currency translation differences	**(39)**	37
Movement in share of net cash in joint ventures	**19**	(20)
(Increase)/decrease in net debt in the year	**(151)**	126
Net debt at beginning of year	**(353)**	(479)
Net debt at end of year	**(504)**	(353)

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

33 Net debt continued

Movements in the Group's net debt are as follows:

	Cash and cash equivalents £m	Borrowings and finance leases: Current £m	Borrowings and finance leases: Non-current £m	Debt related derivatives £m	Net cash of joint ventures £m	Total £m
At 1 April 2013 – Restated*	305	(58)	(816)	38	52	(479)
Decrease/(increase) resulting from cash flows	68	40	4	–	(18)	94
Fair value and other movements	–	–	21	(21)	–	–
Reclassification	–	(304)	304	–	–	–
Debt acquired on acquisition of subsidiaries	–	(3)	–	–	–	(3)
Currency translation differences	(27)	2	50	12	(2)	35
At 31 March 2014 – Restated*	346	(323)	(437)	29	32	(353)
(Increase)/decrease resulting from cash flows	(170)	40	3	–	26	(101)
Fair value movements/other	–	6	(1)	(4)	–	1
Reclassification	–	–	–	–	–	–
Debt acquired on acquisition of subsidiaries	–	(4)	(1)	–	–	(5)
Currency translation differences	19	(24)	(27)	(7)	(7)	(46)
At 31 March 2015	**195**	**(305)**	**(463)**	**18**	**51**	**(504)**

Net debt is denominated in the following currencies:

	At 31 March **2015 £m**	At 31 March Restated* 2014 £m
Euro	**5**	9
US dollar	**(530)**	(397)
Sterling	**(5)**	32
Other	**26**	3
Total	**(504)**	(353)

34 Contingent liabilities

Trade guarantees

	At 31 March **2015 £m**	At 31 March 2014 £m
Trade guarantees	**–**	1

No trade guarantees have been given in the normal course of business by the Group as at 31 March 2015 (2014 – £1 million). The guarantees outstanding as at 31 March 2014 were in respect of Revenue and Customs, ECGD recourse agreements, letters of credit and tender and performance bonds.

Sale of EU Sugars

As previously announced, American Sugar Holdings (ASR) raised a number of claims totalling in the region of £40 million that it believes it has under the Share and Business Sale Agreement relating to its acquisition of the Group's EU Sugars business in September 2010. These claims in large part relate to the turbulence in the supply of raw sugar to the EU during the period prior to closing and the increase in certain rolling re-export commitments of the business. Some, but not all, of these issues were considered in the expert adjudication on the closing accounts in which, as noted in the 2012 Annual Report, the expert strongly supported Tate & Lyle's position. ASR (through its subsidiary T&L Sugars Limited) has commenced formal proceedings in respect of these claims which the Group intends to defend vigorously. A trial of these proceedings was held in the Commercial Court in London in early May 2015, with the judge's verdict expected later in the year.

Other claims

The Group is subject to claims and litigation generally arising in the ordinary course of its business, some of which are for substantial amounts. All such actions are strenuously defended but provision is made for liabilities that are considered likely to arise on the basis of current information and legal advice and after taking into account the Group's insurance arrangements. While there is always uncertainty as to the outcome of any claim or litigation, it is not expected that claims and litigation existing at 31 March 2015 will have a material adverse effect on the Group's financial position.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

Notes to the Consolidated Financial Statements continued

35 Commitments

Capital commitments

	At 31 March 2015 £m	At 31 March Restated* 2014 £m
Commitments for the purchase of intangible assets	**4**	1
Commitments for the purchase of property, plant and equipment	**71**	36
Total	**75**	37

Operating lease arrangements

Operating lease payments represent rentals payable by the Group for certain of its land, buildings, plant and equipment. Certain operating lease agreements allow for renewal at the end of the original term at the option of the Group.

At the period-end date, the Group has outstanding commitments under non-cancellable operating leases which fall due as follows:

	At 31 March 2015 £m	At 31 March Restated* 2014 £m
Within one year	**20**	21
Between one year and five years	**70**	68
After five years	**104**	85
Total	**194**	174

36 Acquisitions and disposals

Year ended 31 March 2015

Acquisitions

On 1 August 2014, the Group completed its acquisition of the trade and assets of Winway Biotechnology Nantong Co., Ltd, a polydextrose producer in China. Total consideration was £8 million, of which £2 million has been deferred in escrow as security against a number of general warranties and representations detailed in the acquisition agreement. The provisionally determined fair value of net assets acquired totalled £5 million, with provisional goodwill of £3 million recognised.

On 4 December 2014, the Group acquired a 90% equity interest in Gemacom Tech Indústria E Comércio S.A., a leading Food Systems business in Brazil. The new venture, Tate & Lyle Gemacom (Gemacom), provides the Group with local infrastructure and capabilities to accelerate the growth of its Food Systems business in Brazil. At the acquisition date, the Group entered into put and call option arrangements, whereby at a future date it could be required to purchase, or could itself opt to purchase the remaining 10% equity interest in the company for a fixed £3 million option price (present value £2 million). In addition, deferred cash consideration of £9 million which is payable at the end of five years from acquisition date had been recognised at its present value of £6 million. No non-controlling interest was recognised as the risks and rewards of the ownership had been assumed by the Group. Contingent consideration of £2 million in relation to the expected profit share payable to the minority shareholders over five years from the acquisition date has been recognised, representing the present value of the relevant share of forecast profits of Gemacom for the next five years. Therefore, total consideration was £27 million (consisting of cash consideration of £19 million, deferred consideration of £6 million, and contingent consideration of £2 million). The contingent consideration has been disclosed as a 'Level 3' financial instrument (see Note 18). The fair value of net assets acquired totalled £5 million, with provisional goodwill of £24 million recognised.

	Winway £m	Gemacom £m	2015 £m
Cash consideration	8	19	27
Deferred consideration	–	6	6
Contingent consideration	–	2	2
Total consideration	8	27	35
Add: Liability recognised in respect of put option	–	2	2
Less: Net assets acquired	(5)	(5)	(10)
Provisional goodwill	3	24	**27**
Cash flows:			
Cash consideration paid	8	19	27
Cash acquired	–	(1)	(1)
Cash outflow on acquisitions	8	18	**26**

Goodwill recognised during the year was attributable to the broadening of the Group's product offering and other synergies expected to be achieved with the Group's existing businesses. None of the goodwill arising on these acquisitions is currently tax deductible.

Businesses acquired during the year contributed sales of £8 million and profit before tax of £nil to the Group's results. Had they been acquired at the beginning of the year, the Group's financial results would not have been materially different.

Acquisition related costs were around £1 million.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

36 Acquisitions and disposals continued

Year ended 31 March 2014

Acquisitions

On 17 May 2013, the Group acquired a 100% equity interest in Biovelop, an early-stage Swedish manufacturer of oat beta glucan. The acquisition broadened the Group's health and wellness offering and added an oat-based 'clean label', speciality fibre with strong health claims to its existing corn-based portfolio.

On 8 October 2013, the Group acquired a 51% equity interest in Jiangsu Howbetter Food Co., Ltd, a leading Food Systems business in China. The new venture, Tate & Lyle Howbetter, provides the Group with local infrastructure and capabilities to accelerate the growth of its Food Systems business in China. At the acquisition date, the Group entered into put and call option arrangements whereby at a future date it could be required to purchase, or could itself opt to purchase, the 49% non-controlling interest in Tate & Lyle Howbetter for an amount in cash based on the future results of that business. The Group initially recognised a liability of £2 million in relation to the put option and a corresponding debit to equity attributable to owners of the Company reflecting the non-controlling interests of the minority shareholders. Aggregate goodwill of £10 million was recognised on business combinations during the year which was determined as follows:

	Biovelop £m	Howbetter £m	2014 £m
Cash consideration	12	3	15
Non-controlling interests (share of net assets acquired)	–	1	1
Less: Net assets acquired	(4)	(2)	(6)
Goodwill	8	2	10

Cash flows:			
Cash consideration paid	12	3	15
Cash outflow on acquisitions	12	3	15

Goodwill recognised during the year was attributable to the broadening of the Group's product offering and other synergies expected to be achieved with the Group's existing businesses. None of the goodwill recognised during the year is expected to be deductible for tax purposes.

Business acquired during the year contributed revenue of £2 million and a loss before tax of £2 million to the Group's results. Had they been acquired at the beginning of the year, their contribution to the Group's results would not have been materially different.

Acquisition-related costs were less than £1 million.

Disposal

On 31 May 2013, the on-sale by the acquirer of Orsan (a monosodium glutamate producer in which Tate & Lyle held a stake that was sold in 2009) resulted in a one-off operating gain of £3 million.

37 Events after the reporting period

Major business re-alignment

Re-alignment of Eaststarch European joint venture

On 21 April 2015, the Group announced the exit from the substantial part of its European Bulk Ingredients business. Tate & Lyle and Archer Daniels Midland Company (ADM) signed an agreement to re-align Eaststarch C.V. (Eaststarch), their joint venture corn wet milling business in Europe in which each owns a 50% equity share. Eaststarch owns and operates three corn wet mills located in Slovakia, Bulgaria and Turkey, and has a 50% equity share in Europe's largest corn wet mill in Hungary. Tate & Lyle will:

- Acquire full ownership of the plant in Slovakia
- Exit the predominantly Bulk Ingredients plants in Bulgaria, Turkey and Hungary which will be acquired by ADM
- Receive a cash sum of €240 million at closing, subject to customary closing adjustments, including for net cash and working capital, and an additional payment of up to €20 million in 2019 conditional on future corn and sugar pricing
- Continue to supply its European customers with crystalline fructose, a speciality sweetener, by being appointed as distributor for crystalline fructose produced from the plant in Turkey under a long-term agreement
- Appoint ADM as exclusive agent for Bulk Ingredients produced from the plant in Slovakia and Tate & Lyle's wholly-owned corn wet mill in the Netherlands under a long-term agreement.

Completion is conditional upon regulatory clearances which are expected in the summer. Net cash proceeds from this agreement to be received by Tate & Lyle will be retained to provide flexibility to invest for growth in Speciality Food Ingredients. In the year ended 31 March 2015, Eaststarch had adjusted operating profit of £83 million, 23% lower than in 2014 reflecting lower EU sugar prices. The pro-forma impact on the adjusted income statement for 2015 (assuming the transaction occurred at 1 April 2014) is disclosed as additional financial information on page 158.

Notes to the Consolidated Financial Statements continued

37 Events after the reporting period continued

Re-focus and restructure SPLENDA® Sucralose

On 21 April 2015, the Group announced that it had decided to consolidate SPLENDA® Sucralose production into its facility in the US, and close its Singapore facility by Spring 2016.

Exceptional cost impact of the business re-alignment

The re-structuring of the European Bulk Ingredients business is expected to give rise to a pre-tax exceptional profit on disposal of approximately £60 million subject to exchange rate movements and the timing of completion.

In total, exceptional charges of up to around £185 million will be recognised from these business re-alignment actions. These include charges of £118 million recognised in the year ended 31 March 2015, and a further exceptional charge to be recognised in the year ending 31 March 2016 of around £65 million. These exceptional charges consist of:

- An exceptional charge of around £163 million for the re-structuring of the SPLENDA® Sucralose business. This consists of £113 million for the impairment of the full carrying value of the Singapore facility recognised in the year ended 31 March 2015. The impairment charge comprises a full write-down of the property, plant and equipment (£108 million) and associated intangible assets (£5 million). Anticipated cash closure costs of up to £50 million will be recognised in the year ending 31 March 2016.
- An exceptional charge of up to £20 million in relation to the restructuring of our European operations to be predominantly recognised in the year ending 31 March 2016. This consists of up to £15 million of anticipated exceptional cash costs (of which £5 million have been recognised in the year ended 31 March 2015) and around £5 million of non-cash items.

38 Related party disclosures

Identity of related parties

The Group has related party relationships with its subsidiaries, joint ventures and associates, the Group's pension schemes and with key management being its directors and executive officers. No related party transactions with close family members of the Group's key management occurred in the current or comparative year.

Subsidiaries, joint ventures and associates

Transactions entered into by the Company with subsidiaries and between subsidiaries as well as the resultant balances of receivables and payables are eliminated on consolidation and are not required to be disclosed. Transactions and balances with and between joint ventures are as shown below. There are no such transactions with associates.

	Year ended 31 March	
Continuing operations	**2015 £m**	Restated* 2014 £m
Sales of goods and services		
– to joint ventures	**142**	154
Purchases of goods and services		
– from joint ventures	**265**	304

	At 31 March	
	2015 £m	Restated* 2014 £m
Receivables		
– due from joint ventures	**24**	10
Payables		
– due to joint ventures	**16**	21
Financing		
– loans to joint ventures	**–**	8
– deposits from joint ventures	**40**	12

The Group had no material related party transactions containing unusual commercial terms

The Group provides guarantees in respect of banking facilities of a joint venture totalling £8 million (2014 – £9 million).

Key management compensation

Key management compensation is disclosed in Note 8.

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

39 Currency exchange rates

The principal exchange rates used to translate the results, assets and liabilities and cash flows of the Group's foreign operations into pounds sterling were as follows:

	Year ended 31 March	
	2015 **£1 =**	2014 £1 =
Average rate		
US dollar	**1.61**	1.59
Euro	**1.28**	1.19

	At 31 March	
	2015 **£1 =**	2014 £1 =
Year-end rate		
US dollar	**1.49**	1.67
Euro	**1.38**	1.21

40 Subsidiaries, joint ventures and associates

Subsidiaries based in the United Kingdom[1]

Company	Type of business	Percentage of equity attributable to Tate & Lyle PLC
Astaxanthin Manufacturing Limited	Dormant	100
Cesalpinia (UK) Limited	Dormant	100
G.C. Hahn and Company Limited	Blending	100
Hahntech International Limited	Dormant	100
Harvey Steel Sugars Limited[2]	Dormant	100
Histonpark Limited	Dormant	100
Robinson Milling Systems (Tewkesbury) Limited	Dormant	100
T.L.S.S. Pension Nominees Limited	Dormant	100
Tate & Lyle Group Services Limited	Holding company	100
Tate & Lyle Holdings Americas Limited	Holding company	100
Tate & Lyle Holdings Limited[2]	Dormant	100
Tate & Lyle Industrial Holdings Limited[2]	Dormant	100
Tate & Lyle Industries Limited	Holding company	100
Tate & Lyle International Finance PLC[2]	In-house treasury company	100
Tate & Lyle Investments (Gulf States) Limited	Dormant	100
Tate & Lyle Investments Brazil Limited	Holding company	100
Tate & Lyle Investments Limited[2]	Holding company	100
Tate & Lyle Overseas Limited	Dormant	100
Tate & Lyle Pension Trust Limited[2]	Pension company	100
Tate & Lyle Share Shop Limited[2]	Dormant	100
Tate & Lyle Technology Limited[2]	Holding company	100
Tate & Lyle Trading & Developments Limited[2]	Dormant	100
Tate & Lyle UK Limited[2]	Holding company	100
Tate & Lyle Ventures II LP	Holding company	100
Tate & Lyle Ventures Limited[2]	Holding company	100
Tate & Lyle Ventures LP	Holding company	100
Tate & Lyle LLC	Holding company	100

1 Registered in England and Wales, except Tate & Lyle LLC which is registered in Delaware, US.
2 Direct subsidiaries of Tate & Lyle PLC.

Notes to the Consolidated Financial Statements continued

40 Subsidiaries, joint ventures and associates continued

Subsidiaries operating overseas

Country of incorporation or registration	Company	Type of business	Percentage of equity attributable to Tate & Lyle PLC
Argentina	Tate & Lyle Argentina SA	SFI distribution and sales support	100
Australia	Tate & Lyle ANZ Pty Limited	Food systems production and SFI distribution	100
Belgium	Tate & Lyle Services (Belgium) N.V.[2]	Internal service provider	100
Bermuda	Tate & Lyle Management & Finance Limited	Internal service provider	100
Brazil	Tate & Lyle Brasil S.A.[1]	Citric acid production and SFI distribution	100
	G.C. Hahn & Co. do Brasil Estabilizantes e Tecnologia para Alimentos Ltda	Dormant	100
	Tate & Lyle Holdings Brasil LTDA	Holding company	100
	Tate & Lyle Gemacom Tech Ltda	Food systems production and sales	90
Canada	Tate & Lyle Ingredients Canada Limited	SFI sales support	100
Chile	Tate & Lyle Chile Commercial Ltda	SFI distribution and sales support	100
China	Tate & Lyle Trading (Shanghai) Co. Ltd[1]	SFI distribution and sales support	100
	G.C. Hahn & Co. Food Stabilizer Business (Shanghai) Ltd[1]	Food systems sales	100
	Tate & Lyle Howbetter Co. Ltd[1]	Food systems production	51
	Tate & Lyle Food Ingredients (Nantong) Company Limited	Polydextrose production	100
Colombia	Tate & Lyle Colombia S.A.S	SFI distribution and sales support	100
Croatia	G.C. Hahn & Co. d.o.o. Za distribuciju stabilizacionihsistema	Food systems sales	100
Czech Republic	G.C. Hahn & Co. Stabilizacni technika, s.r.o.	Food systems sales	100
Egypt	Tate & Lyle Egypt LLC	Dormant	100
France	G.C. Hahn & Cie. S.A.R.L.	Food systems sales	100
	Tate & Lyle Ingredients France S.A.S.	Research and development centre	100
Germany	G.C. Hahn & Co. Stabilisierungstechnik GmbH	Food systems production	100
	G.C. Hahn & Co. Cooperationsgeschaft mbH	Holding company	100
	HAHN International GmbH	Dormant	100
	HL Handelskontor GmbH	Dormant	100
	Tate & Lyle Germany GmbH	BI and SFI sales support	100
Gibraltar	Tate & Lyle Insurance (Gibraltar) Limited	Reinsurance	100
Greece	Tate & Lyle Greece S.A.	BI distribution and SFI sales support	95
India	Tate & Lyle Investments (India) Private Ltd	Dormant	100
Israel	Tate & Lyle Israel Limited	Dormant	100
	Gamtal Foods Ltd	Dormant	65
Italy	Tate & Lyle Italia S.P.A.	Food systems production and SFI sales support	100
Japan	Tate & Lyle Japan KK	SFI distribution	100
Lithuania	UAB G.C. Hahn & Co.	Food systems sales	100
Mexico	Tate & Lyle Mexico, S. de R.L. de C.V.	SFI distribution and sales support	100
	Mexama, S.A. de C.V.	Dormant	65
	Talo Services	Internal service provider	100
Morocco	Tate & Lyle Morocco SA	BI and SFI production	100
Netherlands	Nederlandse Glucose Industrie B.V.	Holding company	100
	Tate & Lyle Netherlands B.V.	BI and SFI production	100
	Tate & Lyle Biomaterials Europe B.V.	Dormant	100
Poland	G.C. Hahn & Co. Technika stabilizowania Sp.z.o.o.	Dormant	100
	Tate & Lyle Global Shared Services Sp.z.o.o.	Internal service provider	100
	Tate & Lyle Poland Sp.z o.o.	BI & SFI sales support	100
Russian Federation	OOO Hahntech Service[1]	Food systems sales	100
Slovakia	Tate & Lyle Slovakia, s.r.o.	Internal service provider	100
Singapore	Tate & Lyle Singapore Pte Ltd	Sucralose production	100
	Tate & Lyle Singapore Holdings Pte Ltd	Holding company	100
	Tate & Lyle Singapore WWT Pte. Ltd.	Internal service provider	100
South Africa	Tate & Lyle South Africa Proprietary Limited	Food systems production and SFI distribution	100

40 Subsidiaries, joint ventures and associates continued

Country of incorporation or registration	Company	Type of business	Percentage of equity attributable to Tate & Lyle PLC
Spain	G.C. Hahn Estabilizantes y Tecnologia para Alimentos	Food systems sales	100
	Ebromyl S.L.	Dormant	100
	Talan Iberica SA	Dormant	100
Sweden	Tate & Lyle Sweden AB	Oat protein and Beta Glucan production	100
Ukraine	PII G.C. Hahn & Co. Kiev[1]	Food systems sales	100
United Arab Emirates	Tate & Lyle DMCC	Food systems and SFI sales support	100
US	Staley Holdings LLC	Holding company	100
	Tate & Lyle Custom Ingredients LLC	Food systems production	100
	Tate & Lyle Finance LLC	In-house finance	100
	TLHUS, Inc.	Holding company	100
	Tate & Lyle Ingredients Americas LLC	BI and SFI production	100
	Tate & Lyle Sucralose LLC	Sucralose production	100
	TLI Holding LLC	In-house finance	100
	Tate & Lyle Domestic International Sales Corporation	Internal service provider	100
	Tate & Lyle Grain, Inc.	Grain products	100
	Tate & Lyle Malic Acid LLC	Dormant	100
	Tate & Lyle Sugar Holdings, Inc.	Holding company	100
	Tate & Lyle Americas LLC	Internal service provider	100
	Tate & Lyle Citric Acid LLC	Citric acid production	100
	Staley International Inc.	Cereal sweeteners & starches	100
	G.C. Hahn USA LLC	Dormant	100

1 Non-coterminous year end.
2 Direct subsidiaries of Tate & Lyle PLC.

Joint ventures

Country of incorporation or registration	Company	Type of business	Percentage of equity attributable to Tate & Lyle PLC
Austria	Eaststarch Austria GmbH[1]	Internal service provider	50
Bulgaria	Amylum Bulgaria Marketing and Logistics EOOD[1]	Dormant	50
	Amylum Bulgaria EAD[1,2]	BI and SFI production	50
Hungary	Hungrana Kft[1,2]	BI and SFI production	25
	Greenpower E85[1]	BI and SFI production	25
	Hungranatrans Kft[1]	BI and SFI production	25
	SzSzV Kft[1]	Holding company	25
Mexico	Almidones Mexicanos SA[2]	BI and SFI production	50
	Promotora de Productos y Mercados Mexicanos, S.A. de C.V.	BI and SFI production	50
Netherlands	Eaststarch C.V.	Holding company	50
	Eastern Sugar B.V.	Holding company	50
Romania	Amylum Romania S.R.L.[1]	BI and SFI sales support	50
Slovakia	Amylum Slovakia spol s.r.o.[1]	BI and SFI production	50
	Eastern Sugar s.r.o.	Dormant	50
	Eastern Sugar Slovensko, a.s. v likvidacii	Dormant	50
Turkey	Amylum Nisasta Sanayi Ve Ticaret Anonim Sireketi[1]	BI and SFI production	50
US	DuPont Tate & Lyle Bio Products Company, LLC	Industrial ingredients	50

1 Share capital held by Eaststarch C.V.
2 Non-coterminous year end.

Notes to the Consolidated Financial Statements continued

40 Subsidiaries, joint ventures and associates continued

Associates

Country of incorporation or registration	Company	Type of business	Percentage of equity attributable to Tate & Lyle PLC
Thailand	Tapioca Development Corporation[1]	Starch production	33.3

1 Indirect associate of Tate & Lyle PLC.

The results, assets and liabilities and cash flows of those entities whose financial years are not coterminous with that of the Group are consolidated in the Group's financial statements on the basis of management accounts for the year to 31 March.

41 Reconciliation of adjusted performance measures

For the reasons set out in Note 1, Tate & Lyle presents adjusted performance measures including adjusted sales, adjusted operating profit, adjusted profit before tax and adjusted earnings per share. Reported measures are also adjusted to reflect the presentation of Group financial information on a proportionate consolidation basis. For periods presented, these adjusted performance measures exclude, where relevant, exceptional items, the amortisation of acquired intangible assets, net retirement benefit interest, and tax on those adjustments.

The following table shows the reconciliation of the adjusted performance measures to the most directly comparable measures presented in accordance with IFRS.

	Year ended 31 March 2015			Restated* Year ended 31 March 2014		
£m (unless otherwise stated)	**Reported**	**Adjusting items**	**Adjusted**	Reported	Adjusting items	Adjusted
Continuing operations						
Sales	**2 356**	**338**	**2 694**	2 754	393	3 147
Operating profit	**33**	**214**	**247**	251	98	349
Net finance expense	**(31)**	**8**	**(23)**	(35)	8	(27)
Profit after tax of joint ventures and associates	**49**	**(49)**	**–**	61	(61)	–
Profit before tax	**51**	**173**	**224**	277	45	322
Income tax expense	**(21)**	**(27)**	**(48)**	(32)	(28)	(60)
Non-controlling interests	**–**	**–**	**–**	–	–	–
Profit attributable to owners of the Company	**30**	**146**	**176**	245	17	262
Basic earnings per share	**6.6p**	**31.4p**	**38.0p**	52.8p	3.7p	56.5p
Diluted earnings per share	**6.5p**	**31.2p**	**37.7p**	52.1p	3.6p	55.7p
Effective tax rate	**40.5%**		**21.2%**	11.6%		18.5%
Discontinued operations						
Income tax credit	**–**	**–**	**–**	28	(28)	–
Profit for the year	**–**	**–**	**–**	28	(28)	–
Non-controlling interests	**–**	**–**	**–**	–	–	–
Profit attributable to owners of the Company	**–**	**–**	**–**	28	(28)	–
Basic earnings per share	**–**	**–**	**–**	6.0p	(6.0)p	–
Diluted earnings per share	**–**	**–**	**–**	5.9p	(5.9)p	–
Total operations						
Sales	**2 356**	**338**	**2 694**	2 754	393	3 147
Operating profit	**33**	**214**	**247**	251	98	349
Net finance expense	**(31)**	**8**	**(23)**	(35)	8	(27)
Profit after tax of joint ventures and associates	**49**	**(49)**	**–**	61	(61)	–
Profit before tax	**51**	**173**	**224**	277	45	322
Income tax expense	**(21)**	**(27)**	**(48)**	(4)	(56)	(60)
Non-controlling interests	**–**	**–**	**–**	–	–	–
Profit attributable to owners of the Company	**30**	**146**	**176**	273	(11)	262
Basic earnings per share	**6.6p**	**31.4p**	**38.0p**	58.8p	(2.3)p	56.5p
Diluted earnings per share	**6.5p**	**31.2p**	**37.7p**	58.0p	(2.3)p	55.7p
Effective tax rate	**40.5%**		**21.2%**	1.5%		18.5%

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

41 Reconciliation of adjusted performance measures continued

The Group also continues to use proportionately consolidated cash flow financial information for management of the business. The following tables shows the reconciliation of the adjusted performance measures to the most directly comparable measures presented in accordance with IFRS.

	Year ended 31 March 2015			
	Reported £m	Eliminate equity accounting £m	Add proportionate consolidation £m	Reported pre IFRS 11 £m
Cash flows from operating activities				
Profit before tax from continuing operations	51	(49)	63	65
Adjustments for:				
Depreciation of property, plant and equipment	85	–	13	98
Amortisation of intangible assets	24	–	–	24
Exceptional items (non cash)	113	–	–	113
Other non-cash items	–	–	–	–
Finance income	(1)	–	–	(1)
Finance expense	32	–	–	32
Share of profit after tax of joint ventures and associates	(49)	49	–	–
Changes in working capital	8	–	(13)	(5)
Changes in net retirement benefit obligations	(47)	–	–	(47)
Cash generated from continuing operations	216	–	63	279
Interest paid	(30)	–	–	(30)
Net income tax paid	(7)	–	(11)	(18)
Net cash generated from operating activities	179	–	52	231
Cash flows from investing activities				
Purchase of property, plant and equipment	(121)	–	(11)	(132)
Purchase of intangible assets	(34)	–	–	(34)
Proceeds on disposal of property, plant and equipment	–	–	1	1
Acquisition of businesses, net of cash acquired	(26)	–	–	(26)
Disposal of businesses, net of cash disposed	–	–	–	–
Purchase of available-for-sale financial assets	(2)	–	–	(2)
Disposal of available-for-sale financial assets	2	–	–	2
Interest received	1	–	–	1
Dividends received from joint ventures and associates	16	–	(16)	–
Net cash used in investing activities	(164)	–	(26)	(190)
Cash flows from financing activities				
Purchase of own shares	(12)	–	–	(12)
Cash inflow from additional borrowings	278	–	(3)	275
Cash outflow from repayment of borrowings	(319)	–	(7)	(326)
Repayment of capital element of finance leases	(2)	–	–	(2)
Dividends paid to the owners of the Company	(130)	–	–	(130)
Net cash used in financing activities	(185)	–	(10)	(195)
Net decrease in cash and cash equivalents	(170)	–	16	(154)

Notes to the Consolidated Financial Statements continued

41 Reconciliation of adjusted performance measures continued

	Year ended 31 March 2014			
	Restated* £m	Eliminate equity accounting £m	Add proportionate consolidation £m	Reported pre IFRS 11 £m
Cash flows from operating activities				
Profit before tax from continuing operations	277	(61)	74	290
Adjustments for:				
Depreciation of property, plant and equipment	83	–	14	97
Amortisation of intangible assets	20	–	1	21
Share-based payments	8	–	–	8
Exceptional items	–	–	–	–
Other non-cash items	(6)	–	–	(6)
Finance income	(2)	–	–	(2)
Finance expense	37	–	–	37
Share of profit after tax of joint ventures and associates	(61)	61	–	–
Changes in working capital	15	–	23	38
Changes in net retirement benefit obligations	(43)	–	–	(43)
Cash generated from continuing operations	328	–	112	440
Interest paid	(33)	–	–	(33)
Net income tax paid	(9)	–	(14)	(23)
Net cash generated from operating activities	286	–	98	384
Cash flows from investing activities				
Purchase of property, plant and equipment	(102)	–	(12)	(114)
Purchase of intangible assets	(45)	–	–	(45)
Proceeds on disposal of property, plant and equipment	33	–	1	34
Acquisition of businesses, net of cash acquired	(15)	–	–	(15)
Disposal of businesses, net of cash disposed	3	–	–	3
Purchase of available-for-sale financial assets	(4)	–	–	(4)
Disposal of available-for-sale financial assets	2	–	–	2
Interest received	2	–	–	2
Dividends received from joint ventures and associates	105	–	(105)	–
Net cash used in investing activities	(21)	–	(116)	(137)
Cash flows from financing activities				
Purchase of own shares	(29)	–	–	(29)
Cash inflow from additional borrowings	8	–	(4)	4
Cash outflow from repayment of borrowings	(50)	–	4	(46)
Repayment of capital element of finance leases	(2)	–	–	(2)
Dividends paid to the owners of the Company	(124)	–	–	(124)
Net cash used in financing activities	(197)	–	–	(197)
Net increase in cash and cash equivalents	68	–	(18)	50

* Restated for the adoption of IFRS 11 'Joint Arrangements' (see Note 42).

42 Adoption of IFRS 11 'Joint Arrangements'

With effect from 1 April 2014, the Group adopted IFRS 11 'Joint Arrangements' which changed significantly the accounting for its interests in joint ventures. Before adoption of the standard, the Group's interests in joint ventures were accounted for by proportionate consolidation, whereby the Group's share of the income and expenses, assets and liabilities and cash flows of joint ventures were combined on a line-by-line basis with those of Tate & Lyle PLC and its subsidiaries. IFRS 11 prohibits the use of proportionate consolidation and requires that joint ventures are accounted for using the equity method of accounting. Under the equity method of accounting, the Group's share of the after tax profits and losses of the joint ventures has been shown on one line of the consolidated income statement, its share of their net assets has been shown on one line of the consolidated statement of financial position and the consolidated statement of cash flows reflects cash flows between the Group and the joint ventures within cash flows from investing activities. While these changes have not affected the Group's earnings or its net assets, they have affected many of the individual line items presented in the Group's financial statements. In accordance with IAS 1, the Group has also presented a third statement of financial position (as at 1 April 2013) following the adoption of this accounting policy.

Comparative financial information for 2014 has been restated to adopt the new standard. An analysis of the effect of the impact on the Group's results for 2015 and 2014 is presented below:

	Year ended 31 March 2015			
	Under previous policy £m	Elimination of proportionate consolidation £m	Adoption of equity accounting £m	As reported £m
Consolidated profit or loss and comprehensive income				
Year ended 31 March 2015				
Continuing operations				
Sales	2 694	(338)	–	2 356
Operating profit	96	(63)	–	33
Finance income	1	–	–	1
Finance expense	(32)	–	–	(32)
Share of profit after tax of joint ventures and associates	–	–	49	49
Profit before tax	65	(63)	49	51
Income tax expense	(35)	14	–	(21)
Profit from continuing operations	30	(49)	49	30
Profit from discontinued operations	–	–	–	–
Profit for the year	30	(49)	49	30
Other comprehensive expense	(2)	18	(18)	(2)
Total comprehensive income	28	(31)	31	28
Consolidated cash flows				
Year ended 31 March 2015				
Net cash inflow from operating activities	231	(52)	–	179
Net cash outflow from investing activities	(190)	26	–	(164)
Net cash outflow from financing activities	(195)	10	–	(185)
Net cash inflow	(154)	(16)	–	(170)
Consolidated assets and liabilities				
At 31 March 2015				
Non-current assets	1 378	(124)	239	1 493
Current assets	1 102	(172)	–	930
Total assets	2 480	(296)	239	2 423
Total equity	936	(239)	239	936
Non-current liabilities	790	(7)	–	783
Current liabilities	754	(50)	–	704
Total equity and liabilities	2 480	(296)	239	2 423

Going forward, the Group will continue to present segment and adjusted financial information on a proportionate consolidation basis since this reflects the management of our joint ventures on an integrated basis with the Group's subsidiaries.

Notes to the Consolidated Financial Statements continued

42 Adoption of IFRS 11 'Joint Arrangements' continued

	Year ended 31 March 2014			
	Under previous policy £m	Elimination of proportionate consolidation £m	Adoption of equity accounting £m	As reported £m
Consolidated profit or loss and comprehensive income				
Year ended 31 March 2014				
Continuing operations				
Sales	3 147	(393)	–	2 754
Operating profit	325	(74)	–	251
Finance income	2	–	–	2
Finance expense	(37)	–	–	(37)
Share of profit after tax of joint ventures and associates	–	–	61	61
Profit before tax	290	(74)	61	277
Income tax expense	(45)	13	–	(32)
Profit from continuing operations	245	(61)	61	245
Profit from discontinued operations	28	–	–	28
Profit for the year	273	(61)	61	273
Other comprehensive expense	(113)	25	(25)	(113)
Total comprehensive income	160	(36)	36	160
Consolidated cash flows				
Year ended 31 March 2014				
Net cash inflow from operating activities	384	(98)	–	286
Net cash outflow from investing activities	(137)	116	–	(21)
Net cash outflow from financing activities	(197)	–	–	(197)
Net cash inflow	50	18	–	68
Consolidated assets and liabilities				
At 31 March 2014				
Non-current assets	1 319	(137)	224	1 406
Current assets	1 208	(146)	–	1 062
Total assets	2 527	(283)	224	2 468
Total equity	1 050	(224)	224	1050
Non-current liabilities	718	(6)	–	712
Current liabilities	759	(53)	–	706
Total equity and liabilities	2 527	(283)	224	2 468

Independent Auditors' Report to the Members of Tate & Lyle PLC

Report on the Parent Company financial statements

Our opinion

In our opinion, Tate & Lyle PLC's Parent Company financial statements (the 'financial statements'):

- give a true and fair view of the state of the Parent Company's affairs as at 31 March 2015;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Tate & Lyle PLC's financial statements comprise:

- the Parent Company Balance Sheet as at 31 March 2015; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other required reporting

Consistency of other information Companies Act 2006 opinion

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ISAs (UK & Ireland) reporting

Under International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)') we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Parent Company acquired in the course of performing our audit; or
- otherwise misleading.

We have no exceptions to report arising from this responsibility.

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Directors' remuneration report – Companies Act 2006 opinion

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other Companies Act 2006 reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Statement of Responsibilities set out on page 80, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Parent Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Parent Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other Matter

We have reported separately on the Group financial statements of Tate & Lyle PLC for the year ended 31 March 2015.

John Waters (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London
27 May 2015

(a) The maintenance and integrity of the Tate & Lyle PLC website (www.tateandlyle.com) is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Parent Company Balance Sheet

	Notes	2015 £m	2014 £m
		At 31 March	
Fixed assets			
Tangible fixed assets	2	**18**	13
Investments in subsidiary undertakings	3	**1 003**	999
Investment in associate	4	**1**	1
Total		**1 022**	1 013
Current assets			
Debtors	5	**1 586**	1 501
Cash at bank		**1**	1
		1 587	1 502
Creditors – amounts falling due within one year	6	**(1 635)**	(1 533)
Net current liabilities		**(48)**	(31)
Total assets less current liabilities		**974**	982
Creditors – amounts falling due after more than one year	7	**(2)**	(2)
Net assets		**972**	980
Capital and reserves			
Called up share capital	10	**117**	117
Share premium account	11	**406**	406
Capital redemption reserve	11	**8**	8
Profit and loss account	11	**441**	449
Total shareholders' funds		**972**	980

The Parent Company's financial statements on pages 150 to 155 were approved by the Board of Directors on 27 May 2015 and signed on its behalf by:

Javed Ahmed, Nick Hampton **Directors**

The Notes on pages 151 to 155 form part of these financial statements.

Tate & Lyle PLC

Registered number: 76535

Notes to the Parent Company Financial Statements

1 Principal accounting policies

Accounting basis
Tate & Lyle PLC (the Company) is a public limited company incorporated and domiciled in the United Kingdom. The Company's ordinary shares are listed on the London Stock Exchange.

The Company's financial statements are prepared under the historical cost convention in accordance with the Companies Act 2006 and applicable UK accounting standards.

The Company's principal accounting policies are unchanged compared with the year ended 31 March 2014.

For the reasons set out on page 33, the Company's financial statements are prepared on a going concern basis.

As permitted by Section 408(2) of the Companies Act 2006, the Company's profit and loss account and statement of total recognised gains and losses are not presented in these financial statements. Profit and loss account disclosures are presented in Note 14.

Tangible fixed assets
Tangible fixed assets are stated at historical purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on a straight-line basis to write off the cost of tangible fixed assets over their estimated useful life. Tangible fixed assets comprise furniture, fixtures, fittings and computer software which are depreciated over a period of five to ten years. Impairment reviews are undertaken if there are indications that the carrying values may not be recoverable.

Investments
An undertaking is regarded as a subsidiary undertaking if the Company has control over its operating and financial policies.

An undertaking is regarded as an associate if the Company holds a participating interest and has significant influence, but not control, over its operating and financial policies. Significant influence generally exists where the Company holds more than 20% and less than 50% of the shareholders' voting rights.

Investments in subsidiary undertakings and in associates represent interests that are directly owned by the Company and are stated at cost less amounts written-off for any permanent diminution in value.

Amounts owed by or to subsidiary undertakings
Amounts owed by or to subsidiary undertakings are stated at amortised cost using the effective interest method. Amounts owed by subsidiary undertakings are written off where deemed unrecoverable.

Research and development
All expenditure on research and development is charged to the profit and loss account when incurred.

Leases
Operating lease payments are charged to the profit and loss account on a straight-line basis over the lease term.

Retirement benefits
The Company participates in a defined benefit pension scheme in which certain of its subsidiaries also participate. The Company, which is not the principal employer, cannot identify its share of the underlying assets and liabilities of the scheme. Accordingly, as permitted by FRS 17 *Retirement Benefits*, the Company accounts for the scheme as a defined contribution scheme and charges its contributions to the scheme to the profit and loss account in the periods in which they fall due.

Deferred tax
Deferred tax is recognised on a discounted full provision basis on timing differences between the recognition of gains and losses in the financial statements and their recognition for tax purposes that have arisen but not reversed at the balance sheet date. Deferred tax is not recognised on permanent differences or on timing differences arising on unremitted profits of overseas subsidiaries. Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be sufficient future taxable profits to permit tax relief of the underlying timing differences.

Foreign currency translation
Transactions denominated in foreign currencies are translated into pounds sterling at the exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into pounds sterling at the exchange rate ruling on the balance sheet date. Currency translation differences are credited or charged to the profit and loss account.

Non-monetary assets denominated in foreign currencies are not usually retranslated. An investment in an overseas subsidiary undertaking or associate is, however, retranslated if it is financed by foreign currency borrowings and the borrowings are designated as a hedging instrument in relation to the investment. If this is the case, the resulting translation gain or loss on the investment is recognised in the profit and loss account where, to the extent that the hedge is effective, it will be offset by the translation gain or loss on the related borrowings.

Share-based incentives
As described in Note 25 to the Group financial statements, the Company operates share-based incentive plans under which it grants awards over its ordinary shares to its own employees and to those of its subsidiary undertakings. All of the awards granted under the existing plans are classified as equity-settled awards.

For awards granted to its own employees, the Company recognises an expense that is based on the fair value of the awards measured at the grant date using the Black-Scholes option pricing formula. Fair value reflects any market performance conditions and all non-vesting conditions. Adjustments are made to the compensation expense to reflect actual and expected forfeitures due to failure to satisfy service conditions or non-market performance conditions.

Generally, the expense is recognised in the profit and loss account on a straight-line basis over the vesting period and a corresponding credit is recognised in the profit and loss account reserve.

For awards granted to employees of its subsidiary undertakings, the Company recognises a capital contribution to the subsidiary and a corresponding credit to equity calculated on the same basis as the expense that it recognises for awards to its own employees.

Provisions
Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Guarantees
From time to time, the Company provides guarantees to third parties in respect of the indebtedness of its subsidiary undertakings and joint ventures. The Directors consider these guarantees to be insurance arrangements and, therefore, the Company recognises a liability in respect of such guarantees only in the event that it becomes probable that the guarantee will be called upon and the Company will be required to make a payment to the third party.

Own shares
Own shares represent the Company's ordinary shares that are held by the Company in treasury or by a sponsored Employee Benefit Trust that are used to satisfy awards made under the Company's share-based incentive plans. When own shares are acquired, the cost of purchase in the market is deducted from the profit and loss account reserve. Gains or losses on the subsequent transfer or sale of own shares are also recognised in the profit and loss account reserve.

Dividends
Dividends on the Company's ordinary shares are recognised when they have been appropriately authorised and are no longer at the Company's discretion. Accordingly, interim dividends are recognised when they are paid and final dividends are recognised when they are declared following approval by shareholders at the Company's AGM. Dividends are recognised as an appropriation of shareholders' funds. Details of dividends paid and proposed are set out in Note 12.

Notes to the Parent Company Financial Statements continued

2 Tangible fixed assets

	£m
Cost	
At 1 April 2014	17
Additions	6
At 31 March 2015	**23**
Accumulated depreciation	
At 1 April 2014	4
Charge for the year	1
At 31 March 2015	**5**
Net book value at 31 March 2014	13
Net book value at 31 March 2015	**18**

3 Investments in subsidiary undertakings

	£m
Cost	
At 1 April 2014	1 563
Additions	11
Currency translation differences	(11)
At 31 March 2015	**1 563**
Impairment	
At 1 April 2014	564
Provision for impairment	6
Currency translation differences	(10)
At 31 March 2015	**560**
Net book value at 31 March 2014	999
Net book value at 31 March 2015	**1 003**

A list of the Company's principal subsidiaries is presented in Note 40 of the Group financial statements.

The provision for impairment during the year reflects an adjustment to the recoverable amount of the Company's investment in Tate & Lyle Services (Belgium) N.V. The directors believe that the carrying value of the investments is supported by the value of their underlying net assets.

During the year, the Company made capital contributions to subsidiary undertakings in respect of share-based incentive awards granted to their employees of £nil (2014 – £nil).

4 Investment in associate

The Company holds a 16.6% interest of ordinary shares in Tapioca Development Corporation, a company incorporated in Thailand.

5 Debtors

	At 31 March	
	2015 £m	2014 £m
Due within one year		
Amounts owed by subsidiary undertakings	**1 584**	1 495
Other debtors	**2**	6
Total	**1 586**	1 501

The effective interest rate applicable to amounts owed by subsidiary undertakings at 31 March 2015 is 2.2% (2014 – 2.1%). Amounts owed by subsidiary undertakings are receivable on demand. There is no security for non-trading amounts.

6 Creditors – amounts falling due within one year

	At 31 March 2015 £m	2014 £m
Amounts owed to subsidiary undertakings	**1 623**	1 518
Other creditors	**4**	6
Accruals and deferred income	**8**	9
Total	**1 635**	1 533

The effective interest rate applicable to amounts owed to subsidiary undertakings at 31 March 2015 was 2.3% (2014 – 2.2%). Amounts owed to subsidiary undertakings are repayable on demand. There is no security for non-trading amounts.

7 Creditors – amounts falling due after more than one year

	At 31 March 2015 £m	2014 £m
Preference shares	**2**	2
Total	**2**	2

On a return of capital on a winding-up, the holders of 6.5% cumulative preference shares shall be entitled to £1 per share, in preference to all other classes of shareholders. Holders of these shares are entitled to vote at meetings, except on the following matters: any question as to the disposal of the surplus profits after the dividend on these shares has been provided for; the election of directors; their remuneration; any agreement between the directors and the Company; or the alteration of the Articles of Association dealing with any such matters.

8 Contingent liabilities

At 31 March 2015, the Company had given guarantees in respect of loans and overdraft facilities of certain of its subsidiaries and joint ventures totalling £2,709 million (2014 – £1,535 million), against which amounts drawn totalled £1,743 million (2014 – £859 million). Other trade guarantees have been given in the normal course of business by Tate & Lyle PLC in respect of Revenue and Customs, ECGD recourse agreements, letters of credit, and tender and performance bonds.

9 Financial commitments

Operating lease rentals payable during the year were £1 million (2014 – £1 million), all in respect of land and buildings.

As at 31 March 2015, the Company had annual commitments under non-cancellable operating leases expiring as follows (all in respect of land and buildings):

	At 31 March 2015 £m	2014 £m
Within one year	**–**	–
Between one and five years	**–**	–
After five years	**1**	1
Total	**1**	1

At 31 March 2015, the Company had outstanding capital commitments of £nil (2014 – £nil).

Notes to the Parent Company Financial Statements continued

10 Called up share capital

Allotted, called up and fully paid equity share capital

	Year ended 31 March 2015		Year ended 31 March 2014	
	Shares	**£m**	Shares	£m
At 1 April	**468 202 883**	**117**	468 192 900	117
Allotted under share option schemes	**21 092**	**–**	9 983	–
At 31 March	**468 223 975**	**117**	468 202 883	117

11 Reconciliation of movements in shareholders' funds

	Called up share capital £m	Share premium account £m	Capital redemption reserve £m	Profit and loss account £m	Total £m
At 1 April 2013	117	406	8	611	1 142
Year ended 31 March 2014					
Loss for the year	–	–	–	(11)	(11)
Purchase of own shares	–	–	–	(29)	(29)
Share-based payments	–	–	–	2	2
Ordinary dividends paid (Note 12)	–	–	–	(124)	(124)
At 31 March 2014	117	406	8	449	980
Year ended 31 March 2015					
Profit for the year	**–**	**–**	**–**	**123**	**123**
Purchase of own shares	**–**	**–**	**–**	**(12)**	**(12)**
Share-based payments	**–**	**–**	**–**	**11**	**11**
Ordinary dividends paid (Note 12)	**–**	**–**	**–**	**(130)**	**(130)**
At 31 March 2015	**117**	**406**	**8**	**441**	**972**

At 31 March 2015, the profit and loss account reserve was stated after a deduction of £37 million (2014 – £37 million) for the cumulative cost of own shares held indirectly in an Employee Benefit Trust or directly as treasury shares in relation to share-based compensation plans. Further information on own shares is presented in Note 23 to the Group financial statements.

Ordinary shares carry the right to participate in dividends and each share entitles the holder to one vote on matters requiring shareholder approval except for ordinary shares held in the Employee Benefit Trust or as treasury shares. The amount available for the payment of dividends by the Company at 31 March 2015 was £441 million (2014 – £449 million).

12 Dividends

Dividends on ordinary shares in respect of the financial year:

	Year ended 31 March	
	2015 pence	2014 pence
Per ordinary share:		
– interim dividend paid	**8.2p**	7.8p
– final dividend proposed	**19.8p**	19.8p
Total dividend	**28.0p**	27.6p

The Directors propose a final dividend for the financial year of 19.8 pence per ordinary share that, subject to approval by shareholders, will be paid on 31 July 2015 to shareholders who are on the Register of Members on 3 July 2015.

	Year ended 31 March	
	2015 £m	2014 £m
Final dividend paid relating to the prior year	**92**	88
Interim dividend paid relating to the year	**38**	36
Total dividend paid	**130**	124

Based on the number of ordinary shares outstanding at 31 March 2015, the final dividend for the financial year is expected to amount to £92 million.

13 Related parties

As permitted by FRS 8 *Related Party Disclosures*, related party transactions with the Company's wholly-owned subsidiaries are not disclosed. There were no transactions with other related parties except for the provision of guarantees in respect of banking facilities of a joint venture totalling £8 million (2014 – £9 million).

14 Profit and loss account disclosures

The Company recognised a profit for the year of £123 million (2014 – loss of £11 million).

Fees payable to the Company's auditors, PricewaterhouseCoopers LLP, for the audit of the Company's financial statements amounted to £0.1 million (2014 – £0.1 million).

The Company employed an average of 132 people (including Directors) during the year (2014 – 136). Staff costs are shown below:

	Year ended 31 March	
	2015 £m	2014 £m
Wages and salaries	**11**	11
Social security costs	**1**	1
Other pension costs	**1**	1
Share-based incentives	**–**	3
Total	**13**	16

Directors' emoluments disclosures are provided in the Directors' Remuneration Report on pages 58 to 78 and in Note 8 of the Group financial statements.

At 31 March 2015, 5,896,726 (2014 – 5,862,890) outstanding share options were attributable to employees and directors of the Company as follows:

	Year issued	Number of shares	Subscription prices (pence)	Dates normally exercisable
Sharesave Scheme – 3 year options	2011	8 150	552.00	2015
	2012	9 484	607.00	2016
	2013	1 766	652.00	2017
	2014	65 807	510.00	2018
Sharesave Scheme – 5 year options	2009	3 720	418.00	2015
	2010	4 989	488.00	2016
	2011	4 346	552.00	2017
	2012	5 436	607.00	2018
	2013	5 980	652.00	2019
	2014	21 030	510.00	2020
Performance Share Plan	2008	814	–	2011-2017
	2009	995	–	2012-2018
	2010	10 383	–	2013-2019
	2011	11 097	–	2014-2020
	2012	1 091 670	–	2015-2021
	2013	942 646	–	2016-2022
	2014	1 040 974	–	2017-2023
Restricted Share Awards	2013	9 535	–	2020-2021
	2014	96 681	–	2015-2021
	2014	96 680	–	2016-2022
	2014	232 033	–	2017-2023
	2015	167 411	–	2017-2023
Javed Ahmed – compensatory awards	2009	419 403	–	2011-2017
	2009	257 870	–	2012-2018
Javed Ahmed – long-term incentive awards	2009	656 640	–	2012-2018
	2010	473 042	–	2013-2019
	2011	256 134	–	2014-2020
Group Bonus Plan	2012	2 010	–	2014-2019

Five-year summary

	Pre IFRS 11				Post IFRS 11
					Year ended 31 March
Per share information	2011	2012	2013	2014	**2015**
Earnings per share:					
– basic[1]	33.7p	63.8p	58.6p	58.8p	**6.6p**
– adjusted basic[1]	44.2p	55.9p	55.8p	56.5p	**38.0p**
Earnings per share:					
– diluted[1]	33.2p	62.7p	57.4p	58.0p	**6.5p**
– adjusted diluted[1]	43.5p	54.8p	54.7p	55.7p	**37.7p**
Dividends per ordinary share	23.7p	24.9p	26.2p	27.6p	**28.0p**
Closing share price at 31 March	577.5p	705.0p	850.0p	667.5p	**597.5p**
Closing market capitalisation at 31 March (£million)	2 703	3 301	3 980	3 125	**2 798**
Business ratios					
Interest cover (times)[2]	6.9x	11.1x	11.1x	11.6x	**10.7x**
Adjusted profit before tax divided by net finance expense					
Gearing	48%	45%	46%	34%	**54%**
Net debt as a percentage of total net assets[1]					
Adjusted operating margin	9.6%	11.1%	10.7%	11.1%	**9.2%**
Adjusted operating profit as a percentage of sales[1]					
Return on net operating assets	20.0%	22.8%	21.5%	21.9%	**15.5%**
Adjusted operating profit as a percentage of average net operating assets[1]					
Dividend cover (times)					
Basic earnings per share divided by dividends per share[1]	1.4x	2.6x	2.2x	2.1x	**0.2x**
Adjusted basic earnings per share divided by dividends per share[1]	1.9x	2.2x	2.1x	2.0x	**1.4x**

1 These metrics have been calculated using the results of both continuing and discontinued operations.

2 Interest cover has been calculated using the same basis as set out in the Group's external bank covenants.

Five-year summary continued

Employment of capital	2011 £m	2012 £m	2013 £m (Pre IFRS 11)	2014 £m	2015 £m (Post IFRS 11, At 31 March)
Goodwill and intangible assets	320	325	356	307	**340**
Property, plant and equipment	855	922	958	732	**750**
Other assets	24	28	33	340	**360**
Working capital	279	370	497	351	**339**
Net pension deficit	(139)	(140)	(265)	(220)	**(227)**
Net assets held for sale (excluding cash included in net debt)	62	63	1	–	**–**
Net operating assets	1 401	1 568	1 580	1 510	**1 562**
Net debt	(464)	(476)	(479)	(353)	**(504)**
Share of net cash in joint ventures	–	–	–	(32)	**(51)**
Net tax asset/(liability)	36	(34)	(65)	(75)	**(71)**
Total net assets	973	1 058	1 036	1 050	**936**
Capital employed					
Called up share capital	117	117	117	117	**117**
Reserves	833	916	919	932	**818**
	950	1 033	1 036	1 049	**935**
Non-controlling interests	23	25	–	1	**1**
	973	1 058	1 036	1 050	**936**

Results summary	2011 £m	2012 £m	2013 £m (Pre IFRS 11)	2014 £m	2015 £m (Post IFRS 11, Year ended 31 March)
Continuing operations					
Adjusted sales	2 720	3 088	3 256	3 147	**2 694**
Adjusted operating profit	319	346	356	349	**247**
Elimination of proportionate consolidation	–	–	–	(74)	**(63)**
Amortisation of acquired intangible assets	(13)	(12)	(10)	(10)	**(9)**
Exceptional items	(5)	68	(12)	(14)	**(142)**
Operating profit	301	402	334	251	**33**
Adjusted net finance expense	(54)	(30)	(29)	(27)	**(23)**
Net retirement benefit interest expense	(13)	(4)	(4)	(8)	**(8)**
Net finance expense	(67)	(34)	(33)	(35)	**(31)**
Share of profit after tax of joint ventures and associates	–	–	–	61	**49**
Profit before tax	234	368	301	277	**51**
Income tax expense	(45)	(69)	(46)	(32)	**(21)**
Profit for the year from continuing operations	189	299	255	245	**30**
(Loss)/profit for the year from discontinued operations	(29)	2	18	28	**–**
Non-controlling interests	(4)	(4)	(1)	–	**–**
Profit for the year attributable to owners of the Company	156	297	272	273	**30**
Continuing operations					
Adjusted profit before tax[2]	265	316	327	322	**224**
Earnings per share:					
– basic	40.9p	64.2p	54.9p	52.8p	**6.6p**
– diluted	40.3p	63.0p	53.8p	52.1p	**6.5p**

1 Following the adoption of IFRS 11, the Group has restated comparative statutory financial information for the 2014 financial year, however statutory financial information for financial years 2011-2013 has not been restated. Since the Group reverses the impact of equity accounting in its adjusted performance metrics (see Note 42), all adjusted metrics presented in this summary remain directly comparable across all periods.

2 Adjusted profit before tax excludes exceptional items, the amortisation of acquired intangible assets and net retirement benefit interest.

Pro-forma impact of Eaststarch disposal on adjusted income statement

As set out in Note 37, the Group announced the exit from the substantial part of its European Bulk Ingredients business on 21 April 2015 as part of a wider business re-alignment.

Had the transaction taken effect from 1 April 2014, Group adjusted operating profit in the year ended 31 March 2015 would have been reduced by £32 million and diluted earnings per share would have been reduced by 5.5 pence:

	Year ended 31 March 2015		
Adjusted income statement[1] **Unaudited pro-forma information**	Disclosed adjusted results £m	Impact of Eaststarch disposal[2] £m	**Pro-forma adjusted results £m**
Adjusted sales			
– Speciality Food Ingredients	908	20	**928**
– Bulk Ingredients	1 786	(121)	**1 665**
– Group	2 694	(101)	**2 593**
Adjusted operating profit			
– Speciality Food Ingredients	149	2	**151**
– Bulk Ingredients	133	(34)	**99**
– Central	(35)	–	**(35)**
Group adjusted operating profit	247	(32)	**215**
Adjusted net interest expense	(23)	–	**(23)**
Adjusted profit before tax	224	(32)	**192**
Adjusted income tax	(48)	6	**(42)**
Adjusted profit attributable to owners of the company	176	(26)	**150**
Adjusted diluted earnings per share (pence)	37.7p	(5.6p)	**32.1p**

1 Adjusted financial information as defined in Note 1 to the Group Financial Statements.

2 Had the transaction taken effect from 1 April 2014.

Information for Investors

Shareholding enquiries

General enquiries

Information on how to manage your shareholdings can be found at www.shareview.co.uk. The website also provides answers to commonly asked shareholder questions and has links to downloadable forms, guidance notes and company history fact sheets.

Email enquiries (Equiniti Shareview Enquiry Service)

If your question is not answered by the information provided online you can send your enquiry via secure email from the above website. You will be asked to complete a structured form and to provide your shareholder reference number, name and address. You will also need to provide your email address if this is how you would like to receive your response.

Telephone enquiries

0871 384 2063 (for UK calls)[1]
+44 (0)121 415 0235 (for calls from outside the UK).

1 Calls to this number are charged at 8p per minute plus network extras. Lines are open from Monday to Friday, 8.30 am to 5.30 pm UK time (excluding UK public holidays).

Written enquiries

Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

Individual Savings Account (ISA)

Tate & Lyle's ordinary shares can be held in an ISA. For information, please call the Equiniti ISA Helpline on 0871 384 2244.

Tate & Lyle website and share price information

Tate & Lyle's website provides direct links to other Group company sites and to sites providing financial and other information relevant to the Company. The share price is available on the website with a 20-minute delay.

www.tateandlyle.com

Financial calendar

2015 Annual General Meeting	29 July 2015
Announcement of half-year results for the six months to 30 September 2015	5 Nov 2015[1]
Announcement of full-year results for the year ending 31 March 2016	26 May 2016[1]
2016 Annual General Meeting	21 July 2016[1]

1 Provisional date.

Dividends paid on ordinary shares during the year ended 31 March 2015

Payment date	Dividend description	Dividend per share
1 Aug 2014	Final 2014	19.8p
2 Jan 2015	Interim 2015	8.2p

Dividend calendar for dividends on ordinary shares

	2015 final	2016 interim	2016 final
Announced	28 May 2015	5 Nov 2015[1]	26 May 2016[1]
Payment date	31 July 2015[2]	4 Jan 2016[1]	29 July 2016[1,2]

1 Provisional date.
2 Subject to approval of shareholders.

Dividends paid on 6½% cumulative preference shares

Paid each 31 March and 30 September.

Capital gains tax

The market values on 31 March 1982 for the purposes of indexation up to April 1998 in relation to capital gains tax of Tate & Lyle PLC shares then in issue were:

Ordinary share of £1 each	201.00p
Equivalent value per ordinary share of 25p	50.25p
6½% cumulative preference share	43.50p

Tate & Lyle American Depositary Shares (ADSs)

The Company's shares trade in the US on the over the counter (OTCQX) market in the form of ADSs and these are evidenced by American Depositary Receipts (ADRs). The shares are traded under the ticker symbol TATYY. Each ADS is equivalent to four ordinary shares. For more information, contact The Bank of New York Mellon at:

BNY Mellon Shareowner Services
PO Box 30170
College Station
TX 77842-3170
Tel: +1 888 269 2377 (for US calls)
+1 201 680 6825 (for calls from outside the US)

On 10 April 2007, Tate & Lyle was approved for the International PremierQX tier of International OTCQX. This provides a gateway to US securities markets for international companies that are listed on a qualified international exchange. Tate & Lyle's ADR is identified with an International PremierQX logo and investors can find current financial information and other disclosures on www.otcqx.com and www.pinksheets.com.

Electronic communications

Shareholder documents are only sent in paper format to shareholders who have elected to receive documents in this way. This approach enables the Company to reduce printing and distribution costs and its impact on the environment.

Shareholders who have not elected to receive paper copies are sent a notification whenever shareholder documents are published, to advise them how to access the documents via the Tate & Lyle website, www.tateandlyle.com. Shareholders may also choose to receive this notification via email with a link to the relevant page on the website. Shareholders who wish to receive email notification should register online at www.shareview.co.uk, using their shareholder reference number that is either on their share certificate or other correspondence.

Beware of share fraud

Shareholders should be very wary of any unsolicited calls or correspondence offering to buy or sell shares at a discounted price. These calls are typically from fraudsters operating 'boiler rooms'. Boiler rooms use increasingly sophisticated means to approach investors and often leave their victims out of pocket. If you are concerned that you may have been targeted by fraudsters please contact the FCA Consumer Helpline on 0800 111 6768.

Glossary

A

Acidulants Ingredients such as citric acid that are used to add a 'sour' taste to foods and soft drinks and to act as a preservative.

Adjusted Group Operating Cash Flow Adjusted cash flow from continuing operating activities (excluding pensions, derivative financial instruments, tax, interest and acquisitions) less capital expenditure.

Adjusted operating profit (PBITEA) Operating profit (as defined separately), adjusted for amortisation of acquired intangible assets and net exceptional items and prepared on a proportionately consolidated basis (see Note 1 to the Group Financial Statements).

Adjusted profit before tax (PBTEA) Profit before taxation (as defined separately), adjusted for amortisation of acquired intangible assets, net exceptional items and net retirement benefit interest and prepared on a proportionately consolidated basis (see Note 1 to the Group Financial Statements).

Adjusted sales Sales prepared on a proportionately consolidated basis (see Note 1 to the Group Financial Statements).

Animal feed compounder Blends raw materials and additives. These blends are formulated according to the specific requirements of the animal and generally come in the form of a pellet or granular meal/powder.

B

BI Bulk Ingredients division.

Bio-PDO™ Multi-purpose monomer propanediol made from corn sugar (as opposed to being made from a petrochemical source). Used in cosmetics, detergents, carpets and textiles.

C

Carbon dioxide equivalent (CO_2e) One metric tonne of carbon dioxide or an amount of any other greenhouse gas with an equivalent global warming potential, calculated consistently with international carbon reporting practice.

Cash conversion cycle Defined for the purposes of the Annual Bonus Plan as the number of days between cash expenditure and collection, taking account of inventory, payables and receivables; based on the average of the four quarter-end results.

CLARIA® Functional Clean-Label Starches.

'Clean label' A term used in the food and beverage industry generally to refer to simpler ingredient lists that appeal more to consumers than those containing complex ingredients. Interpretations may vary.

Constant currency Changes in constant currency are calculated by retranslating comparative period results at current period exchange rates.

Continuing operations Operations of the Group excluding any discontinued operations (as defined separately).

Co-products Corn gluten feed, corn gluten meal and corn oil.

Corn gluten feed The largest Tate & Lyle co-product, used by dairy and beef cattle markets.

CR Corporate responsibility.

D

Discontinued operations An operation is classified as discontinued if it is a component of the Group that: (i) has been disposed of, or meets the criteria to be classified as held for sale; and (ii) represents a separate major line of business or geographic area of operations or will be disposed of as part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations.

DOLCIA PRIMA™ Allulose low-calorie sugar.

F

Food Systems The Tate & Lyle blending business which is part of SFI and which sources ingredients and uses them to develop bespoke combinations of ingredients for customers.

Functional food ingredients Ingredients that offer benefits that go beyond the basic nutritional role of the ingredient. For example, some carbohydrates are reported to have other benefits such as improved gastrointestinal function.

G

Greenhouse gas (GHG) Any of the following: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6).

H

HFCS High fructose corn syrup, also called isoglucose in Europe.

I

ICD Innovation and Commercial Development group, supporting our two business divisions, SFI and BI.

K

KPI Key performance indicator.

L

Label friendly Denotes ingredients that, when listed on product ingredient labels, may appeal more to some consumers who show a preference for ingredients in food products which they feel are more transparent, authentic, simpler and easier to understand than alternatives which may be perceived by some consumers as being artificial, chemical or in some ways less authentic.

N

Natural A 'natural' description usually refers to a food ingredient that is present in nature and has been minimally processed. However, interpretations vary according to the different legal and regulatory landscape in different countries.

O

Operating profit (also referred to as profit before interest and tax (PBIT)) Sales less net operating expense.

P

Profit before tax (PBT) Sales, less net operating expense, less net finance expense.

PROMITOR® Soluble Corn Fiber A prebiotic soluble fibre.

PrOatein™ Oat Protein A natural protein concentrate from oats.

PromOat® Beta Glucan A soluble fibre made from wholegrain oats used to bring the health benefits of oat beta glucan to food and beverages.

PUREFRUIT™ Monk Fruit Extract A zero-calorie sweetener made from monk fruit.

S

SFI Speciality Food Ingredients division.

SME Small- and medium-sized enterprises. For Tate & Lyle, this means regional or global customers with turnover below the level of approximately £500 million.

SODA-LO® Salt Microspheres A low salt ingredient made from salt.

SPLENDA® Sucralose A zero-calorie sweetener made from sugar.

STA-LITE® Polydextrose A soluble fibre with prebiotic properties made from corn and used to provide body and texture in reduced calorie, no-added sugar and high-fibre foods.

T

TASTEVA® Stevia Sweetener A zero-calorie sweetener made from stevia.

Trading cash flows The Group's adjusted operating profit stated before the non-cash charges for depreciation and amortisation.

U

USDA US Department of Agriculture.

Definitions/explanatory notes

Non-reliance statement
This Annual Report has been prepared solely to provide additional information to shareholders to assess the Group's strategy and the potential of that strategy to succeed, and should not be relied upon by any other party or for any other purpose.

Cautionary statement
This Annual Report contains certain forward-looking statements with respect to the financial condition, results, operations and businesses of Tate & Lyle PLC. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that may occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts.

Tate & Lyle PLC
Tate & Lyle PLC is a public limited company listed on the London Stock Exchange and is registered in England and Wales. More information about Tate & Lyle can be found on the Company's website, www.tateandlyle.com.

Basis of preparation
Unless stated otherwise, the Group's financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Amortisation
Unless stated otherwise, the use of the word 'amortisation' on pages 1 to 80 in this Annual Report relates to the amortisation of intangible assets acquired through business combinations.

Continuing operations
Unless stated otherwise, all comments in this Annual Report refer to the continuing operations adjusted to exclude exceptional items, amortisation of intangible assets acquired through business combinations and net retirement benefit interest. A reconciliation of reported and adjusted information is included in Note 41.

Definitions
In this Annual Report, 'Company' means Tate & Lyle PLC; 'Tate & Lyle' or 'Group' means Tate & Lyle PLC and its subsidiary and joint-venture companies.

Environmental statement
This Annual Report has been printed on UPM Fine offset, a paper produced using wood fibre from fully sustainable forests with Forest Stewardship Council® (FSC®) certification. All pulps used are elemental chlorine free and the manufacturing mill holds the ISO 14001 and the EMAS accreditations for environmental management.

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