TATE & LYLE

FULL YEAR RESULTS

For the year ended 31 March 2021

	Adjusted results[1]			Statutory results		
	2021	2020	**vs 2020**	**2021**	2020	**vs 2020**
Revenue	**£2 807m**	£2 882m	**+1%**			**(3%)**
Profit before tax (PBT)	**£335m**	£331m	**+6%**	**£283m**	£296m	**(4%)**
Diluted earnings per share (EPS)	**61.2p**	57.8p	**+12%**	**53.8p**	52.1p	**+3%**
Free cash flow	**£250m**	£247m	**+£3m**			
Net debt	**£417m**	£451m				
Dividend per share				**30.8p**	29.6p	**+4.1%**

Movements in adjusted results are shown in constant currency throughout this statement.

Robust performance with strong growth in Food & Beverage Solutions

Strategic highlights

- Food & Beverage Solutions delivers strong top-line growth and double-digit profit[2] growth
- Primary Products profit[2] higher, benefiting from record year of Commodities profits[2]
- Strong demand for New Products with revenue up 21% at £133m
- Acquisition of stevia and tapioca businesses expands customer offering and presence in Asia
- Productivity programme continues to support operational efficiency and investment in growth
- 2030 sustainability targets on track with Scope 1 and 2 greenhouse gas emissions reduced by 7%
- Three years of consistent strategic and financial delivery, creating strong platform for future growth
- Exploring separation of two businesses by selling controlling stake in Primary Products

Financial highlights

- Food & Beverage Solutions profit[2] +12% to £177m; +3% volume and +6% revenue
- Sucralose profit[2] -9% to £55m reflecting pricing pressure and higher production costs
- Primary Products profit[2] +5% to £158m with Sweeteners and Starches -13%, Commodities +98%
- Group adjusted profit before tax +6%
- Adjusted diluted EPS +12%, benefitting from lower effective tax rate of 14.3% (2020: 17.9%)
- Group statutory diluted EPS +3% after exceptional costs to explore separating businesses and for productivity
- Adjusted free cash flow +£3m higher at £250m
- Net debt £34m lower at £417m; Net Debt to EBITDA ratio 0.8x
- Strong return on capital employed of 17.2%, a 30bps decrease due to the short-term impact of acquisitions
- Final dividend increased by 5.8% to 22.0p, making a full year dividend of 30.8p, up 4.1%

Emerging stronger from the pandemic

- Purpose-led response to pandemic ensuring colleagues and communities supported and customers served
- Broadening product portfolio, investing in innovation and strengthening technical capabilities
- Pandemic accelerating trends for healthier food and drink; supporting growth in new business and innovation

1 The adjusted results for the year ended 31 March 2021 have been adjusted to exclude exceptional items, amortisation of acquired intangible assets, the tax on those adjustments and tax items that are themselves exceptional. A reconciliation of statutory and adjusted information is included in Note 3 to the Financial Information. Growth percentages are calculated on unrounded numbers. Changes in adjusted performance metrics are in constant currency.

2 Adjusted operating profit

NICK HAMPTON, CHIEF EXECUTIVE, SAID:

"Despite all the challenges thrown at us by the pandemic, we progressed our strategy, grew our profits, strengthened our financial position and increased our dividend.

In response to the pandemic, we focused on making the right decisions for our colleagues, communities, customers and the environment. Inspired by our purpose of *Improving Lives for Generations*, this included protecting and supporting colleagues at our sites and at home, providing over one and a half million meals to food banks in our local communities, operating with agility to meet customers' rapidly changing needs, and delivering significant progress on our sustainability targets. I would like to express my personal thanks to all our colleagues for their dedication during an extremely demanding year.

Both businesses performed well, with the impact of the pandemic starting to ease through the second half. Food & Beverage Solutions delivered another year of strong top-line growth and double-digit profit growth. The pandemic is accelerating consumer demand for healthier food and drink and with its leading capabilities in sweetening, mouthfeel and fortification, Food & Beverage Solutions is well-placed to capitalise on this trend. Primary Products delivered resilient performance with profit higher despite a significant reduction in out-of-home consumption in North America. This reflects a record year of profits from Commodities as well as a focus on customer service, operational performance and rigorous cost discipline.

We continue to make good progress on our strategy. We acquired two businesses in Asia to strengthen our sweetener and texturant portfolios in Food & Beverage Solutions. New Products delivered double-digit revenue growth, our new business and innovation pipelines both grew and our productivity programme continued to generate significant benefits.

Since we announced our strategic priorities in 2018, we have delivered three years of consistent progress and built a strong platform for future growth. We are exploring the potential to separate our Food & Beverage Solutions and Primary Products businesses through the sale of a controlling stake in Primary Products to a long-term financial partner. This transaction would create two businesses, each able to focus on its own strategic and capital allocation priorities – Tate & Lyle focused on Food & Beverage Solutions, and Primary Products in partnership with a new investor with a long-term commitment to growing the business.

The past year has tested us like no other, and our performance has demonstrated the resilience, quality and agility of Tate & Lyle. We are emerging stronger from the pandemic and I am more confident than ever in the long-term growth potential of our business.

OUTLOOK FOR YEAR ENDING 31 MARCH 2022

For the year ending 31 March 2022, despite the continuing impact of the Covid-19 pandemic, we expect:

- Food & Beverage Solutions to deliver another year of progress
- Sucralose to see further modest pricing pressure
- In Primary Products, Sweeteners and Starches to return to growth as out-of-home consumption recovers and Commodities profits to be significantly lower
- Further productivity benefits.

With overall positive momentum, we expect growth in Group adjusted operating profit before Commodities to be in the mid-single digit range in constant currency.

Reflecting significantly lower Commodities profits and an increase in the adjusted effective tax rate, Group adjusted diluted earnings per share are expected to be lower than the prior year in constant currency.

OVERVIEW OF THE YEAR

Business environment and trading

Demand was closely correlated to the imposition and easing of lockdowns in our largest markets of North America and Europe. At the start of the year, in April and May, with lockdowns in place in both regions, we saw a significant reduction in demand for products used in out-of-home consumption, partially offset by stronger in-home consumption. From June onwards, demand improved as lockdowns eased, although as we finished the year out-of-home demand remained below pre-pandemic levels. In Asia and Latin America, demand improved in China from the second quarter as it emerged from lockdown, while in Latin America demand slowed as lockdowns were imposed.

All our manufacturing facilities remained operational during the year. Our operations and customer-facing teams adapted quickly to the new working environment, adjusting to our customers' changing needs. Excellent operational execution, productivity and cost reduction were reflected in the Group's financial performance.

The pandemic has heightened consumer awareness of the importance of a healthier diet and lifestyle. Our high-quality portfolio and technical capabilities in sweetening, mouthfeel and fortification which help reduce sugar, calories and fat, and add fibre to food and drink, mean we are well-positioned to provide the solutions needed to meet this growing trend.

Delivering our priorities for the year

In May 2020, as the global pandemic took hold, we set out four priorities for the year – to look after our colleagues and communities, strengthen our relationships with customers, continue to progress our strategy and maintain our financial strength. We made good progress on each of these priorities during the year and, with the pandemic continuing, they remain our near-term focus. Our three longer-term priorities established in May 2018 – Sharpen our Focus on the Customer, Accelerate Portfolio Development and Simplify the Business – continue to underpin business performance and drive a culture of agility and accountability across the organisation.

Look after our colleagues and communities

Our purpose of *Improving Lives for Generations* has been central to our response to Covid-19 with our two purpose pillars of Supporting Healthy Living and Building Thriving Communities particularly relevant. During the year, we intensified our programmes to support the mental wellbeing of colleagues and to promote health education more widely. Working with Nestlé in Latin America we launched a free online education programme on the health benefits of dietary fibre and, in the UK, we became a founder member of FastFutures, a programme to help young people from disadvantaged backgrounds learn new skills and increase their employability. We also took steps to build a more inclusive and diverse culture within Tate & Lyle, including the creation in April 2021 of the new role of Chief Equity, Diversity & Inclusion Officer.

Strengthen our relationships with customers

The pandemic is making us a more agile organisation and we continue to stay very close to our customers. Through technology we are connecting and collaborating with them in new ways and building stronger relationships. This includes bespoke customer webinars on topics such as sugar reduction and plant-based ingredients, virtual prototype tastings and video links in our applications labs. These initiatives led to a 44% increase in our technical team's interactions with customers during the year.

We accelerated the launch of customer-focused online programmes. For example, in July, a year earlier than originally planned, we launched Sweetener Vantage™ Expert Systems, a set of innovative sweetener solution design tools to provide technical support to our customers to create sugar-reduced food and drinks using low-calorie sweeteners. Then, in February, we launched our Fibre University, an online modular course designed to help formulators and food scientists at our customers solve difficult fibre formulation challenges. Also in February, we launched the Tate & Lyle Nutrition Centre, a new digital hub providing customers, scientists and health professionals with easy access to expert insights, research and educational tools to increase the awareness of evidence-based science for ingredients including low- and no-calorie sweeteners and dietary fibres, and their role in a healthy, balanced diet.

These actions helped increase the value of our new business pipeline for Food & Beverage Solutions by 12%. Our work with customers on reformulation and new product launches increased the risk adjusted revenue value of our innovation pipeline by 18%.

Continue to progress our strategy

In November, we acquired the outstanding majority shareholding in Sweet Green Fields, a leading global stevia solutions business. This acquisition brings us a broad portfolio of stevia products and a fully integrated stevia supply chain including leaf sourcing, leaf varietal development and established agricultural programmes. Sweet Greet Fields has dedicated stevia production and research and development facilities located in Anji, China. This acquisition strengthens our sweetener platform and our position as a leading provider of innovative sweetener solutions with the capabilities to create foods and beverages that are lower in sugar and calories and with cleaner labels for customers across the world.

In February, we completed the acquisition of an 85% shareholding in Chaodee Modified Starch Co., Ltd. a speciality tapioca food starch business in Thailand. This investment strengthens our texturant platform and brings new tapioca capabilities and raw material sourcing expertise. It also establishes a dedicated tapioca facility in Asia and expands our customer offering in categories including dairy, bakery, snacks, noodles, and soups, sauces and dressings.

New Products revenue was once again strong, up 21% in constant currency, with double-digit growth in both our texturants and sweeteners platforms benefitting from strong performance from our CLARIA® clean-label starches and stevia sweetener solutions, respectively. New Products represent 14% of Food & Beverage Solutions revenue, up from 12% in the prior year.

In Primary Products we continue to execute our strategy to diversify our product mix by moving into new and growing end-markets. In sweeteners, we continue to see good demand for craft beers and other alcohols, while in industrial starches, we continue to work with formulators on our TEXTURLUX® Personal Care Additives, a range of bio-based specialty polymers for skin, hair and sun care applications available in North America. Our long-term strategy to move from the printing and writing paper market into packaging proved beneficial as online shopping accelerated significantly during the pandemic. The volume of industrial starches used in packaging increased by 19%.

Maintain our financial strength

We finished the year in a more robust financial position than we started with positive cash delivery and a stronger balance sheet. No employees were furloughed and we did not seek any government aid.

In May 2020, we extended the maturity of our committed but undrawn US$800 million revolving credit facility by one year to 2025. Then, in March 2021, we extended US$700 million of this facility by a further year to 2026. The pricing of this facility is linked to the delivery of our 2030 environmental targets for Scope 1 and 2 greenhouse gas emissions, water use and beneficial use of waste. In August, we also issued US$200 million in US private placement debt at an average coupon of 2.96%. As a result, we have strong liquidity headroom with access to US$1.3 billion through cash on hand and a committed and undrawn revolving credit facility. Leverage remains low with a Net Debt to EBITDA ratio at 31 March 2021 of 0.8x (0.6x on a covenant basis). Following the issuance of US private placement debt in August, the Group has US$800 million of private placement debt.

During the year we took steps to reduce costs and preserve cash to mitigate the financial impact of lower demand. Actions taken included freezing salary increases and non-essential recruitment, significantly reducing discretionary costs and re-prioritising capital commitments. We continued to execute against our productivity programme to deliver US$150 million benefits over a six-year period ending 31 March 2024. This programme is ahead of schedule. In the 2021 fiscal year, the programme delivered US$37 million of benefits taking the total benefits from the first three years of the programme to US$124 million. These benefits come from many areas including capital investments to reduce energy costs, supply chain efficiency improvements and SG&A savings.

Exploring opportunities to separate two businesses

On 25 April 2021, following speculation in the media, we issued a statement confirming that we are in the process of exploring the potential to separate our Food & Beverage Solutions and Primary Products businesses through the sale of a controlling stake in Primary Products to a long-term financial partner. This transaction, if concluded, would create two businesses – Tate & Lyle, focused on Food & Beverage Solutions and a global leader in sweetening, mouthfeel and fortification, and Primary Products, a leader in plant-based products for the food and industrial markets, alongside a new investor with a strong appetite to develop and grow the business.

We continue to successfully execute our strategy and remain confident in the future growth prospects of the company. However, the Board believes that if a transaction of this nature were to be completed, it would enable Tate & Lyle and the new business to focus their respective strategies and capital allocation priorities and create the opportunity for enhanced shareholder value. Discussions with potential new partners for Primary Products are ongoing. During the year, we incurred £19 million of exceptional costs, principally for external advisors, for work performed in relation to this potential transaction. There can be no certainty that a transaction will be concluded, and we will make further announcements when appropriate. Any transaction, if concluded, would be subject to shareholder approval.

Good progress on 2030 environmental targets

Caring for our Planet and helping to protect its natural resources for the benefit of future generations is one of the three pillars of our purpose. In May 2020 we announced a set of new, ambitious environmental targets for 2030 to reduce our greenhouse gas emissions, beneficially use all the waste we generate, reduce water consumption and to continue to support sustainable agriculture. We also committed to eliminate the use of coal in our operations by 2025, and to make our Scope 1 and 2 and Scope 3 greenhouse gas emissions reduction targets science-based to ensure we play our part in limiting global warming in line with the goals of the Paris Agreement. Our emissions targets were validated as science-based by the Science Based Targets initiative in September.

We made good progress on our targets during the year:

- Scope 1 and 2 absolute greenhouse gas emissions reduced by 7% (2030 target: 30%)
- Water usage reduced by 1% (2030 target: 15%)
- 69% of our waste was beneficially used (2030 target: 100%) to generate energy or as nutrients for farms
- We continued to support 1.5 million acres of sustainably farmed corn through our partnership with Truterra.

Three major projects are underway at our plants in Lafayette and Decatur (both US) and Santa Rosa (Brazil) to further reduce our Scope 1 and 2 greenhouse gas emissions and increase operational efficiency at each site. When completed, these projects will reduce our Scope 1 and 2 greenhouse gas emissions by up to 20% (from our 2019 baseline) and deliver on our commitment to eliminate coal from our operations by 2025.

We also exceeded the two environmental targets set with a 2008 baseline to be delivered by 2020. The first was to reduce greenhouse gas emissions by 19% per tonne of production, and we delivered 25% reduction. The second was to reduce waste to landfill by 30%, and we delivered 37% reduction.

Dividend

The Board recognises the importance of dividends to shareholders and operates a progressive dividend policy. Due to the uncertainty caused by the Covid-19 pandemic, the Board decided not to increase either the final dividend for the 2020 financial year or the interim dividend for the 2021 financial year. Given this year's robust performance, the Board is recommending a 1.2p or 5.8% increase in the final dividend to 22.0p (2020 – 20.8p) per share, bringing the full year dividend to 30.8p per share (2020 – 29.6p), an increase of 4.1%. This increase brings dividends back to a level consistent with the Board's progressive dividend policy, notwithstanding the pandemic.

The final dividend is subject to approval by shareholders at the AGM on 29 July 2021. Subject to shareholder approval, the final dividend will be due and payable on 6 August 2021 to all shareholders on the Register of Members on 25 June 2021. In addition to the cash dividend option, shareholders will continue to be offered a Dividend Reinvestment Plan alternative.

Changes to the Board of Directors

- John Cheung joined the Board as a non-executive director on 1 January 2021.
- Imran Nawaz, Chief Financial Officer stepped down from the Board on 31 March 2021.
- Vivid Sehgal joined the Board on 1 March 2021 as Chief Financial Officer Designate and became Chief Financial Officer on 1 April 2021.
- Dr Ajai Puri, a non-executive director, retired from the Board on 31 March 2021.
- Patrícia Corsi joined the Board as a non-executive director on 1 May 2021.
- Anne Minto, a non-executive director, will retire from the Board at the Company's AGM on 29 July 2021.

Changes to Executive Management

- Andrew Taylor, previously President, Innovation and Commercial Development, was appointed as President, Asia, Middle East, Africa and Latin America from 1 October 2020.
- Victoria Spadaro Grant joined the Company in November 2020 as President, Innovation and Commercial Development. She also became a member of the Executive Committee. She joined from Barilla, the Italian multinational food company, where she had been Chief Global Research Development and Quality Officer since 2014.
- Harry Boot, President, Asia Pacific, Food & Beverage Solutions left the Company on 31 March 2021.
- As stated above, Vivid Sehgal joined as Chief Financial Officer Designate on 1 March 2021, when he also joined the Executive Committee.

SEGMENTAL OPERATING PERFORMANCE

Year ended 31 March 2021	Volume change	Revenue	Revenue growth	Adjusted operating profit	Adjusted operating profit change
North America	+4%	£485m	+6%	–	–
Asia, Middle East, Africa and Latin America	+2%	£269m	+7%	–	–
Europe	+4%	£216m	+2%	–	–
Food & Beverage Solutions	**+3%**	**£970m**	**+6%**	**£177m**	**+12%**
Sucralose	**–%**	**£151m**	**(2%)**	**£55m**	**(9%)**
Sweeteners and Starches	–	–	–	£109m	(13%)
Commodities	–	–	–	£49m	+98%
Primary Products	**(5%)**	**£1 686m**	**(2%)**	**£158m**	**+5%**
Central costs				£(51)m	–%
Total Group		**£2 807m**	**+1%**	**£339m**	**+7%**

The adjusted results for the year ended 31 March 2021 have been adjusted to exclude exceptional items, amortisation of acquired intangible assets, the tax on those adjustments and tax items that are themselves exceptional. A reconciliation of statutory and adjusted information is included in Note 3 to the Financial Information. Growth percentages are calculated on unrounded numbers. Changes in revenue and adjusted operating profit are in constant currency.

FOOD & BEVERAGE SOLUTIONS

Strong top-line growth

Volume increased by 3% with revenue 6% higher in constant currency at £970 million. Stronger customer demand for ingredients used in packaged and shelf-stable foods for consumption in-home more than offset reduced demand for ingredients used in food and drink consumed out-of-home. Momentum built as the year progressed, benefitting from growing demand for healthier food and beverages that are lower in sugar and calories, with cleaner labels and added fibre and a gradual recovery in out-of-home consumption. Good mix management further contributed to revenue growth.

Adjusted operating profit was 12% higher in constant currency at £177 million with good operational performance and strong cost discipline. The effect of currency translation decreased revenue by £26 million and adjusted operating profit by £4 million.

As explained earlier in the statement, we completed two acquisitions during the year. In November 2020, we acquired the outstanding 85% interest in the global stevia sweetener solutions business of Sweet Green Fields. In February 2021, we acquired an 85% holding in Chaodee Modified Starch Co., Ltd, a tapioca business based in Thailand. These acquisitions broaden our customer offering, strengthen our sweetener and texturant platforms and expand our presence in the higher growth Asian markets.

During the year, to increase our focus on building our business and presence in higher growth markets, we created a new single Asia, Middle East, Africa and Latin America region. This comprises the regions previously reported as Asia Pacific, Latin America and Middle East and Africa (formerly part of Europe, Middle East and Africa). Additional information on page 33 of this statement provides the divisional results for the year ended 31 March 2021 in the format used in the previous financial years.

North America

Top-line momentum continued with volume 4% higher. The Covid-19 pandemic caused significant changes in demand patterns earlier in the year with strong demand for in-home consumption offset by weaker out-of-home demand. The North American market for food and beverages saw low single-digit growth in the year benefiting from stronger in-home consumption. A focus on customer service and good performance across categories such as beverage and confectionery, and nutrition and bakery helped us grow ahead of the market.

Revenue in constant currency was 6% higher at £485 million, benefiting from good mix management with strong growth from clean label starches, stevia sweeteners and our fibre portfolio. Strengthening out-of-home consumption and good commercial performance saw revenue growth accelerate as the year progressed.

Asia, Middle East, Africa and Latin America

Volume was 2% higher with a weaker first half due to the pandemic and strong growth in the second half. Revenue increased by 7% in constant currency to £269 million helped by good price and mix management. Asia saw high single-digit revenue growth, while in Latin America constant currency revenue growth benefitted from US dollar-based pricing with the region delivering double-digit revenue growth.

In Asia, revenue growth was strong in China, where the pandemic recovery started earlier, and in Australia and New Zealand, while revenue was slightly lower in South East Asia. In Latin America, revenue grew strongly in Brazil where pandemic restrictions were less stringent, with Mexico slightly lower due to lockdowns. Across Latin America, new front-of-pack labelling rules are leading to increased reformulation opportunities with customers, particularly to reduce sugar. In Middle East and Africa revenue was in line with the prior year, reflecting the impact of the pandemic mainly in the first half, and increased focus on credit risk management.

Europe

Volume was 4% higher with revenue 2% higher in constant currency at £216 million. Volume growth reflected solid demand for in-home consumption offset by weaker out-of-home demand. Revenue grew more slowly than volume as strong texturant demand impacted mix with customers looking for bulking and cost reduction in foods. This was mitigated by higher stevia and clean label texturants revenue as well as the benefit of increased revenue from higher-grade maltodextrin, used in categories such as baby food, following the opening of additional capacity at our facility in Slovakia.

New Products

Revenue from New Products (products launched in the last seven years) increased by 21% in constant currency to £133 million, representing 14% of Food & Beverage Solutions revenue, up from 12% in the prior year. Acquisitions, particularly the Sweet Green Fields stevia business, helped to accelerate New Product revenue growth.

Our texturants platform delivered strong double-digit revenue growth driven by high demand for our Non-GMO and CLARIA® line of functional clean label starches. Revenue from the sweeteners platform also delivered strong double-digit growth, particularly in stevia and allulose, as sugar and calorie reduction across categories such as beverage, dairy, confectionery and bakery remained an important focus for customers and consumers. Revenue was lower in the health and wellness platform reflecting reduced consumption in the sports nutrition category due to Covid-19 lockdowns.

SUCRALOSE

Robust demand

Sucralose volume was in line with the prior year with customer orders slightly higher in the second half despite continued softness in beverages consumed out-of-home. Revenue in constant currency decreased by 2% to £151 million reflecting customer mix and pricing pressure. We expect further modest pricing pressure to continue in the 2022 financial year.

Adjusted operating profit at £55 million was 9% lower in constant currency reflecting de-leverage from lower revenue and one-off production costs. Currency translation decreased revenue by £6 million and adjusted operating profit by £2 million.

PRIMARY PRODUCTS

Resilient performance

Volume was 5% lower with sweetener volume 7% lower and industrial starch volume 6% lower, both reflecting the impact of the Covid-19 pandemic. Revenue at £1,686 million decreased by 2% in constant currency, reflecting lower volume mitigated by improved mix and higher Commodities revenue where co-product prices were higher. Adjusted operating profit was 5% higher in constant currency at £158 million. Currency translation decreased revenue by £59 million and adjusted operating profit by £9 million.

Adjusted operating profit in Sweeteners and Starches was 13% lower in constant currency. Actions to reduce costs across the business, especially in operations, and further productivity benefits were successful in mitigating some of the impact of lower volume. Adverse US winter weather increased costs by £6 million in the last months of the year. Profit for the year also benefited from transactional foreign exchange in Latin America of £3 million. In the prior year, adjusted operating profit included profit of £7 million from a non-core, savoury ingredients business closed during that year.

Commodities adjusted operating profit at £49 million was £26 million higher in constant currency.

Sweeteners

Volume was 7% lower reflecting reduced out-of-home consumption (representing around 30% of sweetener consumption) as lockdowns in North America impacted consumer consumption patterns in the early part of the year. The pandemic also impacted consumption in Mexico, with export volume lower. As the year progressed, out-of-home consumption began to recover but demand remains below pre-pandemic levels.

The 2021 calendar year bulk sweetener pricing round was more competitive than in previous years delivering slight unit margin compression which we expect to mitigate with our continuing productivity programme.

Industrial Starches

Volume was 6% lower reflecting lower demand for paper, partially mitigated by stronger demand for packaging.

The pandemic resulted in lower demand from the printing and writing paper industry following the closure of many schools and offices. Demand for printing and writing paper improved later in the year but remains below pre-pandemic levels. In packaging, demand was higher, benefitting from increased online shopping. Our strategy over recent years to diversify away from the printing and writing paper market towards other markets such as packaging helped to mitigate the impact of these changes.

Commodities

Commodities delivered a record year with adjusted operating profit of £49 million, £26 million higher in constant currency. Co-product recoveries were significantly higher, benefiting from good market conditions including increased market demand and strong prices across our co-products, and in particular for corn oil prices.

ADDITIONAL COMMENTARY ON FINANCIAL STATEMENTS

Year ended 31 March[1] **Continuing and total operations**	**2021** **£m**	2020 £m	Change %	Constant currency change %
Revenue	**2 807**	2 882	(3%)	1%
Adjusted operating profit				
- Food & Beverage Solutions	**177**	162	10%	12%
- Sucralose	**55**	63	(12%)	(9%)
- Primary Products	**158**	158	(1%)	5%
- Central	**(51)**	(52)	1%	–%
Adjusted operating profit	**339**	331	2%	7%
Net finance expense	**(30)**	(28)	(7%)	(9%)
Share of profit after tax of joint ventures	**26**	28	(6%)	7%
Adjusted profit before tax	**335**	331	1%	6%
Exceptional items	**(42)**	(24)	(69%)	(73%)
Amortisation of acquired intangible assets	**(10)**	(11)	5%	4%
Profit before tax	**283**	296	(4%)	1%
Income tax expense	**(30)**	(51)	39%	40%
Profit for the year	**253**	245	3%	10%
Earnings per share (pence)				
Adjusted diluted	**61.2p**	57.8p	6%	12%
Diluted	**53.8p**	52.1p	3%	10%
Cash flow and net debt				
Adjusted free cash flow	**250**	247		
Net debt	**417**	451		

1 Adjusted results and a number of other terms and performance measures used in this document are not directly defined within IFRS. We have provided descriptions of the various metrics and their reconciliation to the most directly comparable measures reported in accordance with IFRS and the calculation (where relevant) of any ratios in Note 3.

Central costs

Central costs, which include head office costs and certain treasury and legal activities, were 1% lower (in line with the prior year in constant currency). This reflected continued strong discipline on overhead costs but was largely offset by higher self-insurance costs and additional costs incurred as we adapted to new ways of working during the pandemic and positioned the Group to exit the pandemic a stronger business.

Net finance expense and liquidity

Net finance expense at £30 million was 7% higher. This reflected lower interest income on cash balances, the loss of non-cash finance income following the ‘buy-in’ of the main UK defined benefit pension scheme during the prior year and the issue of US$200 million of US private placement debt in August 2020, which was issued to increase the Group’s access to liquidity.

In May 2020, we extended the maturity of our committed but undrawn US$800 million revolving credit facility by one year to 2025. Then, in March 2021, we extended US$700 million of this facility by a further year to 2026. The pricing of this facility is linked to the delivery of our 2030 environmental targets for Scope 1 and 2 greenhouse gas emissions, water use and beneficial use of waste. As set out above, in August 2020, we issued US$200 million in US private placement debt comprising US$100 million 2.91% notes maturing in 2030 and US$100 million 3.01% notes maturing in 2032.

As a result, we have strong liquidity headroom with access to US$1.3 billion through cash on hand and a committed and undrawn revolving credit facility. Leverage remains low with a net debt to EBITDA ratio at 31 March 2021 of 0.8x (0.6x on a covenant basis).

Share of profit after tax of joint ventures

The Group's share of profit after tax of joint ventures of £26 million was 6% lower (7% higher in constant currency), reflecting a weakening of the Mexican Peso. In Almex, the Group's joint venture in Mexico, weaker sweetener demand was offset by transactional foreign exchange benefit of £4 million. In DuPont Tate & Lyle Bio Products (Bio-PDO™) weaker demand for high-performance textiles and cosmetics, both impacted by the pandemic, saw volume and profits lower than the prior year.

Exceptional items

The Group recorded a net exceptional charge of £35 million, comprising £42 million of exceptional items included in profit before tax and a £7 million credit included as an exceptional item within tax. Such items principally included the following:

- £20 million of restructuring charges (£12 million cash costs and £8 million non-cash costs) for the previously-announced simplification and productivity programme.
- £19 million of costs (all cash costs), principally for external advisors, for work performed in exploring the potential to separate the Food & Beverage Solutions and Primary Products businesses.
- A £3 million net charge related to historical legal matters in the US, including income recorded for the favourable settlement of an insurance claim.
- The exceptional credit of £7 million within tax related to the release of an uncertain tax provision in the US, which had been recorded at the time of the Group's exit of Sucralose manufacturing in Singapore. At that time, the costs arising from the closure of Singapore and the associated tax were recorded as exceptional items.

The exceptional cash outflows for the period were £32 million, comprising £19 million of cash outflows related to charges recorded in the current period and £13 million of cash outflows resulting from exceptional costs recorded in the prior years.

In the prior year, the Group recorded a net exceptional charge of £24 million which comprised £19 million of restructuring costs related to the productivity programme and a £5 million charge related to the decision to exit a small non-core savoury business.

The Group is in the third year of a six-year programme to generate productivity benefits of US$150 million by 31 March 2024. For the first half of the year the Group reported spend of US$22 million. US$12 million of this has now been classified as spend relating to the potential separation of the two businesses and as such the total spend for the year on productivity projects other than this was US$15 million (£12 million). This brings the total to date to US$48 million. We now expect to spend less than the previously announced estimate of around US$75 million in delivering the targeted benefits of US$150 million.

Taxation

The adjusted effective tax rate was 14.3% (2020 – 17.9%). The rate was lower than the prior year reflecting the release of certain tax provisions following expiry of statute of limitations as well as recognition of certain tax credits in the US.

Given the release of certain tax provisions noted above we now expect the adjusted effective tax rate for the year ending 31 March 2022 to be higher than the year ended 31 March 2021.

The reported effective tax rate (on statutory earnings) was 10.9% (2020 – 17.1%), this was lower than the adjusted effective tax rate due to the impact of the factors highlighted above and the impact of the £7 million tax credit recorded as an exceptional item.

Earnings per share

Adjusted basic earnings per share increased by 6% (12% in constant currency) to 61.9p and adjusted diluted earnings per share at 61.2p were 6% higher (12% in constant currency). Statutory diluted earnings per share increased by 1.7p to 53.8p reflecting the items above and higher exceptional charges in the year.

Cash flow, net debt and liquidity

Adjusted free cash flow was £250 million (2020 – £247 million). The increase of £3 million reflects higher adjusted earnings, lower capital expenditure and lower retirement benefit contributions following the buy-in of the main UK pension scheme in the prior year, partially offset by the impact of higher corn prices on working capital. Capital expenditure of £152 million (2020 – £166 million) included investment in our Lafayette and Decatur plants in the US to further reduce our greenhouse gas emissions and increase operational efficiency at each site.

We expect capital expenditure for the 2022 financial year to be between £180 million and £200 million reflecting both a step up in Food & Beverage Solutions growth capacity and investment related to acquisitions.

Net debt at 31 March 2021 of £417 million was £34 million lower than at 31 March 2020. This movement mainly reflects the strong net cash flow generated from operating activities and the favourable translation impact of the weaker US dollar on US dollar-denominated debt, partially offset by exceptional cash flows of £32 million, investments to acquire businesses totalling £62 million and dividend payments of £137 million.

At 31 March 2021, the Group held cash and cash equivalents of £371 million and had a committed, undrawn revolving credit facility of US$800 million until 2025 (of which US$700 million has been extended to 2026). Net Debt to EBITDA ratio was 0.8 times (31 March 2020 – 0.9 times). On a covenant-testing basis, Net Debt to EBITDA ratio was 0.6 times, which was significantly lower than the covenant ratio of not greater than 3.5 times, demonstrating continued significant headroom above this covenant requirement.

Retirement benefits

The Group maintains pension plans for its current employees and former employees in a number of countries. Certain of these arrangements are defined benefit pension schemes. All funded schemes in the UK and US are closed for further accrual. In the US, the Group also continues to provide an unfunded post-retirement medical benefit scheme.

At 31 March 2021, the Group's retirement benefit obligations are in a net deficit of £140 million (31 March 2020 – net deficit of £203 million). The largest component of the net deficit relates to schemes in the US that are by their nature unfunded schemes (e.g. US post-retirement medical benefit scheme).

The net deficit decreased by £63 million, due to higher returns of £30 million on plan assets in the US funded plans and reductions in retirement benefit obligations in the US of £21 million, due to changes in actuarial assumptions. Additionally, US dollar denominated plans showed a foreign exchange translation benefit of £20 million.

The main UK plan was subject to a 'buy-in' in the prior year and therefore the significant increase in obligations due to a lower discount rate and the impact of higher inflation was largely off-set by an increase in the value of the 'buy-in' insurance policy. As a result, the balance sheet for the UK plans remained broadly consistent with the prior year.

In the year ended 31 March 2021, pension contributions were £14 million lower than the prior year as a result of cessation of contributions to the main UK scheme following the 'buy-in'.

CAUTIONARY STATEMENT AND CONFERENCE CALL DETAILS

This statement of Full Year Results 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 will 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.

A copy of this statement of Full Year Results for the year ended 31 March 2021 can be found on our website at www.tateandlyle.com. A hard copy of this statement is also available from the Company Secretary, Tate & Lyle PLC, 1 Kingsway, London WC2B 6AT.

Webcast and Q&A Details

An audio presentation of the results by Chief Executive, Nick Hampton, and Chief Financial Officer, Vivid Sehgal, will be available to view on our website from 07.00 (BST) on Thursday 27 May 2021. To access the presentation, visit https://www.investis-live.com/tate-and-lyle/609d4b818b32171000610eec/njkl.

This presentation will be live streamed at 10.00 (BST), and will then be followed by a live Q&A session. To view and listen to this video webcast and Q&A, visit https://www.investis-live.com/tate-and-lyle/609ce9ab8afe380a00646c9d/bsdf. Please note that only sell-side analysts and any pre-registered buy-side investors will be able to ask questions during the Q&A session. Sell-side analysts will be automatically pre-registered. To pre-register, please contact Lucy Huang at lucy.huang@tateandlyle.com.

The archive version of the audio webcast with Q&A will be available on the same link at https://www.investis-live.com/tate-and-lyle/609ce9ab8afe380a00646c9d/bsdf within two hours of the end of the live broadcast.

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CONSOLIDATED INCOME STATEMENT

		Year ended 31 March	
	Notes	**2021 £m**	2020 £m
Continuing operations			
Revenue	4	**2 807**	2 882
Operating profit		**287**	296
Finance income	6	**1**	5
Finance expense	6	**(31)**	(33)
Share of profit after tax of joint ventures		**26**	28
Profit before tax		**283**	296
Income tax expense	7	**(30)**	(51)
Profit for the year - continuing operations		**253**	245
Profit for the year - total operations		**253**	245

Attributable to:			
– owners of the Company		**253**	245
– non-controlling interests		**–**	–
Profit for the year		**253**	245

Earnings per share		**Pence**	Pence
Continuing operations:			
– basic	8	**54.4p**	52.8p
– diluted	8	**53.8p**	52.1p
Total operations:			
– basic	8	**54.4p**	52.8p
– diluted	8	**53.8p**	52.1p

Analysis of adjusted profit for the year – continuing operations		**£m**	£m
Profit before tax		**283**	296
Adjusted for:			
Net charge for exceptional items	5	**42**	24
Amortisation of acquired intangible assets		**10**	11
Adjusted profit before tax	3	**335**	331
Adjusted income tax expense	3, 7	**(48)**	(59)
Adjusted profit for the year	3	**287**	272

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 March 2021 £m	2020 £m
Profit for the year		**253**	245
Other comprehensive (expense)/income			
Items that have been/may be reclassified to profit or loss:			
(Loss)/gain on currency translation of foreign operations		**(141)**	46
Fair value gain/(loss) on net investment hedges		**39**	(18)
Net gain/(loss) on cash flow hedges		**1**	(1)
Share of other comprehensive expense of joint ventures		**(6)**	(3)
		(107)	24
Items that will not be reclassified to profit or loss:			
Re-measurement of retirement benefit plans			
– actual return higher/(lower) on plan assets	11	**129**	(58)
– impact of ‘buy-in’ on main UK pension scheme	11	**–**	(195)
– net actuarial (loss)/gain on retirement benefit obligations	11	**(80)**	12
Changes in the fair value of equity investments at fair value through OCI		**3**	2
Tax effect of the above items		**(13)**	41
		39	(198)
Total other comprehensive expense		**(68)**	(174)
Total comprehensive income		**185**	71

Attributable to:		
– owners of the Company	**185**	71
– non-controlling interests	**–**	–
Total comprehensive income	**185**	71

Total comprehensive income relates entirely to continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 31 March **2021** **£m**	 2020 £m
ASSETS			
Non-current assets			
Goodwill and other intangible assets		**354**	340
Property, plant and equipment (including right-of-use assets of £121 million (2020 – £150 million))		**1 105**	1 190
Investments in joint ventures		**104**	91
Investments in equities		**59**	63
Retirement benefit surplus	11	**18**	4
Deferred tax assets		**32**	30
Trade and other receivables		**1**	–
Derivative financial instruments		**1**	1
		1 674	1 719
Current assets			
Inventories		**532**	456
Trade and other receivables		**333**	323
Current tax assets		**11**	10
Derivative financial instruments		**23**	5
Other current financial assets		**32**	67
Cash and cash equivalents	10	**371**	271
		1 302	1 132
TOTAL ASSETS		**2 976**	2 851
EQUITY			
Capital and reserves			
Share capital		**117**	117
Share premium		**407**	406
Capital redemption reserve		**8**	8
Other reserves		**144**	239
Retained earnings		**783**	629
Equity attributable to owners of the Company		**1 459**	1 399
Non-controlling interests		**1**	–
TOTAL EQUITY		**1 460**	1 399
LIABILITIES			
Non-current liabilities			
Borrowings (including lease liabilities of £116 million (2020 – £141 million))	10	**746**	682
Retirement benefit deficit	11	**158**	207
Deferred tax liabilities		**44**	42
Provisions		**11**	11
Derivative financial instruments		**–**	2
		959	944
Current liabilities			
Borrowings (including lease liabilities of £27 million (2020 – £30 million))	10	**42**	40
Trade and other payables		**431**	370
Provisions		**24**	21
Current tax liabilities		**25**	38
Derivative financial instruments		**9**	20
Other current financial liabilities		**26**	19
		557	508
TOTAL LIABILITIES		**1 516**	1 452
TOTAL EQUITY AND LIABILITIES		**2 976**	2 851

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 31 March 2021 £m	2020 £m
Cash flows from operating activities			
Profit before tax from continuing operations		**283**	296
Adjustments for:			
Depreciation of property, plant and equipment (excluding exceptional items)		**142**	137
Amortisation of intangible assets		**33**	35
Share-based payments		**8**	14
Net impact of exceptional income statement items	5	**10**	1
Net finance expense	6	**30**	28
Share of profit after tax of joint ventures		**(26)**	(28)
Net retirement benefit obligations		**(8)**	(21)
Changes in working capital and other non-cash movements		**(24)**	2
Cash generated from continuing operations		**448**	464
Net income tax paid		**(57)**	(49)
Interest paid		**(22)**	(30)
Net cash generated from operating activities		**369**	385
Cash flows from investing activities			
Purchase of property, plant and equipment		**(134)**	(141)
Disposal of property, plant and equipment (exceptional)	5	**–**	(1)
Disposal of property, plant and equipment		**5**	–
Acquisition of businesses, net of cash acquired		**(62)**	–
Investments in intangible assets		**(18)**	(25)
Purchase of equity investments		**(4)**	(6)
Disposal of equity investments		**3**	4
Interest received		**1**	5
Dividends received from joint ventures		**4**	35
Net cash used in investing activities		**(205)**	(129)
Cash flows from financing activities			
Purchase of own shares including net settlement		**(5)**	(22)
Cash inflow from additional borrowings		**154**	157
Cash outflow from repayment of borrowings		**(5)**	(234)
Repayment of leases		**(36)**	(37)
Dividends paid to the owners of the Company	9	**(137)**	(137)
Net cash used in financing activities		**(29)**	(273)
Net increase/(decrease) in cash and cash equivalents	10	**135**	(17)
Cash and cash equivalents:			
Balance at beginning of year		**271**	285
Net increase/(decrease) in cash and cash equivalents		**135**	(17)
Currency translation differences		**(35)**	3
Balance at end of year	10	**371**	271

A reconciliation of the movement in cash and cash equivalents to the movement in net debt is presented in Note 10.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital and share premium £m	Capital redemption reserve £m	Other reserves £m	Retained earnings £m	Attributable to the owners of the Company £m	Non-controlling interests (NCI) £m	Total equity £m
At 1 April 2019	523	8	217	733	1 481	–	1 481
Profit for the year - total operations	–	–	–	245	245	–	245
Other comprehensive income/(expense)	–	–	26	(200)	(174)	–	(174)
Total comprehensive income	–	–	26	45	71	–	71
Hedging gains transferred to inventory	–	–	(6)	–	(6)	–	(6)
Tax effect of the above item	–	–	2	–	2	–	2
Transactions with owners:							
Share-based payments, net of tax	–	–	–	14	14	–	14
Purchase of own shares including net settlement	–	–	–	(22)	(22)	–	(22)
Dividends paid (Note 9)	–	–	–	(137)	(137)	–	(137)
Other movements	–	–	–	(4)	(4)	–	(4)
At 31 March 2020	523	8	239	629	1 399	–	1 399
Profit for the year - total operations	**–**	**–**	**–**	**253**	**253**	**–**	**253**
Other comprehensive (expense)/income	**–**	**–**	**(104)**	**36**	**(68)**	**–**	**(68)**
Total comprehensive (expense)/income	**–**	**–**	**(104)**	**289**	**185**	**–**	**185**
Hedging losses transferred to inventory	**–**	**–**	**12**	**–**	**12**	**–**	**12**
Tax effect of the above item	**–**	**–**	**(3)**	**–**	**(3)**	**–**	**(3)**
Transactions with owners:							
Share-based payments, net of tax	**–**	**–**	**–**	**10**	**10**	**–**	**10**
Issue of share capital	**1**	**–**	**–**	**–**	**1**	**–**	**1**
Purchase of own shares including net settlement	**–**	**–**	**–**	**(5)**	**(5)**	**–**	**(5)**
Dividends paid (Note 9)	**–**	**–**	**–**	**(137)**	**(137)**	**–**	**(137)**
NCI in subsidiaries acquired	**–**	**–**	**–**	**–**	**–**	**1**	**1**
Other movements	**–**	**–**	**–**	**(3)**	**(3)**	**–**	**(3)**
At 31 March 2021	**524**	**8**	**144**	**783**	**1 459**	**1**	**1 460**

1. Background

The financial information on pages 14 to 31 is extracted from the Group's consolidated financial statements for the year ended 31 March 2021, which were approved by the Board of Directors on 26 May 2021.

The financial information does not constitute statutory accounts within the meaning of sections 434(3) and 435(3) of the Companies Act 2006 or contain sufficient information to comply with the disclosure requirements of International Financial Reporting Standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The Company's auditor, Ernst & Young LLP, has given an unqualified report on the consolidated financial statements for the year ended 31 March 2021. The auditor's report did not include reference to any matters to which the auditor drew attention without qualifying its report and did not contain any statement under section 498 of the Companies Act 2006. The consolidated financial statements will be filed with the Registrar of Companies, subject to their approval by the Company's shareholders on 29 July 2021 at the Company's Annual General Meeting.

2. Basis of preparation

Basis of accounting

The Group's consolidated financial statements for the year ended 31 March 2021 have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The Directors are satisfied that the Group has adequate resources to continue to operate as a going concern for the foreseeable future and that no material uncertainties exist with respect to this assessment. In making the assessment, the Directors have considered the Group's balance sheet position and forecast earnings and cash flows for the period from the date of approval of these financial statements to 31 March 2023. The business plan used to support the going concern assessment (the "Base case") is derived from Board-approved forecasts together with certain downside sensitivities.

Further details of the Directors' assessment are set out below:

At 31 March 2021, the Group has significant available liquidity, including £371 million of cash and US$800 million (£579 million) of committed and undrawn revolving credit facility, none of which matures before March 2025. In addition, none of the Group's existing financing matures during the going concern assessment period, with the earliest maturity being in the year ending 31 March 2024. During the year, the Group demonstrated its ability to raise new finance despite the uncertainties of the Covid-19 pandemic, raising US$200 million of new private placement debt in August 2020, with ten-year and twelve-year tenors at 2.91% and 3.01%, respectively.

The Group has only one debt covenant requirement which is to maintain a net debt to EBITDA ratio of not more than 3.5 times. On the covenant-testing basis this was 0.6 times at 31 March 2021. As set out below, for a covenant breach to occur it would require a profound reduction in Group profit. Such reduction is considered to be extremely unlikely.

As described elsewhere in the annual report and accounts, the Group's performance has demonstrated resilience to the challenges of Covid-19, with revenue, profit and cash-flow growth being delivered during the year ended 31 March 2021. None of the scenarios modelled in the Directors' 'worst case scenario' in the Group's two most recent going concern assessments (30 September 2020 and 31 March 2020) have come to fruition to any degree.

In concluding that the going concern basis is appropriate, the Directors have modelled the impact of a 'worst case scenario' to the Base case by including the same three plausible but severe downside risks also used for the Group's viability statement, being: a major operational failure causing an extended shutdown of our largest manufacturing facility; the loss of two of our largest Food & Beverage Solutions customers; and a slower recovery from the impact of the Covid-19 pandemic. In aggregate, such 'worst case scenario' does not result in any material uncertainty to the Group's going concern assessment and the resultant position still has significant headroom above the Group's debt covenant requirement.

In addition, the Directors have calculated a 'reverse stress test', which represents the changes that would be required to the Base case in order to breach the Group's debt covenant. Such 'reverse stress test' shows that the forecast Group profit would have to be reduced to almost zero in order to cause a breach. Finally, the Group has and continues to demonstrate its ability to operate all of its manufacturing facilities safely in the current environment.

Having reviewed the 'worst case scenario' and 'reverse stress test', the Directors consider that there is no reasonable scenario in which available liquidity could be exhausted or the Group's debt covenant could be breached. Accordingly, there is no reasonable basis under which the Group would not be a going concern.

The Group's principal accounting policies have been consistently applied throughout the year and will be set out in the notes to the Group's 2021 Annual Report.

2. Basis of preparation (continued)

Accounting standards adopted during the year

In the current year, the Group has adopted, with effect from 1 April 2020, the following new accounting standards:

- Amendments to IFRS 3 Definition of a Business
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Definition of Material

The adoption of these amendments from 1 April 2020 has had no material effect on the Group's financial statements.

Accounting standards issued but not yet adopted

No other new standards, new interpretations or amendments to standards or interpretations have been published which are expected to have a significant impact on the Group's financial statements.

Changes in constant currency

Where year-on-year changes in constant currency are presented in this statement, they are calculated by retranslating current year results at prior year exchange rates. Reconciliations of the movement in constant currency have been included in 'Additional information' within this document.

Alternative performance measures

The Group also presents alternative performance measures, including adjusted operating profit, adjusted profit before tax, adjusted earnings per share and adjusted free cash flow, which are used for internal performance analysis and incentive compensation arrangements for employees. They are presented because they provide investors with additional information about the performance of the business which the Directors consider to be valuable. For the years presented, alternative performance measures exclude, where relevant:

- **Exceptional items** (excluded as they are material in amount; and are outside the normal course of business or relate to events which do not frequently recur, and therefore merit separate disclosure in order to provide a better understanding of the Group's underlying financial performance);

- **Amortisation of acquired intangible assets** (costs associated with amounts recognised through acquisition accounting that impact earnings compared to organic investments); and

- **Tax on the above items and tax items that themselves meet these definitions.** For tax items to be treated as exceptional, amounts must be material and their treatment as exceptional enable a better understanding of the Group's underlying financial performance.

Alternative 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. Reconciliations of the alternative performance measures to the most directly comparable IFRS measures are presented in Note 3.

Exceptional items

Exceptional items comprise items of income, expense and cash flow, including tax items that: are material in amount; and are outside the normal course of business or relate to events which do not frequently recur, and therefore merit separate disclosure in order to provide a better understanding of the Group's underlying financial performance. Examples of events that give rise to the disclosure of material items of income, expense and cash flow as exceptional items include, but are not limited to:

- significant impairment events;
- significant business transformation activities;
- disposals of operations or significant individual assets;
- litigation claims by or against the Group; and
- restructuring of components of the Group's operations.

For tax items to be treated as exceptional, amounts must be material and their treatment as exceptional enable a better understanding of the Group's underlying financial performance.

Exceptional items in the Group's financial statements are classified on a consistent basis across accounting periods.

3. Reconciliation of alternative performance measures

Income statement measures

For the reasons set out in Note 2, the Group presents alternative performance measures including adjusted operating profit, adjusted profit before tax and adjusted earnings per share.

The following table shows the reconciliation of the key income statement alternative performance measures to the most directly comparable measures reported in accordance with IFRS:

£m unless otherwise stated **Continuing operations**	**Year ended 31 March 2021** **IFRS reported**	 **Adjusting items**	 **Adjusted reported**	Year ended 31 March 2020 IFRS reported	 Adjusting items	 Adjusted reported
Revenue	**2 807**	**–**	**2 807**	2 882	–	2 882
Operating profit	**287**	**52**	**339**	296	35	331
Profit before tax	**283**	**52**	**335**	296	35	331
Income tax expense	**(30)**	**(18)**	**(48)**	(51)	(8)	(59)
Profit for the year	**253**	**34**	**287**	245	27	272
Basic earnings per share (pence)	**54.4p**	**7.5p**	**61.9p**	52.8p	5.8p	58.6p
Diluted earnings per share (pence)	**53.8p**	**7.4p**	**61.2p**	52.1p	5.7p	57.8p
Effective tax rate %	**10.9%**	**3.4%**	**14.3%**	17.1%	0.8%	17.9%

The following table shows the reconciliation of the adjusting items impacting adjusted profit for the year:

Continuing operations	Notes	Year ended 31 March **2021** **£m**	 2020 £m
Exceptional costs in operating profit	5	**42**	24
Amortisation of acquired intangible assets		**10**	11
Total excluded from adjusted profit before tax		**52**	35
Tax effect of adjusting items	7	**(11)**	(8)
Exceptional US tax credit	5, 7	**(7)**	–
Total excluded from adjusted profit for the year		**34**	27

Cash flow measure

The Group also presents an alternative cash flow measure, 'Adjusted free cash flow' which is defined as cash generated from continuing operations after net interest and tax paid, after capital expenditure, and excluding the impact of exceptional items.

The following table shows the reconciliation of adjusted free cash flow:

	Year ended 31 March **2021** **£m**	 2020 £m
Adjusted operating profit from continuing operations	**339**	331
Adjusted for:		
Adjusted depreciation and adjusted amortisation[1]	**165**	161
Share-based payments	**8**	14
Changes in working capital and other non-cash movements	**(24)**	2
Net retirement benefit obligations	**(8)**	(21)
Capital expenditure	**(152)**	(166)
Net interest and tax paid	**(78)**	(74)
Adjusted free cash flow	**250**	247

1 Total depreciation of £148 million (2020 – £145 million) and amortisation of £33 million (2020 – £35 million) less £6 million (2020 – £8 million) of accelerated depreciation recognised in exceptional items and £10 million (2020 – £11 million) of amortisation of acquired intangible assets.

3. Reconciliation of alternative performance measures (continued)

Financial strength measures

The Group uses two financial metrics as key performance measures to assess its financial strength. These are the net debt to EBITDA ratio and the return on capital employed ratio. For the purposes of KPI reporting, the Group uses a simplified calculation of these KPIs to make them more directly related to information in the Group's financial statements.

All ratios are calculated based on unrounded figures in £ million.

The net debt to EBITDA ratio is as follows:

	31 March	
	2021 £m	2020 £m
Calculation of net debt to EBITDA ratio		
Net debt (Note 10)	**417**	451
Adjusted operating profit	**339**	331
Add back adjusted depreciation and adjusted amortisation	**165**	161
EBITDA[1]	**504**	492
Net debt to EBITDA ratio (times)	**0.8**	0.9

1 EBITDA is calculated as adjusted operating profit £339 million (2020 – £331 million) adding back adjusted depreciation of £142 million (2020 – £137 million) (total depreciation of £148 million (2020 – £145 million) less £6 million (2020 – £8 million) of accelerated depreciation recognised in exceptional items) and adding back adjusted amortisation of £23 million (2020 – £24 million) (total amortisation of £33 million (2020 – £35 million) less £10 million (2020 – £11 million) of amortisation of acquired intangible assets).

The return on capital employed calculation is as follows:

	31 March		
	2021 £m	2020 £m	2019 £m
Calculation of return on capital employed (ROCE)			
Adjusted operating profit	**339**	331	
Deduct: amortisation of acquired intangible assets	**(10)**	(11)	
Profit before interest, tax and exceptional items from continuing operations for ROCE	**329**	320	
Goodwill and other intangible assets	**354**	340	342
Property, plant and equipment	**1 105**	1 190	982
Working capital, provisions and non-debt-related derivatives[1]	**421**	409	401
Invested operating capital of continuing operations	**1 880**	1 939	1 725
Average invested operating capital[2]	**1 910**	1 832	
Return on capital employed (ROCE) %	**17.2%**	17.5%	

1 All derivatives held at 31 March 2021 and 2020 were non-debt-related derivatives. For the purpose of this calculation other current financial assets and liabilities are also included.
2 Average invested operating capital represents the average at the beginning and end of the year of goodwill and other intangible assets, property, plant and equipment, working capital, provisions and non-debt-related derivatives.

4. Segment information

Segment information is presented on a basis consistent with the information presented to the Board (the designated Chief Operating Decision Maker). All revenue is from external customers.

(a) Segment results

	Year ended 31 March 2021				
Continuing operations	**Food & Beverage Solutions £m**	**Sucralose £m**	**Primary Products £m**	**Central £m**	**Total £m**
Revenue	**970**	**151**	**1 686**	**–**	**2 807**
Adjusted operating profit*	**177**	**55**	**158**	**(51)**	**339**
Adjusted operating margin	**18.3%**	**36.8%**	**9.4%**	**n/a**	**12.1%**

* Reconciled to statutory profit for the year in Note 3

	Year ended 31 March 2020				
Continuing operations	**Food & Beverage Solutions £m**	**Sucralose £m**	**Primary Products £m**	**Central £m**	**Total £m**
Revenue	942	161	1 779	–	2 882
Adjusted operating profit*	162	63	158	(52)	331
Adjusted operating margin	17.2%	39.3%	8.9%	n/a	11.5%

* Reconciled to statutory profit for the year in Note 3

(b) Geographic disclosures: revenue

	Year ended 31 March	
		Restated
	2021 £m	2020[1] £m
Food & Beverage Solutions		
North America	**485**	470
Asia, Middle East, Africa and Latin America	**269**	263
Europe	**216**	209
Food & Beverage Solutions – total	**970**	942
Sucralose – total	**151**	161
Primary Products		
Americas	**1 596**	1 683
Rest of the World	**90**	96
Primary Products – total	**1 686**	1 779
Total	**2 807**	2 882

1 Comparatives have been restated following a change during the year to the geographic Food & Beverage Solutions disclosure. To increase our focus on building our business and presence in higher growth markets, a new single Asia, Middle East, Africa and Latin America region has been created comprising the regions previously reported as Asia Pacific, Latin America and Middle East and Africa (formerly part of Europe, Middle East and Africa).

5. Exceptional items

Exceptional (costs)/income recognised in the income statement are as follows:

		Year ended 31 March	
		2021	2020
Income statement – continuing operations	Footnotes	**£m**	£m
Restructuring costs	(a)	**(20)**	(19)
Exploration of potential separation of the business	(b)	**(19)**	–
Historical legal matters	(c)	**(3)**	–
Primary Products' savoury business exit		**–**	(5)
Exceptional items included in profit before tax		**(42)**	(24)
US tax credit	(d)	**7**	–
Exceptional items included in income tax		**7**	–
Total exceptional items		**(35)**	(24)

Set out below are the principal components of the Group's exceptional items:

(a) The Group recorded £20 million of restructuring charges, principally comprising £16 million of productivity costs including accelerated depreciation of assets being replaced with more efficient alternatives, Global Operations cost saving initiatives and other associated project costs and £4 million of severance costs for roles removed from the organisation. Of these costs, £7 million was recorded in Food & Beverage Solutions, £8 million was recorded in Primary Products and £5 million was recorded in Central.

(b) As previously announced, the Group has undertaken work to explore the potential to separate its Food & Beverage Solutions and Primary Products businesses through a sale of a controlling stake in its Primary Products business to a new long-term financial partner. During the year ended 31 March 2021, the Group incurred costs of £19 million relating to this activity, principally for external advisors.

(c) During the year, the Group recorded a net charge of £3 million relating to certain historical legal matters in the US. Included within this net cost was £2 million of income recorded for the favourable settlement of an insurance claim and provision made to settle other historical matters.

(d) The Group recorded an exceptional tax credit of £7 million within tax related to the release of an uncertain tax provision in the US, which had been recorded at the time of the Group's exit of Sucralose manufacturing in Singapore. At that time, the costs arising from the closure of Singapore and the associated tax were recorded as exceptional items.

Of the net £35 million exceptional charge recorded during the year ended 31 March 2021, £19 million was reflected in exceptional cash flow in the current year. In addition, £13 million of exceptional costs recorded in the prior year resulted in cash outflows in the current year, such that net cash outflow from exceptional items for the year ended 31 March 2021 was £32 million.

The most significant exceptional cost in the prior year was restructuring charges related to the Group's previously announced programme to simplify the business and drive productivity. Other exceptional costs in the prior year related to exit costs for the Primary Products' small, non-core savoury ingredients business, mainly comprising the cost of writing off the associated assets of the business.

Tax credits/charges on exceptional items are only recognised to the extent that gains/losses incurred are expected to result in tax recoverable/payable in the future. The total tax impact of these exceptional items included in profit before tax was a tax credit of £8 million.

5. Exceptional items (continued)

Cash flows from exceptional items are set out below.

		Year ended 31 March	
		2021	2020
Net cash (outflows)/inflows on exceptional items	Footnotes	**£m**	£m
Restructuring charges	(a)	**(11)**	(13)
Exploration of potential separation of the business	(b)	**(15)**	–
Historical legal matters	(c)	**1**	–
Primary Products' savoury business exit		**–**	(1)
Oats ingredients business disposal		**–**	(1)
Asset remediation[1]		**(7)**	(9)
Net cash outflows		**(32)**	(24)

1 Cash outflow of £7 million relates to utilisation of existing provision.

Cash outflows in relation to asset remediation related to costs to remediate environmental health and safety risks associated primarily with idle assets at manufacturing sites in North America.

Exceptional cash flows

The total cash outflows from exceptional items presented in the cash flow statement of £10 million reflect that the exceptional costs in profit before tax of £42 million were £10 million higher than net cash outflows of £32 million set out in the table above. In the prior year, cash flows from exceptional items were £1 million in cash generated from operating activities and £1 million in net cash used in investing activities, as the exceptional costs in profit before tax in total were the same as net cash outflows.

6. Finance income and finance expense

		Year ended 31 March	
		2021	2020
Continuing operations	Note	**£m**	£m
Interest payable on bank and other borrowings		**(20)**	(26)
Fair value hedges:			
– fair value loss on interest rate derivatives		**–**	(3)
– fair value adjustment of hedged borrowings		**–**	3
Lease interest		**(6)**	(7)
Net retirement benefit interest	11	**(5)**	–
Finance expense		**(31)**	(33)
Finance income – income on cash balances		**1**	5
Net finance expense		**(30)**	(28)

7. Income tax expense

Analysis of charge for the year	Year ended 31 March	
	2021	2020
Continuing operations	**£m**	£m
Current tax:		
– United Kingdom	**(5)**	(8)
– Overseas	**(51)**	(42)
– Exceptional tax credit	**13**	3
– (Expense)/credit in respect of previous financial years	**(5)**	6
	(48)	(41)
Deferred tax:		
Credit/(expense) for the year	**4**	(10)
Credit/(expense) in respect of previous financial years	**12**	(2)
Exceptional tax credit	**2**	2
Income tax expense	**(30)**	(51)
Statutory effective tax rate %	**10.9%**	17.1%

		Year ended 31 March	
		2021	2020
Reconciliation to adjusted income tax expense	Notes	**£m**	£m
Income tax expense		**(30)**	(51)
Adjusted for:			
Taxation credit on exceptional items		**(8)**	(5)
Taxation credit on amortisation of acquired intangibles		**(3)**	(3)
Exceptional US tax credit	5	**(7)**	–
Adjusted income tax expense	3	**(48)**	(59)
Adjusted effective tax rate %		**14.3%**	17.9%

8. Earnings per share

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 shares held by the Company and the Employee Benefit Trust to satisfy awards made under the Group's share-based incentive plans).

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue assuming conversion of potentially dilutive ordinary shares, reflecting vesting assumptions on employee share plans, as well as the deemed profit attributable to owners of the Company for any proceeds on such conversions.

The average market price of the Company's ordinary shares during the year was 679p (2020 – 733p). The dilutive effect of share-based incentives was 5.2 million shares (2020 – 6.4 million shares).

	Year ended 31 March 2021			Year ended 31 March 2020		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
Profit attributable to owners of the Company (£ million)	**253**	**–**	**253**	245	–	245
Weighted average number of ordinary shares (million) – basic	**464.2**	**–**	**464.2**	464.2	–	464.2
Basic earnings per share	**54.4p**	**–**	**54.4p**	52.8p	–	52.8p
Weighted average number of ordinary shares (million) – diluted	**469.4**	**–**	**469.4**	470.6	–	470.6
Diluted earnings per share	**53.8p**	**–**	**53.8p**	52.1p	–	52.1p

8. Earnings per share (continued)

Adjusted earnings per share

A reconciliation between profit attributable to owners of the Company from continuing operations and the equivalent adjusted measure, together with the resulting adjusted earnings per share measures are set out below:

		Year ended 31 March	
Continuing operations	Notes	**2021 £m**	2020 £m
Profit attributable to owners of the Company		**253**	245
Adjusting items:			
– exceptional items	5	**42**	24
– amortisation of acquired intangible assets		**10**	11
– tax impact of adjusting items	7	**(11)**	(8)
– exceptional US tax credit	5, 7	**(7)**	–
Adjusted profit attributable to owners of the Company	3	**287**	272
Adjusted basic earnings per share (pence)		**61.9p**	58.6p
Adjusted diluted earnings per share (pence)		**61.2p**	57.8p

9. Dividends on ordinary shares

Dividends on ordinary shares in respect of the financial year:

	Year ended 31 March	
	2021 Pence	2020 Pence
Per ordinary share:		
Interim dividend paid	**8.8**	8.8
Final dividend proposed	**22.0**	20.8
Total dividend	**30.8**	29.6

The Directors propose a final dividend for the financial year of 22.0p per ordinary share that, subject to approval by shareholders, will be paid on 6 August 2021 to shareholders who are on the Register of Members on 25 June 2021.

Dividends on ordinary shares paid in the financial year:

	Year ended 31 March	
	2021 £m	2020 £m
Final dividend paid relating to the prior financial year	**97**	97
Interim dividend paid relating to the financial year	**40**	40
Total dividend paid	**137**	137

Based on the number of ordinary shares outstanding at 31 March 2021 and the proposed amount, the final dividend for the financial year is expected to amount to £102 million.

10. Net debt

The components of the Group's net debt are as follows:

	At 31 March	
	2021	2020
	£m	£m
Borrowings	**(645)**	(551)
Lease liabilities	**(143)**	(171)
Cash and cash equivalents	**371**	271
Net debt	**(417)**	(451)

On 6 August 2020, the Group issued a US$200 million (£152 million) debt private placement comprising US$100 million 2.91% notes maturing in 2030 and US$100 million 3.01% notes maturing in 2032.

In the prior year, the Group refinanced its maturing £200 million 6.75% bond with the proceeds from drawing down US$100 million (£77 million) 3.31% notes due 2029 and US$100 million (£77 million) 3.41% notes due 2031, with the remaining amount made up from cash balances.

Reconciliation of the movement in cash and cash equivalents to the movement in net debt is as follows:

	Year ended 31 March	
	2021	2020
	£m	£m
Net debt at beginning of the year	**(451)**	(504)
Net increase/(decrease) in cash and cash equivalents	**135**	(17)
Net (increase)/decrease in borrowings and leases	**(113)**	114
Decrease in net debt resulting from cash flows	**22**	97
Currency translation differences[1]	**39**	(22)
Fair value and other movements	**–**	2
Subsidiaries acquired	**(7)**	–
Leases non-cash movements	**(20)**	(24)
Decrease in net debt in the year	**34**	53
Net debt at end of the year	**(417)**	(451)

1 Includes the foreign currency element of the fair value movement on cross currency swaps (2020 only) and the translation of foreign denominated borrowings.

Movements in the Group's net debt were as follows:

	Cash and cash equivalents £m	**Borrowings and lease liabilities £m**	**Total £m**
At 1 April 2020	**271**	**(722)**	**(451)**
Movements from cash flows	**135**	**(113)**	**22**
Currency translation differences	**(35)**	**74**	**39**
Subsidiaries acquired	**–**	**(7)**	**(7)**
Fair value and other movements	**–**	**–**	**–**
Lease and non-cash movements	**–**	**(20)**	**(20)**
At 31 March 2021	**371**	**(788)**	**(417)**

11. Retirement benefit obligations

The Group operates a number of defined benefit pension plans, principally in the UK and the US.

The UK plans primarily comprise funded retirement benefit plans where plan assets were previously held separately from those of the Group in funds that were under the control of trustees.

At 31 March 2021, the Group's retirement benefit obligations are in a net deficit of £140 million (31 March 2020 – deficit of £203 million). The closing total net deficit substantially comprises the unfunded schemes in the US. In the prior year, the main UK pension scheme was subject to a bulk annuity insurance policy 'buy-in' and the schemes' assets were replaced with an insurance asset matching UK scheme liabilities. The net deficit of £18 million (31 March 2020 – £19 million) is predominantly relating to a smaller UK plan not subject to the 'buy-in'.

The significant movements in retirement benefit obligations in the year are as follows, each of which is recorded in other comprehensive income and has no impact on profit and loss.

- £51 million reduction in benefit obligation in the US principally from asset performance.
- £101 million increase in the UK benefit obligation principally from the impact of a lower discount rate (from 2.3% to 1.9%) and inflation increases are set-off by.
- £99 million increase in market value of assets where the 'buy-in' insurance policy is valued to match the obligation movement.
- £20 million translation benefit primarily from the weaker US dollar.

Total movements are set out in the table below.

		Year ended 31 March 2021		
	UK plans £m	US plans (funded) £m	US plans (unfunded) £m	Total £m
Net deficit at 1 April 2020	**(19)**	**(43)**	**(141)**	**(203)**
Income statement:				
– current service costs	**–**	**–**	**(1)**	**(1)**
– administration costs	**(1)**	**(1)**	**–**	**(2)**
– net interest expense US plans	**–**	**(1)**	**(4)**	**(5)**
Other comprehensive income:				
– actual return higher than interest on plan assets	**99**	**30**	**–**	**129**
– actuarial (loss)/gain:				
– changes in financial assumptions	**(107)**	**–**	**7**	**(100)**
– changes in demographic assumptions	**(3)**	**4**	**1**	**2**
– experience against assumptions	**9**	**–**	**9**	**18**
Other movements:				
– employer's contribution	**2**	**2**	**7**	**11**
– non-qualified deferred compensation arrangements	**–**	**(9)**	**–**	**(9)**
– currency translation differences	**2**	**4**	**14**	**20**
Net deficit at 31 March 2021	**(18)**	**(14)**	**(108)**	**(140)**

Following the prior year main UK plan 'buy-in', actuarial movements recorded in other comprehensive income in relation to the main UK plan's liabilities are matched by an equal and opposite movement recorded in other comprehensive income on its assets. The net £2 million loss recorded in other comprehensive income is in relation to UK obligations not yet subject to the 'buy-in'.

For the main UK plan, the Group does not expect to make any contributions during the financial year ending 31 March 2022 other than a one-off contribution to settle a post transaction price adjustment in respect of the bulk annuity insurance policy and meeting ongoing administration costs. Payments to the main UK scheme in the year ended 31 March 2021 include £1 million in fees and expenses met on behalf of the scheme.

During the year ending 31 March 2022 the Group expects to contribute approximately £8 million to its defined benefit pension plans, the one-off post transaction price adjustment in respect of the bulk annuity insurance policy and to pay approximately £4 million in relation to retirement medical benefits, principally in the US.

12. Contingent liabilities

The Group is subject to claims and litigation generally arising in the ordinary course of its business. Provision is made when liabilities are considered likely to arise and the expected quantum of the exposure can be estimated reliably. The risk in relation to claims and litigation is monitored on an ongoing basis and provisions amended accordingly. It is not expected that claims and litigation existing at 31 March 2021 will have a material adverse effect on the Group's financial position.

13. Capital expenditure and commitments

In the year ended 31 March 2021, there were additions to intangible assets (excluding goodwill and acquired intangibles) of £19 million (2020 – £25 million) and additions to property, plant and equipment of £155 million (2020 – £165 million). Total commitments for the purchase of tangible and intangible non-current assets are £33 million (2020 – £51 million).

In addition, the Group has various lease contracts that have not yet commenced as at 31 March 2021. The future lease payments for these non-cancellable lease contracts are £nil within one year, £6 million within five years and £3 million thereafter. Commitments in respect of retirement benefit obligations are detailed in Note 11.

14. Acquisitions

Sweet Green Fields ("SGF")
On 30 November 2020, the Group acquired the remaining 85% of the equity of SGF which it did not already own. Total provisional consideration in respect of the acquisition was £61 million (including the fair value of the 15% that the Group already owned). The provisionally determined fair value of identifiable net assets acquired was £25 million, resulting in provisional goodwill at the date of acquisition of £36 million (which was not deductible for tax purposes). The goodwill of £36 million remains provisional subject to finalisation of the completion accounts and working capital adjustments. The acquisition of SGF brings a broad portfolio of stevia products and a fully integrated stevia supply chain to the Group. It strengthens the Group's position as a leading provider of innovative sweetener solutions. The provisional goodwill primarily represented the premium paid to acquire an established business with a fully integrated supply chain and growth potential in the speciality food ingredients market.

The acquired business contributed revenue of £7 million and an operating loss of £2 million for the period from acquisition on 30 November 2020 until the end of the 2021 financial year (including the amortisation of acquired intangibles recognised from the acquisition). Had the business been acquired at the beginning of the 2021 financial year, it would have contributed revenue of £41 million and an operating profit of £nil in the 2021 financial year.

Chaodee Modified Starch Co., Ltd ("CMS")
On 10 February 2021, the Group acquired 85% of the shares of CMS a well-established tapioca modified food starch manufacturer located in Thailand. Total provisional consideration in respect of the CMS acquisition was £13 million. The provisionally determined fair value of identifiable net assets acquired was £9 million, resulting in provisional goodwill at the date of acquisition of £4 million (which was not deductible for tax purposes). The goodwill of £4 million remains provisional subject to finalisation of the completion accounts and working capital adjustments. This investment extends the Group's presence in speciality tapioca-based texturants and establishes a dedicated production facility in the main tapioca region of eastern Thailand. The acquisition will enable the Group to offer a broader range of tapioca-based solutions. The provisional goodwill primarily represented the premium paid to acquire an established business with a manufacturing plant which has the potential for modernisation and expansion.

The acquired business contributed revenue and operating profit that was immaterial to the Group.

The Group has elected to measure the non-controlling interests in the acquiree at fair value.

14. Acquisitions (continued)

The following table provides a summary of the acquisition accounting for Sweet Green Fields:

	Sweet Green Fields £m
Cash consideration	**50**
Non-cash consideration (fair value of existing interest in SGF)	**11**
Purchase price adjustments	**–**
Total consideration	**61**
Less: fair value of net assets acquired	**25**
Provisional goodwill	**36**

Cash flows:	
Total cash consideration (including purchase price adjustments)	**(50)**
Less: net cash and working capital adjustments	**1**
Acquisition of business, net of cash acquired	**(49)**

The fair value of net assets recognised on acquisition is comprised as follows:

	Sweet Green Fields £m
Intangible assets (customer relationships £2 million, intellectual property £16 million)	**18**
Property, plant and equipment	**13**
Inventories	**20**
Trade and other receivables	**10**
Cash and cash equivalents	**1**
Trade and other payables	**(26)**
Borrowings	**(7)**
Tax liabilities	**(4)**
Net assets at fair value on acquisition	**25**

15. Events after the balance sheet date

There are no post balance sheet events requiring disclosure in respect of the year ended 31 March 2021.

ADDITIONAL INFORMATION

FOR THE YEAR ENDED 31 MARCH 2021

Calculation of changes in constant currency

Where changes in constant currency are presented in this statement, they are calculated by retranslating current year results at prior year exchange rates. The following table provides a reconciliation between the 2021 performance at actual exchange rates and at constant currency exchange rates. Absolute numbers presented in the tables are rounded for presentational purposes, whereas the growth percentages are calculated on unrounded numbers.

Adjusted performance Continuing operations	**2021 £m**	FX £m	2021 at constant currency £m	Underlying growth £m	2020 £m	Change %	Change in constant currency %
Revenue	**2 807**	91	2 898	16	2 882	(3%)	1%
Food & Beverage Solutions	**177**	4	181	19	162	10%	12%
Sucralose	**55**	2	57	(6)	63	(12%)	(9%)
Primary Products	**158**	9	167	9	158	(1%)	5%
Central	**(51)**	(1)	(52)	–	(52)	1%	–%
Adjusted operating profit	**339**	14	353	22	331	2%	7%
Net finance expense	**(30)**	–	(30)	(2)	(28)	(7%)	(9%)
Share of profit after tax of joint ventures	**26**	3	29	1	28	(6%)	7%
Adjusted profit before tax	**335**	17	352	21	331	1%	6%
Adjusted income tax expense	**(48)**	–	(48)	11	(59)	19%	19%
Adjusted profit after tax	**287**	17	304	32	272	6%	12%
Adjusted diluted EPS (pence)	**61.2p**	3.6p	64.8p	7.0p	57.8p	6%	12%

Impact of changes in exchange rates

The Group's reported financial performance at average rates of exchange for the year ended 31 March 2021 was unfavourably impacted by currency translation. The average and closing US dollar and euro exchange rates used to translate reported results were as follows:

	Average rates		**Closing rates**	
Year ended 31 March	**2021**	2020	**2021**	2020
US dollar : sterling	**1.31**	1.27	**1.38**	1.25
Euro : sterling	**1.12**	1.14	**1.17**	1.13

For the year ended 31 March 2021, net foreign exchange translation decreased Food & Beverage Solutions adjusted operating profit by £4 million, decreased Sucralose adjusted operating profit by £2 million and decreased Primary Products adjusted operating profit by £9 million, with adjusted profit before tax for the Group decreasing in total by £14 million.

The sensitivity of the Group's results to changes in US dollar currency translation rates for the year ending 31 March 2022 is expected to be around £2.6 million for the annual impact of a one cent change on adjusted profit before tax.

ADDITIONAL INFORMATION

FOR THE YEAR ENDED 31 MARCH 2021

Change to Food & Beverage Solutions regional disclosure following creation of new single Asia, Middle East, Africa and Latin America region

During the year and as previously announced, to increase our focus on building our business and presence in higher growth markets, a new single Asia, Middle East, Africa and Latin America region has been created comprising the regions previously reported as Asia Pacific, Latin America and Middle East and Africa (formerly part of Europe, Middle East and Africa). The Segmental Operating Performance on pages 7 and 8 has adopted this revised disclosure model. The divisional results for the year ended 31 March 2021 have been provided under the previous disclosure model below.

Year ended 31 March 2021	Volume change	Revenue £m	Revenue growth
North America	+4%	485	+6%
Asia Pacific and Latin America	+3%	221	+9%
Europe, Middle East and Africa	+3%	264	+1%
Food & Beverage Solutions	**+3%**	**970**	**+6%**

Revenue growth percentages are calculated on unrounded numbers and in constant currency.

RATIO ANALYSIS

			31 March 2021	31 March 2020
Net debt to EBITDA				
=	Net debt		**417**	451
	EBITDA		**504**	492
			= 0.8 times	= 0.9 times
Earnings dividend cover				
=	Adjusted basic earnings per share from continuing operations		**61.9**	58.6
	Dividend per share		**29.6**	29.6
			= 2.1 times	= 2.0 times
Cash dividend cover				
=	Adjusted free cash flow from continuing operations		**250**	247
	Cash dividends		**137**	137
			= 1.8 times	= 1.8 times
Return on capital employed				
=	Profit before interest, tax and exceptional items from continuing operations		**329**	320
	Average invested operating capital from continuing operations		**1 910**	1 832
			= 17.2%	= 17.5%
Gearing				
=	Net debt		**417**	451
	Total equity		**1 460**	1 399
			= 29%	= 32%

All ratios are calculated based on unrounded figures in £ million. Net debt to EBITDA, Adjusted free cash flow, Average invested operating capital and Return on capital employed are defined and reconciled in Note 3 of the attached financial information.