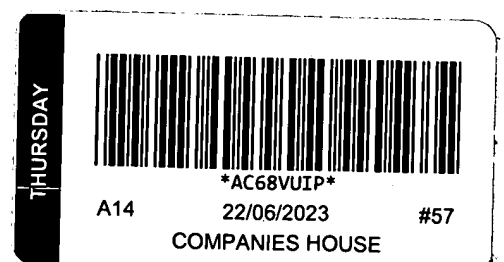


Company Registration No. 02874729

SMITHFIELD FOODS LIMITED

Annual Report and Financial Statements

31 December 2022



SMITHFIELD FOODS LIMITED

Annual Report and Financial Statements 31 December 2022

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SMITHFIELD FOODS LIMITED

Annual report and financial statements For the year ended 31 December 2022

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Gareth Joubert
Ian M C Lindsay
Gary J R McFarlane
David L Coleman (Appointed 29 July 2022)
Charles S Smith (Resigned 29 July 2022)

REGISTERED OFFICE

Norfolk Tower
48-52 Surrey Street
Norwich
Norfolk
United Kingdom
NR1 3PA

AUDITOR

Price Bailey LLP
Anglia House
6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
NR7 0HR

SMITHFIELD FOODS LIMITED

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2022.

REVIEW OF THE BUSINESS

The principal activities of the company are the sales, marketing, and distribution of both fresh and processed Smithfield group meat products.

The results for the company show turnover of £163,363k (2021: £115,076k) and a profit before taxation of £847k (2021: £559k). Net assets were £11,758k (31 December 2021: £10,532k).

The directors monitor the performance of the company by reference to the following financial KPIs:

	2022	2021
Increase in average weekly net sales (%)	41.9%	24.8%
Gross profit to net sales ratio (%)	3.0%	4.1%
Administrative expenses to net sales ratio (%)	3.1%	3.5%

Turnover increased by 41.9% vs. 2021, driven by growth in fresh poultry sales. Annual volume also grew by 15.3% in 2022 (2021: 15.4%).

PRINCIPAL RISKS AND UNCERTAINTIES

All risks and uncertainties are monitored on a regular basis with action plans put in place to mitigate any adverse effects on the business. The key business risks affecting the company are the overall economic climate, competitive pressures, and potential supply chain disruptions.

Supply chain risk is mitigated by sourcing from sister companies together with appropriate insurance coverage and a diversified portfolio of third-party logistics providers.

The ongoing conflict in Ukraine continues to have far reaching impacts on the global economy, adding inflationary pressures and slowing recovery from the COVID-19 pandemic. The resulting market volatility and increase in commodity and energy prices has continued to push up food prices. The crisis continues to have a minor impact on supply, but it is a situation that is continually monitored by the company, along with the wider group.

African Swine Fever (ASF) and Avian Influenza (AI) continue to represent significant risks to Smithfield. Both diseases are present in Poland, and the export of meat from animals from affected farms is prohibited. This means affected animals can only be sold to domestic markets thus impacting on total volumes available, timing of loads and management of production flows. We seek to mitigate this by planning and allocating unaffected slaughter volumes to prioritised markets (of which UK is one), managing and contracting volumes of unaffected animals and producing the same product lines from multiple locations to give flexibility of supply.

FINANCIAL RISKS

The company's operations expose it to a variety of financial risks. The company has in place a risk management programme that seeks to limit any adverse effects on the financial performance of the company.

Price risk

The company is indirectly exposed to commodity price risk because of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

SMITHFIELD FOODS LIMITED

FINANCIAL RISKS (continued)

Credit risk

The company has policies which require appropriate checks on potential and existing customers, coupled with trade credit insurance since 1 January 2018. The Company has a diverse customer base skewed towards companies that the directors consider to be low risk. In 2022 the largest customer constituted less than 6% of net sales which demonstrates there is not an over-reliance on a single customer.

Liquidity risk

The company carefully manages its working capital to retain appropriate cash and facilities to ensure it has sufficient available funds for operations and planned expansions.

Interest rate risk

The company has both interest-bearing assets and interest-bearing liabilities. Interest-bearing assets include only cash balances which attract interest at a floating rate. Interest-bearing liabilities include advances made in respect of trade debtors under invoice discounting arrangements, which attract interest at a variable rate. The company does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied.

Foreign exchange risk

The company has foreign currency debtors and creditors creating exposure to adverse exchange rate movements. Where possible the company seeks to match foreign currency income and expenditure as a natural hedge. A policy is in place to determine the use of forward contracts to mitigate the effect of exchange rate movements. However, at present the exposure remains low and at the year end there were no derivative instruments in place to manage foreign exchange risk.

RESEARCH AND DEVELOPMENT

The company expenses all research and development expenditure during the year that it was incurred.

RESULTS AND DIVIDENDS

The profit for the reporting period after taxation amounted to £675k (2021: £401k). The directors do not recommend the payment of a dividend (2021: £nil).

No political donations have been made in the year (2021: nil).

SECTION 172(1) STATEMENT

The Board of Directors confirm that during the year covered by this report, they have discharged their duties under section 172(1) of the Companies Act 2006 in a way they consider, in good faith, is likely to best promote the long-term success of the Company for the benefit of its members as a whole, while having regard to other matters, including but not limited to:

- a) the likely consequences of any decision in the long term,
- b) the interests of the company's employees,
- c) the need to foster the company's business relationships with suppliers, customers, and others,
- d) the impact of the company's operations on the community and the environment,
- e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- f) the need to act fairly as between members of the company.

Taking into consideration this broad range interests is an important element of the decision-making process that the Board goes through, although in balancing multiple perspectives it is not always possible to reach a decision that is desirable for everyone.

Long term consequences of business decisions and maintaining high standards of business conduct

The Company operates within a sector where strong long-term relationships with all stakeholders are fundamental to the growth and success of the business. Consequently, consideration of and potential long-term impacts forms a key part of the decision-making process. The Directors also recognise that conflicts may arise between short-term and long-term consequences of a decision, and these are carefully considered as part of the process. Where possible, long-term benefits will always take priority.

The Directors strive to operate to the highest levels of conduct. All staff are required to adhere to the Company policies set out in the Staff Handbook, including the Equal Opportunities, Bullying and Harassment, and Anti-bribery policies. The Company operates a Confidential Reporting policy to provide staff and others with a confidential process to report any concerns they have so that they can be investigated properly.

SMITHFIELD FOODS LIMITED

Employee and Stakeholder engagement

Our employees are key to our business. We want to foster an environment where they feel empowered to deliver the best possible service levels to our customers, as well as provide them opportunities to continually grow and develop personally. The Company actively engages with its employees to identify and implement training programmes where appropriate. Regular staff briefings also provide the opportunity to update employees on performance and future direction of the Company, as well as providing a forum for them to ask the Directors any questions they may have. Staff feedback is also seen as an important opportunity for the Directors to reflect on how employees view the Company, and all staff are encouraged to provide their views in an annual staff survey.

The Directors are continually seeking to build, maintain and develop strong long-term relationships with customers and suppliers that are not only mutually beneficial for both parties, but are focused on ensuring that food safety and compliance are at the forefront of what we do.

Community and environment

Smithfield Foods is committed to having a positive impact on the community with the provision of quality food products while reducing its impact on the environment.

The principle corporate social responsibility efforts of the Company are focused on providing good food responsibly and support of a local food charity.

The transportation of goods constitutes our single greatest impact on the environment via the use of third-party logistics services. Where possible we make use of primary transport networks to reduce road miles. We are also going through the process of understanding how our logistics partners are reducing their impact on the environment, which will form an important part of our supplier selection process.

Acting fairly as between members of the company

The Directors and all other employees of the business strive to treat all external stakeholders fairly and respectfully and in a manner that aligns with Company values.

Approved by the Board of Directors
and signed on behalf of the Board



G Joubert

Director

Date: 14/06/2023

SMITHFIELD FOODS LIMITED

DIRECTORS REPORT

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2022.

DIRECTORS

The directors who served throughout the period and up to the date of signing the financial statements were as follows:

Gareth Joubert
Ian M C Lindsay
Gary J R McFarlane
David L Coleman (Appointed 29 July 2022)
Charles S Smith (Resigned 29 July 2022)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 of the profit or loss of the company 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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS IN A BUSINESS RELATIONSHIP WITH THE COMPANY

How the Director's engage with their suppliers, customers and others is covered in the Section 172(1) statement in the strategic report above.

SMITHFIELD FOODS LIMITED

STREAMLINED ENERGY AND CARBON REPORTING

The table below presents the Company's energy usage and associated greenhouse gas (GHG) emissions from electricity and fuels in the UK for the year ended 31 December 2022.

	2022	2021
Total UK Energy Usage (kWh)	170,105	109,321
Energy usage breakdown:		
Electricity	68,843	64,118
Diesel	84,655	40,231
Petrol	16,607	4,972
Total Freightng Goods (metric tonne.km)	82,566,474	72,996,145
Scope 2 Emissions in Metric Tonnes CO2e		
Purchase of electricity	13.28	13.61
Scope 3 Emissions in Metric Tonnes CO2e		
Procured materials	5,933.60	5,604.17
Freightng goods	10,219.78	9,188.75
Private vehicles on company business	24.32	10.67
Homeworking	0.99	-
Total Emissions in metric tonnes CO2e	16,191.96	14,817.21
Intensity Ratio (emissions per £m turnover)	99.12	128.76

Quantification and methodology

In calculating the figures above, we have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the UK Government GHG Conversion Factors for Company Reporting. The comparative figures have been restated due to the identification of new emissions categories, as well as the correction of previous calculations.

Intensity ratio

The intensity ratio used for reporting is total gross emission in metric tonnes CO2e per £1m turnover, which we believe is an appropriate ratio for nature of our business and the sector which we operate within.

Measures taken to improve efficiency

Specific measures taken to improve efficiency include:

- Refreshment of assets to more energy efficient options to reduce energy usage.
- Where possible, using third party freightng partners who use more environmentally friendly fuels.
- Holding meetings remotely where possible to reduce unnecessary travel.

GOING CONCERN

The Board of Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The strategic report also describes the financial position of the Company; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

SMITHFIELD FOODS LIMITED

The Company's activities are the sales, marketing and distribution of both fresh and processed meat products purchased from the wider Group, which the Company forms part of. These purchases are made in accordance with transfer pricing policies that are in place. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements, on the assumption of continued access the invoice discounting facility, which indicate, that taking account of the likelihood of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period.

These severe but plausible downside scenarios include assumptions arising from future lockdowns, reductions in the wholesale price of meat and adverse working capital commitments. They also include mitigating actions that are within the control of management.

A key assumption in these conclusions is access to cash through the invoice discounting facility. The invoice discounting facility has no end date, but the terms do allow for the contract to be ended beyond May 2023 with 3 months' notice. The agreement has been in place since 2011 and alternative options are available to the Company were this facility to be terminated through seeking an increase in creditor days with related parties should the need arise, although the Company has held discussions with its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that the facility would not be made available for the foreseeable future.

Consequently, based on these considerations the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

DIRECTORS PROVISIONS

The company maintained Directors' liability insurance policies on behalf of the Directors of the Company throughout the financial year and remain in force at the approval date of these financial statements. These policies meet the Companies Act 2006 definition of a qualifying third-party indemnity provision.

AUDITOR

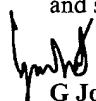
In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Price Bailey LLP have expressed their willingness to continue in office as auditor.

Approved by the Board of Directors
and signed on behalf of the Board



G Joubert

Director

Smithfield Foods Limited
Norfolk Tower
48-52 Surrey Street
Norwich
Norfolk
United Kingdom
NR1 3PA

Date: 14/06/2023

SMITHFIELD FOODS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMITHFIELD FOODS LIMITED

Opinion

We have audited the financial statements of Smithfield Foods Limited (the 'company') for the year ended 31 December 2022 which comprise the Income Statement and Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included reviewing forecasts and cashflows provided by management, performed sensitivity analysis and reviewed for reasonableness, and considered the risks to the company/s business model and analysed how those risks might affect the ongoing operations of the company.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SMITHFIELD FOODS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Fraud risks include, but are not limited to, the risk that those charged with governance could manipulate the financial statements to report desired results through posting journals, manipulating the point at which revenue is recorded on sales around the year end, or through manipulation of estimates. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rational of significant transactions to identify large or unusual transactions, and performed a review of credit notes;
- We critically assessed significant estimates inherent in the financial statements. This involved assessing estimates against post year end actual performance and considering estimates in light of our expectations which are formed on the basis of past experience and our knowledge of the entity and the industry;
- We obtained confirmation directly from the Company's bank, to confirm the accounts and balances held in their name at the balance sheet date;
- We confirmed the existence of a sample of employees to identify potential fictitious employees being paid;
- We reviewed legal expenses to identify potential instances of non-compliance with laws and regulations;
- We reviewed a sample of expenditure to ensure that purchases were bonafide, correctly authorised, and internal approval limits are being adhered to.

SMITHFIELD FOODS LIMITED

We performed the procedures set out above after gaining an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and after considering the risk of acts by the Company contrary to applicable laws and regulations including fraud. We obtained this understanding from discussions with those charged with governance, who did not make the engagement team aware of any non-compliance with laws and regulations or instances of fraud throughout the year or since the year end.

We also enquired with those charged with governance as to how they ensure the Company complies with the applicable legal & regulatory framework. The Company is subject to regular audits from a number of key regulators, including the British Retail Consortium Global Standard (BRCGS), International Food Standard (IFS) and the Food Standards Agency (FSA). The Company also ensures that its stock holders and other key supply chain components are BRCGS approved, and performs regular spot checks and annual assessments for insurance purposes.

In performing the above procedures, we focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, BRCGS, IFS, FSA, ISO 22000, the Companies Act 2006, General Data Protection Regulations, employment law and tax legislation.

Following detailed team briefings, the responsible individual has assessed that the audit engagement team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with applicable laws and regulation. Nonetheless, because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Aaron Widdows ACA FCCA (Senior Statutory Auditor)

For and on behalf of Price Bailey LLP

Chartered Accountants

Statutory Auditors

Anglia House, 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich Norfolk
NR7 0HR

Date: 14 June 2023

SMITHFIELD FOODS LIMITED

INCOME STATEMENT

For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
TURNOVER	3	163,363	115,076
Cost of Sales		(158,439)	(110,410)
Gross Profit		4,924	4,666
Administrative expenses		(5,073)	(3,981)
OPERATING PROFIT	4	(149)	685
Income from interests in associated undertakings	12	1,100	-
PROFIT BEFORE INTEREST AND TAXATION		951	685
Interest Receivable and similar income	7	17	(58)
Interest payable and similar expenses	8	(121)	(68)
PROFIT BEFORE TAXATION		847	559
Tax on Profit	9	(172)	(158)
PROFIT AFTER TAXATION		675	401

All activities derive from continuing operations

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

		2022 £'000	2021 £'000
Profit for the financial period		675	401
Remeasurement of net defined benefit asset	18	735	287
Tax relating to components of other comprehensive income	9	(184)	(58)
TOTAL COMPREHENSIVE (EXPENSE) INCOME FOR THE YEAR		1,226	630

The accompanying notes form part of these financial statements.

SMITHFIELD FOODS LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

		31 December	31 December
	Note	2022	2021
		£'000	£'000
FIXED ASSETS			
Intangible assets	10	78	106
Tangible assets	11	59	75
Investments	12	412	1,512
		<u>549</u>	<u>1,693</u>
CURRENT ASSETS			
Stocks	13	7,765	4,841
Debtors	14	23,419	17,867
Cash at bank and in hand		62	89
		<u>31,246</u>	<u>22,797</u>
CREDITORS: amounts falling due within one year	15	(21,256)	(14,607)
NET CURRENT ASSETS		<u>9,990</u>	<u>8,190</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,539	9,883
Provision for liabilities and charges	16	(440)	(258)
Pension asset	18	1,659	907
NET ASSETS		<u><u>11,758</u></u>	<u><u>10,532</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	432	432
Capital redemption reserve	17	3	3
Retained earnings	17	11,323	10,097
SHAREHOLDERS' FUNDS		<u><u>11,758</u></u>	<u><u>10,532</u></u>

The accompanying notes form part of these financial statements.

The financial statements of Smithfield Foods Limited, registered number 02874729, were approved by the Board of Directors and authorised for issue on 13 June 2023.

They were signed on its behalf by



G Joubert

Director

Date: 14/06/2023

SMITHFIELD FOODS LIMITED

STATEMENT OF CHANGES IN EQUITY

At 31 December 2022

	Called-up share capital £'000	Capital redemption reserve £'000	Income statement £'000	Total £'000
At 1 January 2021	432	3	9,467	9,902
Profit for the financial period	-	-	401	401
Remeasurement of net defined benefit liability	-	-	287	287
Tax relating to items of other comprehensive income	-	-	(58)	(58)
Total comprehensive income	-	-	630	630
At 31st December 2021	432	3	10,097	10,532
Profit for the financial period	-	-	675	675
Remeasurement of net defined benefit liability	-	-	735	735
Tax relating to items of other comprehensive income	-	-	(184)	(184)
Total comprehensive expense	-	-	1,226	1,226
At 31 December 2022	432	3	11,323	11,758

The accompanying notes form part of these financial statements.

SMITHFIELD FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

General information and basis of accounting

Smithfield Foods Limited is a company limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page and the company's operations and its principal activities are set out in the strategic report on pages 4, 5 and 6.

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

The functional currency of Smithfield Foods Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Smithfield Foods Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

Consolidation

The company is a wholly owned subsidiary of Smithfield Foods Group Limited and ultimately W H Group Limited, which prepares consolidated financial statements. Accordingly, the preparation of group financial statements is not required under section 401 of the Companies Act 2006. These financial statements present information about the company as an individual undertaking and not about its group.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company's activities are the sales, marketing and distribution of both fresh and processed meat products purchased from the wider Group, which the Company forms part of. These purchases are made in accordance with transfer pricing policies that are in place. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements, on the assumption of continued access the invoice discounting facility, which indicate, that taking account of the likelihood of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period.

These severe but plausible downside scenarios include assumptions arising from future lockdowns, reductions in the wholesale price of meat and adverse working capital commitments. They also include mitigating actions that are within the control of management.

Consequently, based on these considerations the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Turnover

Turnover represents the total amount receivable (excluding value added tax) in the ordinary course of business and is recognised at the point at which the company has fulfilled its obligation with respect to the sale, which generally occurs on delivery.

SMITHFIELD FOODS LIMITED

1. ACCOUNTING POLICIES (continued)

Intangible assets other than goodwill

Intangible assets are measured initially at cost. 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. Amortisation is calculated to write off the cost of tangible assets, less their residual values, over their expected useful lives, which are periodically reviewed, using the straight-line basis as follows:

Software	10% to 50%
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Tangible fixed assets

Tangible assets are stated at historic 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 calculated to write off the cost of tangible assets, less their residual values, over their expected useful lives, which are periodically reviewed, using the straight-line basis as follows:

Plant and machinery	10% to 50%
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Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost is determined on an AVCO basis. Net realisable value is the price at which stocks can be sold in the normal course of business, net of further costs to be incurred, if any.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the income statement on a straight-line basis over the life of the lease.

SMITHFIELD FOODS LIMITED

1. ACCOUNTING POLICIES (continued)

Investments

Investments in subsidiary undertakings are stated at cost in the financial statements of the company less any provision necessary for impairment in value.

Provisions

Provisions are recognised where there is 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.

Pension costs

Defined benefit scheme

As a result of the transfer of the assets and trade of Pek London Limited to the company on 18 April 2006, the company replaced Pek London Limited as the Principal Employer to the Ridpath Pek Ltd Pension and Life Assurance Fund. The scheme was closed to further accrual with effect from 1 October 2003.

For defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to the income statement and included within interest receivable and similar income. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each period end date.

Defined contribution scheme

For defined contribution schemes the amount charged to the income statement in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the period end date are translated at the rates ruling at that date. Translation differences arising are dealt with in the income statement.

Financial instruments

Financial assets and financial liabilities are recognised upon becoming a party to the contractual provisions of the instrument.

Trade debtors

Trade debtors are non-interest bearing and are stated at their nominal value, as reduced by appropriate allowances for estimated irrecoverable amounts.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that gives a residual interest in the assets of the company after deducting all of its liabilities.

Trade creditors

Trade creditors are non-interest bearing and are stated at their nominal value.

SMITHFIELD FOODS LIMITED

1. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

SMITHFIELD FOODS LIMITED

Pension commitments

The directors have made assumptions to calculate the assets and liabilities of the defined benefit pension scheme. The pension scheme has assets of £6,340k (2021: £7,388k) and liabilities of £4,681k (2021: £6,481k). The assumptions are documented in note 18 of the financial statements. The directors are comfortable with the assumptions on the basis of having taken account of expert actuarial advice. The directors have also made assumptions in relation to the control, and therefore recognition, of the net pension surplus and believe this asset to be recoverable after expert legal advice. The pension asset recognised in the Company's statement of financial position is £1,659k (2021: £907k).

3. TURNOVER AND REVENUE

The turnover and profit before tax are attributable to the one principal activity of the company, undertaken in the United Kingdom. An analysis of turnover by destination is given below:

	2022 £'000	2021 £'000
Sale of goods revenue		
United Kingdom	156,745	112,539
Overseas	6,618	2,537
TURNOVER	163,363	115,076

4. OPERATING PROFIT

	2022 £'000	2021 £'000
Operating profit is stated after charging/(crediting):		
Depreciation of owned tangible assets	84	69
Operating lease rentals	126	125
Foreign exchange losses (gains)	5	49
Cost of stock recognised as an expense	154,527	107,303
The analysis of auditor's remuneration is as follows:		
Fees payable to the company's current auditor for the audit of the company's accounts	31	28
Fees payable to the company's previous auditor for the audit of the company's accounts	-	25
Fees payable to the company's current auditor for the audit of company associates	-	15

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2022 £'000	2021 £'000
Aggregate emoluments	734	731
Company contributions to defined contribution pension scheme	28	12
	762	743

Retirement benefits were accruing to three directors (2021: three) under defined contribution company pension schemes during the year under review.

SMITHFIELD FOODS LIMITED

5. DIRECTORS' EMOLUMENTS (continued)

Emoluments payable to the highest paid director are as follows:

	2022 £'000	2021 £'000
Emoluments receivable	400	401
Company contributions to defined contribution pension scheme	4	4
	<u>404</u>	<u>405</u>

6. EMPLOYEE INFORMATION

	2022 No.	2021 No.
The average monthly number of persons (including executive directors) employed by the company during the year was:		
Sales	12	12
Administration	29	29
	<u>41</u>	<u>41</u>

	2022 £'000	2021 £'000
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	2,195	2,267
Social security costs	280	277
Other pension costs	166	136
	<u>2,641</u>	<u>2,680</u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022 £'000	2021 £'000
Interest receivable on bank accounts	-	(1)
Net interest on defined benefit asset	17	(57)
	<u>17</u>	<u>(58)</u>

SMITHFIELD FOODS LIMITED

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2022 £'000	2021 £'000
Interest payable on invoice discounting facility	121	68

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

a. Tax expense included in profit and loss account:

	2022 £'000	2021 £'000
Current tax:		
UK corporation tax on profits of the period	163	101
Adjustment in respect of previous years	11	-
Total current tax	174	101
Deferred tax:		
Origination and reversal of timing differences	(2)	11
Adjustment in respect of previous periods	-	1
Effect of tax changes in tax rates	-	45
Total deferred tax	(2)	57
Total tax on profit on ordinary activities	172	158

b. Tax expense included in other comprehensive income:

	2022 £'000	2021 £'000
Deferred tax:		
Origination and reversal of timing differences	140	58
Adjustment in respect of previous periods	-	-
Effect of tax changes in tax rates	44	-
Total tax included in other comprehensive income	184	58

Deferred tax recognised in other comprehensive income relates to remeasurement of net defined benefits pension asset.

SMITHFIELD FOODS LIMITED

9. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

c. Reconciliation of tax charge

The current tax assessed for the year is higher (2021: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2022 of 19% (2020: 19%). The differences are explained below:

	2022 £'000	2021 £'000
Profit before taxation	847	559
Profit before tax at the standard rate of corporation tax in the UK of 19%	161	106
Effects of:		
Expenses not deductible for tax purposes	1	3
Amounts (charged)/credited directly to STRGL or otherwise transferred	-	44
Adjustment in respect of previous years	11	1
Deferred Tax (charged)/credited directly to STRGL	-	(58)
Remeasurement of deferred tax for changes in tax rates	(1)	62
Total tax charge	172	158

d. Factors affecting tax charge for future years

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. The closing deferred tax assets and liabilities as at 31 December 2022 have therefore been calculated using this rate, as this is the rate at which these assets and liabilities are expected to unwind.

SMITHFIELD FOODS LIMITED

10. INTANGIBLE ASSETS

	Software £'000
Cost	
At 1 January 2022	144
Additions	-
Disposals	-
At 31 December 2022	144
Amortisation	
At 1 January 2022	38
Charge for the period	28
Disposals	-
At 31 December 2022	66
Net book value	
At 1 January 2022	106
At 31 December 2022	78

11. TANGIBLE FIXED ASSETS

	Fixtures and Fittings £'000	Computer Equipment £'000	Total £'000
Cost			
At 1 January 2022	129	315	444
Additions	-	40	40
Disposals	-	(1)	(1)
At 31 December 2022	129	354	483
Depreciation			
At 1 January 2022	103	266	369
Charge for the period	12	44	56
Disposals	-	(1)	(1)
At 31 December 2022	115	309	424
Net book value			
At 1 January 2022	26	49	75
At 31 December 2022	14	45	59

SMITHFIELD FOODS LIMITED

12. INVESTMENTS

	Investments in subsidiary companies £'000
Cost	
At 1 January 2022	1,512
At 31 December 2022	1,512
Impairment	
At 1 January 2022	-
Charge for the period	(1,100)
At 31 December 2022	(1,100)
Net Book Value	
At 31 December 2022	412
At 1 January 2022	1,512

In the opinion of the directors the value of the investment in the subsidiary undertaking is not less than the aggregate amount at which it is carried in the statement of financial position.

On 2 December 2021 a special resolution was passed to reduce the share capital of Pek London Limited to £1, with the dividend payment of £1,099,999 set off against the amount owed to the company. On 28 February 2023 Pek London Limited was dissolved.

Subsidiary undertaking	Country of incorporation	Percentage of ordinary shares held	Principal activity
Mecom Group S.R.O. Registered office: Pol'ná 98/4 Humenné, 066 01 Slovakia.	Slovakia	1%	Meat processing

13. STOCKS

	2022 £'000	2021 £'000
Finished goods	7,765	4,841

The replacement cost of stocks does not differ materially from the values disclosed above.

SMITHFIELD FOODS LIMITED

14. DEBTORS

	2022 £'000	2021 £'000
Amounts falling due within one year		
Trade debtors	20,092	15,160
Amounts owed by group undertakings	2,638	2,151
Other debtors	92	64
Prepayments and accrued income	597	492
	<u>23,419</u>	<u>17,867</u>

Amounts owed by group undertakings are unsecured, interest free, and repayable on demand.

The trade debtors balance of £20,092k is secured as part of fixed and floating charges relating to the invoice discounting facility.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Invoice discounting advances	4,912	572
Trade creditors	1,473	1,364
Group trading relationships	12,952	9,218
Group loans	-	1,100
Corporation tax	74	41
Social security	73	56
Accruals and deferred income	1,772	2,256
	<u>21,256</u>	<u>14,607</u>

Advances under invoice discounting arrangements are secured by a fixed and floating charge over all property and assets of the company.

The reduction in Group Loans represents the set off of the dividend payment of £1,099,999 from Pek London Limited against the amount owed to the company.

16. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £'000
At 1 January 2022	258
(Credit)/Charged to income statement	(2)
(Credit)/Charged to other comprehensive income	184
At 31 December 2022	<u>440</u>

SMITHFIELD FOODS LIMITED

16. PROVISIONS FOR LIABILITIES AND CHARGES (Continued)

The deferred tax liability consists of the tax effect of timing differences in respect of:

	2022	2021
	£'000	£'000
Accelerated capital allowances	32	43
Other timing differences	408	215
	<u>440</u>	<u>258</u>

17. CALLED UP SHARE CAPITAL AND RESERVES

	2022	2021
	£'000	£'000
Called up, allotted and fully paid		
431,666 ordinary shares of £1 each	<u>432</u>	<u>432</u>

The called up and allotted shares have attached to them full voting, dividend and capital distribution rights.

The company's other reserves are as follows:

The capital redemption reserve relates to purchase of own shares.

The income statement represents cumulative profits or losses, net of dividends and other adjustments.

18. PENSION COMMITMENTS

Defined benefit scheme

As a result of the transfer of the assets and trade of Pek London Limited to the company on 18 April 2006, the company replaced Pek London Limited as the Principal Employer to the Ridpath Pek Ltd Pension and Life Assurance Fund. The scheme was closed to further accrual with effect from 1 October 2003.

The most recent formal valuation of the scheme was carried out by a qualified independent actuary as at 1 October 2020 and updated to 31 December 2022.

The major assumptions used by the actuary were:

	2022	2021
Rate of increase of pensions in payment	3.80%	3.80%
Discount rate	4.80%	1.85%
Inflation	3.20%	3.60%

SMITHFIELD FOODS LIMITED

18. PENSION COMMITMENTS (continued)

The mortality assumptions used were as follows:

Investigations have been carried out within the past three years into the mortality experience of the Company's defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	2022 Years	2021 Years
Life expectancies at 65 for individuals currently aged 65		
Men	22	22
Women	24	24
Life expectancies at 65 for individuals currently aged 45		
Men	23	23
Women	26	25

Amounts recognised in the income statement in respect of this defined benefit scheme are as follows:

	2022 £'000	2021 £'000
Net interest (expense) / income	17	(57)
Recognised in other comprehensive income:		
Total (cost) / income related to defined benefit scheme	735	287

SMITHFIELD FOODS LIMITED

18. PENSION COMMITMENTS (continued)

The amounts included in the statement of financial position arising from the Company's obligations in respect of its defined benefit scheme is as follows:

	Assets £'000	Liabilities £'000	Net Asset £'000
Reconciliation of net pension scheme liability:			
At 31 December 2020	<u>7,373</u>	<u>6,696</u>	<u>677</u>
Past service cost	-	64	(64)
Interest income on plan assets / (cost)	93	85	8
Actuarial losses / (gains)	-	(85)	85
Return on plan assets excluding interest income	202	-	202
Benefits paid	(280)	(279)	(1)
Contributions by employer	-	-	-
At 31 December 2021	<u>7,388</u>	<u>6,481</u>	<u>907</u>
Past service cost	-	-	-
Interest income on plan assets / (cost)	134	117	17
Actuarial losses / (gains)	-	(1,639)	1,639
Return on plan assets excluding interest income	(904)	-	(904)
Benefits paid	(278)	(278)	-
Contributions by employer	-	-	-
At 31 December 2022	<u>6,340</u>	<u>4,681</u>	<u>1,659</u>

The actual return on plan assets was:

	2022 £'000	2021 £'000
Return on plan assets excluding interest income	(904)	202
Interest income on plan assets	134	93
Actual return on plan assets	<u>(770)</u>	<u>295</u>

The plan assets include no assets from the Company's own financial instruments, nor do they include any property occupied by, or other assets used by, the Company. No contributions are expected to be made to the scheme in the upcoming year

The analysis of the scheme assets at the period end date was as follows:

	2022 £'000	2021 £'000
Unitised with-profits policy	3,747	3,559
Pension annuities held in the trustees' name	2,593	3,829
	<u>6,340</u>	<u>7,388</u>

SMITHFIELD FOODS LIMITED

18. PENSION COMMITMENTS (continued)

The Unitised with-profits fund has the following asset mix:

	2022	2021
Equities (UK & International)	47.9%	49.5%
Property	16.7%	15.1%
UK Gilts	5.8%	5.8%
Corporate Bonds (UK & International)	21.9%	17.9%
Alternative Investments	7.2%	6.9%
Cash and Cash Alternatives	0.5%	4.8%

19. FINANCIAL COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 £'000	2021 £'000
Land and Buildings		
Within one year	135	122
Between one and five years	39	156
Total current tax	<u>174</u>	<u>278</u>

20. PARENT UNDERTAKINGS AND ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary undertaking of Smithfield Foods Group Limited, Norfolk Tower, Surrey Street, Norwich NR1 3PA, a company incorporated in the UK. Smithfield Foods Group Limited in turn is owned by SFDS Global Holdings BV, Naritaweg 165, Amsterdam, 1043BW, a company incorporated in the Netherlands. Each of these companies is a wholly owned subsidiary of Smithfield Foods, Inc. ("SFI"), Commerce Street, Smithfield, incorporated in the State of Virginia, USA, which in turn is a wholly owned subsidiary of WH Group Limited ("WHG"), incorporated in the Cayman Islands and listed on the Stock Exchange of Hong Kong, which was the largest group to consolidate the company. WHG's registered address is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. Copies of WHG's group financial statements are available from www.wh-group.com. The ultimate parent undertaking and controlling party was WH Group Limited. The smallest group to consolidate the company accounts is Smithfield Foods Inc.

21. SUBSEQUENT EVENTS

On 2 December 2021 a special resolution was passed to reduce the share capital of Pek London Limited to £1, with the dividend payment of £1,099,999 set off against the amount owed to the company. On 28 February 2023 Pek London Limited was dissolved.

On 20 December 2022, a plan was adopted to liquidate the company's parent, Smithfield Foods Group Limited, in 2023.

The financial statements have been adjusted to include a bad debt provision of £158,550. Of this, £135,000 is recoverable through credit insurance, and has been included within accrued income.