

Company Registration Number:

07441672

GRENCORE FOODS LIMITED

Directors' Report and Financial Statements

Period ended 29 September 2017

TUESDAY



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GRENCORE FOODS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

Period ended 29 September 2017

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GRENCORE FOODS LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

MEvans
C O'Leary(Irish)
C Bradshaw
E Tonge (Irish)

SECRETARY

MEvans

REGISTERED OFFICE

Grencore Group UK Centre
Midland Way, Barlborough Links Business Park
Barlborough
Chesterfield
S43 4XA

BANKERS

HSBC
69 Pall Mall
London
SW1Y 5EY

SOLICITORS

Eversheds LLP
Bridgewater Place
Water Lane
Leeds
LS11 5DR

AUDITOR

KPMG
Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2

GRENCORE FOODS LIMITED

STRATEGIC REPORT

The directors present their strategic report for Greencore Foods Limited ('the company') for the period ended 29 September 2017 in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company is a member of Greencore Group plc ('the Group'). The company's principal activities are that of a holding company and the provision of consultancy services to other members of the Group.

The directors performed a capital reduction of £69 million during the year, increasing the profit and loss reserves by £69 million.

KEY PERFORMANCE INDICATORS

Given the nature of the company's activities and its positioning within the Group, the directors are of the opinion that an analysis of performance using key performance indicators is not necessary for an understanding of the performance of the business. The Group manages its operations on a divisional basis. The performance of the Group's divisions are discussed in the Group's annual report which does not form part of this report.

RESULTS AND DIVIDENDS

The profit for the period after taxation was £35.9 million (2016: £34.2 million). During the year £35.0 million dividends were paid. (2016: £35 million).

POST BALANCE SHEET EVENTS

There are no significant post balance sheet events that require disclosure in the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's operations expose it to a variety of commercial risks that include the effects of credit risk and the recoverability of investments.

Credit Risk

The company's receivables from fellow Group undertakings are payable on demand. The directors are satisfied that these could be repaid using alternative sources of finance if required.

Recoverability of Investments

The financial position of the company could be materially impacted by the failure to recover the carrying value of investments. The directors are satisfied that the company's financial assets are stated at, at least their recoverable amounts.

Defined benefit scheme

The company has a significant funding obligation in relation to the Greencore UK defined benefit pension scheme. The financial position of the company could be impacted by the actuarial losses recognised on the defined benefit pension scheme. The directors are satisfied that the company has the resources should further actuarial losses be recognised on the scheme.

FINANCIAL RISK MANAGEMENT

The company is financed by fellow Group undertakings and these loans are repayable on demand. The ability of the company to continue as a going concern should such a demand be received depends on the company's ability to source alternative financing. The directors are satisfied that such financing facilities would be available if required.

Interest rate, foreign currency and liquidity risk are actively managed by the Group's Treasury Department which operates within strict Greencore Group plc Board approved policies and guidelines. This is discussed further in the Group's annual report which does not form part of this report.

On behalf on the board



M Evans
Director

15 June 2018

GREENCORE FOODS LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for Greencore Foods Limited ("the company") for the period ended 29 September 2017.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting standards FRS 101 *Reduced Disclosure Framework*.

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 assets, liabilities and financial position of the company and of its profit or loss 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 controls as they determine 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. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2006.

CREDITOR PAYMENT POLICY

The company's policy is to comply with the terms of payment agreed with a supplier. Where terms are not negotiated, the company endeavours to adhere to the supplier's standard terms.

EMPLOYEES

During the period, the company gave full and fair consideration to applications for employment from disabled persons having regard to their particular aptitudes, when related to any suitable opportunities available.

Company policy provides that existing employees who become disabled shall continue employment with the company, if at all possible, subject to any appropriate training.

Training, career development and promotion apply equally to all employees, taking into consideration their aptitudes and abilities.

CHARITABLE AND POLITICAL DONATIONS

Charitable donations during the period amounted to £Nil (2016: £Nil). No political donations or contributions were made by the company (2016: £Nil).

DIRECTORS

The directors who held office during the period and during the period to the date of approval of these financial statements are as follows:

MEvans
C O'Leary (Irish)
C Bradshaw
E Tonge (Irish)

DIRECTORS' AND COMPANY SECRETARY'S INTERESTS

None of the directors or the company secretary have any beneficial interest in the share capital of the company.

The company has taken out insurance for the directors and officers against liabilities which may be incurred in relation to the company.

GREENCORE FOODS LIMITED

DIRECTORS' REPORT (continued)

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as he/she is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG will therefore continue in office.

On behalf of the board



M Evans
Director

15 June 2018



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of Greencore Foods Limited

1 Report on the audit of the financial statements

Opinion

We have audited the financial statements of Greencore Foods Limited ('the company') for the period ended 29 September 2017 set out on pages 9 to 22, which comprise the profit and loss account, statement of other comprehensive income, balance sheet, statement of changes in equity and related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 101 *Reduced Disclosure Framework*. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 29 September 2017 and of its result for the period then ended;
- have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework*; and
- have been properly 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's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic and directors' report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the directors report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.



Independent auditor's report to the members of Greencore Foods Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report on these matters.

2 Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, 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 they 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.

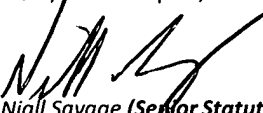
Auditor's responsibilities for the audit of the financial statements

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

Our 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.


Niall Savage (Senior Statutory Auditor)
for and on behalf of KPMG, Statutory Auditor
Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2

21 June 2018

GREENCORE FOODS LIMITED

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

For the period ended 29 September 2017

	Note	2017 £'000	2016 £'000
Turnover	3	189	131
Gross profit		189	131
Administration costs		(3,430)	(2,795)
Other income	5	8,850	7,423
Operating profit before exceptional items		5,609	4,759
Exceptional items	6	-	(846)
Operating profit		5,609	3,913
Income from shares in Group undertakings		35,000	35,000
Interest payable and similar charges	7	(4,735)	(4,688)
Profit on ordinary activities before taxation		35,874	34,225
Taxation	8	-	-
Profit for the period financial period		35,874	34,225
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Actuarial gain / (loss) on defined benefit pension scheme	17	28,458	(51,636)
Other comprehensive income for the period		28,458	(51,636)
TOTAL COMPREHENSIVE INCOME		64,332	17,411

GREENCORE FOODS LIMITED

BALANCE SHEET

As at 29 September 2017

	Note	2017 £'000	2016 £'000
Fixed Assets			
Financial assets	9	174,653	174,768
		<u>174,653</u>	<u>174,768</u>
Current Assets			
Debtors			
- due within one year	10	45,599	31,182
Cash at bank and in hand		2,819	20,826
		<u>48,418</u>	<u>52,008</u>
Creditors: Amounts falling due within one year	11	<u>(23,317)</u>	<u>(23,450)</u>
Net Current Assets		<u>25,101</u>	<u>28,558</u>
Total Assets Less Current Liabilities		<u>199,754</u>	<u>203,326</u>
Pension liability	17	<u>(140,546)</u>	<u>(173,450)</u>
Total Net Assets		<u>59,208</u>	<u>29,876</u>
Share Capital and Reserves			
Called up share capital	12	1,000	70,000
Profit and loss account		45,482	(52,850)
Other reserves		12,726	12,726
Shareholders' Funds		<u>59,208</u>	<u>29,876</u>

These financial statements were approved by the board of directors on 15 June 2018 and were signed on its behalf by:



M Evans
Director, 15 June 2018

Registered number: 07441672

GREENCORE FOODS LIMITED

STATEMENT OF CHANGES IN EQUITY

As at 29 September 2017

	Note	Share capital £'000	Profit and loss account £'000	Other reserves £'000	Total equity £'000
At 25 September 2015		70,000	(439)	12,726	82,287
Profit for the financial period		-	34,225	-	34,225
Other comprehensive income					
Net actuarial loss on defined benefit pension schemes	17	-	(51,636)	-	(51,636)
Total comprehensive income		-	(17,411)	-	(17,411)
Transactions with owners recorded directly in equity					
Dividends paid		-	(35,000)	-	(35,000)
At 30 September 2016		70,000	(52,850)	12,726	29,876
Profit for the financial period		-	35,874	-	35,874
Other comprehensive income					
Net actuarial gain on defined benefit pension schemes	17	-	28,458	-	28,458
Total comprehensive income		-	64,332	-	64,332
Transactions with owners recorded directly in equity					
Capital reduction		(69,000)	69,000	-	-
Dividends paid			(35,000)	-	(35,000)
Total transactions with owners recorded directly in equity		(69,000)	34,000	-	(35,000)
At 29 September 2017		1,000	45,482	12,726	59,208

GREENCORE FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 29 September 2017

1. ACCOUNTING POLICIES

Greencore Foods Limited (the “company”) is a limited liability company incorporated and domiciled in the United Kingdom. The registered number of the company is 07441672 and its registered address is Greencore Group UK Centre, Midland Way, Barlborough Links Business Park, Barlborough, Chesterfield, S43 4XA.

The company is exempt by virtue of s.400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”). The amendments to FRS 101 (2014/15 Cycle), issued in July 2015 have been applied.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with the Companies Acts 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company’s ultimate parent undertaking, Greencore Group plc, includes the company in its consolidated financial statements. The consolidated financial statements of Greencore Group plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Greencore Group plc, 2 Northwood Avenue, Northwood Business Park, Santry, Dublin 9, Ireland.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- comparative period reconciliations for share capital;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Greencore Group plc include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The financial statements are presented in sterling, which is the company’s functional currency, and are rounded to the nearest thousand except when otherwise indicated. The financial statements have been prepared on the basis of historical costs, except where assets and liabilities are stated at fair value in accordance with relevant accounting policies.

The financial statements of the company are prepared to the last Friday in September each year. Accordingly, these financial statements were prepared for the 52 week period ended 29 September 2017. Comparatives are for the 53 week period ended 30 September 2016. The balance sheets for 2017 and 2016 were prepared as at 29 September 2017 and 30 September 2016 respectively.

GREENCORE FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 29 September 2017

1. ACCOUNTING POLICIES (continued)

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Foreign currency

Foreign currency transactions are booked in the functional currency at the exchange rate ruling on the date of the transaction. Foreign currency monetary asset and liabilities are translated into the local currency at rates of exchange ruling at the balance sheet date. Exchange differences are included in profit or loss for the period.

Classification of financial instruments issued by the company

Following the adoption of IAS 32, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a nonderivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments. To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Financial assets

Financial assets held as fixed assets are stated at cost less provision for any impairment. A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

GREENCORE FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 29 September 2017

1. ACCOUNTING POLICIES (continued)

Taxation (continued)

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Share-based payment

The company's ultimate parent may grant rights to its equity instruments to the company's employees, which are accounted for as equity-settled in the consolidated financial statements of the ultimate parent company. The company accounts for these share-based payments as cash-settled, therefore amounts recharged by the parent are recognised as a recharge liability with a corresponding debit to employee costs within the profit and loss account.

Dividends

Dividends unpaid at the balance sheet date are recognised as a liability at that date only to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid or proposed dividends which do not meet these criteria are disclosed in the notes to the financial statements.

Pension Schemes

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes, the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit or loss (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

GREENCORE FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 29 September 2017

2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The judgements in applying accounting policies that have the most significant effect on amounts recognised in the financial statements are:

Valuation of pension scheme assets and liabilities

The cost of pension obligations is determined using actuarial valuations. Actuarial valuations involve making assumptions about discount rates, expected rates of return on assets, future inflation rates, mortality rates and future pension increases. Due to the long-term nature of these schemes, such estimates are subject to significant uncertainty. The assumptions relating to these schemes are disclosed in note 17. The Group exercises its judgement in determining the assumptions to be adopted, in discussion with its independent external actuaries.

3. TURNOVER

Turnover, all of which is derived from the principal activity of the company by market supplied is as follows:

	2017 £'000	2016 £'000
Ireland	189	131

4. STATUTORY INFORMATION

	2017 £'000	2016 £'000
Operating profit is stated after crediting		
Foreign exchange loss	9	-

Auditor's remuneration is borne by a fellow Group undertaking.

The directors are remunerated by other Group undertakings in respect of their services to the Group. It is not possible to ascertain the amounts paid in respect of their services to the company. Mr E Tonge is a director of the ultimate parent and the emolument is disclosed in the Greencore Group plc Annual Report.

The company has taken advantage of the exemption available to it not to disclose separately information about fees for non-audit services provided to the company as this information is available in the consolidated financial statements of Greencore Group plc. There were no employees in the current or prior periods.

5. OTHER INCOME

	2017 £'000	2016 £'000
Pension contributions from group undertakings	8,850	7,423

GRENCORE FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 29 September 2017

6. EXCEPTIONAL ITEMS

	2017 £'000	2016 £'000
Integration and restructuring costs	-	(846)

During the prior year the Group recognized a charge of £0.8 million relating to transaction costs associated with the integration of The Sandwich Factory Holdings Limited into the Group.

7. INTEREST

	2017 £'000	2016 £'000
Interest payable and similar charges		
Interest payable to Group undertakings	775	-
Interest on defined benefit obligation	3,960	4,688
	4,735	4,688

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of tax (charge)/credit for the period

	2017 £'000	2016 £'000
Current tax		
United Kingdom corporation tax	-	-
Total current tax	-	-
Deferred Tax		
Total tax	-	-

(b) Factors affecting tax (charge)/credit for the period

The tax assessed for the period differs from that resulting from applying the standard rate of corporation tax in the UK of 19.5% (2016: 20%). The differences arise as follows:

	2017 £'000	2016 £'000
Profit on ordinary activities before tax	35,874	34,225
Tax @ 19.5% (2016: 20%) thereon:	6,995	6,845
Expenses not deductible for tax purposes	1	179
Non-taxable income	(6,825)	(7,000)
Other timing differences	(71)	(637)
UK-UK transfer pricing adjustment	40	25
Impact of defined benefit pension scheme	(867)	(450)
Group relief	727	1,038
Tax charge for the period	-	-

Finance Act 2015 was substantively enacted on 26 October 2015 and reduced the UK corporation tax rate from 20% to 19% from 01 April 2017 and to 18% from 01 April 2020. Finance Act 2016 was substantively enacted on 06 September 2016 and further reduced the rate to 17% from 01 April 2020, instead of the reduction to 18% as originally planned.

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8. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

(c) Unrecognised deferred tax

	2017 £'000	2016 £'000
Unrecognised deferred tax balance:		
Short term timing differences	164	251
Pensions	23,893	29,487
	24,057	29,738

A deferred tax asset has not been recognised due to uncertainty regarding its future recoverability.

9. FINANCIAL ASSETS

	Total £'000
Investments in subsidiary undertakings	
At beginning of period	174,768
Reduction in investment	(115)
At end of period	174,653

During the period, the company acquired The Sandwich Factory Holdings Limited, a company that operates in food production. The acquisition resulted in an increase in investments by £16.353 million.

Name of subsidiary	Principal activity	Class of shares held	Percentage of shares and voting rights held	Country of incorporation
Uniq Limited	Food Processor	Ordinary	100%	England & Wales
Grencore Grocery Limited	Food Processor	Ordinary	100%	England & Wales
Grencore Prepared Meals Limited	Food Processor	Ordinary	100%	England & Wales
Grencore Pension Trustee Limited	Pension Trustee	Ordinary	100%	England & Wales
Grencore SLPCO Limited	Holding company	Ordinary	100%	Scotland
Grencore Convenience Foods (SLP)	Holding company	Ordinary	100%	Scotland
Grencore Convenience Foods LLP (LLP)	Holding company	Ordinary	100%	England & Wales
Grencore Food to Go Limited	Food Processor	Ordinary	100%	England & Wales
St Ivel Limited	Holding company	Ordinary	100%	England & Wales
The Sandwich Factory Holdings Limited	Food Processor	Ordinary	100%	England & Wales

10. DEBTORS

	2016 £'000	2015 £'000
Amounts falling due within one year:		
Trade debtors	60	60
Amounts owed by Group undertakings	42,514	28,115
Prepayments and accrued income	3,025	3,007
	45,599	31,182

All amounts due from Group undertakings are unsecured, interest free and are repayable on demand.

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11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £'000	2016 £'000
Bank overdrafts	-	3
Trade creditors	63	5
Accruals and deferred income	323	1,327
Amounts owed to Group undertakings	22,812	22,021
Other creditors	119	94
	23,317	23,450

Amounts due to Group undertakings are unsecured, interest free and are repayable on demand.

12. SHARE CAPITAL

	2017 £'000	2016 £'000
Allotted, called up and fully paid share capital		
100,000,100 Ordinary shares of £0.01 each (2016: £0.70)	1,000	70,000
	1,000	70,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

13. OTHER RESERVES

	2017 £'000	2016 £'000
At beginning of period	12,726	12,726
At end of period	12,726	12,726

Other reserves comprise of a capital contribution received from the company's immediate parent in 2011.

14. FINANCIAL COMMITMENTS & CONTINGENCIES

Commitments on behalf of group undertakings

The company, along with other members of the Group, has provided guarantees in relation to the payment of borrowings of the Group from several banks. Details of these borrowings are set out in the Group's annual report which does not form part of this report.

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15. EMPLOYEES

The average number of persons (including executive directors) employed by the company during the financial period was:

	Note	2017 Number	2016 Number
Average number of employees		235	205

The aggregate payroll costs of these persons were as follows:

		2017 £'000	2016 £'000
Wages and salaries		15,186	10,894
Social security costs		2,297	1,268
Other pension costs		1,651	998
Share-based payments	16	630	485
		19,764	13,645

16. SHARE-BASED PAYMENTS

The company is availing of the exemption under FRS 101 to disclose share based payments as equivalent disclosures were provided in the group annual report of Greencore Group plc. Certain employees of the company are members of the Performance Share Plan, UK Share Save Scheme and the Deferred Bonus Plan of Greencore Group Plc. Details of these schemes are set out in the Group's annual report which does not form part of this report.

The charge recognised for the period for the cost of these employee share schemes was £0.63 million (2016: £0.485 million).

17. RETIREMENT BENEFIT OBLIGATIONS

Amounts included in the balance sheet arising from the company's obligations in respect of defined benefit schemes are as follows:

	2017 £'000	2016 £'000
Fair value of scheme assets	190,479	187,240
Present value of defined benefit obligations	(331,025)	(360,690)
Deferred tax	-	-
Deficit in scheme	(140,546)	(173,450)

The fair value of the plan assets relating to the defined benefit pension scheme increased to £190.5m at 29 September 2017 from £187.2m at 30 September 2016. The present value of the pension liability for the scheme decreased to £331.0m from £360.7m over the same period.

Assumptions

Assumptions regarding future mortality experience are set based on information from published statistics and experience in all geographic regions and are selected to reflect the characteristics and experience of the membership of the relevant plans. In relation to the UK, this has been done by adjusting standard mortality tables to reflect recent research into mortality experience in the UK (S2YOB CMI) tables combined with an underpin for improvement factors. The average life expectancy, in years, of a pensioner retiring at 65 is 22 years (2016:22-23 years) for a male and 24 years (2016: 23-25 years) for a female.

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17. RETIREMENT BENEFIT OBLIGATIONS (continued)

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages)

	2017	2016
	%	%
Discount rate	2.8	2.4
Pension increases in payment (LPI 5%)	3.0	3.0
Inflation	3.1	3.0

The overall expected return on assets is calculated as the weighted average of the expected return of each asset class. The expected return on equities is the sum of dividend growth and capital growth net of investment expenses. The return on gilts and bonds is the current market yield on long term bonds. Expected return on property has been set equal to that expected on equities less a margin. The expected return on other assets is the rate earned by the scheme on cash.

The information disclosed below is in respect of the whole of the plans for which the company is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the periods shown.

Interest on scheme

Amounts recognised in interest in respect of these defined benefit schemes are as follows:

	2017	2016
	£'000	£'000
Interest cost	8,265	10,536
Expected return on scheme assets	(4,305)	(5,848)
	3,960	4,688

Actuarial remeasurements

Amounts recognised in the statement of other comprehensive income in respect of these defined benefit schemes are as follows:

	2017	2016
	£'000	£'000
Actuarial return less expected return on scheme assets	30,390	51,636
Experience adjustments arising on plan liabilities	(1,932)	-
	28,458	51,636

Analysis of scheme assets:

	2017	2016
	£'000	£'000
Debt instruments	47,701	41,483
Cash and cash equivalents	1,624	1,618
Real estate	18,870	17,414
Equity instruments	84,767	97,003
Investment funds	37,517	29,722
	190,479	187,240

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17. RETIREMENT BENEFIT OBLIGATIONS (continued)

Movements in the present value of defined benefit obligations were as follows:

	2017 £'000	2016 £'000
At the beginning of period	360,690	273,490
Interest costs	8,265	10,536
Actuarial (gain) / loss	(25,577)	84,859
Effect of experience adjustments	1,932	-
Benefits paid	(14,285)	(8,195)
At the end of period	331,025	360,690

Movements in the fair value of scheme assets were as follows:

	2017 £'000	2016 £'000
At the beginning of period	187,240	149,427
Interest income	4,305	5,848
Actuarial gains	4,813	33,223
Contributions from sponsoring companies	8,850	7,423
Administrative expenses	(444)	(486)
Benefits paid	(14,285)	(8,195)
At the end of period	190,479	187,240

The company is the principal employer of the Grencore UK defined benefit pension scheme. The scheme is a funded defined benefit pension scheme for the benefit of the company's employees and employees of fellow Group undertakings. The scheme was previously operated by Hazlewood Foods Limited. The scheme assets are held in separate trustee administered funds. Contributions to these funds, which are charged against profits, are based across the Group on independent actuarial advice following the most recent valuation of such funds. Details of the latest valuation are set out in the accounts of Grencore Group Plc.

Full actuarial valuations were carried out between 31 March 2016 and 31 March 2017. In general, actuarial valuations are not available for public inspection, however, the results of valuations are advised to the members of the various schemes. This scheme had a net deficit at 29 September 2017 of £140.5 million (2016: £173.5 million) as measured on an IAS 19 employee benefits basis. The contribution by the Group for the period was £8.9 million (2016: £7.4 million). Included in liabilities at 29 September 2017 is £140.5 million (2016: £173.5 million) owed to the pension fund. The scheme closed to future benefit accrual on 1 January 2010.

The company also made contributions to a defined contribution scheme, which was previously operated by Hazlewood Foods Limited and was transferred to the company as part of the Group streamlining process.

Contributions amounting to £0.6 million (2016: £1.3 million) were made in the period. Included in creditors at 29 September 2017 is £0.1 million (2016: £0.1 million) owed to the pension fund.

18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate holding company is Grencore Beechwood Limited, a company incorporated in the UK, with a registered office at Grencore Group UK Centre, Midland Way, Barlborough Links Business Park, Barlborough, Chesterfield S43 4XA.

The parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up, and of which the company is a member, is Grencore Group plc. The ultimate controlling party is Grencore Group pic. Copies of the Group financial statements may be obtained from Grencore Group pic at 2 Northwood Avenue, Northwood Business Park, Santry, Dublin 9.

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19. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised them for issue on 15 June 2018.