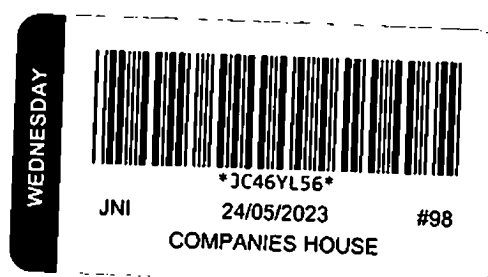


Company Registration Number:

07441672

GREENCORE FOODS LIMITED

Directors' Report and Financial Statements
Period ended 30 September 2022



GRENCORE FOODS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

Period ended 30 September 2022

CONTENTS

	Page
Directors and other information	3
Strategic Report	4
Directors' report	7
Independent auditor's report to the members of Grencore Foods Limited	10
Profit and loss account and other comprehensive income	14
Balance sheet	15
Statement of changes in equity	16
Notes to the financial statements	17

GREENCORE FOODS LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Kevin Moore

Guy Dullage

Richard Longley (appointed 25 August 2022)

Andy Parton (appointed 28 September 2022)

Sabrina McLaughlin (resigned 25 August 2022)

C Evans (resigned 28 September 2022)

SECRETARY

M Evans

REGISTERED OFFICE

Greencore Manton Wood,

Retford Road,

Manton Wood Enterprise Park

Worksop,

S80 2RS

BANKERS

HSBC

69 Pall Mall

London

SW1Y 5EY

SOLICITORS

Eversheds LLP

Bridgewater Place

Water Lane

Leeds

LS11 5DR

AUDITOR

Deloitte Ireland LLP

Deloitte & Touche House

29 Earlsfort Terrace

Dublin 2

REGISTERED OFFICE

07441672

GREENCORE FOODS LIMITED

STRATEGIC REPORT

The directors present their strategic report for Greencore Foods Limited (the "Company") for the period ended 30 September 2022 in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

SECTION 172 (1) STATEMENT

The Company is a subsidiary of Greencore Group plc (the 'Group' or 'Greencore') and part of the Greencore group of companies. The Company has adopted the Group's extensive processes that are in place to engage with our broad range of stakeholders which are integral to our success.

Oversight of the Group, including the Company, is carried out at Group level which is responsible for setting strategic priorities including supporting stakeholder engagement. As usual with large companies, the Group delegates authority for the control and direction of the Company and the day to day management of the Company to the Group Chief Executive Officer and the Group Executive Team. To ensure alignment with the legal entity framework members of the Group Executive Team make up the directors of the Company, together with a finance expert. The Group promotes high standards of corporate governance throughout the organisation and the Company's Board upholds these standards. The Company's Board holds meetings as and when required to consider the impact of key proposals and material matters affecting its business.

The Board of Directors of the Company (the 'Board') is committed, both individually and collectively, to promoting the success of the Company through regular engagement with all stakeholders including our colleagues, customers and the wider community. The Board recognises the importance of maintaining strong relationships with each of our key stakeholders and understanding their needs in order to deliver value and build a better, more resilient and sustainable business. From the perspective of the Board, as a result of the Group governance structure, the matters that it is responsible for considering under Section 172 (1) of the Companies Act 2006 have been considered to an appropriate extent by the Group board in relation both to the Group and to this entity. The Board has also considered relevant matters where appropriate. When making decisions, the Board ensures that particular regard is given to the following matters set out in s 172(1) (a) – (f) of the Companies Act 2006:

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

The Board is aware that the Company's actions and decisions impact all of our stakeholders and it ensures that there is regular dialogue taking place with stakeholders, which is carried out by those most relevant to the stakeholder group or issue within the Group, and discussed appropriately in the boardroom.

Our relationships and regular dialogue with stakeholders continued to be of utmost importance during the period as we navigated our way through challenges presented by the cost of living challenges and recessionary environment in the UK together. The table below sets out the Group's and the Company's approach to stakeholder engagement as the Company follows the Group's processes, why stakeholders matter and how these stakeholders influenced key decisions made during the financial year. Our stakeholders can be confident that the contents of our corporate reporting reflect the frameworks for strategy, stakeholder engagement, governance, risk management and culture as established and consistent with the Group and overseen by the Board. Although relevant to the Company, our customers, suppliers and local communities are not identified as key stakeholders as they are considered directly by other Group entities.

GREENCORE FOODS LIMITED

STRATEGIC REPORT (Continued)

Stakeholder group	Engagement	How this stakeholder group influenced the board agenda and long term decision making (s. 172(1)(a))
<p>Our people –s172(1)(b)(e)</p> <p>By embedding a safety culture, providing inspiring leadership and having engaging and effective teams, we ensure that people are at the core of our business.</p>	<p>A significant number of engagement activities with colleagues are undertaken each year. These include the annual and anonymous 'People at the Core' engagement survey, as well as listening groups, trade union and employee forum engagements and leadership briefings. In addition, managers are encouraged to solicit feedback from their colleagues, both formally and informally.</p> <p>During the prior financial year, the Group appointed a Non-Executive Director to become Workforce Engagement Director in order to further strengthen engagement activities with colleagues across the Group and therefore, the Company</p> <p>In FY22, the Group announced its commitment to provide all colleagues with the opportunity to become shareholders in Greencore Group plc, (the Company's ultimate parent). The UK Share Incentive Scheme and Irish Share Award were approved in September 2021 and launched in January 2022 for all colleagues across the business. Therefore, colleagues that are employed by the Company are eligible for the UK Share Incentive Scheme.</p> <p>The Chief Executive Officer of the Group carries out regular Group-wide briefings which the Company's employees are invited to attend. During FY22, the Group launched a change programme, Better Greencore, with the aim of addressing three interrelated challenges – (i) rising fixed cost base; (ii) ability to fully service the Group's current portfolio from the existing asset base at appropriate margin; and (iii) the relative immaturity of technology infrastructure. Colleagues in the Company were briefed on the impact of the change programme to ensure that the structures to the Group-wide organization were clear and impacted colleagues were appropriately supported.</p> <p>The Group Code of Ethics and Business Conduct, which applies to the Company as a subsidiary of the Group, also ensures that the work environment is free of discrimination, free of any practices which amount to racial, religious or sexual harassment and ensures that all colleague personal information is secure and remains confidential.</p> <p>In addition to this, it also sets out the key principle of 'People at the Core' and how the safety, health and welfare of all colleagues is fundamental to this principle. It also outlines how a diverse workforce enables us to achieve better business outcomes. The Code of Ethics and Business Conduct is available to read on https://www.greencore.com/wp-content/uploads/2020/10/Greencore-Code-of-Ethics-Business-Conduct.pdf</p>	<p>During FY22, there was continued progress made with the Company and Group's colleague engagement initiatives. The results of the annual "People at the Core" survey, the retention and recruitment challenges for the Group and Company and how we plan to further improve colleague engagement going forward.</p> <p>In January 2022, there was further progress made in relation to the commitment to provide all colleagues with the opportunity to become shareholders in Greencore Group plc, with the launching of a UK Share Incentive Plan and a similar Irish Share Award. The employees of the Company are part of this plan.</p> <p>During FY22, a group wide organizational change programme was announced, Better Greencore. Company colleagues were engaged throughout the implementation of the change programme to ensure that colleagues were aware of the changes that were being made.</p>

GRENCORE FOODS LIMITED

STRATEGIC REPORT (continued)

SECTION 172 (1) STATEMENT (continued)

Stakeholder group	Engagement	How this stakeholder group influenced the board agenda and long term decision making (s 172(1)(a))
Our shareholder and parent – s172(1)(f)	<p>As a subsidiary of Grencore Group plc, the Company engages regularly with its parent company and has adopted the Group's extensive processes in order to promote the success of the business.</p> <p>The Group Code of Ethics and Business Conduct, which applies to the Company, also outlines our responsibility to protect shareholder value and to be transparent about our operations and performance. The Code of Ethics and Business Conduct is available to read on https://www.grencore.com/wp-content/uploads/2020/10/Grencore-Code-of-Ethics-Business-Conduct.pdf.</p>	<p>The Board in its decision making process takes into account the impacts of the decision on the return to the Group on its capital investment in the Company. The Board also regularly considers whether a dividend should be paid from surplus capital to its parent company.</p> <p>During FY22, the Group commenced a share buyback programme with £8.8m being returned to shareholders at 30 September 2022 (£10m completed by 6 October 2022). Subsequent to the period end, the Group announced that it is the Group's intention to buyback a further £15m during FY23.</p>

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company is a member of Grencore Group plc ("the Group"). The Company's principal activities are that of a holding Company and a Group pension company.

The directors use a range of key performance indicators to measure progress achieved in building shareholder value. Performance of the key performance indicators was as follows:

- Turnover and gross profit for the financial period was £nil (2021: £nil);
- Profit on ordinary activities after tax for the financial period was £15.8m (2021: profit £71.1m); and
- Average number of persons, including executive directors, employed by the Company during the financial period was 518 (2021: 375).

RESULTS AND DIVIDENDS

The profit for the period after taxation was £15.8m (2021: £71.1m). A dividend of £nil was paid during the period (2021: £nil). A dividend of £17.0m was received during the period (2021: £70.5m).

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's operations expose it to a variety of risks that includes credit risk and 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.

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 Grencore 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

R Longley
Director, 31 January 2023

GRENCORE FOODS LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for Grencore Foods Limited ("the Company") for the period ended 30 September 2022.

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 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 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 matter 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 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.

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.

GOING CONCERN

The directors, after making enquiries, have a reasonable expectation that the Company has adequate resources to continue operating as a going concern for the foreseeable future. The Company's results for the period are a profit after tax of £15.8m and the Company is in an overall net asset position of £198.8m, and in a net current asset position of £17.7m. The Company's funding facilities are managed centrally by the Group and the directors have taken steps to ensure adequate liquidity is available to the Company from future cashflows generated by the Company and Group. The directors are satisfied that financing could be obtained from other Grencore Group companies if required. As the Company participates in Group funding arrangements with the Group's external bankers and as part of these arrangements, the Company, along with other members of the Grencore Group, has provided guarantees in relation to the payment of borrowings of the Group from several banks, the performance of Grencore Group is also important in determining the appropriateness of the going concern of the Company. From a group perspective, the Group performed a number of cashflow projections.

These scenarios consider the potential impact of a recessionary environment including the impact of inflation and interest rates on consumer spending, along with consideration of under recovery of inflation, supply chain disruption issues and further one off future events linked to a reduction in consumer footfall during the winter months. The Group is satisfied that there is sufficient headroom in the financial covenants under current facilities under each scenario. The Group's scenarios assume:

- A base case projection using internally approved forecast and strategic plans, which reflect the external economic environment. These plans incorporate the potential impact of climate change of the Group's capital investment process;
- A downside scenario which assesses the potential impact of a recessionary environment including the impact of inflation and interest rates on consumer spending, along with consideration of under recovery of inflation and further one-off future events linked to a reduction in consumer footfall during the winter months; and
- A severe downside scenario which assesses the further impact of inflation under recovery, along with a further reduction in sales to reflect the impact of changes in consumer spending through any recessionary period. In this scenario, mitigating actions are assumed including a reduction in non-business critical capital expenditure and reductions in the amount of the share buyback plan.

GRENCORE FOODS LIMITED

DIRECTORS' REPORT (continued)

GOING CONCERN (continued)

The directors of the Group concluded that Grencore Group has sufficient resources available to continue as a going concern. Based on the result of the Company for the period, the scenarios modelled at a Group level and the resources available, the directors of the Company consider it appropriate to adopt the going concern basis for a period of 18 months from 30 September 2022 in preparing the Financial Statements.

EMPLOYEE ENGAGEMENT

The Company understands that our success depends on our people. Our colleagues are not only intrinsic to how we do business, but they also help bring our culture to life both in the workplace and in the wider community. The Company understands that our success depends on our people. Our colleagues are not only intrinsic to how we do business, but they also help bring our culture to life both in the workplace and in the wider community.

We take the time to get to know our teams by listening and responding to their ideas and concerns. We pride ourselves on having a diverse workforce where colleagues can learn from each other and bring fresh thinking to the table, which is key if we want to build more inclusivity into our decision-making process and achieve better business outcomes.

Each year the Company, as part of the Group, undertakes a number of engagement activities with colleagues to ensure they are kept informed of matters affecting them and on the various factors affecting the performance of the company. The Company communicates with colleagues through formal and informal meetings, the Group website and intranet.

As set out in our Group's Code of Ethics and Business Conduct Policy, which applies to the Company, the Group is committed to ensuring that all colleagues and potential colleagues are treated with dignity and respect. Selection for employment, promotion, training or any other benefit is based solely on aptitude and ability. All colleagues are offered support to reach their full potential and Grencore is committed to ensuring that the talents and resources of all of our colleagues are recognised and are fully utilised to maximise the efficiency of our business.

ENERGY AND CARBON REPORTING

Our sustainability performance is contained within the Group Sustainability Report 2022 which has been developed in line with Global Reporting Initiative ('GRI') sustainability reporting guidelines.

CHARITABLE AND POLITICAL DONATIONS

Charitable donations during the period amounted to £nil (2021: £nil). No political donations or contributions were made by the Company (2021: £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:

K Moore

G Dullage

R Longley (appointed 25 August 2022)

A Parton (appointed 28 September 2022)

S McLaughlin (resigned 25 August 2021)

C Evans (resigned 28 September 2022)

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.

POST BALANCE SHEET EVENTS

There are no events subsequent to the balance sheet date which require amendment to or disclosure in the financial statements.

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:

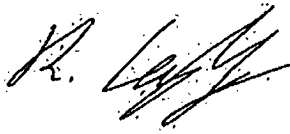
- so far as he/she is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's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

On behalf of the board

A handwritten signature in black ink, appearing to read 'R. Longley', with a stylized flourish at the end.

R Longley
Director

31 January 2023

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Greencore Foods Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account and other comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the accounting policies as set out in note 1; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including [Financial Reporting Standard 101 "Reduced Disclosure Framework"].

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 the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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.

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.

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

Other information

The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the financial statements. 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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'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 further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, legal department and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud (Continued)

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Companies Act 2014, UK Corporate Governance Code 2018, UK tax laws, and;
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Occupational Health & Safety regulations, Environmental regulations, and Food Safety & Hygiene regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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.

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 any material misstatements in the strategic report or the directors' report.

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.



Kevin Sheehan, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Dublin, Ireland

Date: 10 February 2023

GRENCORE FOODS LIMITED

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
For the period ended 30 September 2022

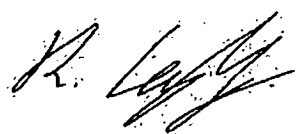
	Note	2022 £'000	2021 £'000
Administration income/(costs)		2,471	(2,383)
Other income	3	12,481	7,764
Operating profit before exceptional items		14,952	5,381
Exceptional items	4	(12,111)	56
Profit on ordinary activities before interest and tax		2,841	5,437
Income from shares in Group undertakings	6	16,954	70,500
Interest Receivable		588	223
Interest payable and similar charges	5	(4,458)	(5,027)
Profit on ordinary activities before taxation		15,925	71,133
Taxation		-	-
Profit for the financial period		15,925	71,133
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Actuarial gain on defined benefit pension scheme	15	17,288	31,805
Other comprehensive profit for the period		17,288	31,805
TOTAL COMPREHENSIVE INCOME		33,213	102,938

GREENCORE FOODS LIMITED

BALANCE SHEET As at 30 September 2022

	Note	2022 £'000	2021 £'000
Fixed Assets			
Financial assets	7	239,983	239,983
Investment Property	8	-	-
		239,983	239,983
Current Assets			
Debtors			
- due within one year	9	105,644	96,175
- Cash at bank and in hand		9,169	9,199
		114,813	105,374
Current Liabilities			
Creditors: Amounts falling due within one year	10	(96,993)	(93,200)
Bank overdraft	10	-	-
Net Current Assets		17,820	12,174
Total Assets Less Current Liabilities		257,803	252,157
Creditors: Amounts falling due after more than one year			
Pension liability	15	(58,859)	(86,426)
Total Net Assets		198,944	165,731
Share Capital and Reserves			
Called up share capital	11	1,000	1,000
Profit and loss account		185,218	152,005
Other reserves	12	12,726	12,726
Shareholders' Funds		198,944	165,731

These financial statements were approved by the board of directors on 31 January 2023 and were signed on its behalf by:



R Longley
Director, 31 January 2023

Registered number: 07441672

GREENCORE FOODS LIMITED

STATEMENT OF CHANGES IN EQUITY
For the period ended 30 September 2022

		Share capital £'000	Profit and loss account £'000	Other reserves £'000	Total Equity £'000
At 25 September 2020		1,000	49,067	12,726	62,793
Profit for the financial period		-	71,133	-	71,133
Other comprehensive income					
Net actuarial loss on defined benefit pension schemes	15	-	31,805	-	31,805
Total comprehensive income		-	102,938	-	102,938
At 24 September 2021		1,000	152,005	12,726	165,731
Profit for the financial period		-	15,925	-	15,925
Other comprehensive income					
Net actuarial gain on defined benefit pension schemes	15	-	17,288	-	17,288
Total comprehensive income		-	33,213	-	33,213
At 30 September 2022		1,000	185,218	12,726	198,944

GRENCORE FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2022

1. ACCOUNTING POLICIES

Grencore Foods Limited (the "Company") is a limited liability Company incorporated, domiciled and registered in the United Kingdom. The registered number of the Company is 07441672 and its registered address is Grencore Manton Wood, Retford Road, Manton Wood Enterprise Park, Worksop, S80 2RS.

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").

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, Grencore Group plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Grencore Group plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Grencore Group plc, 2 Northwood Avenue, Northwood Business Park, Santry, Dublin, 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;
- disclosures in respect of the compensation of Key Management Personnel;
- disclosures in respect of capital management;
- comparative period reconciliations for share capital and tangible fixed assets;
- disclosures in respect of transactions with wholly owned subsidiaries;
- the effects of new but not yet effective IFRSs
- disclosures in respect of financial instruments and certain disclosures in respect of revenue from contracts with customers.
- Certain disclosures in respect of leases.

As the consolidated financial statements of Grencore Group plc include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instruments Disclosures*;
- Certain disclosures required by IAS 36 *Impairment of Assets*; and
- Certain disclosures required by IFRS 2 *Share based payments*

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial.

The financial statements of the Company are prepared to the last Friday in September each period. Accordingly, these financial statements were prepared for the 53 week period ended 30 September 2022. Comparatives are for the 52 week period ended 24 September 2021. The balance sheets for 2022 and 2021 were prepared as at 30 September 2022 and 24 September 2021 respectively.

Basis of measurement

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.

New Standards and Interpretation

There have been no amendments to IFRSs that became effective during the period which have had an impact on the Company.

GRENCORE FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2022

1.ACCOUNTING POLICIES (continued)

Functional currency

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.

Going Concern

The directors, after making enquiries, have a reasonable expectation that the Company has adequate resources to continue operating as a going concern for the foreseeable future. The Company's results for the period are a profit after tax of £15.8m and the Company is in an overall net asset position of £198.8m, and in a net current asset position of £17.7m. The Company's funding facilities are managed centrally by the Group and the directors have taken steps to ensure adequate liquidity is available to the Company from future cashflows generated by the Company and Group. The directors are satisfied that financing could be obtained from other Greencore Group companies if required. As the Company participates in Group funding arrangements with the Group's external bankers and as part of these arrangements, the Company, along with other members of the Greencore Group, has provided guarantees in relation to the payment of borrowings of the Group from several banks, the performance of Greencore Group is also important in determining the appropriateness of the going concern of the Company. From a group perspective, the Group performed a number of cashflow projections.

These scenarios consider the potential impact of a recessionary environment including the impact of inflation and interest rates on consumer spending, along with consideration of under recovery of inflation, supply chain disruption issues and further one off future events linked to a reduction in consumer footfall during the winter months. The Group is satisfied that there is sufficient headroom in the financial covenants under current facilities under each scenario. The Group's scenarios assume:

- A base case projection using internally approved forecast and strategic plans, which reflect the external economic environment. These plans incorporate the potential impact of climate change of the Group's capital investment process;
- A downside scenario which assesses the potential impact of a recessionary environment including the impact of inflation and interest rates on consumer spending, along with consideration of under recovery of inflation and further one-off future events linked to a reduction in consumer footfall during the winter months; and
- A severe downside scenario which assesses the further impact of inflation under recovery, along with a further reduction in sales to reflect the impact of changes in consumer spending through any recessionary period. In this scenario, mitigating actions are assumed including a reduction in non-business critical capital expenditure and reductions in the amount of the share buyback plan.

The directors of the Group concluded that Greencore Group has sufficient resources available to continue as a going concern. Based on the result of the Company for the period, the scenarios modelled at a Group level and the resources available, the directors of the Company consider it appropriate to adopt the going concern basis in preparing the Financial Statements.

Use of estimates and judgements

In preparing these financial statements management has made judgements, estimates and assumptions that affect application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Such estimates and judgements are based on historical experience and other factors, including expectation of future events that are believed to be reasonable. Actual outcomes may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. There are no significant judgements or estimation uncertainties in these financial statements.

The critical accounting judgement exercised in applying the Company accounting policies are accounting for exceptional items.

Accounting for exceptional items

The Company considers that items of income or expense which are material by virtue of their nature and amount should be disclosed separately if the Financial Statements are to fairly present the financial position and financial performance of the entity. The Company labels these items collectively as 'exceptional items'. Determining which transactions are to be considered exceptional in nature is often a subjective matter. However, circumstances that the Company believes would give rise to exceptional items for separate disclosure are outlined in the exceptional accounting policy. These items are disclosed separately on the face of the Profit and Loss and Other Comprehensive Income Statement.

Critical Accounting Estimates

The Company has identified Post-Retirement Benefits as a significant source of estimation uncertainty in the preparation of the Financial Statements. The estimation of, and accounting for, retirement benefit obligations involves assessments made in conjunction with independent actuaries. These involve estimating the actuarial assumptions including mortality rates of members, increase in pension payments and inflation linked to certain obligations and discount rates used in estimating the present value of the schemes assets and liabilities.

1. ACCOUNTING POLICIES (continued)

Turnover

The Company's turnover is derived from the provision of consultancy services to other Group entities. The Company's turnover typically includes one performance obligation, with turnover recognised when the performance obligation is satisfied.

Turnover represents the recharge of the cost of rendering of those consultancy services to other Group entities and is recognised at the point in time, which is deemed to be when services have been provided.

Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when fair value was determined. Foreign currency differences are generally recognised in profit or loss.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently carried at amortised cost net of allowance for expected credit losses. An allowance is made when there is objective evidence that the Company will be unable to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

The Company applies the simplified approach to providing for expected credit losses ('ECL') permitted by IFRS 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables. The Company uses an allowance matrix to measure the ECL's of trade receivables based on its credit loss rates. Expected loss rates are based on historical payment profiles of sales and the corresponding historical credit loss experience. The historical loss rates are adjusted to reflect current and forward economic factors if there is evidence to suggest these factors will effect the ability of the customer to settle receivables. The Company has determined the ECL default rate using market default risk probabilities with regards its key customers. Balances are written off when the probability of recovery is assessed as being remote.

For intercompany receivables that are repayable on demand, the ECL is based on the assumption that the loan is demanded at the reporting date. If the borrower has sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date, the ECL is likely to be immaterial. If the borrower could not repay the loan if demanded at the reporting date, then the Company considers the expected manner of recovery to measure ECL. This might be a 'repay over time' strategy or a fire sale of less liquid assets. If the recovery strategies indicate the Company would fully recover the outstanding balance receivable, the ECL will be limited to the effect of discounting the amount due on the loan over the period until the cash is realised. Any trade and other receivables included in non-current assets are carried at amortised cost in accordance with the effective interest rate method.

Trade and other payables

Trade and other payables are initially recorded at fair value and subsequently at the higher of cost or payment or settlement amounts. Where the time value of money is material, payables are initially recorded at fair value and subsequently carried at amortised cost.

Financial assets

Investments in subsidiaries and associated undertakings are held at cost. The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of its recoverable amount. When the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

On initial recognition, a financial asset is classified as measured at amortised cost, or fair value through other comprehensive income ('FVOCI') or fair value through profit and loss ('FVPL'). The classification is based on the business model for managing the financial asset and the contractual terms of the cashflows. Reclassification of financial assets is required only when the business model for managing those assets changes. Financial assets are derecognised when the Group's contractual rights to the cashflows from the financial assets expire, are extinguished or are transferred to a third party.

GRENCORE FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2022

1. ACCOUNTING POLICIES (continued)

Investment Property

Investment property is land and/or a building, or part of a building, held by the owner to earn rentals and/ or for capital appreciation rather than for use in the production or supply of goods or services, or for administrative purposes or sale in the ordinary course of business. Investment property is shown at cost less depreciation and any impairment. The cost of investment property comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use. Investment property is depreciated so as to write off the cost, less residual value, on a straight-line basis over the expected life of each property. Freehold buildings held as investment property are depreciated over their expected useful life, normally assumed to be 40-50 years. Freehold land is not depreciated.

Rental income arising on investment property is accounted for on a straight-line basis over the lease term of the ongoing leases and is recognised within other income. In relation to the recognition of income on the disposal of property, income is recognised when there is an unconditional exchange of contracts, or when all necessary terms and conditions have been fulfilled.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Taxation

The expense charge for the period comprises current and deferred tax. Tax is recognised in the Income Statement except to the extent that it relates to items recognised in the Statement of Other Comprehensive Income or directly in equity, in which case the tax is also recognised in the Statement of Comprehensive Income or directly in equity.

Current tax represents the expected tax payable on the taxable income for the period, using tax rates and tax laws enacted or substantively enacted, at the financial position date along with any adjustment to tax payable in respect of previous period.

The Company provides in full for deferred tax assets and liabilities (using the liability method), arising from temporary differences between the tax base of assets and liabilities and their carrying amounts in the Financial Statements except where they arise from the initial recognition of goodwill or from the initial recognition of an asset or liability that at the date of initial recognition does not affect accounting or taxable profit or loss on a transaction that is not a business combination. Such differences result in an obligation to pay more tax or a right to pay less tax in future periods.

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

Deferred tax assets and liabilities are not subject to discounting and are measured at the tax rates that are enacted or substantively enacted at the financial position date. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are taken as a deduction within share premium within equity, net of tax, from the proceeds.

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.

To the extent that the Company receives a tax deduction relating to services paid for by means of share awards or options, deferred tax is provided on the basis of the difference between the market price of the underlying equity as at the date of the and the exercise price of the option. As a result, the deferred tax impact of share options will not directly correlate with the expense reported in the profit or loss. To the extent that the deductible difference exceeds the cumulative charge to the profit or loss, it is recorded in equity.

GRENCORE FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2022

1. ACCOUNTING POLICIES (continued)

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.

Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established.

Defined Benefit 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 the statement of other comprehensive income.

Interest receivable and interest payable

Interest payable and similar expenses include interest payable, finance expense 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 and loss account (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. Foreign currency gains and losses are reported on a net basis.

Exceptional items

Exceptional items are those that are separately disclosed by virtue of their nature or amount in order to highlight such items within the profit and loss account and other comprehensive income and results for the period. Examples of such items may include but are not limited to, significant reorganisation programmes, profits or losses on termination of operations, impact of significant plant development and related onboarding of business, significant impairments of assets, transaction and integration costs related to acquisition activity, transaction costs related to disposal activity and litigation costs and settlements. Management exercises judgement

in assessing each particular item which, by virtue of its scale or nature, should be highlighted and disclosed in the profit and loss account and other comprehensive income and notes to the Financial Statements as exceptional items. Exceptional items are included within the profit and loss account and other comprehensive income caption to which they relate and are separately disclosed in the notes to the Financial Statements.

Government grants

Government grants for the Coronavirus Job Retention Scheme are recognized at fair value in the income statement and are netted against the employee related costs for those employees on the scheme. Grants receivable at reporting dates are within debtors due within one year with the Company Balance Sheet.

2. STATUTORY INFORMATION

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. Auditor's remuneration of £19k is borne by a fellow Group undertaking.

3. OTHER INCOME

	2022 £'000	2021 £'000
Pension contributions from group undertakings	12,481	7,764

GRENCORE FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2022

4. EXCEPTIONAL ITEMS

	2022 £'000	2021 £'000
Transaction Costs	-	56
Reorganisation costs	(12,111)	-
	<u>(12,111)</u>	<u>56</u>

Transaction and integration costs

In the prior year, the Company released £0.056m of integration costs relating to the acquisition of Freshtime UK Limited.

Reorganisation costs

During the current period, the Company commenced a change programme "Better Greencore", which is to support revitalisation of its excellence cost efficiency programmes and unlock cost efficiencies by reducing organisational complexity. The Company debited £12.1 million in relation to restructuring activities for consultancy fees and personnel exit costs in respect of Better Greencore.

5. INTEREST

	2022 £'000	2021 £'000
Interest payable and similar charges		
Interest payable to Group undertakings	2,907	2,994
Interest on defined benefit obligation	1,551	2,033
	<u>4,458</u>	<u>5,027</u>

6. TAXATION

(a) Analysis of tax charge for the period

	2022 £'000	2021 £'000
Total current tax	-	-
Deferred Tax	-	-
Total tax	<u>-</u>	<u>-</u>

(b) Factors affecting tax charge 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% (2021: 19%). The differences arise as follows:

	2022 £'000	2021 £'000
Profit on ordinary activities before tax	<u>15,925</u>	<u>71,133</u>
Tax @ 19% (2021: 19%) thereon:	3,026	13,515
Expenses not deductible for tax purposes	(20)	(27)
Non-taxable income	(3,221)	(13,395)
Relief in respect of employee share options	(22)	(60)
UK-UK transfer pricing adjustment	189	31
Movement in short term timing difference	26	4
Impact of defined benefit pension scheme	(1,953)	(947)
Group relief surrendered for nil payment	<u>1,975</u>	<u>879</u>
Tax charge for the period	<u>-</u>	<u>-</u>

GRENCORE FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2022

6. TAXATION

The rate of UK corporation tax in the current period is 19%. In March 2021, the UK government announced their intention to increase the UK corporation tax rate from 19% to 25% from 1 April 2023. This rate increase was substantively enacted on 24 May 2021. The rate of 25% has been reconfirmed by the current UK government and is expected to apply from 1 April 2023 as enacted. It is expected that this will increase the Company's future current tax charge.

(c) Unrecognised deferred tax

	2022 £'000	2021 £'000
Unrecognised deferred tax balance:		
Short term timing differences	194	181
Pensions	14,715	21,606
	14,909	21,787

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

7. FINANCIAL ASSETS

	2022 Total £'000	2021 Total £'000
Investments in subsidiary undertakings At the beginning and end of period	239,983	239,983

During the period, income from shares in Group undertakings amounted to £nil (2021: £nil).

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
Greencore Grocery Limited	Food Processor	Ordinary	100%	England & Wales
Greencore Prepared Meals Limited	Food Processor	Ordinary	100%	England & Wales
Greencore Pension Trustee Limited	Pension Trustee	Ordinary	100%	England & Wales
Greencore SLPCO Limited	Holding Company	Ordinary	100%	Scotland
Greencore Convenience Foods (SLP)	Holding Company	Ordinary	100%	Scotland
Greencore Convenience Foods LLP (LLP)	Holding Company	Ordinary	100%	England & Wales
Greencore Food to Go Limited	Food Processor	Ordinary	100%	England & Wales
St Ivel Limited	Holding Company	Ordinary	100%	England & Wales
The Sandwich Factory Holdings Limited	Dormant	Ordinary	100%	England & Wales
The Bay Group Limited	Holdings Company	Ordinary	100%	England & Wales
Freshtime UK Limited	Food Processor	Ordinary	100%	England & Wales
Providore Limited	Holdings Company	Ordinary	100%	England & Wales

8. INVESTMENT PROPERTY

The Company holds an investment property, which had been acquired from Hazlewood (Blackditch) Limited in 2019. The opening and closing cost of the property is £471k, which is offset by total accumulated amortization and impairment balance of £471k. The net book value at the start and end of the period is £nil.

GRENCORE FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2022

9. TRADE AND OTHER RECEIVABLES

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Amounts owed by Group undertakings	103,790	95,577
VAT	1,236	-
Prepayments	618	598
	105,644	96,175

Loans of £40.3 million (2021: £27.5 million) due from Group undertakings bear, interest at rates based on SONIA and are repayable on demand. All other amounts due from Group undertakings are unsecured, interest free and are repayable on demand.

The Company's receivables at 30 September 2022 amounted to £105.6m (2021: £96.2m). None of these balances include an allowance for expected credit losses and all amounts are expected to be recoverable in full.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Trade creditors	662	2
Accruals	2,957	4,261
Amounts owed to Group undertakings	90,909	88,937
Other creditors	2,465	-
	96,993	93,200

Loans of £67.0 million (2021: £39.5million) due to Group undertakings, bear interest at rates based on SONIA and are repayable upon demand. All other amounts due to Group undertakings are unsecured, interest free and are repayable on demand. Bank overdrafts are also unsecured.

11. SHARE CAPITAL

	2022 £'000	2021 £'000
Allotted, called up and fully paid share capital		
100,000,100 Ordinary shares of £0.01 each	1,000	1,000
	1,000	1,000

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.

12. OTHER RESERVES

	2022 £'000	2021 £'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.

GRENCORE FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2022

13. COMMITMENTS AND 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.

14. EMPLOYEES

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

Note	2022 Number	2021 Number
Average number of employees - Administration	518	375

The aggregate payroll costs of these persons were as follows:

	2022 £'000	2021 £'000
Wages and salaries	28,910	23,719
Social security costs	3,119	2,452
Other pension costs	2,808	2,175
	34,837	28,346

During the prior period the Company furloughed a number of employees for varying periods of time, availing of the Coronavirus Job Retention Scheme. All conditions have been met under the terms of the grant at reporting date and as such the Company recognised £0.3m with respect to the scheme. The grant has been netted against the associated employee related costs.

15. RETIREMENT BENEFIT OBLIGATIONS

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

	2022 £'000	2021 £'000
Fair value of scheme assets	168,713	260,585
Present value of defined benefit obligations	(227,572)	(347,011)
Deficit in scheme	(58,859)	(86,426)

The fair value of the plan assets relating to the defined benefit pension scheme decreased to £168.7 million at 30 September 2022 from £260.6 million at 24 September 2021. The present value of the pension liability for the scheme reduced to £227.6 million from £347.0 million 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 (2021: 22 years) for a male and 24 years (2021: 24 years) for a female.

GRENCORE FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2022

15. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

	2022 %	2021 %
Discount rate	5.00	1.90
Pension increases in payment (LPI 5%)	3.35	3.35
Inflation	3.55	3.45

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:

	2022 £'000	2021 £'000
Interest cost	6,504	5,939
Expected return on scheme assets	(4,953)	(3,906)
	1,551	2,033

Actuarial remeasurements

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

	2022 £'000	2021 £'000
Return on plan assets	99,192	29,967
Actuarial gains/(loss) arising on scheme liabilities	(116,480)	1,838
	17,288	31,805

Analysis of scheme assets:

	2022 £'000	2021 £'000
Debt instruments	34,364	40,153
Cash and cash equivalents	15,199	-
Real estate	-	22,156
Equity instruments	84,829	161,832
Investment funds	34,321	36,444
	168,713	260,585

GRENCORE FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2022

15. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

	2022 £'000	2021 £'000
At the beginning of period	347,011	355,957
Interest costs	6,503	5,939
Past service cost	-	200
Effect of changes in demographic assumptions	-	(13,628)
Effect of changes in financial assumptions	(137,982)	12,716
Effect of experience adjustments	21,502	(925)
Benefits paid	(9,462)	(13,248)
At the end of period	227,572	347,011

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

	2021 £'000	2021 £'000
At the beginning of period	260,585	232,742
Interest income	4,952	3,906
Actuarial gains	(99,192)	29,967
Contributions from sponsoring companies	12,497	7,764
Administrative expenses	(667)	(546)
Benefits paid	(9,462)	(13,248)
At the end of period	168,713	260,585

The Company is the principal employer of the Greencore 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 Greencore Group Plc.

A full actuarial valuation was completed at March 2020. 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 24 September 2021 of £58.9 million (2021: £86.4 million) as measured on an IAS 19 *Employee Benefits* basis. The contribution by the Group for the period was £12.5 million (2021: £7.8 million). The scheme closed to future benefit accrual on 1 January 2010.

In protecting the business and liquidity in response to the COVID-19 pandemic the Company entered a formal agreement with the Trustees of the legacy defined benefit pension scheme to defer cash contributions for a period of six months, which resulted in an aggregate £10m deferred over 2020 and 2021. This deferral is included in the current funding plan of the annual contribution of the Company.

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 £2.9 million (2021: £2.2 million) were made in the period. Included in creditors at 30 September 2022 is £0.3 million (2021: £0.2 million) owed to the pension fund.

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate holding Company is Greencore Beechwood Limited, a Company incorporated in the UK, with a registered office at Greencore Manton Wood, Retford Road, Manton Wood Enterprise Park, Worksop, S80 2RS.

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 Greencore Group plc. The ultimate controlling party is Greencore Group plc. Copies of the Group financial statements may be obtained from Greencore Group plc at 2 Northwood Avenue, Northwood Business Park, Santry, Dublin 9, Ireland.

GRENCORE FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2022

17. SUBSEQUENT EVENTS

There have been no events occurring subsequent to the balance sheet date that require disclosure in the financial statements.

18. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised them for issue on 31 January 2023.