





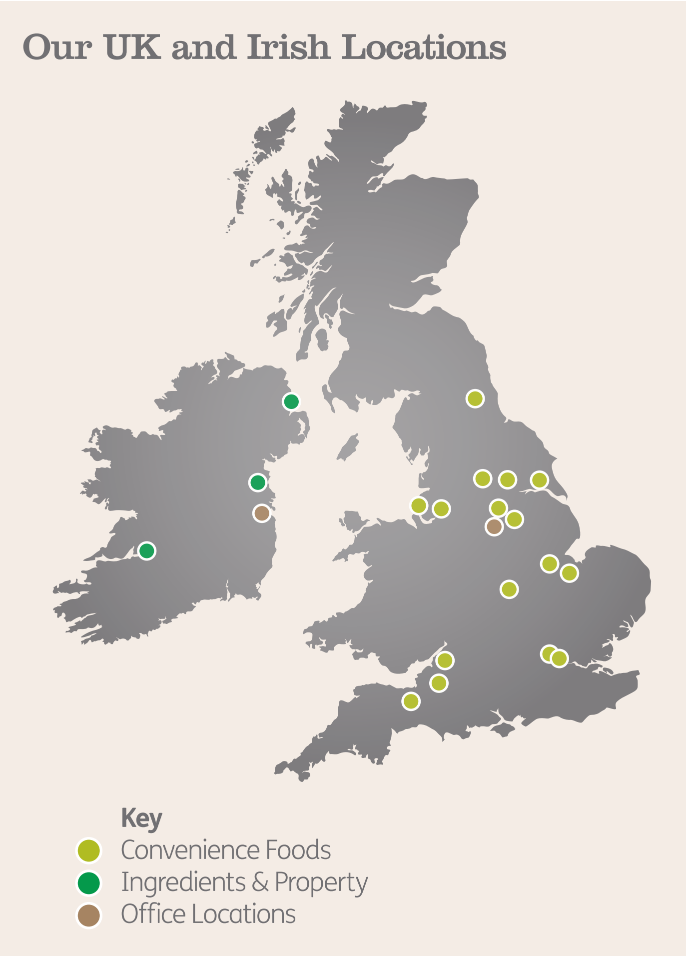

A FOCUSED Convenience Foods Business

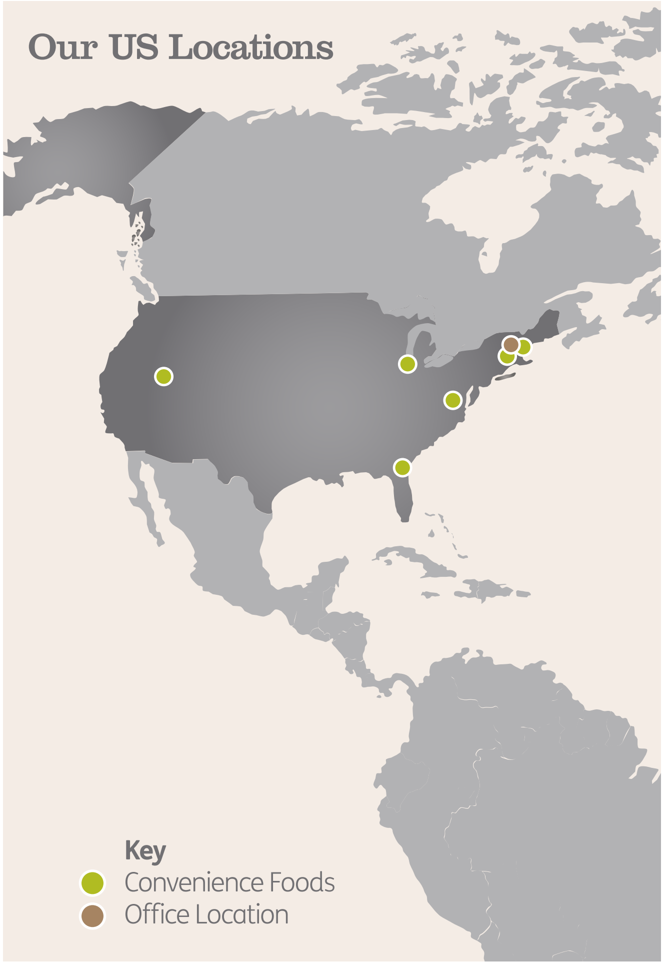
Greencore Group plc
Annual Report and Accounts 2012

Greencore Group plc is a leading convenience food business with an annual turnover of approximately £1.2 BILLION.

Our TWO FOCUS MARKETS are the United Kingdom and the United States where we provide a wide range of chilled, frozen and ambient foods to major retail and foodservice customers.

We have 22 CONVENIENCE FOOD FACILITIES across the UK and the US and we employ nearly 10,000 PEOPLE across THE UK, THE US AND IRELAND.





Highlights of the Year

Focused on performing for our shareholders

44.5% INCREASE

- Growth of 44.5% in reported revenue to £1,161.9 million, due to acquisition activity and business momentum
- Revenue from Convenience Foods continuing activity[1] of £1,036.9 million up by 11.2% or 7.4% excluding acquisitions, despite challenging market conditions
- Group operating profit[1] up 37.3% to £70.7 million
- Adjusted earnings[1] of £49.2 million, up 70.9% and adjusted EPS[1] of 12.8 pence, up 21.9%
- Net Debt of £258.0 million, resulting in a leverage of under 2.5 times[2]
- Uniq integrated with delivery in line with our business case

TWO ACQUISITIONS

- Established a scale food to go focused business in the US following two acquisitions and a new supply agreement signed with Starbucks

Revenue (£m)

+44.5%

Operating Profit[1] (£m)

+37.3%

Adjusted EPS[1] (pence)

+21.9%

Business Review

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1 As defined in the Summary of Key Performance Indicators on page 11.
2 As calculated on the basis used for bank covenant purposes.

At a Glance

Food to Go

Greencore's Food to Go business in the UK is one of the world's leading manufacturers of pre-packed sandwiches, producing in excess of 360 million sandwiches, baguettes and wraps each year. Its range of products also includes broader food to go items such as salads and sushi. We have six Food to Go facilities in the UK situated in Bow, Crosby, Manton Wood, Northampton, Park Royal and Spalding. The business also operates a unique radial distribution network which covers the length and breadth of mainland UK.

Prepared Meals

Greencore's Prepared Meals business produces chilled ready meals, pasta sauces, soup and quiche for the major retailers in the UK. The business, like most of the categories it operates in, is largely private label although Greencore also produces under license for the Weight Watchers brand, the leading non-private label brand in the ready meal category. The business operates out of five facilities, based at Bristol, Consett, Kiveton, Warrington, and Wisbech. It holds strong market positions across all the categories it operates in.

Ambient Grocery & Frozen Foods

Greencore's Grocery business in the UK, manufactures ambient cooking sauces, table sauces and pickles for most of the major retailers. It is distinctive to other manufacturers in these areas in that it focuses on manufacturing under the private label of its customers rather than under its own brand. The business operates out of its facility in Selby, which is the largest facility of its kind in Europe. Greencore's Frozen Food business is based at its facility in Leeds and is a leading manufacturer of private label frozen Yorkshire puddings.

US

Greencore entered the US market with our first acquisition in 2008 and our second acquisition in 2010. Two more acquisitions were completed in FY12 and the business now has six manufacturing facilities based across the five states of Massachusetts, Virginia, Illinois, Florida and Utah. Its primary business in the US is the manufacture and distribution of sandwiches and other food to go products to convenience store and food service outlets across the East Coast of the US and beyond.

Fast Fact:
70m
70 million food to go products to its customers in the coming year

Cakes & Desserts

Greencore has three distinct 'sweet' businesses in the UK. Its largest business, based in Hull, produces ambient cakes and chilled baked desserts for the major retailers sold under their own private label. Our business in Evercreech specialises in premium dairy based desserts for one of the leading UK retailers. Finally, our Ministry of Cake business in Taunton is a leading supplier of cakes and desserts to the foodservice sector in UK.

Fast Fact:
3m
This year Greencore will produce 3 million Christmas cakes for UK consumers

Ingredients & Property

Greencore's Ingredients activities are legacy businesses from our agribusiness heritage. Trilby Trading is Ireland's leading importer and distributor of vegetable oil and fats for the food processing industry. Premier and United Molasses are Ireland's leading importers and distributors of molasses for animal feed and industrial use. This division also manages the surplus property assets of the Group.

Chairman's Statement
Ned Sullivan

FY12 has been the year in which our portfolio, strategy and culture came together both to deliver STRONG FINANCIAL PERFORMANCE and to build robust foundations for further progress in the years ahead.

Introduction

FY12 has been the year in which our portfolio, strategy and culture came together both to deliver strong financial performance and to build robust foundations for further progress in the years ahead. The integration of Uniq was successfully delivered and our competitive position in the US has been transformed. At the same time, the Group delivered strong underlying growth against the backdrop of challenging market conditions. The business now has a focused portfolio of private label convenience food businesses with clear scale and a balanced customer mix.

Financial Performance[1]

The Group delivered a strong financial performance against the backdrop of some of the most challenging market conditions in many years. Group revenue increased by 44.5% to £1,161.9 million, reflecting both strong underlying revenue momentum in the base businesses and the impact of acquisitions. In the Convenience Foods division, revenue growth in continuing activity[1] was 11.2% and 7.4% excluding the contribution from bolt-on acquisitions in the period.

Group operating profit[1] increased by 37.3% to £70.7 million whilst adjusted earnings[1] of £49.2 million were 70.9% ahead of FY11. Adjusted earnings per share[1] increased by 21.9% despite the substantial increase in issued share capital as a result of the rights issue in August 2011 to part fund the acquisition of Uniq.

While we have invested £152.2 million in acquisitions during the period, our net debt to EBITDA as calculated under our financial arrangements, is under 2.5 times, reflecting strong cash generation in the period as we continue to focus on de-leveraging from the peak position in October 2011. This will remain an area of focus throughout FY13.

44.5%
Revenue growth

21.9%
Adjusted EPS[1] growth

Uniq Integration

The integration of Uniq is now largely complete. The Spalding salads business was fully integrated into the Greencore Food to Go category business and the Northampton sandwich business is operating as a separate category business. The chilled desserts business has been restructured as envisaged with the exit of loss-making activities, the transfer of premium dessert lines from Minsterley to Evercreech largely completed and the agreement of the disposal of the Minsterley trade and assets to Müller. We still anticipate the delivery of £10 million of synergies in FY13 having slightly exceeded the target for FY12 due to an early removal of divisional and head office costs.

US Development

During the financial year, the Group took steps to transform the strategic position of its US business into a focused, six site, food to go, convenience channel business of increasing scale. In April 2012, we announced the acquisition of MarketFare Foods LLC (MarketFare), a business which predominantly supplies 7-Eleven. Then, in June 2012, the Group acquired H.C. Schau & Son Inc. (Schau), another profitable food to go business. The Group also created a new customer partnership with Starbucks. Taken together, the Group's US operations now have annualised pro-forma revenues of over $200 million with over 85% of revenues in food to go products and focused on the convenience and small store channel.

Dividend and Outlook

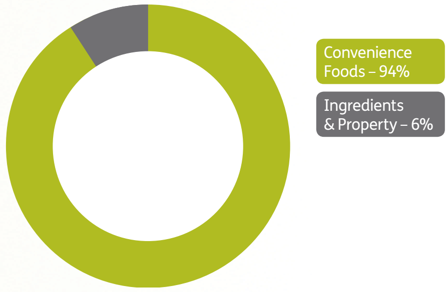
The Board of Directors is recommending a final dividend of 2.5 pence per share. This will result in a total dividend for the year of 4.25 pence per share representing an increase in dividend distribution of 24.6% compared to FY11, a little ahead of the growth in adjusted earnings per share. Following the extensive reshaping of its portfolio of businesses over the last three years, the Group is now well positioned as a focused and growing private label convenience foods business in its chosen markets of the UK and the US. We have strong customer relationships and a stable and dedicated workforce. However, market conditions remain challenging with like-for-like volume pressures in the UK grocery market, little economic growth and a consumer under considerable financial pressure. Poor harvests in the northern hemisphere mean that we will be again confronted with input cost inflation during FY13. Notwithstanding this background, the Group remains well positioned to deliver further progress in FY13 and beyond.

Final Note

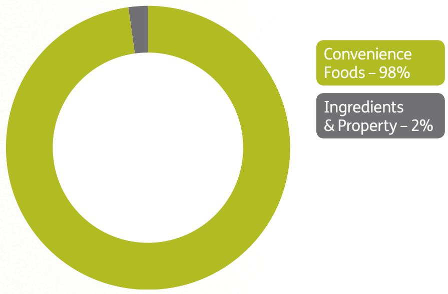
I step down as Chairman of your Group on 31 January 2013 following ten years in the role. The business and portfolio has seen significant change over that time to the extent that today it is now a leading international food company delivering a great financial performance as evidenced by this year's outcome. This is a testament to the vision, capabilities and drive of its people and its management team led by Chief Executive, Patrick Coveney. I would like to thank my Board colleagues and all of those with whom I have worked in Greencore for their commitment and courtesy over the past ten years. In particular, and on behalf of the Board, I would like to thank Pat McCann who is also retiring from the Board at the forthcoming AGM after serving for nine years as a Non-Executive Director. Pat has shown unswerving commitment to the Group in that period and we wish him all the best for the future. Finally, I wish my successor, Gary Kennedy, who brings a wealth of experience to the role, the very best as he assumes the Chairmanship of the Board.

Ned Sullivan
Chairman
26 November 2012

Revenue by Division



Operating Profit[1] by Division



1 As defined in the Summary of Key Performance Indicators on page 11.

Strategy

Vision:

To be a fast growing international convenience food leader

Strategy:

To win in convenience foods in the UK and the US

Model:

To focus on convenience food categories that capitalise on the favourable, long term consumer and customer trends in the UK and the US

To focus on private label and on building enduring customer partnerships

To build market leading positions in the product categories in which we operate

To deliver great and safe food through a culture of continuous improvement

To be the industry leaders for quality, food safety, efficiency and innovation

To drive value from our existing well invested assets

To deliver sustained organic growth and to complement this with strategic corporate development

To be a great place to work and to strive to be the employer of choice within our relevant competitive set

To drive enhanced returns to shareholders through growth in earnings and return on invested capital

To read about our strategy in action see pages 16 and 17.

Consumer understanding and a passion for good food are what we are about.

We have a team of highly skilled chefs and product developers who monitor global food trends to ensure that our products continually meet and exceed the needs of our consumers.

Focused on Quality, Innovation, Efficiency and Food Safety

FOCUSED ON INNOVATION

Chief Executive's Review
Patrick Coveney

2012 has been a BREAKOUT YEAR for Greencore. The benefits of our recent investments in strategy, in our portfolio, in our assets and, above all, in our PEOPLE AND CULTURE have really shone through.

Against a tough market backdrop, the Group delivered a 45% increase in revenues, with convenience foods revenue growth from continuing activity[1] and before acquisition activity growth of 7.4%, and increased operating profits and adjusted EPS[1] by 37% and 22% respectively. Importantly, this growth was achieved while improving ROIC[1] by 120 basis points and holding leverage below 2.5 times[2]. Critically, this performance is not an end in itself, but a platform for further progress, progress that can unleash the full potential of our Group.

Our Strategy

Our strategy is a simple one – to win in convenience foods. Underpinning this strategy are two core beliefs: (1) that consumers and customers will continue to seek out and value ever more convenient food propositions; and (2) that our Group has the people, the culture and the capabilities to capitalise on these trends – especially in the UK and US markets. Delivering this strategy has required us to:

- Sustain the strong continuing activity[1] revenue momentum across the portfolio.
- Flawlessly integrate the Uniq business.
- Reshape our strategy and footprint in the US.
- Deliver strong cash flows to deleverage the Group in an uncertain market.

I am pleased that we have made excellent progress against each of these areas. In particular, the delivery of the targeted Uniq synergies, not only the cost synergies but also the commercial, operational, tax and working capital integration, and the restructuring of the desserts business, has materially improved the scale, the performance, the prospects and the confidence of our Group. Furthermore, we have learnt the right lessons in America, and reshaped our US business into a larger scale, channel focused, regional food to go leader. Importantly this business strategy is being delivered while strengthening our Balance Sheet.

Our Consumer

Following two years of above market growth in FY10 and FY11, we have seen consumers sustain a healthy demand for our food offerings throughout FY12 with sales growth from continuing activity[1] and before acquisition activity of 7.4% recorded in the Convenience Foods division. There remains strong evidence that many of the lifestyle changes and food consumption patterns seen in recent years are now embedded, with consumers having adjusted to the new economic environment. In particular, the macro trends of increased consumption of food on the go, as well as for prepared meals at home, strongly support demand for our food products. With our markets constantly changing and our need to be immediately responsive to evolving tastes

We continued to reshape our UK portfolio during the year with the agreed disposal of Minsterley desserts to Müller in June and the acquisition of International Cuisine in August.

and preferences, we innovate continuously – approximately 40% of our products are less than a year old at any point in time. Looking ahead, while we are seeing some pressures on food market volumes generally and increased competitive intensity between food retailers, we would be confident of being able to deliver consumer-led growth at above the levels of the overall food market in the years ahead.

Our Portfolio

Our strategy drives the portfolio choices that we make. We have consistently sought to build further scale in our core convenience food categories, both through strong growth and development in our core businesses, and, where financially and strategically attractive, through corporate development initiatives. We have continued to deliver new business wins across our group, most notably in our Food to Go business in the UK.

We acquired Uniq plc in FY11. This acquisition offered outstanding strategic, commercial and financial merits and I am delighted that we have successfully executed on all elements of the acquisition case. Specifically, we have built further scale in Food to Go, integrated Marks & Spencer as a large new customer and delivered the targeted synergies.

We continued to reshape our UK portfolio during the year with the agreed disposal of Minsterley desserts to Müller and the acquisition of ICL. The latter increases our scale in the strategically important UK ready meals market, creates clear synergy opportunities, and will offer further capacity to our Group at an attractive price.

In FY12, we reshaped our US convenience foods portfolio with the acquisitions of MarketFare and Schau and the addition of Starbucks as an impending, new multi-site customer for the Group. We now have a larger scale, coherent, six site, food to go, convenience channel business with a clear path in place to bring returns broadly in line with Group levels over the next two years.

Our People

The industry that we are in, whilst simple in many ways, is enormously complex in others. In many of our category businesses, we assemble raw ingredients into a finished food proposition for consumption within 48 hours of manufacture. We have to 'get it right' at every critical step along the way, from sourcing and supply chain to safe manufacture, logistics and customer relationship management. The fact that we do this consistently is testament to the quality of the people we have in Greencore.

We are particularly pleased to have brought colleagues from the former Uniq, MarketFare, Schau and ICL into our Group. They have already brought innovation skills, channel and customer specific knowledge, new perspectives and a freshness to our teams. People matter in every industry but perhaps, most of all, in the food industry.

We are a competitive group in every respect and I am always proud when Greencore not only performs strongly from a financial point of view, but is also acknowledged for its good work at the numerous industry and customer award ceremonies that we partake in. For example, our businesses in Selby and Northampton were both recent recipients of 'Food Manufacturing Excellence Awards' – the so-called 'Oscars' of the UK food and drink industry!

I am also delighted when we, as a business, step up and show that we are responsible corporate citizens by supporting those less fortunate than ourselves – whether it be providing food for the victims of Hurricane Sandy, which had a devastating effect on the east coast of the US, or by inviting hundreds of unemployed young people to our sites in the UK to give them targeted skills training – something that will tangibly improve their prospects of employment and enhance their role in their local communities.

Our Well-Invested Facilities

Manufacturing is a core competence at Greencore. We strive to obtain competitive advantage through having the lowest per unit manufacturing cost in our key manufacturing sites. To this end, factory and category scale matters. By way of example, our Manton Wood manufacturing facility is the largest fresh sandwich facility globally, our Kiveton facility has industry-leading scale in quiche production and our Selby facility is the largest cooking sauce facility in Europe. The integration of the Northampton sandwich facility, capital investments into Evercreech and Kiveton, and the scale of our new Fredericksburg sandwich facility are consistent with this theme. Our manufacturing scale provides a backbone onto which we continue to invest in the best people, technology, assets and processes to produce great food and continuously offers optimal per unit costs to our customers.

Our Profitability, Cashflows and Returns on Capital

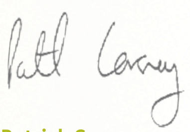
We have had a strong year of financial delivery. Group operating profit[1] grew by 37% to £70.7 million, with our enlarged Convenience Foods division delivering an operating margin[1] of 6.3% – which is better than the prior year margin of the combined portfolio. Over the past four years, we have been on a path of profit and margin expansion, and while we strive to do better still, we believe our margin levels now represent an appropriate return on our invested capital. Importantly, we have also delivered strong after tax cashflows in the year, with excellent working capital efficiencies, lower financing costs year on year, and negligible cash tax driving a reduction in net debt of £34 million before taking account of the £152 million outflow to finance acquisitions. The effects of this strong business performance, cash generation and capital management have been to enhance ROIC by 120 basis points to 11.9% and to hold the leverage of the Group below 2.5 times[2].

The Future

It is an honour to be the Chief Executive of this Group and I am more excited than ever about the prospects for Greencore. We now have the right combination of portfolio, people, balance sheet and strategy to drive our Group forward. We will continue to build on this and will never accept the status quo. One change that I have made to capitalise on the momentum and opportunities open to us is the creation of a Group Executive Board (details of which are on the next page) to bring more creativity and alignment to our strategic and capability building agenda.

I would like to thank all of our stakeholders for their continued support and efforts in a very busy year, including our colleagues, our business leaders, our board of directors, our customers and our investors.

On behalf of all of these stakeholders, I would like to pay a particular tribute to our outgoing Chairman, Ned Sullivan. Ned chaired our Board of Directors for ten years through a period of enormous strategic, regulatory, marketplace, cultural and people changes. He steps down in January. He was appointed Chairman to an Irish based sugar 'monopoly' that had 'put its toe in the water' of the UK convenience foods market. He passes on a focused, high performing international convenience food business. His wisdom, food sector knowledge, resilience, collegial spirit, lack of ego and 'business first' mindset has been hugely appreciated by all his board colleagues but perhaps most of all by me. Thank you Ned and good luck!



Patrick Coveney
Chief Executive
26 November 2012

1 As defined in the Summary of Key Performance Indicators on page 11.
2 As calculated on the basis used for bank covenant purposes.

Group Executive Board

The Group's Executive Board is responsible for driving the strategic, organisational and capability performance and direction for the Group. It reports into the Greencore Group plc Board.

Patrick Coveney*
CEO, Greencore Group

Patrick chairs the Group Executive Board. Patrick has been Chief Executive Officer since 2008. He joined Greencore in 2005 as Chief Financial Officer having previously served as a partner at management consulting firm, McKinsey and Company.

Chris Kirke
MD, Greencore Food to Go

Chris is the Managing Director of Greencore Food to Go which is the leading manufacturer of sandwiches, salads and sushi for major retailers in the UK. Chris joined Greencore in 2008. Prior to joining Greencore, Chris worked for ten years in a number of senior management roles within the food industry.

Liam McClennon
CEO, Greencore USA

Liam has been Chief Executive Officer for Greencore USA since 2010, having joined Greencore USA in 2008. Liam is responsible for our fast growing business in the US, which is becoming a leading manufacturer of fresh food to go products. Liam has more than 25 years food manufacturing experience prior to joining Greencore.

Kevin Moore
MD, Greencore Prepared Meals

Kevin is the Managing Director for Greencore Prepared Meals, which is a leading manufacturer of chilled ready meals, quiche, soups and sauces in the UK. Kevin joined Hazlewood Foods (now Greencore) in 1999. Before joining the business, Kevin worked for more than a decade in senior roles in management consultancy and retail.

Phil Taylor
MD, Greencore Grocery

Phil is Managing Director for Greencore Ambient Grocery & Frozen Foods in the UK, which manufactures ambient cooking sauces, table sauces, pickles and frozen Yorkshire puddings. Phil joined Hazlewood Foods (now Greencore) in 1999 and has worked in various senior roles for the Group. Prior to joining, Phil worked in a number of commercial roles in a variety of non-food branded businesses.

Eoin Tonge
CSO, Greencore Group

Eoin is Chief Strategy Officer with responsibility for Group Strategy, Mergers & Acquisitions, Corporate Affairs and Communications. Eoin is also responsible for our Ministry of Cake foodservice business in the UK. Eoin joined Greencore in 2006 having previously worked within the financial services area for 12 years in many locations around the world.

Di Walker*
COO, Greencore Group

Di is Chief Operating Officer with responsibility for all Group processes. Di is also responsible for our Cakes & Desserts business at Hull and our Northampton and Evercreech facilities. Di joined Greencore in 2004. She served as UK Chief Executive Officer for four years before becoming Chief Operating Officer. Prior to joining Greencore, Di held senior roles within the chilled food industry including six years at Hazlewood Foods.

Alan Williams*
CFO, Greencore Group

Alan is Chief Financial Officer. Alan has responsibility for Group Finance, Risk Management, Group IT, Group Secretariat & Legal, as well as our Ingredients & Property Division. Alan joined Greencore in 2011 from Cadbury Group, where he served in a number of significant financial and management roles for 18 years.

* Greencore Group plc Board Director.

Summary of Key Performance Indicators

The Group uses a set of headline key performance indicators to measure the performance of its operations and of the Group as a whole.

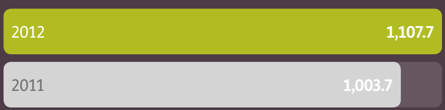
Although the measures are separate, the relationship between all five is also monitored. In addition, other performance indicators are measured at individual business unit level.

#01. Sales Growth[1]

Group revenue from continuing activity[1] increased by 10.4% in FY12 before acquisition activity and by 6.9% taking into account these acquisitions. In our Convenience Foods business, the Group measures weekly sales growth. In FY12, we recorded continuing activity revenue[1] growth of 11.2% or 7.4% excluding the contribution from acquisitions.

In the Ingredients & Property division, we track monthly sales however this is not the primary measure of performance for this division. In FY12, the division recorded a 2.9% increase in revenue on a constant currency basis.

Continuing Activity Revenue[1] (£m)



10.4% INCREASE ↑

#02. Operating Margin[2]

The Group's pre-exceptional operating margin[2] in FY12 was 6.1% compared to 6.4% in FY11.

In Convenience Foods, the operating margin[2] was 6.3% compared to 6.7% in FY11. This decline in operating margin was anticipated following the Uniq acquisition and reflects the mix of profits in the enlarged Group together with the impact of pronounced input cost inflation where we seek to offset the cash margin impact in the period and rebuild percentage margin over time.

Group Operating Margin[2]

6.1%

Convenience Foods Operating Margin[2]

6.3%

#03. Cash Flow

Net cash inflow from operating activities was £72.1 million, up £60.4 million versus FY11.

Net Cash Inflow

£72.1m

+£60.4m ↑

#04. Return on Invested Capital

The Group's return on invested capital in FY12 was 11.9% (FY11: 10.7%). The return is calculated as net operating profit after tax ('NOPAT') divided by average invested capital. NOPAT is calculated as operating profit, including share of associates, less tax at the effective rate in the income statement of 4%. Invested Capital is the sum of all current and non-current assets (including intangibles), less current and non-current liabilities with the exception of net debt items, derivatives and retirement benefit obligations. The average is calculated by adding together Invested Capital from the opening and closing Balance Sheets and dividing by two. The FY11 calculation was further adjusted to exclude balance sheet items related to Uniq as there was no trading contribution from Uniq in the FY11 financial statements. An adjustment was also made in FY12 to the opening invested capital to exclude the consideration payable to Uniq shareholders.

Return on Invested Capital

+120BPS ↑

#05. Adjusted Earnings per Share[3]

Adjusted earnings per share is 12.8 pence compared to 10.5 pence in FY11, an increase of 21.9%. Adjusted earnings per share is stated before exceptional items, the effect of foreign exchange (FX) on inter-company balances and external loans where hedge accounting is not applied, the movement in the fair value of all derivative financial instruments and related debt adjustments, the amortisation of acquisition related intangible assets and the effect of pension financing.

Adjusted EPS (pence)

21.9% INCREASE ↑

1 Continuing activity revenue growth assumes Uniq had formed part of the Group throughout the prior year and excludes Desserts product lines in Uniq which have been or are being exited. FY11 was a 53 week accounting year for the legacy Greencore business with the additional week occurring in Q3. Continuing activity growth comparisons have been adjusted to remove this extra week. The FY11 comparative figure reflects Greencore reported revenues for the year excluding the 53rd week and Uniq continuing activity pro-forma revenues for the comparable 52 week period.
2 Operating profit and margin are stated before exceptional items and acquisition related amortisation.
3 Adjusted earnings are stated before exceptional items, pension finance items, acquisition related amortisation, FX on inter-company and certain external balances and the movement in the fair value of all derivative financial instruments and related debt adjustments. Adjusted EPS is presented as it is considered more reflective of the Group's underlying performance.
4 Market growth rates are based on Nielsen data for the 52 weeks to 15 September 2012 and Greencore retail sales figures.

We operate to the highest technical standards across all of our facilities, producing award-winning, great tasting products that are valued by our customers and consumers.

To read more about our high technical standards and awards and recognition go to pages 22 to 29.

Focused on Quality, Innovation, Efficiency and Food Safety

ALWAYS HIGH QUALITY

Risks and Risk Management

As a LEADING food manufacturer in a highly competitive environment it is critical that Greencore identifies, assesses and prioritises its risks. This, along with the DEVELOPMENT of appropriate mitigating actions, enables us to monitor, minimise and control the probability and impact of these risks.

Business Risk Management Table

Greencore Group Plc Board

Audit Committee

Risk Management Group

Integrated Business Risk Management System

Strategic Risks	Commercial Risks	Operational Risks	Financial Risks

Risks and Risk Management (continued)

Risks	Description of Risks	Measures to Reduce Risks
Strategic Risks		
Competitor Activity	The Group operates in highly competitive markets, particularly within the Convenience Foods division. Significant product innovations, technical advances or the intensification of price competition by competitors could adversely affect the Group's results.	The Group invests in research and development and ensures that the introduction of both new products and improved production processes places the Group at the forefront of its chosen markets. The Group also continually works to streamline its cost base to ensure it remains competitive.
Expansion	In order for the Group to continue its strategy of growth and expansion, it is necessary that it identifies and pursues suitable corporate development opportunities, both organic and through acquisition, and integrates these successfully into the Group's existing operations in an efficient and sustainable manner.	The Board and the Group Executive Board engage in a robust, formal and thorough process for identifying, measuring and deciding on the suitability of corporate development opportunities. In the case of acquisitions, an integration team reporting to Senior Group Management and the Board is established to ensure a successful integration.
Commercial Risks		
Changes in Consumer Behaviour and Demand	In common with other food industry manufacturers, unforeseen changes in food consumption patterns and/or amendments to government legislation regarding the composition of food products may impact the Group. In addition, demand for a number of the Group's products can be adversely affected by the global economic recession.	The Group works closely with its customers to adapt to changing consumer trends and invests in innovation and new product development to ensure regulatory, customer and consumer requirements are addressed.
Loss of Key Customer Relationships	The Group benefits from close commercial relationships with a number of key customers. The loss of any of these key customers, or a significant worsening in commercial terms, could result in a material impact on the Group's results.	The Group invests significant resources to maintain deep, multi-level relationships which drive value and minimise risk for both itself and its key customers. The Group continues to focus on a broad range of customers and the exploration of other geographic markets such as the US where the Group has continued to expand its service offering during the year.
Commodity Price/Input Cost Fluctuations	The Group's cost base can be affected by fluctuating raw material and energy prices.	The Group maintains a strong commercial focus on purchasing, process and cost improvement to manage and mitigate these risks. In addition, the Group adopts strategies that diversify risk, thereby improving the positioning of its businesses and the defensibility of its margins.
Operational Risks		
Food Safety, Environmental and Health and Safety	As a producer of convenience foods and ingredients, Greencore is subject to general market related risks, including product contamination and general food scares. In addition, Greencore is subject to rigorous and constantly evolving regulations and legislation in the areas of environmental protection and employee health and safety.	The Group maintains a strong technical function which sets high standards for hygiene, health and safety systems and environmental controls. The Group also regularly audits supplier facilities to ensure both product traceability and compliance with Group standards. In addition, Greencore closely monitors emerging issues in an ever-changing regulatory environment to address increasing compliance requirements, particularly in the areas of health and safety, emissions and effluent control.

Risks	Description of Risks	Measures to Reduce Risks
Operational Risks (continued)		
Loss of Manufacturing Capability	The loss of a significant manufacturing/operational site through fire, natural catastrophe, act of vandalism or critical plant failure could potentially have a material impact on the Group.	The Group mitigates these risks through robust security and comprehensive operational disaster recovery plans. In addition, the Group undertakes regular reviews of all sites with external insurance and risk management experts, with these reviews being aimed at improving the Group's risk profile.
Loss of Key Personnel	The ongoing success of the Group is dependent on attracting and retaining high quality senior management and staff who have the ability to effectively manage the Group's operations in a period of economic stability and in a downturn.	The Group mitigates the risk associated with loss of key personnel through robust succession planning, strong recruitment processes, long term management incentives and retention initiatives. In addition, the Group has also established the Group Executive Board which will support succession planning at the senior management level.
Financial Risks		
Interest Rates, Foreign Exchange Rates, Liquidity and Credit	In the multi-currency and multi-national trading environment in which the Group operates, there are inherent risks associated with fluctuations in both foreign exchange rates and interest rates. In addition, in the current economic climate, the Group's credit rating and its related ability to obtain funding for future development and expansion are specific risks.	These risks are actively managed by the Group's Treasury Department. The Treasury function operates within the framework of strict Board-approved policies and procedures which are explained further in Note 20 to the Group Financial Statements.
Employee Retirement Obligations	The Group's defined benefit pension funds are exposed to the risk of changes in interest rates and the market values of investments, as well as inflation and the increasing longevity of scheme members. The recent volatility in world-wide equity markets has brought the risk of employee retirement obligations to the fore.	These risks are mitigated by paying appropriate contributions into the funds and through balanced investment strategies which are designed to avoid a material worsening of the current surplus or deficit in each fund. In addition, the Group has closed all defined benefit pension schemes to future accrual. The assumptions used in calculating the funding position of the pension funds are shown in detail in Note 23 to the Group Financial Statements.
Other		
Property Development	The Group has a considerable land-bank for future development. The value of this holding is directly related to the macro-economic environment in Ireland and the UK, the successful environmental clean-up of the brownfield sugar factory sites and the nature and timing of any zoning and subsequent planning permission obtained.	The Group manages these opportunities and the related risks through a clear property development strategy, the centralisation of all property development related issues under the Chief Financial Officer, the use of property specialists, detailed site-specific plans and regular engagement with the Board.

Operating Review

Despite the challenging market conditions, the Convenience Foods division delivered a STRONG PERFORMANCE with revenue growth from continuing activity[1] and before acquisition activity of 7.4% and with reported revenues 49% higher. Growth was predominantly volume driven as we benefitted from continued GOOD CATEGORY MOMENTUM in our largest businesses and from market share gains.

Convenience Foods

	FY12 £m	FY11 £m	Change
Revenue (as reported)	**1,091.1**	732.2	+49.0%
Operating profit	**69.1**	49.3	+40.2%
Operating margin[1]	**6.3%**	6.7%	-40bps

Input cost inflation was again a factor in FY12 at around 4%, similar to the level in FY11. In most categories, the Group broadly offset the cash margin impact on inflation in the year through a combination of internal efficiency initiatives and price increases.

Operating profit[1] in the division was ahead of FY11 by £19.8 million or 40.2% and operating margin[1] was 6.3%, 40 basis points lower than in FY11. This decline was anticipated given the lower margin Uniq business. At 6.3%, margin is better than the combination of the two stand alone businesses in FY11, driven principally by synergy delivery and on underlying performance and improvement in the Uniq business.

UK Convenience Foods

Food to Go, Including Greencore Northampton

The Food to Go category includes both Greencore Food to Go and the Northampton business and comprises sandwiches, sushi, snack and side of plate salads. It is the Group's largest category and represents approximately 40% of Convenience Foods revenues. The sandwich category again performed well in FY12 with market growth of 6.1%[2] despite the poor summer. The combined UK Food to Go activity grew by 9.8%. The legacy Greencore Food to Go activity grew by 10.5% in the period benefitting from the annualisation of customer wins in FY11 and the addition of further new business in the year. Growth was largely volume led with little evolution in average retail price per pack and an increase in promotional activity through 'Meal Deal' offers. The Spalding side of plate salads business was fully integrated into the Greencore Food to Go business and performed strongly with new business gains in both retail and food service customers. Taken together, the acquired Uniq Food to Go businesses grew by 8.9%. In the Northampton sandwich business, growth was more driven by price and mix as we undertook a significant upgrade of the core product range to best-in-class.

Prepared Meals

The Prepared Meals category comprises chilled ready meals, chilled soup and sauces and quiche. It represents approximately 20% of Convenience Foods revenues. The chilled ready meals market recorded 10.1%[2] growth in the year. Whilst the chilled soup category grew by almost 6%[2], chilled sauces recorded a modest decline and the quiche market was essentially flat given the poor summer. The Prepared Meals business grew by 8.1% including a modest contribution from the acquired ICL business which was consolidated for six weeks of the financial year. We delivered good growth across the customer and product portfolio in ready meals and in soups through product line extensions and refreshment of existing ranges. We experienced modest revenue declines in both chilled sauces and quiche. The business experienced significant input cost inflation, primarily in proteins and in egg; despite achieving some headline price increases and generating significant cost savings, we were unable to fully offset this impact in the period.

In August 2012, the Group completed the acquisition of ICL, a private label chilled ready meals business based in Consett, Co. Durham. The majority of its revenue of approximately £45 million is derived from existing Greencore ready meal customers. The site brings additional capacity for Greencore in one of the fastest growing categories within chilled foods. The business is performing in line with expectations and has been fully integrated within the Prepared Meals category business.

Grocery and Frozen

The Grocery and Frozen businesses are under common management and provide meal components with Grocery activity focused on cooking sauces, table sauces and pickles and the Frozen business supplying Yorkshire puddings. Despite significant branded cooking sauce promotional activity in the year, the private label cooking sauce category grew by 3.2%[2] while branded cooking sauces experienced a 1.5%[2] decline. The Yorkshire puddings market declined by 3.8%[2]. The businesses performed well with overall revenue growth of 5.7% as we expanded our customer and product portfolios in cooking and table sauces. The businesses continued to generate efficiencies to help manage input cost inflation.

Cakes and Desserts, Including Foodservice Desserts

The ambient cake market grew by 2.7%[2] in value terms with celebration cake, our largest sub-category, ahead by 4.5%[2]. Our Cakes and Desserts activity delivered strong growth of 13.3% with growth in all major retailers and the introduction of a celebration cakes range in another major retailer. While there was some modest input cost recovery, returns within the category continue to lag the rest of the Group due to unrecovered inflation over a number of years and industry over capacity.

The Foodservice desserts business delivered modest growth despite the difficult trading environment exacerbated in foodservice by the poor summer weather.

Chilled Desserts

The Chilled Desserts category business was acquired as part of the Uniq business and comprises the Minsterley and Evercreech facilities. The portfolio was radically reshaped in the year. Following the exit of cottage cheese production in Evercreech under Uniq management in August 2011, a significant investment programme was undertaken to refurbish the site to facilitate the transfer of premium desserts lines from Minsterley. These transfers have now been successfully completed with the exception of a few seasonal lines which will transfer at the end of December. At the Minsterley facility, loss-making yoghurt and everyday desserts ranges were exited during the year leaving the site focused on the contract packing of chocolate desserts under the Cadbury brand for Müller. In June, we announced our intention to sell the facility to Müller upon the completion of the transfer of premium desserts from Minsterley to Evercreech. This will complete the restructuring of the Chilled Desserts business leaving the Group focused on premium desserts at the Evercreech facility. Performance of the premium desserts business was broadly flat in the year.

US Convenience Foods

The US business was transformed during the year with the acquisitions of MarketFare and Schau. Both these businesses have now been integrated and performed well during the period of ownership. The legacy business experienced a modest decline in revenues as we continued to evolve the portfolio towards food to go products and convenience/small store channels and exited some loss-making lines. During the period, the business exited the Cincinnati test facility following the termination of the lease. The decision was also taken to exit production of WeightWatchers ready meals in the US market which remained sub-scale.

Ingredients & Property

	FY12 £m	FY11 £m	Change Actual Currency	Change Constant Currency
Revenue	**70.8**	72.0	-1.7%	+2.9%
Operating profit[1]	**1.6**	2.2	-28.0%	-22.6%

The Ingredients and Property division represented 6% of Group revenue in the year and a smaller proportion of Group profits. The ingredients business delivered a creditable performance in the period with good operating profit[1] growth in constant currency. Property disposal gains were lower year on year, which, coupled with the weakening of the euro against sterling, led to a £0.6 million reduction in operating profit.

During the year, the Group made good progress on its legacy property portfolio. In December 2011, outline planning permission was obtained for mixed use development at the Littlehampton site in the UK. The definitive planning agreement is now well advanced and we will be in a position to commence the marketing of the site in the Spring. In Ireland, a number of peripheral agricultural land sales were completed. Work also continued in line with our obligations on the environmental remediation of the Carlow site.

Convenience Foods Revenue (£m)

+49.0%

Convenience Foods Operating Profit[1] (£m)

+40.2%

Convenience Foods Operating Margin[1] (%)

-40bps

Ingredients & Property Revenue (£m)

-1.7%

Ingredients & Property Operating Profit[1] (£m)

-28.0%

1 As defined in the Summary of Key Performance Indicators on page 11.
2 Market growth rates are based on Nielsen data for the 52 weeks to 15 September 2012 and Greencore retail sales figures.

Financial Review
Alan Williams

Reported revenues in the period were £1,161.9 million, an INCREASE OF 44.5% versus FY11. Continuing activity[1] revenue increased by 10.4% to £1,107.7 million.

Group operating profit[1] of £70.7 million increased by £19.2 million or 37.3% versus FY11. Group operating margin[1] was 6.1%, 30 basis points below the prior year. This decline in operating margin was anticipated following the Uniq acquisition and reflects the mix of profits in the enlarged Group together with the impact of pronounced input cost inflation where we seek to offset the cash margin impact in the period and rebuild percentage margin over time.

Following the change in reporting currency to sterling to align external reporting with the profile of the Group, the impact of movement in currency is immaterial.

Interest Payable

The Group's bank interest payable in FY12 was £16.4 million, a decrease of £0.5 million despite the increase in average net debt to fund acquisition activity. This decrease was driven by a lower effective interest rate following the refinancing of the Group in May 2011 and lower market interest rates. The composition of the charge was £15.1 million of interest payable, commitment fees for undrawn facilities of £0.7 million and an amortisation charge in respect of facility fees of £0.6 million.

Non-Cash Finance Charges/Credit

The Group's non-cash finance charge in FY12 was £1.8 million (£3.0 million credit in FY11). The change in the fair value of derivatives and related debt adjustments was a non-cash credit of £2.8 million (£4.6 million credit in FY11) reflecting the mark to market of the Group's interest rate swap portfolio. The non-cash pension financing charge of £4.7 million was greater than the charge in FY11 of £1.8 million reflecting a reduction in interest rates and a lower expected return on pension assets. The credit in respect of the increase in the present value of assets and liabilities held was £0.1 million (£0.2 million credit in FY11).

Group operating profit[1] of £70.7 million increased by £19.2 million or 37.3% versus FY11.

Operating Profit[1] (£m)

Bank Interest Payable (£m)

Adjusted Basic EPS[1]

+21.9%

Effective Tax Rate

4%
-9ppts

Taxation

The Group's effective tax rate in FY12 was 4% (including the tax impact associated with pension finance items) compared to a rate of 13% in FY11.

The effective tax rate has decreased largely as a result of the Uniq acquisition. The Uniq businesses brought considerable tax attributes to the Group, the carrying value of which is reassessed periodically and can have a significant impact on the overall effective tax rate.

As part of the assessment of fair values upon the acquisition of Uniq, the Group recognised significant intangible assets and an associated deferred tax liability with a value of £9.1 million. As the intangible asset is amortised, this deferred tax liability is proportionately credited to the Income Statement.

Cash tax in the period was an inflow of £2.0 million driven by a net reimbursement of payments on account made in the prior year.

Exceptional Costs

The Group incurred a net exceptional charge of £5.6 million (FY11: £11.7 million) largely related to acquisition integration activity and acquisition transaction costs. The breakdown is as follows:

- a charge of £7.6 million related to integration activity in the UK, of which £7.5 million related to Uniq and the balance to ICL;
- a charge of £3.1 million related to the integration of MarketFare and Schau into the Group and the subsequent reorganisation of the product portfolio in the US;
- a charge of £2.2 million was incurred for transaction costs on the acquisitions of MarketFare, Schau and ICL;
- a charge of £1.1 million relating to a provision for an onerous lease obligation in connection with a business which was sold a number of years ago;
- a tax credit of £2.1 million on exceptional costs above; and
- a credit of £6.3 million related to the resolution of an overseas tax case. The cash received on this settlement is reflected in the net exceptional payment in the cash flow statement.

Earnings per Share

Adjusted earnings[1] of £49.2 million were 70.9% or £20.4 million above prior year. Adjusted earnings[1] per share of 12.8 pence were 21.9% ahead of FY11 despite the substantial increase in issued share capital following the rights issue in August 2011 to part fund the Uniq acquisition.

Cash Flow and Net Debt

A net cash inflow from operating activities of £72.1 million was recorded compared to an inflow of £11.6 million in FY11. This increase of £60.4 million was driven primarily by the growth in earnings, a £23.4 million inflow in working capital (FY11: £1.6 million outflow) and a reduction in outflow on exceptional items, interest and tax of £13.6 million.

Capital expenditure of £30.4 million was incurred in the year compared to £23.0 million in FY11. The increase was driven by the increase in the size of the Group, in particular investment in the Evercreech chilled desserts facility. Interest costs of £15.7 million were paid in the year (FY11: £19.9 million) with cash dividends to equity holders of £9.2 million (FY11: £10.8 million).

The Group's net debt at 28 September 2012 was £258.0 million, an increase of £118.2 million from 30 September 2011. £152.2 million was attributable to the payment of consideration driven by the acquisitions of Uniq, MarketFare, Schau and ICL.

During the period, the Group drew down on the bilateral debt facility of £60 million which was arranged as part of the financing of the Uniq acquisition. £5 million of the facility was repaid during the year. As at 28 September 2012, the weighted average maturity of committed debt facilities of £438 million was 3.3 years.

The net debt of £258.0 million at 28 September 2012 represents a simple net debt: EBITDA leverage of 2.75 times. The covenant calculation under our financing arrangements permits the inclusion in the calculation of the EBITDA contribution from acquired businesses on a 12 month basis; together with other permitted adjustments, this results in leverage below 2.5 times.

1 As defined in the Summary of Key Performance Indicators on page 11.
2 Market growth rates are based on Nielsen data for the 52 weeks to 15 September 2012 and Greencore retail sales figures.

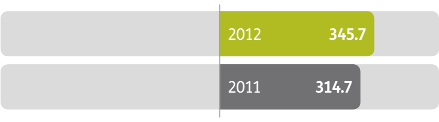
Financial Review (continued)

Net Debt (£m)

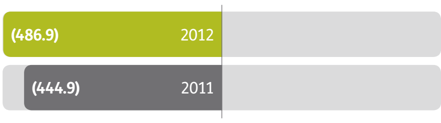
+84.6%

Defined Benefit Pension Liability (£m)

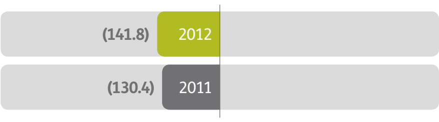
Assets



Liabilities



Net Liabilities



Pensions

The net pension deficit (before related deferred tax) increased to £141.8 million at 28 September 2012 from £130.4 million at 30 September 2011. The net pension deficit after related deferred tax was £115.9 million, an increase of £10.0 million from 30 September 2011.

The fair value of total plan assets relating to the Group's defined benefit pension schemes (excluding associates) increased to £345.7 million at 28 September 2012 from £314.7 million at 30 September 2011. The present value of the total pension liabilities for these schemes increased to £486.9 million from £444.9 million over the same period.

All defined benefit pension scheme plans are closed to future accrual and the Group's pension policy with effect from 1 January 2010 is that future service for current employees and new entrants is provided under defined contribution pension arrangements.

Alan R Williams

Alan Williams
Chief Financial Officer
26 November 2012

We set high standards to ensure that we continue to stand out in the highly competitive markets in which we operate.

Our world class lean manufacturing capabilities are embedded in our DNA, to ensure that efficiency, without compromise on quality, is at the forefront of everything we do.

Focused on Quality, Innovation, Efficiency and Food Safety

EFFICIENCY IS FOREFRONT

Corporate Social Responsibility Report

As a LEADING food manufacturer and major employer in the core markets in which we operate, we believe we have a duty to maintain good corporate and social responsibility practices for the benefit of, not only our colleagues, our customers and our suppliers, but also the ENVIRONMENT and society in general.

Our Values

Greencore conducts its business in a manner that is in line with its culture and values, which are centred on the following overriding principles:

Performance

- We expect and reward results.
- We never accept the status quo and we continuously seek a better way.
- We always do what we say we will do.
- We set, measure and monitor highly ambitious targets.
- We maintain the highest manufacturing/technical standards.
- We adhere to a strict financial rigour.

People

- We believe that people make the difference.
- We treat one another with respect and dignity. Individuals at all levels of the business feel valued and valuable.
- We provide ample opportunities for professional growth and development.

Passion

- We maintain the highest levels of customer-focused service.
- The quality of our products is the best in the industry.
- We have fun and enjoy the work we do.
- We are passionate about good food.

Responsibility

- We leave responsibility with the people at the level where it can be best exercised.
- We treat Greencore's resources (i.e. money/time/reputation) as if they were our own.
- We maintain the highest levels of ethics and integrity.

Introduction

We believe 'our responsibilities' start with Greencore's values which are well embedded within the organisation – we encourage all colleagues to work in accordance with them and indeed each employee's individual performance is measured against them.

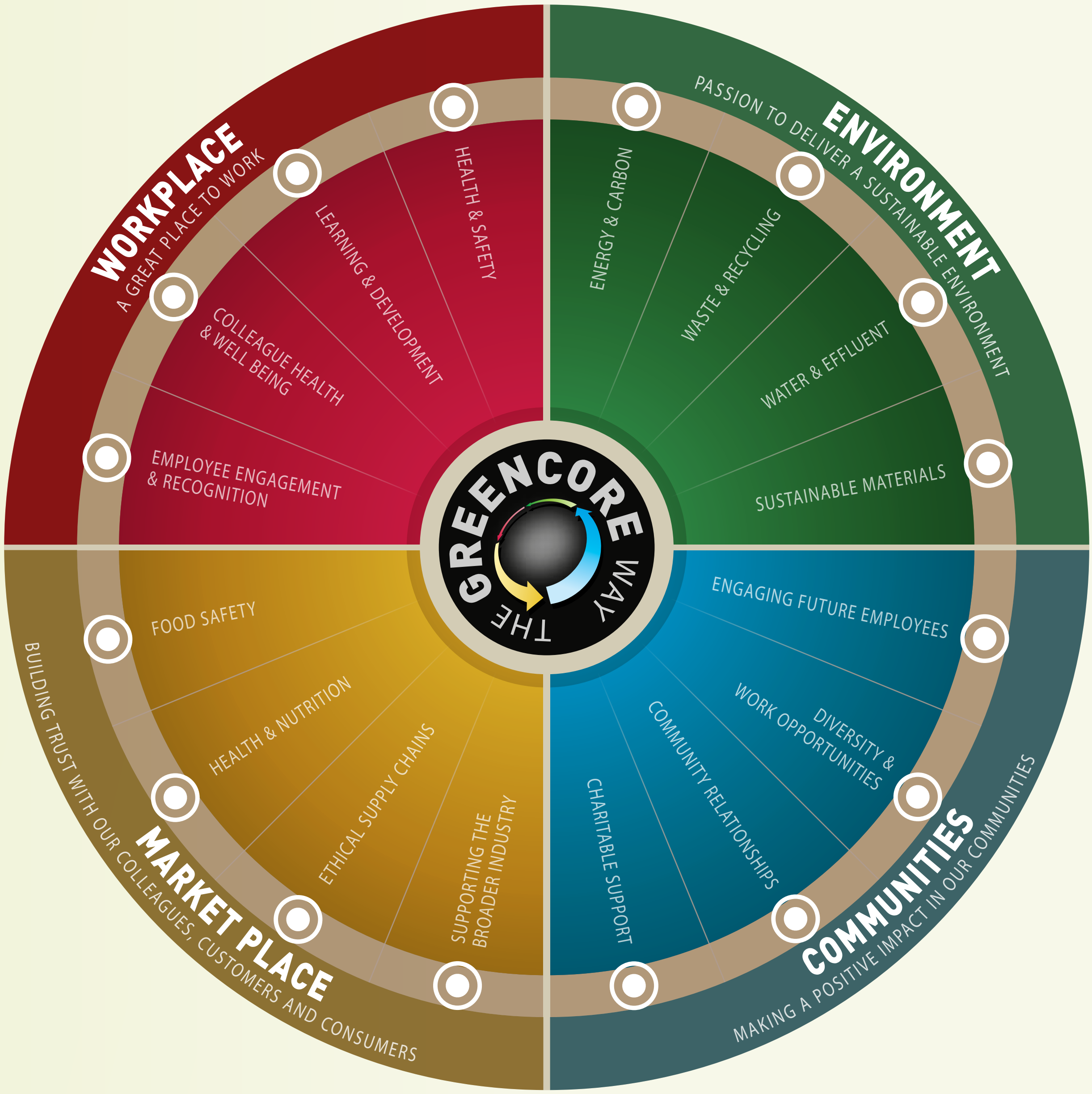
Environmental, ethical and social issues have become evermore prevalent and complex in recent years, which is why we continue to work closely with our colleagues, customers, suppliers, government bodies, industry experts and trade organisations to ensure that Greencore develops a relevant and proactive sustainability programme which works alongside our values.

We have recently introduced 'The Greencore Way', which is a framework we use to drive, measure and communicate the four overriding areas of focus in sustainability and corporate and social responsibility activities.

The following review demonstrates Greencore's commitment to its corporate social responsibility agenda and provides clear examples of The Greencore Way in action. Although most of these examples relate to our more mature UK businesses, we expect to grow and replicate these activities in our fast growing US business over time.

In summary, we believe that a values driven business that maintains good corporate and social responsibility is key to a long-lasting, sustainable and successful business. To that end, the Greencore Way fully encompasses how we do things within Greencore and is fully aligned with our operational and commercial strategy.

Patrick Coveney
Chief Executive



We have recently introduced 'The Greencore Way', a framework we use to manage, measure and communicate the four overriding areas of focus in sustainability activities. This framework fully encompasses the way we do things within Greencore and is integrated with our operational and commercial strategy.

Corporate Social Responsibility Report (continued)

Workplace

'A Great Place to Work'

Health & Safety

The Greencore Way is to have industry leading standards of health and safety to ensure the safest conditions for our colleagues, visitors and contractors at all Greencore facilities.

Greencore regularly conducts detailed health and safety risk management audits across the entire business demonstrating our commitment to continuous improvement in our health and safety systems and procedures. These audits have resulted in a 19% improvement from FY11 to FY12 against the Greencore risk rating model. In addition, our businesses, which are independently certified to OHSAS 18001: 2007 in the UK, have continued to successfully maintain their prestigious certifications. All of our US facilities have monthly health and safety inspections and each site has a colleague that is responsible for driving continuous improvement and health and safety programme management.

We work closely with our insurers and brokers and, during the year, we updated our policy for 'Design, Build & Refurbishment and Change of Use for Company Premises'. This allows us to both maintain and improve our property and facility risk management. This has translated into notable improvements in our property risk rating as independently audited by our principal insurer, seeing a 34% improvement between the FY04 average and FY12 average.

The results of our initiatives in health and safety have seen a reduction in the Group accident rate* from 1.41 to 1.07 from FY07 to FY12 (as shown).

Greencore continues to support the HSE Food Manufacturing Forum in the UK by providing a representative through our membership of the Chilled Foods Association. We have provided technical content for the proposed revision of the HSE's 'A Recipe for Safety' (HSG 252), the health and safety priorities for the food and drinks sector in the UK which is due for publication in early 2013. We continue to support the development of health and safety professionals through our in-house graduate entry programme, and by supporting the Institution of Occupational Safety & Health (IOSH) Graduate Shadowing Scheme in the UK. Our Group Safety Health and Environmental manager is in his third year as an IOSH Council member and a committee member of the IOSH Food and Drinks Health and Safety Group.

Learning & Development

The Greencore Way is to support the continued learning and development of our employees by offering a wide range of training and skills enhancement opportunities at all levels of the organisation.

Personal development plans are identified through Greencore's well-established PRIDE performance review programme. In FY12 more than 1,200 colleagues in the UK, Ireland and the US participated in the PRIDE programme, where more than 3,000 learning activities were identified.

Greencore has a dedicated Learning & Development Manager, who works with all of our sites across both the UK and the US to ensure that the right development opportunities are in place for our colleagues.

In FY12, we opened three dedicated Regional Training Centres in the UK where we have held a number of externally provided courses across a large variety of topics, which include food safety, health and safety, HACCP and personal development.

The Greencore Leadership Academy continues to be a central platform for us to build effective leadership skills and food manufacturing capabilities in our people with more than 1,900 Greencore colleagues having participated since 2006. In FY13, we will continue to develop the leadership academy in conjunction with the Institute of Leadership & Management (ILM) in the UK.

Colleague Health & Wellbeing

The Greencore Way is to have strong procedures in place to protect our workforce against occupational health risks. Our aim is to actively promote and educate our workforce in maintaining a healthy lifestyle to enhance their personal health and wellbeing.

All Greencore sites in the UK provide occupational health monitoring ensuring consistent standards and best practice is maintained.

Food First is the name that we use for the programme which drives the unique good food and health culture at Greencore. As part of this programme, a number of Greencore sites hold various health awareness activities to encourage health and healthier lifestyles amongst our colleagues. As an example of one of these activities, our facility in Chicago in the US has recently partnered with the local fire department to provide training in CPR and AED procedures for its staff.

David Brady, SHE Manager at Prepared Meals, Bristol.

Group Accident Rate

Note: * Average accident rate per 100 employees.

In FY12, Greencore signed up to a series of voluntary pledges under the UK government's Responsibility Deal on Public Health which are designed to tackle health issues within the food and drink industry. These pledges include healthier staff restaurants, physical activity guidelines, active travel for our colleagues and health and wellbeing.

Employee Satisfaction and Engagement
The Greencore Way is to ensure that we are a preferred employer of choice. We aim to ensure that our colleagues enjoy their time at work and receive recognition for both a job well done and for 'going the extra mile'.

Our colleagues have the opportunity to discuss and share their successes through their PRIDE performance management review and, as part of Greencore's PRIDE process, all managers receive 360 degree feedback from their colleagues.

Success stories are shared proactively through Greencore's internal communications channels, which include Group-wide and site newsletters, Greencore's intranet 'On the Menu online' and at management conferences.

As part of Greencore's Food First programme, we hold an annual Food First Chairman's Awards, which recognises and celebrates activities that embrace Greencore's 'Good Food Culture'.

Colleagues also have the opportunity to participate in Greencore's success through our staff ShareSave scheme.

Colleagues from Kiveton undergoing training at the new learning facility.

food first
developing our good food culture

P·R·I·D·E

greencore hr
achieving growth together

ilm
Approved Centre

change 4 Life
Eat well Move more Live longer

Greencore publishes its in-house magazine, On the Menu, twice a year, which is distributed to all colleagues.

Corporate Social Responsibility Report (continued)

Environment

'A Passion to Deliver a Sustainable Environment'

Energy & Carbon
The Greencore Way is to continue to reduce the amount of energy we use during the manufacturing, storage and distribution of our products and, in doing so, reduce our carbon emissions and overall carbon footprint.

In FY12, we again responded to the Carbon Disclosure Project in the UK and continue to work on improving our carbon reporting. During the last five years we have delivered an 11% reduction in total energy consumed per tonne of product across our UK manufacturing sites*.

A number of energy and carbon reduction projects were completed across our business in the year. Examples of these include several lighting upgrades incorporating a range of energy efficient long-life lamps such as induction, T5 fluorescent and LEDs. Our facility at Northampton in the UK has installed a new energy management system which provides live performance data on display screens in each production unit which is helping to drive energy efficiency and engage employees.

Details of our Group carbon footprint are shown below. This is produced following the guidelines and principles of the WBCSD/WRI Greenhouse Gas Protocol, and covers our scope 1 & 2 emissions (incorporating fossil fuels, transport fuel, refrigerants and electricity related data; using conversion factors published by DEFRA). The footprint includes all Greencore operating companies for FY12 (including all recently acquired sites in the US).

Waste & Recycling
The Greencore Way is to continually reduce the amount of waste we produce per tonne of product. Our objective is to send no waste to landfill and to maximise the re-use of waste by 'moving up the waste hierarchy'.

We continue to roll out our waste and recycling programmes across all our sites, both in the UK and the US. The manufacturing facilities acquired in the UK over the last two years. This has seen a significant uplift in recycling and further diversion from landfill, particularly at the newly acquired sites. All Greencore manufacturing sites in the UK will be sending zero waste directly to landfill by the end of November 2012.

We have continued to work closely with our customers and WRAP in the UK under the banner of the Courtauld Commitment, in order to assess and reduce the environmental impact of our products and packaging.

Water & Effluent
The Greencore Way is to reduce the amount of water we use per tonne of product and to minimise our impact on water and effluent discharges. We will also aim to extend water stewardship activities down our supply chain.

We have maintained our focus on reducing water consumption and minimising effluent at source, whilst also improving the quality of our discharge through investment.

During the last five years, we have delivered a 25% reduction in water consumed per tonne of product across our UK manufacturing sites*.

There are plenty of examples of investment in this area, notably the recent upgrade to the effluent plant at our Kiveton facility in the UK. Another is the installation of an in-line TOC meter at our facility in Selby, which feeds back information directly to the production operatives helping to further reduce product losses to drain and improve the efficiency of both production and the effluent treatment plant.

Sustainable Materials
The Greencore Way is to source in a responsible way materials that are vulnerable to sustainability challenges. We will continue to evaluate the opportunities for food security and sustainability in our domestic and global markets.

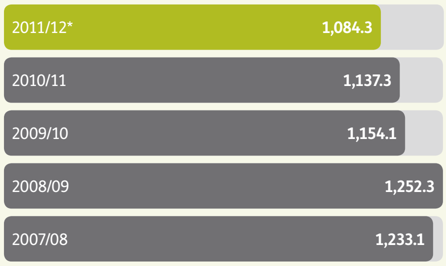
Greencore was an early adopter of Green Palm certification for palm oil and is progressively sourcing and implementing fully sustainable solutions in our key product and ingredient areas (by segregation or mass balance). Greencore's facility at Kiveton in the UK has been independently certified by the Roundtable for Sustainable Palm Oil (RSPO) for production of fully sustainable quiche.

Greencore works with its customer the Marine Stewardship Council to source sustainable fish where possible, and aims to continue to increase the share of sustainable fish that it sources in the future.

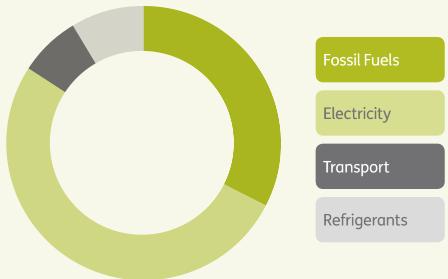
Greencore uses sustainable pole and line caught tuna in over 95% of its products.

Over 65% of our coldwater prawns and all of the wild salmon that we use in our products is sourced from independently verified sustainable sources.

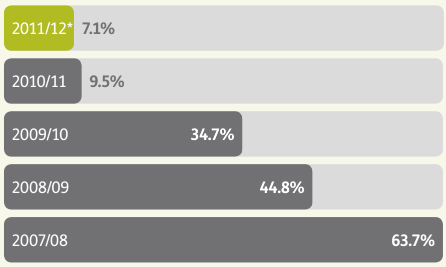
Greencore Group Total Energy 2007/8 to 2011/12 UK Manufacturing Sites
Total energy consumption (kWh) per tonne of products



Greencore Group Carbon Footprint
187,601 Tonnes CO_2e (Scope 1 & 2 emissions)

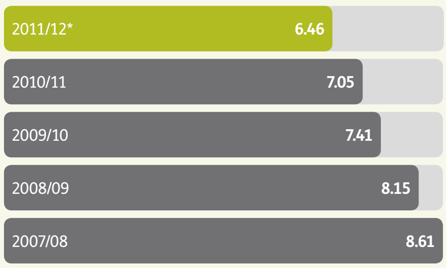


Greencore Group Waste Disposal 2007/8 to 2011/12 UK Manufacturing Sites
Waste disposal to landfill (% of total waste)



* Note – Based on a like-for-like comparison of UK manufacturing sites over the five year period (doesn't include the former Uniq sites acquired in September 2011).

Greencore Group Water Consumption 2007/8 to 2011/12 UK Manufacturing Sites
Water consumption (m^2) per tonne of product



Marketplace

'Building Trust with Our Colleagues, Customers and Consumers'

Food Safety, Food First

The Greencore Way is to be uncompromising in the standards of food safety that our manufacturing sites employ.

In addition to central resources, Greencore has a team of dedicated technical experts at all of its facilities in the UK and the US to ensure food safety and regulatory compliance.

Greencore spends a huge amount of time auditing its facilities for both internal and external purposes. In FY12 the following number of internal and external audits took place at Greencore's facilities:

Internal Audits	11,428
External Audits	155
Customer Taste Panels	1,502
Internal Taste Panels	268,057
Supplier Approvals	1,051

Greencore is working towards full Global Food Safety Initiative (GFSI) status across all of its facilities largely through adopting British Retail Consortium (BRC) or Safe Quality Foods (SQF) standards.

All of our facilities in the UK and our Newburyport facility in the US have achieved and retained their BRC Grade 'A' accreditation. Our recently acquired facilities in Jacksonville, Salt Lake City and Chicago in the US are all SQF accredited. We are also working towards SQF accreditation at our remaining facilities in the US, in Fredericksburg and Brockton, over the coming months.

A critical element of the Group's Food First programme is around food safety and its objective to give Greencore a competitive advantage in this area amongst its peers and for it to become the supplier of choice amongst our customers.

Health & Nutrition

The Greencore Way is to use our knowledge and expertise to offer healthy alternatives in each of the categories in which we operate. We aim to support, work towards and, where possible, beat government targets for health and nutrition. We also aim to be transparent in how we report these targets.

Greencore plays a leading and responsible role in supporting the health and well-being of the end consumer and our product development teams work closely with our customers to ensure that appropriate health and nutritional targets and objectives are set.

Greencore has a dedicated company nutritionist who, in addition to working with our product development teams, works in conjunction with relevant government and industry bodies, such as the Food Standards Agency (FSA), the Department of Health, the Chilled Foods Association and the IGD (Institute for Grocers & Distributors) in the UK.

Earlier in 2012, Greencore signed up to the UK's Responsibility Deal on Public Health, committing to the following pledges:

- Salt Reduction – 84.3% of Greencore's UK products meet the FSA's 2012 salt reduction target.
- Artificial Trans Fat Removal – No hydrogenated vegetable oils, industrially added trans fats or genetically modified organisms are used in Greencore's UK retail products.

Greencore's Food First program also has a 'health' pillar, which supports and drives the role of healthy food. This is becoming increasingly important in both the US and the UK.

Ethical Supply Chain

The Greencore Way is to operate to recognised ethical standards throughout our business and to extend to ensure compliance in the supply chain.

Greencore is a long-standing member of SEDEX in the UK, an organisation which monitors the ethical performance of Greencore and its suppliers.

Greencore also conducts its own ethical self audit across its sites, as well as being subject to its customer's ethical audits. In addition this year, we have extended our assessments of ethical practices by rolling out SMETA (SEDEX Members Ethical Trade Audits) across our business.

We also work with our customers to meet the highest standards of animal welfare, for example all of the eggs at Greencore's facilities in the UK meet the EU Egg Regulations that were introduced in January 2012.

Supporting the Broader Industry

The Greencore Way is to use our skills, knowledge and expertise to support the advancement of the food manufacturing industry.

As a leading food manufacturer Greencore plays a fully active role in participating in industry working groups and committees, with the aim of supporting the development of the industry.

Greencore works closely with the IGD in the UK on a number of committees, including the Policies Initiative Council, the Industry Sustainability Group, the Industry Nutritional Strategy Group, Technical Leadership Forum and the Communities Working Group.

Greencore also works with the Chilled Foods Association in the UK on its main Board and holds the vice chair role. Our Group Environment Manager also chairs its Technical Committee and Sustainable Development Working Group.

Furthermore Greencore is a member of the East Midlands Platform on Food, Physical Activity & Health in the UK.

We also support the Biosciences Knowledge Transfer Network in the UK aimed at developing links between academia and industry.

IGD

Empowering responsible supply chains
Sedex

GreenPalm
SUSTAINABILITY

CFA
CHILLED FOOD ASSOCIATION

Corporate Social Responsibility Report (continued)

Members of Greencore's team in Bristol raising funds for Comic Relief.

Pupils from Heathfield School in Taunton participating in the 'Bake-Off' competition.

GroceryAid®
From factory to store we're your charity

Communities

'Making a Positive Impact in Our Communities'

Engaging Future Employees
The Greencore Way is to engage young people and inspire the next generation of employees, managers and future business leaders to join the food industry.

The food and grocery industry is the UK's largest industry employing one in seven people. As part of Greencore's leadership role in the industry, it is crucial that it continues to inspire and develop young people to motivate them to develop an interest in our industry. This will also ensure that we have enough high calibre candidates for the wide range of roles that a career in Greencore has to offer. To achieve this, Greencore works with a number of organisations and charities with the aim of supporting and developing young people.

These include Young Enterprise, an international organisation, also known as Junior Achievement in the US. Through this organisation, Greencore provides volunteers and funding to support learning in under-privileged schools. Greencore also supports the CFA's 'Chilled Education Programme' in the UK by providing a number of STEM Ambassadors, who visit schools and explain the role that science plays within the food industry. One of Greencore's facilities in the UK has also opened its doors up to school career advisors to demonstrate the opportunities that our industry has to offer for young people.

Furthermore, a number of Greencore colleagues across both the UK and the US visit and hold talks for local schools and colleges. Some of our sites also invite local children to visit the site. An example of this is our desserts facility in Taunton in the UK which held a cake 'Bake-Off' competition for a local school.

Diversity and Work Opportunities
The Greencore Way is to be inclusive with regards to all members of the community by offering work experience or other support to get them in to the workplace.

In September Greencore played a leading role in Feeding Britain's Future – Skills for Work Week, an industry-wide initiative coordinated by the IGD focused at providing employability skills training for some of the one million 16-24 year olds in the UK who are not in employment, education or training (see panel for more information).

Through Feeding Britain's Future, Greencore has established good links with local job centre offices, politicians and development agencies across the UK which it hopes to build on in the future with the aim of helping disadvantaged groups into employment.

Community Relationships
The Greencore Way is to be a good neighbour by active engagement in the community serving the facility and its employees.

Greencore is aware of the role that it plays in the communities in which its sites are located and it is committed to establishing and maintaining good relationships with its neighbours both as a local employer but also in terms of the overall impact that its sites have on the local communities. In some cases, our leaders sit on local committees or attend local committee meetings. Examples include the general manager of our Fredericksburg facility in the US sitting on the Stafford County's Business Advisory Committee or our site director at our Evercreech facility in the UK regularly participating in and updating local parish council meetings.

Many of Greencore's facilities work together with local institutions, such as schools, hospices and emergency services to provide donations and support for local fund-raising activities.

Greencore also engages with local community groups to ensure that it responds rapidly to resolve any nuisance complaints which may arise from its facilities.

Charitable Support
The Greencore Way is to support charitable causes which may be sponsored by either the business or its colleagues.

Greencore engages proactively with a number of large charity organisations. These include Young Enterprise (discussed above) and GroceryAid, the industry charity in the UK formerly known as Caravan

Greencore also supports FareShare in the UK and Feeding America in the US. Both of these organisations distribute food products to the needy through lots of different channels. In addition, all of facilities in the US have direct arrangements with local food banks for donating food for the needy. When Hurricane Sandy hit the east coast of the United States in October, the team at our Brockton facility in Massachusetts sent food to help the victims in the difficult time after the event.

In September, the 'Seriously Good' cooking sauce initiative in which Greencore participated in conjunction with Comic Relief concluded after raising more than £430,000. Greencore is immensely proud to have played a part in raising these much needed funds for charities in both the UK and beyond.

At a local level, Greencore's sites support a wide number of both local and national charities through product donations and a whole host of fundraising activities. This is something that Greencore actively supports and encourages. In October, our colleagues on both sides of the Atlantic held a Wear It Pink day in aid of breast cancer support raising awareness, and valuable funds, for breast cancer charities.

Examples of the many other local charities that our sites and colleagues support include Great Ormond Street Hospital in London, Leukaemia & Lymphoma Society in Salt Lake City and The Jack & Jill Children's Foundation in Dublin, which provides homecare for sick children.

Feeding Britain's Future

In September Greencore joined forces with nearly 100 other food manufacturers and retailers by opening up the doors of its facilities as part of 'Feeding Britain's Future – Skills for Work Week'.

Matthew Forde and Martin Willsher of Greencore Food to Go with Owen Paterson MP, British Secretary of State for the Environment, Food and Rural Affairs.

The objective of this activity was for the food and grocery industry to reach out to the one million 16-24 year olds in the UK who are not currently in employment, education or training in order to provide skills training to enhance their prospects of gaining employment.

Feeding Britain's future was coordinated by the UK industry body IGD and was supported by JobCentre Plus. The food and grocery industry is the biggest private sector employer in the UK, accounting for one in seven of all jobs.

To make sure that the training was relevant, 50 young people participated in a Youth Voice Forum in Birmingham earlier in the year. These people told us that they needed help with their CVs and in how to prepare for job interviews. It was also clear that these young people were not aware of the variety of roles that the food industry has to offer.

Greencore came early to the table and offered 600 places across its UK sites, where young people would have the opportunity to visit our facilities, meet our people and receive valuable skills training.

The feedback that the initiative received from the participants speaks volumes: 98% of the young people who attended now feel more confident about applying for a job and 93% of the young people would now consider a career in the food and grocery industry.

In September, Greencore had the opportunity to visit Downing Street along with 19 other businesses to meet the British Prime Minister and members of his Cabinet to demonstrate the wide range of skills and rich careers that the industry has to offer.

You can follow Greencore on Twitter

@GreencoreGroup

for further information and news

For more information on Feeding Britain's Future go to
www.feedingbritainsfuture.com

Board of Directors

EF Sullivan, B Comm, MBS

Chairman (Aged 64)
Ned joined the Board on 11 March 2002 and became Chairman in February 2003. He was previously Group Managing Director of Glanbia plc and, prior to that, held a number of senior positions with Grand Metropolitan plc in London and Dublin. He was the first Chairman of An Bord Bia (The Irish Food Board) and is Chairman of eircom Limited.

PF Coveney, B Comm, M Phil, D Phil

Chief Executive Officer (Aged 42)
Patrick joined the Board of Greencore on 5 September 2005 and was appointed Chief Executive with effect from March 2008. Previously he held the position of Chief Financial Officer for the Group. Patrick was a partner with McKinsey & Company, serving as managing partner of McKinsey, Ireland before joining Greencore. Patrick was elected President of The Dublin Chamber of Commerce in February 2012, having been a Council member since 2003.

AR Williams, BA Hons, ACMA, CGMA, AMCT

Chief Financial Officer (Aged 43)
Alan was appointed to the Board as Chief Financial Officer on 7 March 2011, having previously held a number of senior positions within the Cadbury Group over an 18 year period, which included the role of Global Corporate Finance Director. He had previously served as head of finance for the US confectionery operations of Cadbury and also of its French beverages business.

DS Walker, BSc Hons

Chief Operating Officer (Aged 40)
Di joined the Board on 22 April 2009 and serves as the group's Chief Operating Officer, having joined Greencore in June 2004 as Managing Director of Greencore's Chilled Sauces and Soups category. In October 2006, she was appointed Managing Director of Food To Go, the largest convenience food category within the Group. Prior to joining Greencore, she held a number of senior positions within the chilled foods industry including Divisional Managing Director of Hibernia Foods plc and Convenience Food Sales and Marketing Director of Hazlewood Foods plc, prior to it being acquired by Greencore.

JT Herlihy, B Comm, FCA

Non-Executive Director (Aged 45)
John joined the Board on 13 March 2009. He is Vice President of Advertiser Operations at Google and head of Google Ireland. Previously, he held senior management positions at global technology companies including First Data (US and EMEA), Epiphany (US and Asia-Pacific) and Oracle Corporation (US and EMEA).

PA McCann

Non-Executive Director (Aged 61)
Pat joined the Board on 24 November 2003. He is Chief Executive of Dalata Hotel Group and was formerly Chief Executive of Jurys Doyle Hotel Group plc, a position he held from 2000 until 2006. He was also a Non-Executive Director of EBS Building Society and the Irish Heart Foundation. He also serves as Chairman and Non-Executive Director of a number of private companies.

Audit Committee
PG Kennedy* (appointed to Committee 18 December 2008)
EL Nicoli* (appointed to Committee 20 May 2010)
DM Simons* ** (appointed to Committee 22 July 2004)
JT Herlihy* (appointed to Committee 11 March 2010)

* Denotes Non-Executive Director
** Denotes Chairman of Committee

Nomination Committee
PF Coveney (appointed to Committee 1 April 2008)
PA McCann* ** (appointed to Committee 18 November 2004)
DM Simons* (appointed to Committee 1 July 2004)
EF Sullivan* (appointed to Committee 22 July 2003)
PG Kennedy* (appointed to Committee 26 July 2012)

Option and Remuneration Committee
PG Kennedy* ** (appointed to Committee 11 March 2010)
JT Herlihy* (appointed to Committee 22 April 2009)
EF Sullivan* (appointed to Committee 30 January 2003)

EL Nicoli, CBE, BSc

Non-Executive Director (Aged 62)
Eric was appointed to the Board on 14 May 2010. From 1991 to 1999, he served as Group Chief Executive of United Biscuits (Holdings) plc and was Chairman and Chief Executive of EMI Group plc until 2007. He is currently a Director of a number of privately-owned companies in the entertainment, software, property and financial services sectors.

DM Simons, CBE, BSc Econ, FCMA

Non-Executive Director (Aged 65)
David was appointed to the Board on 1 July 2004 having previously held the position of Chairman of Littlewoods Shop Direct Group Limited for five years and Chief Executive of Somerfield plc for seven years. He has held many senior executive and non-executive positions in major UK and International retail companies.

PG Kennedy, BA, FCA

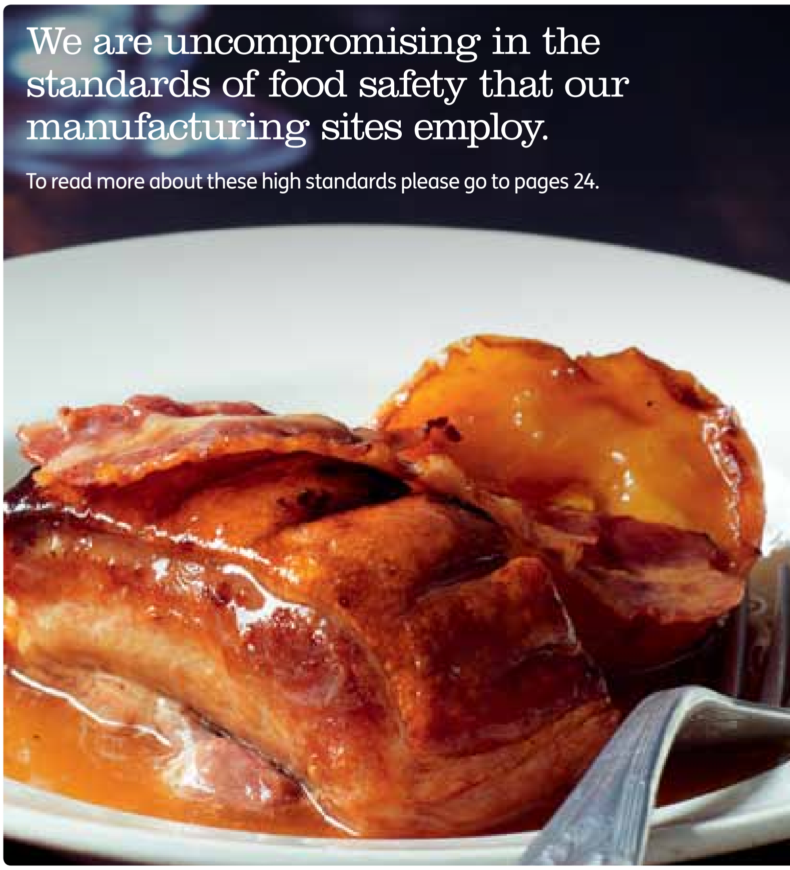
Non-Executive Director (Aged 54)
Gary joined the Board on 18 November 2008. He is a Director of Elan plc as well as being Chairman of its Audit Committee. He is a Director of Irish Bank Resolution Corporation Limited, having been appointed on 22 May 2010, where he also serves as Chairman of the Audit Committee. He is a Director of Friends First Holdings Ltd as well as Chairman of a number of private companies. He was Group Director of Finance and Enterprise Technology at Allied Irish Banks plc and a member of its main board together with subsidiary boards in the US and Poland. Prior to that, he was Group Vice-President of Nortel Networks Europe. He served on the Board of the Industrial Development Authority of Ireland for ten years until he retired in December 2005.

C O'Leary, ACIS

Group Company Secretary (Aged 43)
Conor was appointed Group Company Secretary on 4 June 2010 having served as Deputy Group Secretary since 2005. He held senior company secretarial roles in Glanbia and Cable & Wireless prior to joining Greencore in 2001.

We are uncompromising in the standards of food safety that our manufacturing sites employ.

To read more about these high standards please go to pages 24.



Focused on Quality, Innovation, Efficiency and Food Safety

HIGHEST LEVEL OF FOOD SAFETY

Directors' Report

Introduction

The Directors submit their Report and Financial Statements for the year ended 28 September 2012.

Principal Activities and Review of Business

Greencore is a leading producer of convenience foods with strong market leadership positions in the UK convenience food market across sandwiches, chilled prepared meals, chilled soups and sauces, cooking sauces and pickles, cakes and desserts and Yorkshire puddings and has an extending presence outside the UK with a fast-growing convenience food business in the US. Detailed commentaries on the Group's performance for the year are contained in the Chairman's Statement, the Chief Executive's Review and the Operating and Financial Reviews. The principal subsidiary and associate undertakings are listed in Note 32 to the Group Financial Statements.

Results for the Year

The results of the Group for the year are set out in the Group Income Statement. The profit for the year after taxation and exceptional charges was £35.6 million (2011: £19.9 million).

Dividends

An interim ordinary dividend of 1.75 pence (2011: 3.0 cent) per share was paid on 3 October 2012. The Directors recommend the payment of a final ordinary dividend of 2.5 pence (2011: 2.4 cent) per share. Subject to shareholders' approval, this dividend is to be paid on 3 April 2013 to shareholders who are on the register of members at 5.00pm on 7 December 2012. The shareholders passed a resolution at the Annual General Meeting of the Company in February 2012 to redenominate the share capital of the Company from euro to sterling. The interim dividend for the year ended 28 September 2012 was paid to shareholders in sterling and it is the intention of the Company to continue to pay any and all dividends in sterling going forward.

Share Capital

During the year 6,336,318 (2011: 2,441,392) ordinary shares were issued under the Company's Scrip Dividend Scheme and 708,061 (2011: 20,879) ordinary shares were issued under the Company's Share Option and ShareSave schemes.

The Directors are currently authorised to allot shares up to a maximum nominal amount equal to £1,282,719 under an authority that was conferred on them at the Annual General Meeting held on 9 February 2012. This authority will expire at the conclusion of Greencore's next Annual General Meeting or on 9 August 2013, whichever is earlier.

Additionally, at the forthcoming Annual General Meeting, shareholders are being asked to approve, until the day following the Annual General Meeting to be held in 2014, the Directors' power to disapply the strict statutory pre-emption provisions relating to the issue of new equity for cash. The disapplication will be limited to the allotment of equity securities in connection with any rights issue or any open offer to shareholders and the allotment of shares in lieu of dividends, and the allotment of shares up to an aggregate nominal value equal to 5 per cent of the nominal value of the Company's issued share capital.

At the Annual General Meeting held in February 2012, shareholders passed a resolution to give the Company, or any of its subsidiaries, the authority to make market purchases of up to 10 per cent of its own shares. The minimum price which may be paid for shares purchased by the Company shall not be less than the nominal value of the shares and the maximum price will be 105 per cent of the average market price of such shares over the preceding five days. At the forthcoming Annual General Meeting, shareholders will be asked to renew this authority until the date of the Annual General Meeting to be held in 2014 or 18 months after this forthcoming Annual General Meeting, whichever is the earlier. The Directors do not have any current intention to exercise the power to purchase the Company's own shares and will do so only if they consider it to be in the best interests of the Company and its shareholders.

Under the Articles of Association of the Company, no person is entitled to acquire shares representing 30 per cent or more of the Company's issued share capital or (alone or with any associate or associates) to control the exercise of 30 per cent or more of the votes which are ordinarily exercisable in all circumstances at general meetings of the Company. This restriction cannot be amended without the consent of the holder of the special share in the capital of the Company.

The special share is owned by the Minister for the Department of Agriculture, Food and the Marine, on behalf of the Irish State. This gives the owner certain rights, inter alia, in relation to notice and attendance at meetings as well as a consent requirement in respect of certain limited amendments of the Company's Articles of Association and the issue of shares which have voting rights but which are not ordinary shares. It also confers certain rights relating to the sugar quota and sugar producing assets formerly used by the Company. As the Group has renounced its sugar quota and no longer has any sugar producing assets, it is the Directors' opinion that this is of limited impact.

Future Developments

The Group showed further growth and development during the year, in particular with the successful acquisition of MarketFare, Schau and ICL. Future prospects are outlined in the Chairman's Statement, the Chief Executive's Review and the Operating and Financial Reviews.

Directors' Report (continued)

Principal Risks and Uncertainties

As with any large Group, Greencore faces a number of risks and uncertainties. Individual business unit management teams primarily drive the process by which individual risks and uncertainties are identified, these teams being best placed to identify significant and emerging risks and uncertainties in their businesses. The output from this process feeds into the regular management reporting structures. Risks and mitigating controls, common across all categories, are managed and reviewed at Group level. Risks identified and associated mitigating controls are subject to review as part of the Group's health and safety, technical compliance and operational/financial audit programmes. Under Irish company law (Regulation 37 of the European Communities (Companies: Group Accounts) Regulations 1992, as amended), the Group is required to give a description of the principal risks and uncertainties which it faces. These principal risks are set out on pages 14 and 15.

Further detail in relation to the Group's internal controls is included on pages 40 and 41 of this report. Details of the Group's financial risk management policies are set out in Note 20 of the Group Financial Statements. Details of the Group's key performance indicators are set out on page 11.

Directors

In accordance with provision B.7.1. of the 2010 UK Corporate Governance Code ('the Code') and the Irish Corporate Governance Annex ('the Annex'), each of the Directors shall retire at all future Annual General Meetings of the Company and shall submit themselves for re-election where appropriate. No re-appointment will be automatic and a review of the Directors who are seeking reappointment will be undertaken assessing their suitability for re-election. The Board will not endorse a Director for re-election if he or she has not been considered effective in carrying out their duties.

The Board recommends the appointment of the Directors seeking re-appointment as they continue to be effective and demonstrate commitment to the role.

Directors' Interests in Share Capital at 28 September 2012

The interests of the Directors and Group Company Secretary in the shares of the Company are set out in the Report on Directors' Remuneration. The Directors and Group Company Secretary have no beneficial interests in any of the Group's subsidiary or associated undertakings.

Significant Shareholdings

At 28 September 2012, the Company has been advised of the following notifiable interests in its ordinary share capital:

	No. of interests in ordinary shares	% of issued share capital
Polaris Capital Management	57,422,609	14.71
Letko Brosseau & Associates	45,808,985	11.73
Sheffield Asset Management LLC	30,586,418	7.83
Henderson Global Investors	14,448,405	3.70
Legal and General Investment Management	11,815,738	3.03

At 26 November 2012, the Company has been advised of the following notifiable interests in its ordinary share capital:

	No. of interests in ordinary shares	% of issued share capital
Polaris Capital Management	58,415,009	14.86
Letko Brosseau & Associates	45,467,940	11.56
Sheffield Asset Management LLC	30,586,418	7.78
Henderson Group	14,448,405	3.67
Legal & General Group	12,777,773	3.25

Apart from these holdings, the Company has not been notified at 26 November 2012 of any interest of 3 per cent or more in its ordinary share capital.

Corporate Governance

Statements by the Directors in relation to the Group's application of corporate governance principles, compliance with the provisions of the Code and the Annex, the Group's system of internal controls and the adoption of the going concern basis in the preparation of the Financial Statements are set out on pages 36 to 41.

The Report on Directors' Remuneration is set out on pages 42 to 51.

Corporate Social Responsibility

The Group views corporate social responsibility as an integral part of the organisation's culture and always strives to ensure it is acting in the best interests of all related parties and stakeholders. Group policies and implementation systems are set out on pages 22 to 29.

Research and Development

The Group continued its research and development programme in relation to its principal activities during the year. Further information is contained in the reviews on pages 16 and 17 and in Note 2 of the Group Financial Statements.

Taxation Status

So far as the Directors are aware, the Company is not a close company within the meaning of the Tax Consolidation Act.

Accounting Records

The Directors believe that they have complied with the requirements of Section 202 of the Companies Act 1990 with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The books of account of the Company are maintained at No.2 Northwood Avenue, Northwood Business Park, Santry, Dublin 9.

Auditor

The auditor, KPMG, Chartered Accountants, continues in office in accordance with Section 160 (2) of the Companies Act 1963.

Notice of Annual General Meeting and Special Business

Notice of the Annual General Meeting, together with details of special business to be considered at the meeting, will be circulated to shareholders in December 2012.

On behalf of the Board

EF Sullivan	**AR Williams**
Director	Director

Dublin
26 November 2012

Corporate Governance Report

Corporate governance is concerned with how companies are managed and controlled. The Directors are committed to the HIGHEST STANDARDS of corporate governance.

This statement explains how the Group has applied the principles set out in the 2010 UK Corporate Governance Code ('the Code') as adopted by the Irish and London Stock Exchanges. Although Greencore is no longer listed on the Irish Stock Exchange it has chosen the voluntary adoption of the Irish Corporate Governance Annex ('the Annex'). The Annex implements the nine recommendations arising from a report on corporate governance which was commissioned by the Irish Stock Exchange and the Irish Association of Investment Managers in early 2010. The Board understands the importance of good corporate governance, the Code and the Annex and believes that the Group has complied fully with the Code and the relevant provisions of the Annex throughout the financial year ended 28 September 2012 where the requirements are of a continuing nature. The full text of the UK Code and the Irish Annex can be found on the Financial Reporting Council's website, www.frc.org.uk and the Irish Stock Exchange's website, www.ise.ie, respectively.

Ned Sullivan
Chairman
26 November 2012

Board of Directors

The Board is responsible for the leadership, control and the long term success of the Company. The Board currently comprises three Executive and six Non-Executive Directors. Biographical details for each of the Board members are set out on pages 30 and 31 and include their dates of appointment. The Board considers that, between them, the Directors have the range of skills, knowledge, expertise and experience necessary to lead the Company, whilst each of the Non-Executive Directors has vast international strategic experience, both within the food industry and in the broader commercial arena.

All the Directors bring independent judgement to bear on issues of strategy, performance, resources, key appointments and standards. The Board has determined that each of the Non-Executive Directors is independent, which is in line with the Code requirement which stipulates that at least half the Board, excluding the Chairman, must be independent Non-Executive Directors. The independence of each Director is determined prior to appointment and annually thereafter. Each has no material interest or other relationship with the Group.

It is intended that Mr. EF Sullivan, Chairman, will retire from the Board immediately after the forthcoming AGM of the Company, as will Mr. PA McCann, Non-Executive Director and Chairman of the Nomination Committee, having served ten and nine years on the Board respectively. The Nomination Committee has recommended to the Board that Mr. PG Kennedy should replace Mr. EF Sullivan as Chairman of the Board effective immediately after the AGM to be held on 29 January 2013. It is considered that Mr. PG Kennedy has the appropriate balance of skills, experience and expertise to serve as Board Chairman.

The Directors believe that the Board, continues to be of the correct size and structure, whilst the balance between Non-Executive Directors and Executive Directors ensures that the Board continues to have the appropriate skills, expertise and experience necessary to allow the function to fulfil its role effectively without undue reliance on any individual Non-Executive Directors, while remaining responsive to the needs of the Company. The Company is currently engaged in a rigorous Non-Executive Director selection process, with emphasis on Board diversity to ensure that the current Board capabilities are maintained notwithstanding the imminent retirement of Mr. EF Sullivan and Mr. PA McCann.

The Board agrees a schedule of regular meetings to be held in each calendar year and also meets on other occasions as necessary. Meetings are held at the head office in Dublin, as well as at the offices of the Group's operating subsidiaries. If a Director is unable to attend a Board meeting, he or she will receive Board papers in advance of the meeting and can communicate his or her views to the Chairman on any items which will be raised at the meeting. A list of Director attendances at scheduled meetings throughout the year can be found on page 39.

There is an agreed list of matters which the Board has formally reserved to itself for consideration and decision and includes; Board membership, major acquisitions and disposals, major capital expenditure, risk management, treasury policies, approval of the financial statements and other formal announcements. The list of matters reserved for Board decision is reviewed regularly by the Board and where necessary is updated. The matters and agenda reserved for Board consideration are planned in order to best utilise the skills, expertise and experience of the Directors. In addition, the Board ensures that the value of the Group over the longer term is both enhanced and preserved through the approval of the Group's commercial strategy, trading and capital budgets. The Directors acknowledge that they are responsible for the proper stewardship of the Group's affairs, both individually and collectively.

There is an agreed procedure for Directors to take independent legal advice, at the expense of the Company, in the furtherance of their duties as Directors of the Company. The Group has a policy in place which indemnifies the Directors in respect of legal action taken against them in respect of matters pertaining to their duties as Directors. All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

All Directors receive regular Group management accounts and reports. Full Board papers are sent to each Director in advance of the Board meetings. Any further supporting papers and information are readily available to all Directors upon request. The Board papers include the minutes of all Board and committee meetings held since the previous Board meeting and the Chairman of each committee is available at the Board meetings to give a report on the Committee's proceedings, if appropriate.

The Board has a formal process whereby each Director and the Group Company Secretary individually meet with the Chairman annually, with the purpose of reviewing individual Director performance along with reviewing the conduct of Board meetings, the performance of the Board and committees and the general corporate governance of the Group. The evaluation of each individual Director focuses on the contribution of the Director to the Board and how they each met their expectations during the year. In addition, the Chairman meets with the Non-Executive Directors without the Executive Directors being present at least once a year. The Chairman of the Board reports the findings of such a board effectiveness review to the Board and any issues which have been identified are discussed, whilst key areas for focus in the forthcoming year are addressed. In addition, the Senior Independent Director meets with each Director to review the Chairman's performance on an annual basis. This forms part of the broader Board effectiveness review and ensures a robust, independent and effective Board. It is intended that the Board will introduce a process whereby the Board, both collectively and individually, are evaluated by an external evaluator at least every three years. As outlined on page 36, it is anticipated that the Board, and its committees, will undergo some major composition changes in the forthcoming months and the external evaluation process will be implemented immediately thereafter.

The roles of Chairman and Chief Executive are separate and there is a clear division of responsibilities between each role, which is set out in writing and has been approved by the Board. The Board has delegated responsibility for the management of the Group, through the Chief Executive, to executive management and the Chief Executive is accountable to the Board for all authority so delegated.

It is expected that the Non-Executive Directors will constructively challenge the management proposals where appropriate and will contribute their expertise and knowledge towards the development of the Group. Prior to each Non-Executive Director's election to the Board and relevant committee, he or she is made aware of the scheduled calendar of meetings and is required to confirm that they are able to meet the time commitment required as part of the role.

The Board has acknowledged that there should be a recognised senior member of the Board, known as the 'Senior Independent Director', and that the position should be rotated among the Non-Executive Directors, all of whom are independent. Mr. DA Simons is the current Senior Independent Director and was appointed to this role on 22 March 2012. Prior to this, Mr. PA McCann held the role of Senior Independent Director from February 2010. Mr. Simons is available to shareholders who have concerns that cannot be addressed through the Chairman, Chief Executive or Chief Financial Officer. He also acts as a confidential sounding board and intermediary for the other Directors, if necessary. As part of the performance evaluation process, the Non-Executive Directors, led by the Senior Independent Director, meet annually without the Chairman present to appraise the Chairman's performance and take the views of the Executive Directors and the Company Secretary into account.

In order to ensure that the Board is fully familiar with the business operations, the Board meets with key executives within the Group during the year and site visits are arranged at least once annually. The Board is provided with external investor analysis on the Group at its board meetings together with shareholder data. Legislative changes and any developments in accounting, governance and other standards are communicated to the Board where appropriate.

Corporate Governance Report (continued)

Board Committees

The Board has established an effective committee structure in order to assist in the discharge of its responsibilities. Each committee and its members are listed on page 31 of this report. All committees of the Board have written terms of reference dealing with their authority and duties delegated by the Board. The terms of reference are updated as appropriate and are available on the Group's website at www.greencore.com, and can be accessed through the Corporate Governance section. Membership of the Audit and the Option and Remuneration Committees are comprised exclusively of Non-Executive Directors. The Company Secretary acts as secretary to each of these committees.

The Audit Committee reviews the accounting principles, policies and practices adopted in the preparation of the Interim Management Statements, the Half Yearly Financial Report and the Annual Group and Company Financial Statements. The committee also meets with the Group's external auditor to discuss and review the results, together with a review on the scope, of their audit. In addition, it reviews the capacity and performance of the Group's internal risk management function and the cost effectiveness, independence and objectivity of the external auditor. The committee assists the Board in meeting its obligations under the Code in the areas of risk assessment and internal controls.

In addition to having terms of reference, the Audit Committee also agrees a committee calendar of items which it considers to be of paramount importance in order to ensure that all items are discussed appropriately and on a timely basis. Such items include, but are not limited to, the draft results and interim statement for the half year, full year results, a summary of the completed reports of the Risk Management Group, the risk management plan for the forthcoming year, a review of the Risk Management Group's competency and ability generally, a review of the external auditor and an annual assessment of internal control.

The Chief Financial Officer and the Head of the Risk Management Group, along with representatives from the external auditor attend Audit Committee meetings on a regular basis, on the invitation of the committee. In addition, from time to time, the Chief Executive, along with other executives from within the Group will attend committee meetings. The external auditor and the Head of the Risk Management Group have the opportunity to meet with the members of the committee alone at least once a year.

The Group has a policy governing the conduct of non-audit work by the auditor. The engagement of the external auditor to provide any non-audit services must be pre-approved by the committee where the fee exceeds 20 per cent of the audit fee. During the financial year to 28 September 2012, fees paid in relation to non-audit related services totalled £96,000 (2011: £593,000) in respect of KPMG in Ireland, the external auditor, and £185,000 (2011: £1,311,000) in respect of KPMG in other countries.

KPMG has been the Group's auditor since their official appointment in February 2009. There are no contractual obligations which restrict the Audit Committee's choice of external auditor and there are safeguards in place to ensure that the independence of the external auditor is not compromised. The decision to open the external auditor to tender is taken based on a recommendation from the Audit Committee.

The committee has determined that Mr. JT Herlihy, Mr. PG Kennedy, Mr. EL Nicoli and Mr. DM Simons have recent and relevant financial experience which is outlined in the biographies on pages 30 and 31 and, therefore, satisfy the requirements of the Code in relation to the Audit Committee. The Board has determined that Mr. Simons is independent and has the relevant financial expertise to act as Chairman of the Audit Committee.

The Nomination Committee is responsible for proposing any new appointments to the Board, whether Executive or Non-Executive Directors. To facilitate the search for suitable candidates, the committee uses the services of independent consultants. When the Nomination Committee selects a Director whom it deems to have the correct balance of skills, experience and expertise necessary, the committee will recommend the appointment to the Board. All appointments to the Board are approved by the Board as a whole. Before appointing a Director, the Board considers the balance of skill, knowledge and experience existing on the Board and ascertains what characteristics are necessary to allow it to best meet the strategic vision for the Group and to ensure that policy on Board structure is maintained. In order to ensure Director independence is preserved, it is envisaged that Directors will not normally extend their tenure for more than three terms of three years.

In the past, all newly appointed Directors have been subject to election by shareholders at the Annual General Meeting following their appointment. In 2012, in compliance with the relevant provision of the Code, all Directors retired at the Annual General Meeting of the company and submitted themselves for re-election where appropriate. In compliance with the Code, this process will continue going forward.

In addition, the Nomination Committee assists the Board with its succession planning, taking into consideration the balance of skills, expertise and experience necessary in order to ensure that the Board carries out its function effectively. The Nomination Committee keeps the tenure of the Board under review in order to ensure that the Board remains dynamic, fit for purpose and appropriate. The Nomination Committee consists of four Non-Executive Directors, Mr. PA McCann, who acts as Chairman to the Committee, Mr. PG Kennedy, who was appointed during the year under review, Mr. DM Simons and Mr. EF Sullivan, together with one Executive Director, Mr. PF Coveney.

The terms and conditions of appointment of Non-Executive Directors are available for inspection at the Company's registered office, during normal office hours, and at the Annual General Meeting of the Company. An induction programme to the Group is arranged for all new Executive and Non-Executive Directors, which includes visits to the trading operations of subsidiaries.

The Option and Remuneration Committee is responsible for the Group's Deferred Bonus Scheme, Share Option Schemes, ShareSave Schemes and Long-term Incentive Plans, further details on the work carried out by the Option and Remuneration Committee in the year under review can be found in the Report on Directors' Remuneration on page 42. The committee is responsible for determining the remuneration packages of the Executive Directors and senior management and for making recommendations in regard to the Chairman's and Directors' fees which are fixed by the Board, on the authority of the shareholders. Where necessary, the committee consults with remuneration consultants. The Group's remuneration policy for Executive Directors and details of Directors' remuneration are contained in the Report on Directors' Remuneration on pages 42 to 51.

Mr. PG Kennedy is Chairman of the Option and Remuneration Committee and is joined by Mr. JT Herlihy and Mr. EF Sullivan, all of whom have extensive international and varied business experience, which provides them with the relevant skills necessary to ensure that all elements of executive remuneration are aligned with those of the shareholders. In addition, Mr. DA Sugden was a member of the committee until 9 February 2012 when he retired from the Board. The Chief Executive Officer and the Chief Financial Officer also attend meetings and provide support to the committee as necessary.

Attendance at scheduled Board and Board committee meetings during the year ended 28 September 2012 was as follows:

	Board		Audit		Nomination		Option and Remuneration	
	A	B	A	B	A	B	A	B
PF Coveney	7	7	–	–	1	1	–	–
JT Herlihy	7	5	4	1	–	–	3	2
PG Kennedy	7	7	4	4	–	–	3	3
PA McCann	7	7	–	–	1	1	–	–
EL Nicoli	7	6	4	4	–	–	–	–
DM Simons	7	7	4	4	1	1	–	–
DA Sugden*	3	2	–	–	–	–	1	1
EF Sullivan	7	7	–	–	1	1	3	3
DS Walker	7	7	–	–	–	–	–	–
AR Williams	7	7	–	–	–	–	–	–

* Retired 9 February 2012

Column A indicates the number of scheduled meetings held during the period in which the Director was a member of the Board and/or committee.
Column B indicates the number of scheduled meetings attended during the period in which the Director was a member of the Board and/or committee.

In addition, eight unscheduled Board meetings were held during the year, largely in respect of corporate activity, including acquisitions in the UK and US.

In addition, where appropriate the Board establishes sub-committees on an ad-hoc basis to deal with matters which arise throughout the year. The sub-committees comprise members of the Board who are deemed to have the skills and expertise necessary for the purpose for which the committee was established.

Communication with Shareholders

The Board of Greencore represents the Group's shareholders and is accountable to them for effective governance of the business. The Company has regular dialogue with institutional and major shareholders throughout the year, other than during close periods. In addition, shareholder presentations are made at the time of the issue of the Company's half year and full year results. Details of any major changes in the Group, including mergers, acquisitions, divestments, etc are released through the London Stock Exchange.

The Group promotes communication with shareholders throughout the year and encourages shareholders to make use of their votes at all general meetings of the Company.

The views of the shareholders and the market in general are communicated to the Board on a regular basis, along with expressed views on corporate governance and strategy, as well as the outcome of analyst and broker briefings. Analyst reports on the Company are also circulated to the Board members on a regular basis. The Group's website, www.greencore.com, provides the full text of the Annual Reports, Interim Management Statements, Half Yearly Financial Reports and presentations to analysts and investors. Shareholders can receive the Annual Report in paper form, or may elect to receive an email notification stating that the documents are available on the website.

In addition, shareholders can also elect to receive an email notification when new company information is available on the website. These can be accessed through the Investor Relations section of the website. Stock Exchange announcements are also made available in the Investor Relations section of the website, after release to the London Stock Exchange.

Corporate Governance Report (continued)

Communication with Shareholders (continued)

All Board members attend the Annual General Meeting and are available to shareholders to answer questions. Separate resolutions are proposed on substantially different issues, and the agenda of business to be conducted at the Annual General Meeting includes a resolution to receive and consider the Annual Report and Financial Statements. Each committee chairman is available at the Annual General Meeting. The notice of the Annual General Meeting, together with the Annual Report and Financial Statements, is sent to shareholders at least 20 working days before the meeting, and details of the proxy votes for and against each resolution and the number of abstentions are announced after each vote on a show of hands. In the year under review, the Company held its Annual General Meeting in February 2012, wherein all shareholders were given the opportunity to verbalise any concerns.

The Company also welcomes queries from shareholders throughout the year via post, telephone or email.

Going Concern

The Directors, after making enquiries, have a reasonable expectation that the Company, and the Group as a whole, have adequate resources to continue operating for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the Financial Statements.

Internal Control

The Board has overall responsibility for the Group's system of internal control, for reviewing its effectiveness and for confirming that there is a process in place for identifying, evaluating and managing the significant risks for the achievement of the Group's strategic objectives.

This process has been in place throughout the financial year up to the date of the approval of the Annual Report and Financial Statements, accords with the Turnbull guidance (Internal Control: Revised Guidance for Directors on the Combined Code) and is regularly reviewed by the Board. This system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The systems involve the Board considering the following:

- the nature and extent of the risks facing the Group;
- the extent and categories of risks it regards as acceptable for the Group to bear;
- the likelihood of the risk concerned materialising;
- the Group's ability to reduce the incidence and impact on its business of risks that do materialise; and
- the costs of operating particular controls relative to the benefits thereby obtained in managing related risks.

The risks faced by the Group are reviewed regularly with management and with the Board's Audit Committee whose terms of reference require it to conduct an annual assessment and make a report to the Board on (a) the nature and extent of the significant risks facing the Group, (b) the design, operation and monitoring by management of internal control systems and the adequacy and frequency of reports from management to the Board, and (c) whether they give a balanced assessment of the significant risks and the effectiveness of the system of internal control in managing those risks.

The key elements of the system are as follows:

- the Corporate Manual, which includes a statement of corporate values, which is distributed throughout the Group;
- clearly defined organisation structures and lines of authority;
- corporate policies for financial reporting, treasury and financial risk management, information technology and security, project appraisal and corporate governance;
- annual budgets and three year business plans for all operating units, identifying key risks and opportunities;
- monitoring of performance against budgets and reporting thereon to the Directors on a regular basis;
- a Risk Management Group which reviews key business processes and controls; and
- an Audit Committee which approves plans and deals with significant control issues raised by internal or external audit.

The preparation and issue of financial reports are managed by the Group's finance department. The Group financial reporting process is controlled using the Group accounting polices and reporting systems. The Group finance department supports all reporting entities with guidance in the preparation of financial information. In the year under review, the process was supported by the Finance Manager for Convenience Foods and the Finance Manager for Ingredients & Property. Each category entity has a Financial Director or Controller who has responsibility and accountability for providing information which is in keeping with agreed policies.

The financial information for each entity is subject to a review at reporting entity and Group level by the Chief Executive, the Chief Financial Officer, the Chief Strategy Officer and the Chief Operating Officer, along with the category Managing Directors. The Annual Report is reviewed by the Audit Committee in advance of same being presented to the Board for their approval.

In addition, to ensure compliance with the Code's requirements on Risk Management, the Audit Committee has appointed a team which is comprised of the Head of the Risk Management Group, Head of Technical, the Company Secretary and the Head of Legal, who review the risk register on an annual basis.

The objective of the risk register is to ensure that all significant risks within each business unit have been appropriately identified and also to ensure that all risk is mitigated or managed as appropriate. It is understood that regular and detailed assessment is important given the volatile and uncertain economic environment.

In addition, during the year under review, the Managing Director or the Finance Director of each operating unit completed a Financial Internal Control Questionnaire which was used to identify control strengths and weaknesses across all financial areas which were subsequently addressed.

In accordance with the process outlined above, the Board has satisfied itself on the effectiveness of the internal control systems in operation and it has approved the reporting lines to ensure the ongoing effectiveness of the internal controls and reporting structures.

Finally, the Directors, through the use of appropriate procedures, systems and the employment of competent persons, have ensured that measures are in place to secure compliance with the Company's obligation to keep proper books of account. The books of account are kept at the registered office of the Company.

Compliance

The Board is committed to maintaining high standards of corporate governance and supports the principles advocated by the Code and the Annex and in the period under review the Company complied with the Code provisions, as well as complying with the Annex provisions on a voluntary basis.

Report on Directors' Remuneration

The Option and Remuneration Committee

The Option and Remuneration Committee of the Board consists of Non-Executive Directors of the Company. In the year under review, Mr. PG Kennedy (committee Chairman), Mr. JT Herlihy and Mr. EF Sullivan were members of the Committee. In addition, Mr. DA Sugden was a committee member until his retirement from the Board in February 2012. The biographical details for each of the committee members are set out on pages 30 and 31 and include their dates of appointment to the committee. The terms of reference of the Option and Remuneration Committee include the determination of the remuneration packages for Executive Directors, the Company Secretary and such other members of the executive management team as it is designated to consider. Such terms of reference are updated as appropriate and are available on the Group's website at www.greencore.com, and can be accessed through the Corporate Governance section. In addition, the committee will make recommendations to the Board Chairman and the Executive Directors in relation to Non-Executive Directors' fees. Further details are set out below.

Remuneration Policy

The main aim of the Group's remuneration policy is to align the interests of Executive Directors with the Company's business strategy and the long term creation of shareholder value. The policy aims to pay the Executive Directors competitively, whilst considering the remuneration practices of other international companies of similar size and scope, the current economic climate and the need to ensure that Directors are remunerated appropriately, whilst ensuring that the Group pays no more than is necessary to achieve this.

The Option and Remuneration Committee obtains external advice on remuneration in comparable companies as necessary.

The main elements of the current remuneration package for Executive Directors include basic salary and benefits, a performance related annual bonus, a deferred bonus plan and pension benefits. In considering the Executive Directors' remuneration packages, the committee takes into account a number of relevant factors including the salary and total compensation levels compared to other companies of a similar size and complexity and other companies in the consumer goods sector.

In the year under review, Deloitte acted as independent advisors to the committee to undertake a review of executive remuneration arrangements to ensure that such arrangements are effectively structured to align executives with the business strategy and long term interests of shareholders while retaining key management. Deloitte's executive compensation advisory practice advised the committee on developments in market practice, corporate governance and institutional investor views, as well as assisting the Option and Remuneration Committee with its evaluation and appraisal of the introduction of a new Long Term Incentive Plan, details of which are set out on page 46. Deloitte is one of the founding members of the Remuneration Consultants Code of Conduct and adheres to this Code in its dealings with the committee. Deloitte separately provide tax services to the Group. The Option and Remuneration Committee does not consider there to be any conflict of interest in this regard.

The Group Company Secretary acts as secretary to the committee. The Chief Executive and the Chief Financial Officer attend meetings at the invitation of the committee and provide support when requested, however, neither is present when their own remuneration is being discussed.

Remuneration Principles

The following principles have been adopted as a framework for evaluating changes to executive remuneration. The remuneration arrangements for Executive Directors are designed:

- to support the business strategy;
- to ensure that the interests of Executive Directors are aligned with the long term interests of the shareholders;
- to deliver a competitive level of pay for the Executive Directors, and ensure that they are rewarded for their contributions to the success of the Company; and
- to motivate the Executive Directors to deliver enhanced sustainable performance.

During the year, the committee, supported by Deloitte, undertook a review of the current remuneration arrangements to ensure that the arrangements continue to effectively meet the aims of the remuneration policy. The committee concluded that while the structure creates alignment between the long term interests of shareholders and executives by providing part of the package in shares, which are deferred for three years, the arrangements are not sufficiently aligned with the long term financial performance of the business. The committee is therefore proposing to introduce a new long term Performance Share Plan ('PSP'), with the objective of creating further alignment between the interests of executives with those of shareholders by making a portion of executive reward contingent on delivery of long term performance.

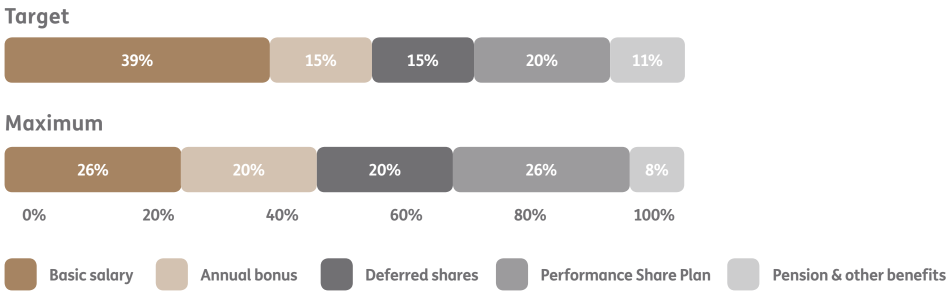
The committee plans to make the following changes, subject to shareholder approval, to the Executive Directors' remuneration arrangements:

- Reduce the bonus opportunity – The maximum bonus opportunity will be reduced from a cash bonus opportunity of up to 100% of base salary with a deferred share award of equal value to a maximum cash bonus opportunity or 75% of base salary with a deferred share award of equal value. The deferred share award vests over three years, subject to continued employment. Maximum bonus awards can only be earned for exceptional levels of performance; and
- Introduce a long term performance award – A maximum Performance Share Plan award of 100% of salary will be introduced. This award will vest over three years with the full award only vesting for the delivery of stretching adjusted Earnings Per Share ('EPS') and Return on Invested Capital ('ROIC') performance over the period. The vesting of awards will also be subject to meeting a performance underpin.

The committee believes that the introduction of a new PSP is in line with Greencore's remuneration policy and the proposed package is also more consistent with the remuneration practices of other comparable companies within the market.

Balance of Fixed and Variable Pay

The proposed changes to the remuneration arrangements provide a stronger emphasis on pay which is linked to long term performance and pay which is delivered in shares. The committee believes that the balances between fixed and variable pay and between cash and shares are appropriate. The chart below illustrates the anticipated mix between fixed and variable pay for Executive Directors under the proposed remuneration policy at target and maximum performance. The Executive Directors all have the same incentive opportunity as a percentage of basic salary. Pension opportunities differ and this is shown on an average basis for all Executive Directors.



Report on Directors' Remuneration (continued)

Summary of Key Elements of Current and Proposed Executive Directors' Remuneration

The table below sets out the purpose, current and proposed policy for each component of Executive Directors' packages. Further details about each element are set out in the following section.

Element of Remuneration	Purpose of this Element	Current Arrangements	Proposed Changes for 2012/2013
Basic Salary	To provide the basis of a market competitive overall remuneration policy. Takes account of the role, skills and contribution of individuals.	– CEO: €746,130 – CFO: €436,000* – COO: £400,000 Basic salaries are determined taking into account practice at other companies of a similar size and complexity, individual performance and experience and the pay arrangements throughout the organisation. Salaries are reviewed during November and any increases are effective 1 October of that year.	No changes proposed to basic salaries of Executive Directors. The base salaries for Executive Directors will be: – CEO: €746,130 – CFO: £374,960* – COO: £400,000
Pension and Other Benefits	To provide post-retirement remuneration and market-typical benefits to ensure that the overall remuneration package is competitive.	The Executive Directors participate in a Defined Contribution Pension Scheme. Contributions are as follows: CEO: 35% of pensionable salary. CFO and COO: 25% of pensionable salary. The Defined Benefit Scheme was frozen in 2009. Executive Directors also receive health insurance and a car allowance.	No changes proposed.
Annual Bonus Plan	To support the business strategy by incentivising the delivery of annual financial targets as well as the achievement of personal and strategic objectives. To provide market competitive reward opportunities for the achievement of strong financial performance. To align the interests of executives and shareholders and provide a strong retention tool.	A maximum cash bonus opportunity of 100% of base salary with a deferred share award of equal value which vests over three years, subject to continued employment. 75% of the award is based on financial targets (50% based on EPS and 25% based on ROIC performance). 25% of the award is based on personal and strategic goals. The committee has the discretion to reduce the number of deferred shares if, prior to vesting, the participant is in fundamental breach of their employment contract.	A reduced maximum cash bonus opportunity of 75% of base salary with a deferred share award of equal value which vests over three years, subject to continued employment.** 75% of the award is based on financial targets (50% based on EPS and 25% based on ROIC performance). 25% of the award is based on personal and strategic goals. The committee has the discretion to reduce the number of deferred shares if, prior to vesting, the participant is in fundamental breach of their employment contract.
Long Term Incentives	To create alignment between the interests of executives and shareholders through the delivery of rewards in Company shares. To incentivise executives to deliver long term shareholder value creation and the achievement of financial targets.	There is currently no long term incentive policy in place at the Company. Shareholders approved the introduction of a long term incentive plan in 2004, however, no awards have ever been granted under this plan.	New PSP with a maximum opportunity of 100% of salary:** – 50% of which is based on Earnings Per Share performance. – 50% of which is based on Return on Invested Capital performance. – Vesting is also subject to a performance underpin. Three year performance period. PSP awards can be 'clawed back' in certain circumstances, at the discretion of the Committee, prior to vesting.

* Mr. Williams receives part of his salary in euro and part in sterling reflecting his responsibilities across Ireland and the UK. From 1 October 2012, remuneration for Mr. Williams will be redenominated in sterling at an exchange rate of €1/£0.86.

** The above changes are subject to shareholder approval at the forthcoming Annual General Meeting.

Further Details

Basic Salary
Executive Directors' basic salaries are reviewed annually by the committee with any changes normally effective from 1 October of that year. Basic salaries are determined taking the role, skills, experience and contribution of the individuals into consideration, together with market practice of other companies of a similar size and complexity. When setting salaries, the committee also takes account of the wider market environment and the remuneration arrangements and typical salary increases in the wider employee population. The committee considers that salaries are appropriately positioned, given the history of the company as well as the calibre and experience of the individuals.

Pension Benefits
Mr. Coveney and Ms. Walker are deferred members of certain Defined Benefit Pension Schemes of the Group which were frozen to future accrual from 31 December 2009. Since 1 January 2010, all the Executive Directors' pension arrangements are in respect of defined contribution schemes.

Pension contributions are as follows:

CEO	35% of pensionable salary
CFO	25% of pensionable salary
COO	25% of pensionable salary

The CEO participated in the Company's defined benefit arrangements until 2009 when the scheme closed. At the time of closure the scheme, scheme actuaries determined that a defined contribution of 35% of pensionable salary was broadly equivalent to his existing entitlements under the defined benefit arrangements.

Details of pension contributions made on behalf of the Executive Directors are outlined on page 47.

No changes have been proposed to the pension benefits for 2013.

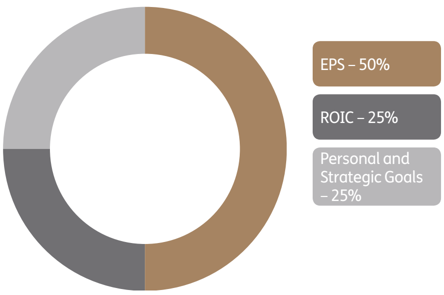
Annual Bonus

Proposed Policy for 2012/2013
For 2012/2013, it has been proposed that the maximum cash bonus opportunity for Executive Directors is reduced from 100% of basic salary to 75% of basic salary. A deferred share award with an equal value to the cash award will continue to be awarded. The deferred share award vests over three years, subject to continued employment.

Performance is measured based on Company financial targets (75% of the award) and on personal and strategic goals (25% of the award). The financial targets are adjusted EPS (50%) and ROIC (25%). Personal and strategic goals are set in relation to each Executive Director's responsibilities and are aligned with the short and medium term strategic priorities. Measures are generally calibrated to be specific and measurable.

The targets for the 2012/2013 annual bonus are based around the stretching budget and the committee considers these to be appropriate. If maximum performance targets are achieved, the committee considers that this would represent exceptional performance and value add.

The balance of measures is illustrated in the chart below:



Report on Directors' Remuneration (continued)

Long Term Incentives

Previously, the Company had no long term incentive policy. At the AGM in 2004, shareholders approved the introduction of a new long term incentive scheme for senior executives, the 'Performance Share Plan'. However, since the introduction of this plan, no awards have been made to any Executive Director. The Company has no intention of using this plan going forward.

A Share Option Scheme which was also in place, expired in 2011. Details of grants made to Executive Directors under the Share Option Scheme in previous years are set out in the table on page 50. It was the Company's policy that share options could not be granted in the same year as an Executive Director received deferred shares.

Proposed Performance Share Plan for 2012/2013 Awards

It is proposed that a Performance Share Plan will be introduced in 2013, under which Executive Directors will receive a maximum award of up to 100% of salary. The committee may determine that awards can be made above this level in exceptional circumstances. This award will vest over three years and will be subject to the delivery of stretching adjusted Earnings Per Share (50% of the award) and Return on Invested Capital (50% of the award) performance.

The committee considers that the EPS and ROIC performance measures are appropriate as they focus on the delivery of long term shareholder value creation through the focus on long term earnings improvement, alongside improving returns for shareholders. It was also determined that the management team should be sufficiently able to influence outcomes through the effective financial management of the business and therefore these metrics will act as a strong incentive.

The targets that will apply to the awards in respect of the year ended 27 September 2013, if approved by the shareholders, are as follows:

Vesting	EPS element Assessed based on absolute adjusted EPS growth	ROIC element Assessed based on FY15 performance
100%	15% p.a.	14.5%
Straight line between 25% and 100%	Between 5% – 15% p.a.	12% – 14.5%
25%	5% p.a.	12%
Nil vesting	Below 5% p.a.	Below 12%

Prior to determining the level of vesting, the committee will also take into account the underlying financial performance of the business, as well as the value added to shareholders, and may adjust the level of vesting where it considers that there is a material difference (the 'performance underpin'). When assessing the underpin, the Committee will review a range of factors including absolute Total Shareholder Return ('TSR') performance, relative TSR against a range of comparators and cash flow performance.

The committee has set targets taking into account internal and external forecasts, as well as market practice for similar sized companies. The committee believes that the proposed targets are appropriately stretching and, if achieved, will represent value creation for shareholders.

In the event of material misstatement of Financial Statements, material failure of risk management, a material breach of health and safety regulations, or serious reputational damage to the Company as a result of participant misconduct, the committee may scale back awards prior to vesting.

2011/2012 Bonus Out-turns

The Group delivered excellent financial and operating performance against the backdrop of some of the most challenging market conditions in many years. Group revenue increased by 44.5% to £1,161.9 million following the acquisitions of Uniq, MarketFare, Schau and ICL with continuing revenue[1] growth excluding the effect of acquisitions of 7.4%, reflecting strong underlying revenue momentum in the base business. There has been a 37.3% increase in operating profit[1], a 70.9% increase in adjusted earnings[1] and the share price has almost doubled since the Company's listing moved to the UK in January 2012. The Group has also delivered strong cash flow generation during the year with the net cash inflow from operating activities increasing by £60.4 million from £11.6 million in FY11 to £72.1 million in FY12.

During the year adjusted EPS[1] grew by 21.9% to 12.8 pence which resulted in 50% of that portion of the bonus being awarded. ROIC performance was 11.9%, demonstrating strong and increasing returns to shareholders. The committee considered this level of performance against budget and in the context of actual vs budgeted investment and determined that 20% out of 25% of this level should vest.

The committee assessed performance objectives for the CEO, CFO and COO. During the year, the Group delivered the successful integration of the Uniq business, the expansion of the business in the US and the successful transition of the listing from the Irish to the London Stock Exchange. In the context of these achievements, as well as their performance against personal objectives and contribution to the wider success of the business, the committee determined that 22%, 22% and 20% of this element of the bonus should be awarded for each individual respectively. This resulted in total bonus payment of 92% of base salary for the CEO, 92% for the CFO and 90% for the COO. A deferred share award with an equal value to the cash award will also be granted. This will vest over three years, subject to continued employment.

The resultant payout is summarised below:

	CEO	CFO	COO
EPS	50%	50%	50%
ROIC	20%	20%	20%
Personal/strategic	22%	22%	20%
Total bonus (% of maximum)	**92%**	**92%**	**90%**

Directors' Remuneration for the Year Ended 28 September 2012

In the year under review, there were no changes to Executive and Non-Executive remuneration and details of the Executives' remuneration, together with Non-Executives' fees are set out below:

	Fees ordinary £'000	Fees special £'000	Basic salary £'000	Pension contributions £'000	Other benefits* £'000	Performance bonus £'000	2012**** Total £'000	2011 Total £'000
Executive Directors								
PF Coveney	–	–	618	231	42	569	1,460	1,432
DS Walker	–	–	400	105	55	360	920	859
AR Williams**	–	–	360	91	30	332	813	463
	–	**–**	**1,378**	**427**	**127**	**1,261**	**3,193**	**2,754**
Non-Executive Directors								
EF Sullivan	46	138	–	–	–	–	184	191
JT Herlihy	44	–	–	–	–	–	44	49
PG Kennedy	44	10	–	–	–	–	54	56
PA McCann	44	10	–	–	–	–	54	56
EL Nicoli	44	–	–	–	–	–	44	49
DM Simons	44	10	–	–	–	–	54	56
DA Sugden***	18	–	–	–	–	–	18	46
	284	**168**	**–**	**–**	**–**	**–**	**452**	**503**
Total remuneration	**284**	**168**	**1,378**	**427**	**127**	**1,261**	**3,645**	**3,257**

* Other benefits comprise health insurance, benefit in kind and/or car allowances.
** Mr. Williams was appointed on 7 March 2011 and receives part of his salary in euro and part in sterling reflecting his responsibilities across Ireland and the UK.
*** Mr. Sugden retired from the Board on 9 February 2012.
**** Performance bonus includes the cash element only. The deferred share element is shown on page 49.
***** The exchange rate used for the conversion of fees from euro to sterling in 2012 was €1/£0.8286. The exchange rate used in 2011 was €1/£0.8679.
1 As defined in summary of Key Performance Indicators of the Group on page 11.

Report on Directors' Remuneration (continued)

Executive Shareholdings

The Company currently does not have formal shareholding guidelines in place. Executive Directors already have significant holdings in the Company, therefore the committee believes that their interests are strongly aligned with those of shareholders. However, in light of market practice and shareholder feedback in this area, the committee will keep this under review.

Directors' Service Contracts

Executive Directors' service contracts have a 12 month notice period. Each Executive Director is entitled to terminate his/her employment with 30 prior days notice at any time within six months after a change in control of the Company if the executive has reasonable grounds to contend that such change in control has resulted, or will result, in the diminution of his/her powers, duties or functions in relation to the Company. If the executive's contract is terminated in the event of a change of control, the Executive can seek a payment from the Company in settlement of all and any claims arising in those circumstances. The amount of the payment (subject to deduction of income tax) will be equal to the sum total of the basic salary and the bonus paid to the Executive in the calendar year immediately preceding such termination. These provisions reflect Irish employment law. In other circumstances, termination payments will be limited to base salary and benefits. The Non-Executive Directors do not have service contracts but have letters of appointment.

Executive Directors' External Appointment

Mr. Coveney currently serves as the President of the Dublin Chamber of Commerce. He does not receive a fee for this role. The CFO and COO do not currently hold any external non-executive director roles at other companies.

Funding of Equity Awards

Executive incentive arrangements are funded by a mix of newly issued shares and shares purchased in the market. Where shares are newly issued, the Company complies with the Association of British Insurers ('ABI') guidelines in relation to issuing a maximum of five per cent of share capital in respect of discretionary schemes and a maximum of 10 per cent in respect of all share schemes in a rolling ten year period.

Change of Control

Long term incentive awards may vest or become exercisable before their normal vesting date in the event of a change of control of Greencore Group plc, subject to the rules of the applicable plans.

Non-Executive Directors

The remuneration policy for the Chairman and Non-Executive Directors is to pay fees necessary to attract Non-Executive Directors of the calibre required, taking into consideration the size and complexity of the business, without paying more than is necessary.

The fees for the Non-Executive Directors are determined by the Board following recommendations from the Remuneration Committee. The fees for the Chairman are determined by the Remuneration Committee. Neither the Chairman or any of the Non-Executive Directors are eligible to participate in any of the Group's incentive arrangements.

	2011/2012 €
Basic fee	
Chairman	55,000
Non-Executive Directors	53,000
Additional fees	
Chairman Additional Fee	166,000
Senior Independent Director	12,000*
Committee Chairman	12,000

* If a Non-Executive is a Chairman of more than one committee or if they act as the Senior Independent Director, the special fee is capped at €12,000 for all roles.

2012/2013 Non-Executive Directors' Remuneration Policy

Fees were last increased in October 2010 and no basic increase is proposed for 2012/2013. However the additional fee payable for the positions of Audit Committee Chairman and Senior Independent Director have been increased from €12,000 to €15,000 per annum, effective 1 October 2012.

Deferred Bonus Plan Awards

Executive Directors	No. of shares*	Market price on award date €	Holding period
PF Coveney	618,755	1.38***	01/12/2009 – 01/12/2012**
	866,078	1.30	03/12/2010 – 03/12/2013
	909,375	0.64	09/12/2011 – 09/12/2014
DS Walker	214,666	1.38	01/12/2009 – 01/12/2012
	344,500	1.30	03/12/2010 – 03/12/2013
	320,342	0.64	09/12/2011 – 09/12/2014
AR Williams	309,375	0.64	09/12/2011 – 09/12/2014

* Following the Rights Issue in August 2011 (as outlined in last year's Annual Report), the Option and Remuneration Committee approved the re-calculation of the awards, using a market standard methodology, to reflect the effect of the Rights Issue on the awards as the inherent value of the awards was also reduced. To take account of the impact of the Rights Issue on the awards, the Company increased the number of awards in respect of awards granted in 2009 and 2010.

** Deferred Bonus Plan Awards were granted on the first day of the relevant holding period.

*** Prior to January 2012, the Group's share price was denominated in euro.

In respect of the year ended 28 September 2012, the value of the Deferred Bonus Award that will be allocated as Deferred Share Awards to the Executive Directors is:

PF Coveney	£568,784
AR Williams	£332,368
DS Walker	£310,000

The allocation of the number of shares under the Deferred Bonus Plan has not yet been determined as the Group is in a closed period. The normal vesting period of three years will commence on the date the shares are allocated.

Directors' Share Options

Details of movements on outstanding options over the Company's ordinary share capital and those granted during the year are as follows:

Executive Share Option Scheme

No. of options	Date of grant	Balance at start of year	Exercised during year	Lapsed during year	Granted during year	Balance at end of year	Expiry date	Exercise price
PF Coveney								
Basic	01/12/2005	125,885	–	–	–	125,885	01/12/2008 – 01/12/2015	€2.66
Basic	22/06/2006	402,833	–	–	–	402,833	22/06/2009 – 22/06/2016	€2.86
DS Walker								
Basic	02/07/2007	188,828	–	–	–	188,828	02/07/2010 – 02/07/2017	€3.88
AR Williams								
Basic	–	–	–	–	–	–	–	–

* Awards have been granted under the Share Option scheme, which expired in 2011. Under this scheme, options were granted to Executive Directors and a number of other key employees of the Company and can only be exercised subject to the Company's EPS having grown in excess of the Consumer Price Index + 5% per annum, compounded over three years. No options were granted to Executive Directors during the year.

Report on Directors' Remuneration (continued)

Directors' Share Options (continued)

ShareSave Scheme

No. of options	Date of grant	Balance at start of year	Exercised during year	Lapsed during year	Exercise price per share	Granted during year	Exercise dates	Balance at year end
PF Coveney								
ShareSave	07/07/2009	26,178	26,284	–	€0.699	–	06/09/2012	–
ShareSave	02/07/2012	–	–	–	€0.69	26,217	01/09/2012 – 31/03/2016	26,217
DS Walker								
ShareSave	07/07/2009	13,078	13,131	–	£0.69	–	06/09/2012	–
ShareSave	02/07/2012	–	–	–	£0.60	15,000	01/09/2012 – 31/03/2016	15,000
AR Williams								
ShareSave	02/07/2012	–	–	–	£0.60	15,000	01/09/2012 – 31/03/2016	15,000

There were no changes in the interests of the Directors between 28 September 2012 and 26 November 2012. In the financial year under review, the share price ranged from a low of £0.466 to a high of £0.84. The closing price on 28 September 2012 was £0.80.

Directors' and Company Secretary's Share Interests

The beneficial interests of the Directors and Group Company Secretary (including those of their spouses and minor children), who held office at 28 September 2012, in the share capital of the Company were as follows:

	Ordinary Shares		
	At 30/09/2011	At 28/09/12	At 26/11/12
Directors			
PF Coveney	942,043	1,529,738	1,558,182
JT Herlihy	–	–	–
PG Kennedy	33,213	34,737	35,127
PA McCann	77,000	77,000	77,000
EL Nicoli	17,000	17,000	17,000
DM Simons	87,856	87,856	87,856
EF Sullivan	41,002	42,251	42,251
DS Walker	105,750	296,884	303,594
AR Williams	–	154,571	157,495
Group Company Secretary			
C O'Leary	–	18,399	18,399

The Directors and Group Company Secretary have no beneficial interests in any of the Group's subsidiary or associated undertakings.

The movement in shares from the end of September 2011 and September 2012 was as a result of Directors taking scrip dividends. In addition, Mr. Coveney and Ms. Walker received shares in December 2011 as a result of the vesting of Deferred Share Awards. The changes which occurred in the interests of the Directors from 28 September 2012 to 26 November 2012 reflect the interim scrip dividend for FY12 for shareholders who were on the register at 5.00pm on 8 June 2012, shares for which were allotted on 3 October 2012.

Pension Benefits

Mr. Coveney and Ms. Walker are deferred members of the Group's Defined Benefit Pension Schemes which were frozen to future accrual from 31 December 2009.

The value of the frozen scheme benefits as at 28 September 2012 were as follows:

	£'000
Mr. Coveney	45
Ms. Walker	11

Each Executive Director is provided with a defined contribution payment in respect of future service.

Share Option Schemes

The Group operates executive share option and ShareSave schemes that are based on approvals by shareholders in 1991, 1994 and 2001. It is Group policy to grant options under the Executive Share Option Scheme to key executives across the Group to encourage identification with shareholders' interests. Options have been granted to approximately 270 executives to date. Non-Executive Directors do not participate in the scheme.

Under the 1991 and 1994 schemes, the executive share options cannot be exercised before the expiration of three years from the date of grant and then only if the Company's Earnings Per Share has grown, over three years, at least to the same extent as the growth in the Irish Consumer Price Index (CPI) over the same period. Under the 2001 scheme, the options can only be exercised where there has been an increase in the earnings per share of at least the increase in the Irish CPI over a three year period plus 5 per cent compounded per annum.

The Group encourages eligible employees to save in order to buy shares in the Company. The ShareSave schemes provide a means of saving and gives employees the opportunity to become shareholders. To date, approximately 3,200 employees have been granted options under the ShareSave schemes.

Options outstanding under the Company's share option and ShareSave schemes at 28 September 2012 amounted to 9,675,366 ordinary shares (2011: 9,222,548 – taking into account the Rights Issue adjustment) made up as follows:

		No. of ordinary shares	**Price range**	**Normal dates exercisable**
Share option scheme	Basic tier	5,031,312	€0.64 – €3.88	2012 – 2021
ShareSave schemes	Ireland	281,934	€0.66 – €0.75	2013 – 2016
	UK	4,362,120	£0.60 – £2.39	2012 – 2018

Share-Based Payments

In addition to the above, the Executive Directors receive share options and Deferred Bonus Share awards. Full details of Directors' share options are outlined on pages 49 and 50 of this Report. The related charge recognised in the Income Statement in the year, calculated in accordance with IFRS 2 Share-Based Payment in respect of options issued to Executive Directors under the Group Share Option Schemes and ShareSave Schemes, totalled £1.0 million (2011: credit of £0.129 million) Full details of Deferred Bonus Plan Awards are outlined on page 49 of this Report. The related expense recognised in the Income Statement in the year totalled £1.062 million (2011: £1.182 million).

Average Number of Directors

	2012	2011
Average number of Executive Directors	**3**	3
Average number of Non-Executive Directors	**6**	7
	9	10

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable laws and regulations.

Irish company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. The Directors have prepared the Group Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union. The Directors have elected to prepare the Company Financial Statements in accordance with Generally Accepted Accounting Practice in Ireland (Irish GAAP), comprising the financial reporting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland together with the Companies Acts, 1963 to 2012.

In preparing these Group Financial Statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable International Financial Reporting Standards as adopted by the European Union, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

The Directors are also required by the Transparency (Directive 2004/109/EC) Regulations 2007 and the Interim Transparency Rules of the Irish Financial Services Regulatory Authority to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group.

The Directors confirm that they have complied with the above requirements in preparing the Annual Report.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the Financial Statements of the Group are prepared in accordance with applicable International Financial Reporting Standards as adopted by the European Union and comply with the provisions of the Companies Acts, 1963 to 2012, and Article 4 of the European Communities (International Financial Reporting Standards and Miscellaneous Amendments) Regulations 2005 (the 'IAS Regulation'). They are also responsible for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the website (www.greencore.com). Legislation in Ireland concerning the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Regulation 21 of SI 255/2006 'EC (Takeover Directive) Regulations 2006'

For the purpose of Regulation 21 of SI 255/2006 'EC (Takeover Directive) Regulations 2006', the information given under the following headings on pages 33 (Share Capital), 34 (Directors), 34 (Significant Shareholdings), 42 (Performance Related Annual Bonus and Deferred Bonus Plan), 46 (Performance Share Plan), 51 (Share Option Schemes), 50 (Directors' and Company Secretary's Share Interests), 49 (Share Options), 48 (Directors' Service Contracts) and 51 (Share-Based Payments) are deemed to be incorporated in this part of the Directors' Report. In addition, the Company's Memorandum and Articles of Association, which set out the rules that apply in relation to the appointment and replacement of Directors and the amendment of the Articles of Association which are available on the Greencore website, are deemed to be incorporated in this part of the Directors' Report.

The Groups' financing facilities contain provisions that may require repayment in the event that a change in control of the Company occurs. In addition, the Company's ShareSave Schemes and the Executive Share Option Scheme allow for the early exercise of outstanding options upon a change in control of the Company, subject to the approval of the Option and Remuneration Committee.

SI 277/2007 Transparency (Directive 2004/109/EC) Regulations 2007

As required by Statutory Instrument 277/2007 Transparency (Directive 2004/109/EC) Regulations 2007 the following sections of the Company's Annual Report shall be treated as forming part of this report:

1. The Chairman's Statement on pages 4 and 5
2. Operating Review on pages 16 and 17 which includes a review of the external environment, key strategic aims and performance measures.
3. Financial Review on pages 18 to 21
4. Principal risks and uncertainties on pages 13 and 14
5. Directors' Corporate Governance Report on pages 36 to 44
6. Corporate Social Responsibility Report on pages 22 to 29
7. Directors' Report on research and development on page 35
8. Details of Earnings per Ordinary Share on page 66 and pages 84 and 85
9. Details of shares re-purchased by the Company on page 104
10. Details of Derivative Financial Instruments on pages 92 and 97

The Directors confirm that to the best of their knowledge, the Annual Report and the Group Financial Statements, prepared in accordance with applicable law and International Financial Reporting Standards as adopted by the EU, give, as at 28 September 2012:

- give a true and fair view of the assets, liabilities, financial position and the profit and loss of the Company and the undertakings included in the consolidation;
- include, taken as a whole, a fair review of the development and performance of the business and the position of the Company, and the undertakings included in the consolidation; and
- give a description of the principal risks and uncertainties that they face.

On behalf of the Board

EF Sullivan
Director

AR Williams
Director

Dublin
26 November 2012

Independent Auditor's Report to the members of Greencore Group plc

We have audited the Group and Company financial statements (the 'Financial Statements') of Greencore Group plc for the year ended 28 September 2012 which comprise the Group Income Statement, the Group Statement of Recognised Income and Expense, the Group and Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Changes in Equity, the Group and Company Statements of Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act 1990. 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.

Respective Responsibilities of Directors and Auditor

The Directors' responsibilities for preparing the Annual Report and the Group Financial Statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU, and for preparing the Company Financial Statements in accordance with applicable Irish law and the accounting standards issued by the Accounting Standards Board and promulgated by Chartered Accountants Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Directors' Responsibilities on pages 52 and 53.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Group financial statements give a true and fair view in accordance with IFRSs as adopted by the EU, and have been properly prepared in accordance with the Companies Acts 1963 to 2012 and Article 4 of the IAS Regulation and whether, in addition, the Company Financial Statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland and have been properly prepared in accordance with the Companies Acts 1963 to 2012. We also report to you our opinion as to whether proper books of account have been kept by the Company; whether at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the Company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the Company Balance Sheet is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law or the Listing Rules of the London Stock Exchange regarding Directors' remuneration and Directors' transactions is not disclosed and, where practicable, include such information in our report.

We review whether the Corporate Governance Report and the Report on Directors' Remuneration reflect the Company's compliance with the nine provisions of the 2010 UK Corporate Governance Code specified for our review by the Listing Rules of the London Stock Exchange, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report, the Chairman's Statement, the Chief Executive's Review, the Operating Review, the Financial Review, the Risks and Risk Management, the Corporate Social Responsibility Report, the Corporate Governance Report and the Report on Directors' Remuneration. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the Group Financial Statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 28 September 2012 and of its profit for the year then ended;
- the Company Financial Statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Company's affairs as at 28 September 2012;
- the Group Financial Statements have been properly prepared in accordance with the Companies Acts 1963 to 2012 and Article 4 of the IAS Regulation; and
- the Company Financial Statements have been properly prepared in accordance with the Companies Acts 1963 to 2012.

Other Matters

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The Company Balance Sheet is in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

The net assets of the Company, as stated in the Company Balance Sheet, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 28 September 2012 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the Company.

David Meagher
For and on behalf of
KPMG

Chartered Accountants, Statutory Audit Firm
26 November 2012
Dublin, Ireland

Group Statement of Accounting Policies
year ended 28 September 2012

Statement of Compliance

The Group Financial Statements of Greencore Group plc have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations approved by the International Accounting Standards Board (IASB) as adopted by the European Union (EU) and those parts of the Companies Acts, 1963 to 2012, applicable to companies reporting under IFRS and Article 4 of the IAS Regulation.

The accounting policies applied in the preparation of the Group Financial Statements for the year ended 28 September 2012 are set out below.

The IFRS adopted by the EU and applied by the Group in the preparation of these Financial Statements are those that were effective for the accounting period ending 28 September 2012.

Basis of Preparation

The Group Financial Statements, which are presented in sterling and rounded to the nearest thousand (unless otherwise stated), have been prepared under the historical cost convention, as modified by the measurement at fair value of certain financial assets and financial liabilities, including share options at grant date and derivative financial instruments. The carrying values of recognised assets and liabilities that are hedged are adjusted to record the changes in the fair values attributable to the risks being hedged. Share options and share awards granted to employees are recognised at fair value at the date of grant.

The accounting policies set out below have been applied consistently by all of the Group's subsidiaries and associates and have been consistently applied to all years presented, unless otherwise stated.

The preparation of the Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best estimate of the amount, event or actions, actual results ultimately may differ from those estimates.

The Financial Statements of the Group are prepared for the 52 week period ended 28 September 2012. Comparatives are for the 53 week period ended 30 September 2011. The Balance Sheets for 2012 and 2011 have been drawn up as at 28 September 2012 and 30 September 2011 respectively.

The profit attributable to equity shareholders dealt with in the Financial Statements of the Company was £3.9 million (2011: £6.6 million). In accordance with section 148(8) of the Companies Act 1963 and section 7(1A) of the Companies (Amendment) Act 1986, the Company is availing of the exemption from presenting its individual profit and loss account, which forms part of the approved Financial Statements, to the Annual General Meeting and from filing it with the Registrar of Companies.

New Standards and Interpretations

The following standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) are effective for the first time in the current financial year and have been adopted with no significant impact on the Group's result for the period or financial position:

New/Revised International Financial Reporting Standards		Effective date – periods beginning on or after
IFRS 7	Financial Instruments: Disclosures	
	– Amendments resulting from 2010 Annual Improvements to IFRSs	1 January 2011
	– Amendments enhancing disclosures about transfers of financial assets	1 July 2011
IAS 1	Presentation of Financial Statements	
	– Amendments resulting from 2010 Annual Improvements to IFRSs	1 January 2011
IAS 24	Related Party Disclosures	
	Interim Financial Reporting	1 January 2011
IAS 34	– Revised definition of related parties	
	– Amendments resulting from 2010 Annual Improvements to IFRSs	1 January 2011

New/Revised International Financial Reporting Interpretations Committee (IFRIC)		
IFRIC 13	Customer Loyalty Programmes	
	– Amendments resulting from 2010 Annual Improvements to IFRSs	1 January 2011
IFRIC 14	Amendments to IAS 19	
	– The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2011

The IASB and the IFRIC have issued the following standards and interpretations with an effective date after the date of the Group Financial Statements, which the Group has not early adopted:

New/Revised International Financial Reporting Standards		Effective date – periods beginning on or after
IFRS 7	Financial Instruments: Disclosures – offsetting financial assets and financial liabilities	1 January 2013
IFRS 9	Financial Instruments (2010) – Introduces new requirements for classifying and measuring financial assets, for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement	1 January 2015
IFRS 10	Consolidated Financial Statements – Requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS 27 Consolidated and Separate Financial Statements	1 January 2014
IFRS 11	Joint Arrangements – Replaces IAS 31 Interests in Joint Ventures. Requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement	1 January 2014
IFRS 12	Disclosure of Interests in Other Entities – Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows	1 January 2014
IFRS 13	Fair Value Measurement – Replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard	1 January 2013
IAS 1	Presentation of Financial Statements – Revision to the presentation of other comprehensive income – Clarification of the requirements for comparative information	1 July 2012 1 January 2013
IAS 12	Income Taxes – Amendment to provide a presumption that recovery of the carrying amount of an asset measured using the fair value model in IAS 40 Investment Property will, normally, be through sale	1 January 2012
IAS 16	Property, Plant and Equipment – Classification of servicing equipment	1 January 2013
IAS 19	Employee Benefits (2011) – Revised requirements for pensions and other post retirement benefits, termination benefits and other changes	1 January 2013
IAS 27	Separate Financial Statements (2011) – Only deals with the requirements for separate financial statements Requirements for consolidated financial statements are now contained in IFRS 10 Consolidated Financial Statements	1 January 2014
IAS 28	Investments in Associates and Joint Ventures (2011) – accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint venture	1 January 2014
IAS 32	Financial Instruments: Presentation – Clarification that tax effect of a distribution to holders of equity instruments should be accounted for in accordance with IAS 12 Income Taxes – Offsetting of financial assets and financial liabilities	1 January 2013 1 January 2014
IAS 34	Interim Financial Reporting – Clarify interim reporting of segment information for total assets in order to enhance consistency with the requirements in IFRS 8 Operating Segments	1 January 2013

New/Revised International Financial Reporting Interpretations Committee (IFRIC)		
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine – Clarifies the requirements for accounting for stripping costs associated with surface mining	1 January 2013

The Directors anticipate that the adoption of the above standards and interpretations issued by the IASB and the IFRIC will not have a material impact on the Group Financial Statements, with the exception of IAS 19 which will result in an increased charge to the income statement in respect of the Group's defined benefit pension arrangements.

Group Statement of Accounting Policies
year ended 28 September 2012
(continued)

Basis of Consolidation

The Group Financial Statements comprise the Financial Statements of the parent undertaking and its subsidiary undertakings, together with the Group's share of the results of associated undertakings.

Subsidiaries
Subsidiary undertakings are included in the Group Financial Statements from the date on which control over the operating and financial policies is obtained, and cease to be consolidated from the date on which control is transferred out of the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain economic benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in determining the existence or otherwise of control. All inter-group transactions, balances and unrealised gains on transactions between Group undertakings are eliminated on consolidation. Unrealised losses are also eliminated except where they provide evidence of impairment.

Associates
An associate is an enterprise over which the Group is in a position to exercise significant influence through participation in the financial and operating policy decisions of the investee, but which is not a subsidiary or a jointly controlled entity.

The Group's share of the results, assets and liabilities of an associate are included in the Financial Statements using the equity method of accounting. Under the equity method of accounting, the investment in the associate is carried in the Balance Sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate, less distributions received, less any impairments in the value of the investment. The Group Income Statement reflects the Group's share of the results after tax of the associate. The Group Statement of Recognised Income and Expense reflects the Group's share of any income and expense recognised by the associate outside of profit or loss.

Revenue Recognition

Revenue represents the fair value of the sale of goods and rendering of services to external customers, net of trade discounts and value added tax in the ordinary course of the Group's activities. Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer, it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably, which generally arises on delivery or in accordance with specific terms and conditions agreed with customers. Revenue from the rendering of services is recognised in the period in which the services are rendered on the basis of services provided.

Property, Plant and Equipment

Property, plant and equipment is shown at cost less depreciation and any impairments. The cost of property, plant and equipment comprises its purchase price and any directly attributable costs.

Depreciation is provided so as to write off the cost less residual value of each item of property, plant and equipment during its expected useful life using the straight line method over the following periods:

Freehold and long leasehold buildings	40 – 50 years
Plant and machinery	3 – 25 years
Fixtures and fittings	3 – 10 years
Freehold land is not depreciated	

Useful lives and residual values are reassessed annually.

Subsequent costs incurred relating to specific assets are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are charged to the Income Statement during the financial period in which they are incurred.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. When the carrying amount exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the Income Statement.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Income Statement. Following the recognition or reversal of an impairment loss, the depreciation charge applicable to the asset is adjusted prospectively in order to systematically allocate the revised carrying amount, net of any residual value, over the remaining useful life.

Gains or losses on the disposal of property, plant and equipment represent the difference between the net proceeds and the carrying value at the date of sale.

Assets Held Under Leases

Finance Leases

Leases of property, plant and equipment, where the Group obtains substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased item and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant interest charge on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in interest-bearing loans and borrowings, allocated between current and non-current as appropriate. The interest element of the finance cost is charged to the Income Statement over the lease period. Assets held under finance leases are depreciated over the shorter of their expected useful lives or the lease term, taking into account the time period over which benefits from the leased assets are expected to accrue to the Group.

Operating Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of incentives received from the lessor, are charged to the Income Statement on a straight line basis over the period of the lease. Income earned from operating leases is credited to the Income Statement when earned.

Business Combinations

The purchase method of accounting is used in accounting for the acquisition of businesses. In accordance with IFRS 3 Business Combinations, the fair value of the consideration for a business combination is measured as the aggregate of the fair values at the date of exchange of assets given and liabilities incurred or assumed in exchange for control. The assets, liabilities and contingent liabilities of the acquired entity are measured at their fair values at the date of acquisition. When the initial accounting for a business combination is determined provisionally, any adjustments to the provisional values allocated are made within twelve months of the acquisition date and are effected from the date of acquisition.

To the extent that deferred purchase consideration and earn-out obligations are payable after one year from the date of acquisition, they are discounted at an appropriate interest rate and, accordingly, are carried at net present value in the Group Balance Sheet. An appropriate interest charge, at a constant interest rate on the carrying amount, adjusted to reflect material conditions, is reflected in the Income Statement over the earn-out period, increasing the value of the provision so that the obligation will reflect its settlement value at the time of maturity.

Acquisitions on or After 26 September 2009

Where a business combination agreement provides for an adjustment to the cost of a business acquired contingent on future events, the Group accrues the fair value of the additional consideration payable as a liability at the acquisition date where this can be measured reliably. This amount is reassessed at each subsequent balance sheet date with any adjustments to the liability recognised in the Income Statement.

Acquisitions on or Before 25 September 2009

Where a business combination occurred on or before 25 September 2009 and the business combination agreement provided for an adjustment to the cost of a business acquired contingent on future events, the Group accrued the probable amount of any additional consideration payable in the cost of the acquisition as a liability at the acquisition date where this could be measured reliably. This amount is reassessed at each subsequent balance sheet date with any adjustments to the liability accounted for as adjustments to the cost of the acquisition and reflected in goodwill.

Goodwill

Acquisitions on or After 26 September 2009

Goodwill represents the difference between the fair value of the consideration given over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Any excess of the fair value of the net assets acquired over the fair value of the consideration given (i.e. discount on acquisition) is credited to the Income Statement in the period of acquisition.

Acquisitions on or Before 25 September 2009

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Any excess of the fair value of the net assets acquired over the cost of the acquisition (i.e. discount on acquisition) was credited to the Income Statement in the period of acquisition. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of acquisition.

Group Statement of Accounting Policies
year ended 28 September 2012
(continued)

Goodwill (continued)

Subsequent Measurement

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. On acquisition, goodwill is allocated to operating segments expected to benefit from the combination's synergies. Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Any impairment is recognised immediately in the Income Statement.

Acquisition Related Intangible Assets

An intangible asset, which is an identifiable non-monetary asset without physical substance, is capitalised separately from goodwill as part of a business combination to the extent that it is probable that the expected future economic benefits attributable to the asset will accrue to the Group and that its fair value can be measured reliably. The asset is deemed to be identifiable when it is separable (i.e. capable of being divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability) or when it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Group or from other rights and obligations.

Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying amounts of definite-lived intangible assets are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable. Any impairment charge is taken to the Income Statement.

The amortisation of intangible assets is calculated to write off the book value of definite-lived intangible assets over their useful lives on a straight line basis on the assumption of zero residual value. Customer related intangible assets are amortised over periods ranging from one to ten years. Non-customer related intangible assets, such as brands, are amortised over periods between three and ten years.

Computer Software

Costs incurred on the acquisition of computer software and software licences are capitalised. Other costs directly associated with developing and maintaining computer software programmes are capitalised once the recognition criteria set out in IAS 38 Intangible Assets are met. Computer software is amortised over five years using the straight line method.

Investment Property

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 operating 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.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is calculated based on first-in, first-out (FIFO). Cost includes raw materials, direct labour expenses and related production and other overheads. Net realisable value is the estimated selling price, in the ordinary course of business, less costs to completion and appropriate selling and distribution expenses.

Trade and Other Receivables

Trade and other receivables are initially recognised at fair value and subsequently carried net of provision for impairment. A provision is made when there is objective evidence that the Group will be unable to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Any trade and other receivables included in non-current assets are carried at amortised cost (i.e. adjusted for the time value of money).

Cash and Cash Equivalents

Cash and cash equivalents are initially recognised at fair value and subsequently carried at amortised cost. Cash and cash equivalents include cash in hand, deposits held on call with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant risk of changes in value and have an original maturity of three months or less.

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 carried at amortised cost.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement.

A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events, or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised, but are disclosed where an inflow of economic benefits is probable.

Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the proceeds net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement. Gains and losses arising on the settlement or cancellation of liabilities are recognised in finance income and finance costs as appropriate.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Finance Income and Expense

Finance income comprises interest income on funds invested, the expected return on defined benefit pension scheme assets and the unwind of discount on assets. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expense comprises interest expense on borrowings, unwind of discount on liabilities, interest on defined benefit pension scheme liabilities, changes in fair value of hedging instruments and other derivatives that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.

Derecognition of Financial Assets and Liabilities

Financial Assets
A financial asset is derecognised when the Group no longer controls the contractual rights that comprise the financial asset, which is normally the case when the asset is sold or the rights to receive cash flows from the asset have expired, or the Group has not retained substantially all risks and rewards of ownership and has transferred control of the asset.

Financial Liabilities
A financial liability is derecognised when the obligation under the liability is discharged, is cancelled or it expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability, and the recognition of a new liability with the result that the difference in the respective carrying amounts, together with any costs or fees incurred, is recognised in the Income Statement.

Derivative Financial Instruments

The activities of the Group expose it to the financial risks of changes in foreign exchange rates and interest rates. The Group uses derivative financial instruments such as forward foreign exchange contracts and interest rate swap agreements to hedge these exposures.

Derivative financial instruments are recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value.

Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Derivative instruments which are held for trading and are not designated as effective hedging instruments are classified as a current asset or liability (as appropriate) regardless of maturity if the Group expects that they may be settled within 12 months of the balance sheet date. All other derivative instruments that are not designated as effective hedging instruments are classified by reference to their maturity date. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than twelve months and as a current asset or liability if the maturity of the hedged item is less than 12 months.

Group Statement of Accounting Policies year ended 28 September 2012 (continued)

Derivative Financial Instruments (continued)

The fair value of derivative instruments is determined by using valuation techniques. The Group uses its judgement to select the most appropriate valuation methods and makes assumptions that are mainly based on observable market conditions existing at the balance sheet date.

For those derivatives designated as hedges and for which hedge accounting is desired, the hedging relationship is documented at its inception. This documentation identifies the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how hedge effectiveness will be measured throughout its duration. Such hedges are expected at inception to be highly effective in offsetting changes in fair values or cash flows of hedged items.

For the purposes of hedge accounting, derivatives are classified as:

- fair value hedges, when hedging the exposure of changes in the fair value of a recognised asset or liability; or
- cash flow hedges, when hedging the exposure to variability in cash flows that are either attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction; or
- net investment hedges, when hedging the exposure to variability in foreign currency when translating investments in subsidiaries held in currencies other than the presentation currency of the Group.

Any gains or losses arising from changes in the fair value of all other derivatives which are classified as held for trading are taken to the Income Statement and charged to finance income or expense. These may arise from derivatives for which hedge accounting is not applied because they are not designated as hedging instruments. The Group does not use derivatives for trading or speculative purposes.

The treatment of gains and losses arising from remeasuring derivatives designated as hedging instruments depends on the nature of the hedging relationship, as follows:

Fair Value Hedge

In the case of fair value hedges which are designated and qualify for hedge accounting, any gain or loss arising from the remeasurement of the hedging instrument to fair value is reported in the Income Statement as finance costs. In addition, any fair value gain or loss attributable to the hedged risk is adjusted against the carrying amount of the hedged item and reflected in the Income Statement as finance costs. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised on an effective interest basis to the Income Statement with the objective of achieving full amortisation by maturity of the hedged item.

Cash Flow Hedge

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised within equity in the hedging reserve, with the ineffective portion being reported in the Income Statement as finance costs. When a highly probable forecast transaction results in the recognition of a non-financial asset or liability, the cumulative gain or loss is removed from the hedging reserve in equity and included in the initial measurement of the non-financial asset or liability. Otherwise, the associated gains and losses that had previously been recognised within equity in the hedging reserve are transferred to the Income Statement as the cash flows of the hedged item impact the Income Statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised within equity in the hedging reserve is kept in the hedging reserve until the forecast transaction occurs. If a hedged transaction is no longer anticipated to occur, the net cumulative gain or loss recognised within equity in the hedging reserve is transferred immediately to the Income Statement as finance costs.

Net Investment Hedge

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised directly in equity in the foreign currency translation reserve, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in the Income Statement either as a profit or a loss. When the hedged part of a net investment is disposed of, the associated cumulative amount in equity is transferred to the Income Statement as an adjustment to the profit or loss on disposal.

Taxation

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

The Group 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 Group 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 balance sheet 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.

Employee Benefits

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by the employees of the Group. Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Retirement Benefit Obligations

Defined Contribution Pension Plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate defined contribution scheme. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Income Statement as employee service is received. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined Benefit Pension Plans

The cost of providing benefits under the Group's defined benefit plans is determined separately for each plan, using the projected unit credit method by professionally qualified actuaries and arrived at using actuarial assumptions based on market expectations at the balance sheet date. These valuations attribute entitlement benefits to the current period (to determine current service cost), and to the current and prior periods (to determine the present value of defined benefit obligations). Past service costs are recognised in the Income Statement on a straight-line basis over the vesting period, or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are remeasured using current actuarial assumptions and the resultant gain or loss is recognised in the Income Statement during the period in which the settlement or curtailment occurs.

The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year. The expected return on plan assets and the interest cost is recognised in the Income Statement as finance income and cost respectively.

Actuarial gains and losses are recognised, in full, in the Group Statement of Recognised Income and Expense in the period in which they occur.

The defined benefit pension asset or liability in the Balance Sheet comprises the total, for each plan, of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less any past service cost not yet recognised, less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is the present value of any economic benefit the Group reasonably expects to recover by way of refund of surplus from the plan at the end of the plan's life or reduction in future contributions to the plan.

Employee Share-Based Payments

The Group grants equity settled share-based payments to employees (through the Executive Share Option Scheme, Employee ShareSave Schemes and the Deferred Bonus Plan). The fair value of these payments is determined at the date of grant and is expensed to the Income Statement on a straight-line basis over the vesting period. The fair value is determined using a trinomial valuation model, as measured at the date of grant, excluding the impact of any non-market conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of options or awards that are expected to vest, recognising any adjustment in the Income Statement, with a corresponding adjustment to equity.

To the extent that the Group 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 Financial Statements 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 Income Statement.

Proceeds received from the exercise of options, net of any directly attributable transaction costs, are credited to the share capital and share premium accounts.

Group Statement of Accounting Policies
year ended 28 September 2012
(continued)

Foreign Currency

Functional and Presentation Currency

The individual Financial Statements of each Group entity are measured in the currency of the primary economic environment in which the entity operates (the functional currency). The Group Financial Statements are presented in sterling, which is the Company's functional and presentation currency.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the Income Statement, except when deferred in equity as qualifying net investment hedges and qualifying cash flow hedges.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

Group Companies

The Income Statement and Balance Sheet of Group companies that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities at each balance sheet date are translated at the closing rate at the date of the balance sheet;
- income and expenses in the Income Statement are translated at the rates at the date of the transaction, normally estimated using average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and on borrowings and other currency instruments designated as hedges of such investments, are taken to equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the Income Statement as part of the gain or loss on sale.

Government Grants

Government grants for the acquisition of assets are recognised at their fair value when there is reasonable assurance that the grant will be received and any conditions attached to them have been fulfilled. The grant is held on the Balance Sheet as a deferred credit and released to the Income Statement over the periods necessary to match the related depreciation charges, or other expenses of the asset, as they are incurred.

Research and Development

Expenditure on research and development is recognised as an expense in the period in which it is incurred. An asset is recognised only when all the conditions set out in IAS 38 Intangible Assets are met.

Segmental Reporting

The Group reports segmental information by class of business and by geographical area. The Group's reporting segments, for which more detailed disclosures are made, are organised by class of business. The Group has identified two reportable segments: (i) Convenience Foods and (ii) Ingredients & Property. Refer to Note 1 for further information.

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 Group Income Statement and results for the year. Examples of such items may include significant restructuring programmes, profits or losses on termination of operations, litigation costs and settlements, significant impairments of assets, transaction and integration costs related to acquisition activity and transaction costs related to disposal activity. Group management exercises judgement in assessing each particular item which, by virtue of its scale or nature, should be highlighted and disclosed in the Group Income Statement and notes to the Group Financial Statements as exceptional items. Exceptional items are included within the Income Statement caption to which they relate and are separately disclosed in the notes to the Group Financial Statements.

Non-Controlling Interests

Non-controlling interests are stated at their proportion of the fair values of the identifiable assets and liabilities recognised. Subsequently, any losses applicable to non-controlling interests continue to be recognised and attributed to non-controlling interests even if this results in non-controlling interests having a deficit balance.

Share Capital

Ordinary Shares

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

Treasury Shares

Where the Company purchases its own equity share capital, the consideration paid is deducted from total shareholders' equity and classified as treasury shares until such shares are cancelled or reissued. Where such shares are subsequently sold or reissued, any consideration received is included in total shareholders' equity.

Dividends

Interim dividends payable are recognised as a liability of the Company when the Board of Directors resolves to pay the dividend and the shareholders have been notified in accordance with the Company's Articles of Association. Final dividends of the Company are recognised as a liability when they have been approved by the Company's shareholders.

Critical Accounting Estimates and Assumptions

Group management makes estimates and assumptions concerning the future in the preparation of the Group Financial Statements, which can significantly impact the reported amounts of assets and liabilities. The significant estimates and assumptions used in the preparation of the Group's Financial Statements are outlined in the relevant notes.

Group Income Statement
year ended 28 September 2012

	Notes	2012 Pre-exceptional £'000	2012 Exceptional (Note 6) £'000	2012 Total £'000	2011 Pre-exceptional £'000	2011 Exceptional (Note 6) £'000	2011 Total £'000
Continuing operations							
Revenue	1	**1,161,930**	**–**	**1,161,930**	804,210	–	804,210
Cost of sales		**(812,195)**	**–**	**(812,195)**	(559,069)	–	(559,069)
Gross profit		**349,735**	**–**	**349,735**	245,141	–	245,141
Operating costs, net	2	**(279,039)**	**(13,950)**	**(292,989)**	(193,647)	(24,305)	(217,952)
Group operating profit/(loss) before acquisition related amortisation		**70,696**	**(13,950)**	**56,746**	51,494	(24,305)	27,189
Amortisation of acquisition related intangibles	12	**(10,210)**	**–**	**(10,210)**	(2,638)	–	(2,638)
Group operating profit/(loss)		**60,486**	**(13,950)**	**46,536**	48,856	(24,305)	24,551
Finance income	7	**17,905**	**–**	**17,905**	19,710	–	19,710
Finance costs	7	**(36,043)**	**–**	**(36,043)**	(33,583)	–	(33,583)
Share of profit of associates after tax	8	**464**	**–**	**464**	492	–	492
Profit/(loss) before taxation		**42,812**	**(13,950)**	**28,862**	35,475	(24,305)	11,170
Taxation	9	**(1,584)**	**8,345**	**6,761**	(3,951)	12,632	8,681
Profit/(loss) for the financial year	3	**41,228**	**(5,605)**	**35,623**	31,524	(11,673)	19,851
Attributable to:							
Equity shareholders		**40,280**	**(5,605)**	**34,675**	30,822	(11,673)	19,149
Non-controlling interests	25	**948**	**–**	**948**	702	–	702
		41,228	**(5,605)**	**35,623**	31,524	(11,673)	19,851
Basic earnings per share (pence)	10			**9.0**			7.0
Diluted earnings per share (pence)	10			**8.9**			6.9

EF Sullivan
Director

AR Williams
Director

Group Statement of Recognised Income and Expense
year ended 28 September 2012

	Notes	2012 £'000	2011 £'000
Items of income and expense taken directly within equity			
Currency translation adjustment		**151**	(300)
Current tax on currency translation adjustment	9	**88**	265
Hedge of net investment in foreign currency subsidiaries		**1,898**	593
Actuarial loss on Group defined benefit pension schemes	23	**(23,771)**	(36,942)
Deferred tax on Group defined benefit pension schemes	9	**2,569**	1,193
Cash flow hedges:			
Loss taken to equity		**(2,924)**	–
Transferred to finance costs in the Income Statement for the period		**322**	–
Deferred tax on cash flow hedges	9	**599**	–
Net expense recognised directly within equity		**(21,068)**	(35,191)
Group result for the financial period		**35,623**	19,851
Total recognised income and expense for the financial year		**14,555**	(15,340)
Attributable to:			
Equity shareholders		**13,847**	(16,077)
Non-controlling interests		**708**	737
Total recognised income and expense for the financial year		**14,555**	(15,340)

Group Balance Sheet
at 28 September 2012

	Notes	2012 £'000	2011 As re-presented* £'000
ASSETS			
Non-current assets			
Intangible assets	12	**502,399**	484,064
Property, plant and equipment	13	**227,008**	210,424
Investment property	14	**31,961**	34,087
Investments in associates	8	**548**	582
Other receivables	16	**2,817**	2,818
Derivative financial instruments	20	**11,888**	16,364
Deferred tax assets	9	**61,164**	56,474
Total non-current assets		**837,785**	804,813
Current assets			
Inventories	15	**54,324**	49,811
Trade and other receivables	16	**107,018**	99,685
Derivative financial instruments	20	**170**	–
Cash and cash equivalents	18	**18,763**	81,564
Total current assets		**180,275**	231,060
Total assets		**1,018,060**	1,035,873
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	24	**120,920**	117,004
Share premium		**171,469**	171,010
Reserves		**(95,116)**	(96,376)
		197,273	191,638
Non-controlling interests	25	**3,246**	2,962
Total equity		**200,519**	194,600
LIABILITIES			
Non-current liabilities			
Borrowings	19	**288,647**	222,216
Derivative financial instruments	20	**9,017**	–
Retirement benefit obligations	23	**141,841**	130,367
Other payables	17	**3,089**	3,538
Provisions for liabilities	22	**12,112**	15,880
Deferred tax liabilities	9	**28,833**	33,673
Government grants		**70**	83
Total non-current liabilities		**483,609**	405,757
Current liabilities			
Borrowings	19	**–**	15,500
Derivative financial instruments	20	**–**	9,442
Trade and other payables	17	**283,124**	252,236
Consideration payable on acquisitions		**3,701**	113,344
Provisions for liabilities	22	**8,597**	13,074
Current taxes payable		**38,510**	31,920
Total current liabilities		**333,932**	435,516
Total liabilities		**817,541**	841,273
Total equity and liabilities		**1,018,060**	1,035,873

EF Sullivan
Director

AR Williams
Director

* As re-presented to reflect adjustments to provisional fair values previously recognised on business combinations as set out in Note 30.

Group Cash Flow Statement
year ended 28 September 2012

	Notes	2012 £'000	2011 £'000
Profit before taxation		**28,862**	11,170
Finance income		**(17,905)**	(19,710)
Finance costs		**36,043**	33,583
Share of profit of associates (after tax)		**(464)**	(492)
Exceptional items		**13,950**	24,305
Operating profit (pre-exceptional)		**60,486**	48,856
Depreciation		**21,470**	17,096
Amortisation of intangible assets		**11,576**	3,899
Employee share-based payments expense		**1,914**	1,744
Amortisation of government grants		**(13)**	(13)
Difference between pension charge and cash contributions		**(14,830)**	(11,633)
Working capital movement	26	**23,409**	(1,552)
Other movements		**1,143**	(109)
Net cash inflow from operating activities before exceptional items		**105,155**	58,288
Cash outflow related to exceptional items	6	**(19,421)**	(24,385)
Interest paid		**(15,688)**	(19,876)
Tax received/(paid)		**2,013**	(2,407)
Net cash inflow from operating activities		**72,059**	11,620
Cash flow from investing activities			
Dividends received from associates	8	**498**	485
Purchase of property, plant and equipment		**(28,762)**	(20,036)
Purchase of investment property		**(272)**	(2,354)
Purchase of intangible assets		**(1,334)**	(618)
Acquisition of undertakings		**(152,173)**	(3,246)
Disposal of undertakings		**181**	904
Interest received		**45**	44
Net cash outflow from investing activities		**(181,817)**	(24,821)
Cash flow from financing activities			
Proceeds from issue of shares		**457**	68,449
Ordinary shares purchased – own shares		**–**	(1,470)
Drawdown of new bank facilities	21	**76,368**	287,565
Repayment of bank borrowings	21	**(20,500)**	(220,598)
Repayment of Private Placement Notes	21	**–**	(33,013)
Cash outflow arising on settlement of derivative financial instruments		**–**	(4,255)
Dividends paid to equity holders of the Company		**(9,169)**	(10,847)
Dividends paid to non-controlling interests	25	**(424)**	(219)
Net cash inflow from financing activities		**46,732**	85,612
Net (decrease)/increase in cash and cash equivalents		**(63,026)**	72,411
Reconciliation of opening to closing cash and cash equivalents			
Cash and cash equivalents at beginning of year	18	**81,564**	9,931
Translation adjustment	21	**225**	(778)
(Decrease)/increase in cash and cash equivalents	21	**(63,026)**	72,411
Cash and cash equivalents at end of year	18	**18,763**	81,564

Group Statement of Changes in Equity
year ended 28 September 2012

	Share capital £'000	Share premium £'000	Other reserves	Retained earnings £'000	Total £'000	Non-controlling interests	Total equity £'000
At 30 September 2011	**117,004**	**171,010**	**(14,792)**	**(81,584)**	**191,638**	**2,962**	**194,600**
Items of income and expense taken directly within equity							
Currency translation adjustment	–	–	391	–	391	(240)	151
Current tax on currency translation adjustment	–	–	–	88	88	–	88
Net investment hedge	–	–	1,898	–	1,898	–	1,898
Actuarial loss on Group defined benefit pension schemes	–	–	–	(23,771)	(23,771)	–	(23,771)
Deferred tax asset on Group defined benefit pension schemes	–	–	–	2,569	2,569	–	2,569
Cash flow hedge taken to equity	–	–	(2,924)	–	(2,924)	–	(2,924)
Cash flow hedge transferred to Income Statement	–	–	322	–	322	–	322
Deferred tax asset on cash flow hedge	–	–	599	–	599	–	599
Profit for the financial year	–	–	–	34,675	34,675	948	35,623
Total recognised income and expense for the financial year	–	–	**286**	**13,561**	**13,847**	**708**	**14,555**
Employee share-based payments expense	–	–	1,914	–	1,914	–	1,914
Exercise, lapse or forfeit of share options/awards	7	455	(683)	683	462	–	462
Shares acquired by Deferred Share Awards Trust (a)	–	–	(58)	58	–	–	–
Shares transferred to beneficiaries of the Deferred Bonus Award Trust (b)	–	–	1,575	(1,575)	–	–	–
Issue of shares – redenomination	3,848	(3,848)	–	–	–	–	–
Costs associated with the issue of shares	–	(5)	–	–	(5)	–	(5)
Dividends	61	3,857	–	(14,501)	(10,583)	(424)	(11,007)
At 28 September 2012	**120,920**	**171,469**	**(11,758)**	**(83,358)**	**197,273**	**3,246**	**200,519**

	Share capital £'000	Share premium £'000	Other reserves	Retained earnings £'000	Total £'000	Non-controlling interests	Total equity £'000
At 24 September 2010	**112,536**	**102,782**	**(14,109)**	**(51,906)**	**149,303**	**2,444**	**151,747**
Items of income and expense taken directly within equity							
Currency translation adjustment	–	–	(335)	–	(335)	35	(300)
Current tax on currency translation adjustment	–	–	–	265	265	–	265
Net investment hedge	–	–	593	–	593	–	593
Actuarial loss on Group defined benefit pension scheme	–	–	–	(36,942)	(36,942)	–	(36,942)
Deferred tax asset on Group defined benefit pension scheme	–	–	–	1,193	1,193	–	1,193
Profit for the financial year	–	–	–	19,149	19,149	702	19,851
Total recognised income and expense for the financial year	–	–	**258**	**(16,335)**	**(16,077)**	**737**	**(15,340)**
Currency translation adjustments	1,591	(269)	(1,322)	–	–	–	–
Employee share-based payments expense	–	–	1,744	–	1,744	–	1,744
Exercise, lapse or forfeit of share options/awards	11	4	(1,144)	1,144	15	–	15
Shares acquired by Deferred Share Awards Trust (a)	–	–	(1,638)	168	(1,470)	–	(1,470)
Shares transferred to beneficiaries of the Deferred Bonus Award Trust (b)	–	–	1,419	(1,419)	–	–	–
Issue of shares – Rights Issue	1,500	69,255	–	–	70,755	–	70,755
Costs associated with the issue of shares	–	(2,321)	–	–	(2,321)	–	(2,321)
Dividends	1,366	1,559	–	(13,236)	(10,311)	(219)	(10,530)
At 30 September 2011	**117,004**	**171,010**	**(14,792)**	**(81,584)**	**191,638**	**2,962**	**194,600**

Other Reserves

	Share-based payments £'000	Own shares £'000	Capital conversion reserve fund £'000	Hedging reserve £'000	Foreign currency translation reserve £'000	Total £'000
At 30 September 2011	**3,230**	**(20,387)**	**804**	**–**	**1,561**	**(14,792)**
Items of income and expense taken directly within equity						
Currency translation adjustments	**–**	**–**	**–**	**–**	**391**	**391**
Net investment hedge	**–**	**–**	**–**	**–**	**1,898**	**1,898**
Cash flow hedge taken to equity	**–**	**–**	**–**	**(2,924)**	**–**	**(2,924)**
Cash flow hedge transferred to Income Statement	**–**	**–**	**–**	**322**	**–**	**322**
Deferred tax asset on cash flow hedge	**–**	**–**	**–**	**599**	**–**	**599**
Total recognised income and expense for the financial year	**–**	**–**	**–**	**(2,003)**	**2,289**	**286**
Currency translation adjustments	**(243)**	**–**	**–**	**–**	**243**	**–**
Employee share option expense	**1,914**	**–**	**–**	**–**	**–**	**1,914**
Exercise, lapse or forfeit of share options/awards	**(683)**	**–**	**–**	**–**	**–**	**(683)**
Shares acquired by Deferred Share Awards Trust (a)	**–**	**(58)**	**–**	**–**	**–**	**(58)**
Shares transferred to beneficiaries of the Deferred Share Award Trust (b)	**–**	**1,575**	**–**	**–**	**–**	**1,575**
At 28 September 2012	**4,218**	**(18,870)**	**804**	**(2,003)**	**4,093**	**(11,758)**

	Share-based payments £'000	Own shares £'000	Capital conversion reserve fund £'000	Hedging reserve £'000	Foreign currency translation reserve £'000	Total £'000
At 24 September 2010	**2,598**	**(19,887)**	**792**	**–**	**2,388**	**(14,109)**
Items of income and expense taken directly within equity						
Currency translation adjustments	–	–	–	–	(335)	(335)
Net investment hedge	–	–	–	–	593	593
Total recognised income and expense for the financial year	–	–	–	–	258	258
Currency translation adjustments	32	(281)	12	–	(1,085)	(1,322)
Employee share option expense	1,744	–	–	–	–	1,744
Exercise, lapse or forfeit of share options/awards	(1,144)	–	–	–	–	(1,144)
Shares acquired by Deferred Share Awards Trust (a)	–	(1,638)	–	–	–	(1,638)
Shares transferred to beneficiaries of the Deferred Share Award Trust (b)	–	1,419	–	–	–	1,419
At 30 September 2011	**3,230**	**(20,387)**	**804**	**–**	**1,561**	**(14,792)**

(a) The Trustees of the Deferred Bonus Plan acquired 111,742 (2011: 143,420) shares in the Group with a combined value of £0.06 million (2011: £0.168 million) and a nominal value at the date of purchase of £0.001 million (2011: £0.107 million) through the scrip dividend scheme and utilisation of dividend income.

Pursuant to the terms of the Deferred Bonus Plan, 2,250,752 shares were purchased during the prior year at a cost of £1.47 million. The nominal value of these shares on which dividends have not been waived by the Trustees of the Plan, was £0.02 million at the date of purchase.

(b) During the year, 1,292,223 (2011: 989,582) shares with a nominal value at the date of transfer of £0.01 million (2011: £0.547 million at the date of transfer) were transferred to beneficiaries of the Deferred Bonus Plan.

Notes to the Group Financial Statements
year ended 28 September 2012

1. Segment Information

The Group is organised around different product portfolios. The Group's reportable segments under IFRS 8 Operating Segments are as follows:

Convenience Foods – this reportable segment is the aggregation of two operating segments, Convenience Foods UK and Convenience Foods US. This segment derives its revenue from the production and sale of convenience food.

Ingredients & Property – this segment represents the aggregation of 'all other segments' as allowed under IFRS 8 (IFRS 8 specifies that, where the external revenue of reportable segments exceeds 75% of the total Group revenue, it is permissible to aggregate all other segments into one reportable segment). The Ingredients & Property reportable segment derives its revenue from the distribution of edible oils and molasses and the management of the Group's surplus property assets.

The Chief Operating Decision Maker monitors the operating results of segments separately in order to allocate resources between segments and to assess performance. Segment performance is predominantly evaluated based on operating profit before exceptional items and acquisition related amortisation. Exceptional items, net finance costs and income tax are managed on a centralised basis, therefore, these items are not allocated between operating segments for the purposes of the information presented to the Chief Operating Decision Maker and are accordingly omitted from the segmental information below.

	Convenience Foods		Ingredients & Property		Total	
	2012 £'000	2011 £'000	**2012 £'000**	2011 £'000	**2012 £'000**	2011 £'000
Revenue	**1,091,148**	732,176	**70,782**	72,034	**1,161,930**	804,210
Group operating profit before exceptional items and acquisition related amortisation	**69,097**	49,272	**1,599**	2,222	**70,696**	51,494
Amortisation of acquisition related intangible assets	**(10,210)**	(2,638)	**–**	–	**(10,210)**	(2,638)
Exceptional items					**(13,950)**	(24,305)
Group operating profit	**58,887**	46,634	**1,599**	2,222	**46,536**	24,551
Finance income					**17,905**	19,710
Finance costs					**(36,043)**	(33,583)
Share of profit of associates after tax	**–**	–	**464**	492	**464**	492
Profit before taxation					**28,862**	11,170

	Convenience Foods		Ingredients & Property		Total	
	2012 £'000	2011 As re-presented* £'000	**2012 £'000**	2011 £'000	**2012 £'000**	2011 As re-presented* £'000
Segment assets						
Assets	**878,553**	829,947	**46,974**	50,942	**925,527**	880,889
Investments in associates	**–**	–	**548**	582	**548**	582
Total assets	**878,553**	829,947	**47,522**	51,524	**926,075**	881,471
Reconciliation to Total Assets as Reported in the Group Balance Sheet						
Deferred tax assets					**61,164**	56,474
Cash and cash equivalents					**18,763**	81,564
Derivative financial instruments					**12,058**	16,364
Total assets as reported in the Group Balance Sheet					**1,018,060**	1,035,873

* As re-presented to reflect adjustments to provisional fair values previously recognised on business combinations as set out in Note 30.
† As re-presented to show comparative on the same basis as the current year.

	Convenience Foods 2012 £'000	Convenience Foods 2011 As re-presented £'000	Ingredients & Property 2012 £'000	Ingredients & Property 2011 £'000	Total 2012 £'000	Total 2011 As re-presented £'000
Segment liabilities						
Liabilities	**281,098**	369,771	**18,025**	18,491	**299,123**	388,262
Reconciliation to Total Liabilities as reported in the Group Balance Sheet						
Borrowings (current and non-current)					**288,647**	237,716
Derivative financial instruments (current and non-current)					**9,017**	9,442
Government grants					**70**	83
Declared interim dividend					**6,821**	5,407
Interest payable					**4,679**	4,403
Retirement benefit obligations					**141,841**	130,367
Income tax liabilities (current and deferred)					**67,343**	65,593
Total liabilities as reported in the Group Balance Sheet					**817,541**	841,273

Other Segment Information

	Convenience Foods 2012 £'000	Convenience Foods 2011 £'000	Ingredients & Property 2012 £'000	Ingredients & Property 2011 £'000	Total 2012 £'000	Total 2011 £'000
Capital expenditure	**30,775**	17,130	**368**	3,538	**31,142**	20,668
Depreciation included in segment result	**21,239**	16,868	**231**	228	**21,470**	17,096
Amortisation of intangible assets	**11,576**	3,899	**–**	–	**11,576**	3,899

Geographical Analysis

	Ireland 2012 £'000	Ireland 2011 As re-presented† £'000	UK 2012 £'000	UK 2011 As re-presented†* £'000	Rest of World 2012 £'000	Rest of World 2011 As re-presented† £'000	Total Group 2012 £'000	Total Group 2011 As re-presented†* £'000
Revenue	**71,347**	75,082	**1,011,172**	676,951	**79,411**	52,177	**1,161,930**	804,210
Capital expenditure	**358**	2,849	**29,321**	15,883	**1,463**	1,936	**31,142**	20,668
Non-current assets (excluding derivative financial instruments and deferred tax assets)	**16,032**	18,916	**670,024**	663,480	**78,677**	49,579	**764,733**	731,975

* As re-presented to reflect adjustments to provisional fair values previously recognised on business combinations as set out in Note 30.
† As re-presented to show comparative on the same basis as the current year.

Notes to the Group Financial Statements
year ended 28 September 2012
(continued)

2. Operating Costs, Net

	2012 £'000	2011 £'000
Distribution costs	**52,322**	34,483
Administrative expenses	**216,665**	153,574
Research and development	**10,996**	3,841
Other operating costs	**1,028**	2,669
Other operating income	**(1,972)**	(920)
Operating costs, net	**279,039**	193,647
Exceptional charge (Note 6)	**13,950**	24,305
Total operating costs, net	**292,989**	217,952

3. Result for the Financial Year

The result for the financial year has been arrived at after charging/(crediting) the following amounts:

	2012 £'000	2011 £'000
Depreciation – owned assets	**21,470**	17,096
Amortisation of intangible assets	**11,576**	3,899
Operating lease rentals:		
Premises, plant and equipment	**11,813**	12,741
Auditor's remuneration		
Fees paid to the lead audit firm:		
Audit of the Group Financial Statements	**550**	503
Other assurance services	**64**	483
Tax advisory services	**32**	110
Other non-audit services	**–**	–
	646	1,096
Fees paid to other firms in the lead audit firms network:		
Audit of the Group Financial Statements	**–**	180
Other assurance services	**–**	339
Tax advisory services	**185**	679
Other non-audit services	**–**	293
	185	1,491
	831	2,587
Government grants amortised	**(13)**	(13)
Rental income from investment properties	**(112)**	(243)

Directors' remuneration is shown in the Report on Directors' Remuneration and in Note 31.

4. Employment

The average number of persons (including Executive Directors) employed by the Group during the year was:

	2012 Number	2011 Number
Production	**7,799**	5,462
Distribution	**683**	612
Administration	**1,244**	629
	9,726	6,703

The staff costs for the year for the above employees were:

	2012 £'000	2011 £'000
Wages and salaries	**200,197**	132,252
Social welfare costs	**20,764**	11,321
Employee share-based payments expense (Note 5)	**1,914**	1,744
Pension costs – defined contribution plans (Note 23)	**3,251**	2,546
Pension costs – defined benefit plans (Note 23)	**–**	352
	226,126	148,215
Defined benefit interest cost (Note 23)	**22,226**	21,090
Defined benefit expected return on plan assets (Note 23)	**(17,568)**	(19,310)
	230,784	149,995

Actuarial loss on Group defined benefit schemes recognised in the Statement of Recognised Income and Expense:

	2012 £'000	2011 As re-presented† £'000
Actual return less expected return on pension scheme assets (Note 23)	**37,115**	(21,884)
Effect of Paragraph 58(b) limit (Note 23)	**(474)**	299
Actuarial losses arising on scheme liabilities (Note 23)	**(60,412)**	(15,357)
Total included in the Statement of Recognised Income and Expense	**(23,771)**	(36,942)

5. Share-Based Payments

Executive Share Option Scheme

The Group's employee share options are equity-settled share-based payments as defined in IFRS 2 Share-based Payments. IFRS 2 requires that a recognised valuation methodology be employed to determine the fair value of share options granted. The charge recognised in the Income Statement was £nil (2011: credit of £0.253 million). Grant date fair value was arrived at through applying a trinomial model, which is a lattice option-pricing model. To the extent that any options vest, they will ordinarily remain exercisable at any time up to ten years from the date of grant and are settled in equity through the issue of shares once exercised.

The general terms and conditions applicable to the share options granted by the Group are addressed in the Report on Directors' Remuneration. All conditions are non-market based.

Options were granted over 575,000 ordinary shares on 6 December 2011. These awards will be exercisable, subject to the performance measurement targets being attained between 6 December 2014 and 6 December 2021, at an exercise price of €0.64. The weighted average fair value of share options granted during the year ended 28 September 2012 was €0.12.

Options were granted over 80,000 ordinary shares on 26 November 2010. These awards will be exercisable, subject to the performance measurement targets being attained between 26 November 2013 and 26 November 2020, at an exercise price of €1.33 (€1.06 following adjustment for the Rights Issue). The weighted average fair value of share options granted during the year ended 30 September 2011 was €0.28.

† As re-presented to show comparative on the same basis as the current year.

Notes to the Group Financial Statements
year ended 28 September 2012
(continued)

5. Share-Based Payments (continued)

The following table illustrates the number and weighted average exercise prices of, and movements in, share options during the year under the plan:

	2012		2011	
	Number outstanding	Weighted average exercise price €	Number outstanding	Weighted average exercise price €
At beginning of year	**5,469,726**	**1.65**	6,070,000	2.25
Granted	**575,000**	**0.64**	80,000	1.33
Expired	**(377,656)**	**2.28**	(540,000)	2.45
Forfeit	**(635,758)**	**1.32**	(1,265,000)	2.71
Adjustment in respect of Rights Issue‡	**–**	**–**	1,124,726	1.65
At end of year	**5,031,312**	**1.53**	5,469,726	1.65
Exercisable at end of year	**–**	**–**	–	–

‡ The number of options outstanding and their exercise prices were adjusted to take account of the effect of the Rights Issue in the prior year so that holders of options remain in the same position as they would have been before the Rights Issue.

Range of Exercise Prices for the Share Option Plan (expressed in euro)

	Number outstanding	Weighted average contract life years	Weighted average exercise price €	Number exercisable
At 28 September 2012				
€0.01–€1.00	**1,859,021**	**4.97**	**0.61**	**–**
€1.01–€2.00	**1,724,616**	**8.29**	**1.07**	**–**
€2.01–€3.00	**786,780**	**4.45**	**2.67**	**–**
€3.01–€4.00	**660,895**	**4.84**	**3.88**	**–**
	5,031,312	**6.27**	**1.53**	**–**
At 30 September 2011				
€0.01–€1.00	1,479,156	7.19	0.65	–
€1.01–€2.00	2,058,228	8.32	1.07	–
€2.01–€3.00	1,208,500	3.04	2.54	–
€3.01–€4.00	723,842	5.84	3.88	–
	5,469,726	6.52	1.65	–

ShareSave Schemes

The Group operates savings-related share option schemes in both Ireland and the UK. Options are granted at a discount of between 15 per cent and 25 per cent of the market price at the date of invitation over three, five and seven year savings contracts and options are exercisable during the six month period following completion of the savings contract. The charge recognised in the Income Statement was £0.089 million. (2011: £0.319 million). Grant date fair value was arrived at through applying a trinomial model, which is a lattice option-pricing model.

During the year ended 28 September 2012, ShareSave scheme options were granted over 178,275 shares and 2,046,060 shares, which will ordinarily be exercisable at an exercise price of €0.69 and £0.60 respectively per share, during the period 1 July 2015 to 1 January 2016. The weighted average fair value of share options granted during the year ended 28 September 2012 was £0.23.

During the year ended 30 September 2011, ShareSave scheme options were granted over 45,224 shares and 896,145 shares, which will ordinarily be exercisable at an exercise price of €0.84 and £0.79 (€0.67 and £0.63 following adjustment for the Rights Issue) respectively per share, during the period 1 July 2014 to 1 January 2015. The weighted average fair value of share options granted during the year ended 30 September 2011 was €0.28.

The following table illustrates the number and weighted average exercise prices (expressed in euro) of, and movements in, share options during the year under the Irish ShareSave Scheme.

	2012 Number outstanding	2012 Weighted average exercise price €	2011 Number outstanding	2011 Weighted average exercise price €
At beginning of year	**301,461**	**0.69**	256,055	0.90
Granted	**178,275**	**0.69**	45,224	0.84
Exercised	**(192,295)**	**0.70**	–	–
Forfeit	**(5,507)**	**0.75**	(61,806)	0.96
Adjustment in respect of Rights Issue‡	**–**	**–**	61,988	0.69
At end of year	**281,934**	**0.69**	301,461	0.69
Exercisable at end of year	**–**	**–**	–	–

‡ The number of options outstanding and their exercise prices were adjusted to take account of the effect of the Rights Issue in the prior year so that holders of options remain in the same position as they would have been before the Rights Issue.

Range of Exercise Prices for the Irish ShareSave Scheme (expressed in euro)

	Number outstanding	Weighted average contract life years	Weighted average exercise price €	Number exercisable	Weighted average exercise price €
At 28 September 2012					
€0.01–€1.00	**281,934**	**2.88**	**0.69**	**–**	**–**
	281,934	**2.88**	**0.69**	**–**	**–**
At 30 September 2011					
€0.01–€1.00	301,461	1.96	0.69	–	–
	301,461	1.96	0.69	–	–

The following table illustrates the number and weighted average exercise prices (expressed in sterling) of, and movements in, share options during the year under the UK ShareSave Scheme.

	2012 Number outstanding	2012 Weighted average exercise price £	2011 Number outstanding	2011 Weighted average exercise price £
At beginning of year	**3,451,360**	**0.72**	2,509,847	1.02
Granted	**2,046,060**	**0.60**	896,145	0.79
Exercised	**(515,136)**	**0.69**	(20,879)	0.87
Forfeit	**(620,164)**	**0.76**	(657,103)	1.21
Adjustment in respect of Rights Issue‡	**–**	**–**	723,350	0.73
At end of year	**4,362,120**	**0.66**	3,451,360	0.72
Exercisable at end of year	**326,219**	**0.78**	43,189	1.76

‡ The number of options outstanding and their exercise prices were adjusted to take account of the effect of the Rights Issue in the prior year so that holders of options remain in the same position as they would have been before the Rights Issue.

Notes to the Group Financial Statements year ended 28 September 2012 (continued)

5. Share-Based Payments (continued)

Range of Exercise Prices for the UK ShareSave Scheme (expressed in sterling)

	Number outstanding	Weighted average contract life years	Weighted average exercise price £	Number exercisable	Weighted average exercise price £
At 28 September 2012					
£0.01–£1.00	**4,297,592**	**2.15**	**0.64**	**308,903**	**0.69**
£1.01–£2.00	**46,919**	**1.73**	**1.74**	**4,995**	**1.57**
£2.01–£3.00	**17,609**	**0.88**	**2.39**	**12,321**	**2.39**
	4,362,120	**2.14**	**0.66**	**326,219**	**0.78**
At 30 September 2011					
£0.01–£1.00	3,336,307	2.72	0.68	–	–
£1.01–£2.00	96,352	1.62	1.74	–	–
£2.01–£3.00	18,701	1.85	2.39	43,189	1.76
	3,451,360	2.68	0.72	43,189	1.76

Deferred Bonus Plan

Senior Executives participate in the Deferred Bonus Plan as outlined in the Report on Directors' Remuneration. In accordance with this plan, a portion of the annual bonus earned by participating senior executives is deferred into Company shares, the number of which is calculated at market value on the date of allocation, to be held by a trustee for the benefit of individual participants without any additional performance requirements or matching. The shares vest after three years but are forfeit should an executive voluntarily leave the Group within the three year time period, subject to normal 'good leaver' provisions. The charge recognised in the Income Statement was £1.8 million (2011: £1.678 million). Grant date fair value was arrived at through applying a trinomial model, which is a lattice option-pricing model.

On 1 December 2011, 3,477,745 awards were granted to senior executives of the Group under the Deferred Bonus Plan and a cumulative charge of £0.391 million was recognised in the Income Statement in FY12. A charge amounting to £0.262 million was included in the Group Financial Statements in FY11 in respect of the estimated 2011 charge related to these awards.

On 1 December 2010, 2,033,121 awards were granted to senior executives of the Group under the Deferred Bonus Plan and a cumulative charge of £0.704 million was recognised in the Income Statement in FY11. A charge amounting to £0.269 million was included in the Group Financial Statements in FY10 in respect of the estimated 2010 charge related to these awards.

The following table illustrates the number and weighted average exercise prices of, and movements in, share awards during the year under the plan:

	2012		2011	
	Number outstanding	**Weighted average exercise price €**	Number outstanding	Weighted average exercise price €
At beginning of year	**4,726,498**	**–**	3,208,456	–
Granted	**3,477,745**	**–**	2,033,121	–
Exercised	**(1,223,592)**	**–**	(917,949)	–
Forfeit	**–**	**–**	(666,257)	–
Adjustment in respect of Rights Issue‡	**–**	**–**	1,069,127	–
At end of year	**6,980,651**	**–**	4,726,498	–
Exercisable at end of year	**–**	**–**	–	–

‡ The number of options outstanding and their exercise prices were adjusted to take account of the effect of the Rights Issue in the prior year so that holders of options remain in the same position as they would have been before the Rights Issue.

Awards will be granted to senior executives of the Group under the Deferred Bonus Plan in respect of the year ended 28 September 2012. A charge amounting to £0.294 million relating to Executive Directors and £0.298 million relating to other awards has been included in the Group Financial Statements in respect of the estimated 2012 charge related to these awards. The total fair value of the awards will be taken as a charge to the Income Statement over the vesting period of the awards.

The following two tables show the weighted average assumptions used to fair value the equity settled options granted in the Executive Share Option Scheme, the ShareSave Scheme and the Deferred Bonus Plan.

	2012		
	Executive Share Option Scheme	**ShareSave 3 year**	**Deferred Bonus Plan**
Dividend yield (%)	**6.30%**	**4.91%**	**6.30%**
Expected volatility (%)	**38%**	**43%**	**52%**
Risk-free interest rate (%)	**2.19%**	**0.18%**	**1.15%**
Expected life of option (years)	**10.00**	**3.50**	**4.25**
Share price at grant (€)	**0.65**	**0.76**	**0.54**
Exercise price (€)	**0.64**	**0.56**	**–**

	2011		
	Executive Share Option Scheme	ShareSave 3 year	Deferred Bonus Plan
Dividend yield (%)	5.60%	7.55%	5.28%
Expected volatility (%)	37%	54%	53%
Risk-free interest rate (%)	2.73%	1.76%	1.45%
Expected life of option (years)	10.00	3.50	3.00
Share price at grant (€)	1.34	0.99	1.42
Exercise price (€)	1.33	0.88	–

The average share price during the year was £0.68 (2011: €0.87).

The expected volatility is estimated based on the historic volatility of the Company's share price over a period equivalent to the life of the relevant option. The risk free rate of return is the yield on a government bond of a term consistent with the life of the option.

The range of the Company's share price during the year was £0.47–£0.84 (2011: €0.55–€1.47).

6. Exceptional Items

Exceptional items are those that, in management's judgment, should be disclosed by virtue of their nature or amount. Such items are included within the Income Statement caption to which they relate and are separately disclosed in the notes to the Group Financial Statements.

The Group reports the following exceptional items:

	Notes	**2012 £'000**	2011 £'000
Integration cost of UK acquisitions	(a)	**(7,566)**	–
Integration cost of US acquisitions	(b)	**(3,074)**	–
Transaction costs	(c)	**(2,210)**	(19,366)
One off costs relating to former activities	(d)	**(1,100)**	(3,593)
Restructuring	(e)	**–**	(1,346)
		(13,950)	(24,305)
Tax on exceptional charges	(f)	**2,083**	944
Exceptional tax credit	(f)	**6,262**	11,688
Total exceptional expense		**(5,605)**	(11,673)

(a) Integration Cost of UK Acquisitions
During the year, the Group incurred an exceptional charge of £7.5 million in connection with the integration of the Uniq business. A further charge of £0.1 million was incurred relating to the integration of ICL which was acquired in August 2012.

(b) Integration Cost of US Acquisitions
During the year, the Group completed the acquisition of MarketFare and Schau in the United States and a charge of £3.1 million was incurred related to the integration of these businesses and the subsequent reorganisation of the product portfolio in the US.

Notes to the Group Financial Statements year ended 28 September 2012 (continued)

6. Exceptional Items (continued)

(c) Transaction Costs
During the year, a charge of £2.2 million was incurred for transaction costs in respect of the acquisitions of MarketFare, Schau and ICL.

In 2011, the £19.4 million exceptional charge included £12.3 million of costs incurred on the aborted Essenta combination and the assessment of an acquisition of Northern Foods plc, transaction costs of £6.6 million relating to the acquisition of Uniq plc which took effect from 23 September 2011 and transaction costs of £0.4 million relating to the acquisition in December 2010 of On a Roll Sales, a convenience foods business based in Brockton, Massachusetts.

(d) One Off Costs Relating to Former Activities
During the year, the Group recognised a provision for costs amounting to £1.1 million relating to an onerous lease obligation in connection with a business which was sold a number of years ago.

In 2011, the Group settled an outstanding legal claim relating to its former activities and recognised an exceptional charge of £3.6 million in respect of both the settlement and related legal costs.

(e) Restructuring
During 2011, the Group incurred certain one off costs as part of a restructuring programme to improve long term operating performance. The costs incurred to implement this restructuring amounted to £1.3 million.

(f) Tax
During the year, a tax credit of £6.3 million arose due to the resolution of an overseas tax case. A tax credit of £2.1 million was recognised in respect of exceptional charges in the period.

During the prior year, the Group resolved a number of outstanding tax positions which led to a one off credit to the Income Statement amounting to £11.7 million. In addition, a tax credit of £0.9 million was recognised in respect of exceptional charges in the period.

Cashflow on Exceptional Items
The total cash outflow during the year in respect of exceptional charges was £19.4 million (2011: £24.4 million), of this amount £16.5 million (2011: £6.3 million) was in respect of prior years exceptional charges.

7. Finance Costs and Finance Income

	2012 £'000	2011 £'000
Finance Costs		
Bank overdrafts and loans	**12,179**	12,313
Other borrowings	**4,248**	4,646
Interest on defined benefit pension scheme liabilities	**22,226**	21,090
Unwind of discount on liabilities	**149**	118
Fair value movement on hedged financial liabilities (Note 20)	**(3,590)**	1,127
Fair value movement on fair value hedges (Note 20)	**4,497**	(58)
Fair value movement on interest rate swaps not designated as hedges	**(3,001)**	(2,132)
Fair value movement on forward foreign exchange contracts not designated as hedges	**(599)**	(2,105)
Foreign exchange on inter-company and external balances where hedge accounting is not applied	**(66)**	(1,416)
	36,043	33,583
Finance Income		
Interest income on bank deposits	**(45)**	(44)
Expected return on defined benefit pension scheme assets (Note 23)	**(17,568)**	(19,310)
Unwind of discount on assets	**(292)**	(356)
	(17,905)	(19,710)
Net finance expense recognised in the income statement	**18,138**	13,873
Recognised Directly in Equity		
Currency translation effects on foreign currency net investment	**151**	(300)
Currency translation effect on foreign currency borrowings designated as net investment hedges	**1,898**	593
Effective portion of changes in fair value of cash flow hedges	**(2,924)**	–
	(875)	293

8. Associates

Share of Profit of Associates After Tax

The Group's share of profit of associates after tax is equity accounted and is presented as a single line item in the Group Income Statement.

	2012 £'000	2011 £'000
Group share of:		
Revenue	**3,961**	3,171
Profit before finance costs	**627**	681
Finance income/costs (net)	**(3)**	(3)
Profit before taxation	**624**	678
Taxation	**(160)**	(186)
Profit after taxation	**464**	492

Investments in Associates

	2012 £'000	2011 £'000
Share of associates' balance sheet		
Current assets	**1,373**	1,488
Non-current assets	**116**	137
Current liabilities	**(747)**	(851)
Non-current liabilities	**(194)**	(192)
Net assets	**548**	582
Carrying amount of associates		
At beginning of year	**582**	579
Share of profit after tax of associates	**464**	492
Dividends received	**(498)**	(485)
Currency translation adjustment	**–**	(4)
At end of year	**548**	582

Details of the Group's principal associates, all of which are unlisted, are shown in Note 32.

Notes to the Group Financial Statements
year ended 28 September 2012
(continued)

9. Taxation

	2012 £'000	2011 £'000
Current tax		
Corporation tax (credit)/charge	**(3)**	124
Overseas tax charge	**8,115**	3,181
Total current tax charge (pre-exceptional)	**8,112**	3,305
Deferred tax		
Origination and reversal of temporary differences	**(7,367)**	1,195
Defined benefit pension obligations	**1,115**	877
Effect of tax rate change	**(211)**	(1,339)
Employee share options	**(65)**	(87)
Total deferred tax (credit)/charge	**(6,528)**	646
Income tax charge (pre-exceptional)	**1,584**	3,951
Tax on exceptional items		
Current tax credit	**(7,883)**	(3,044)
Deferred tax credit	**(462)**	(9,588)
Exceptional tax credit	**(8,345)**	(12,632)
Total tax credit	**(6,761)**	(8,681)
Current tax relating to items credited to equity		
Income tax credit relating to foreign exchange	**(88)**	(265)
Deferred tax relating to items (credited)/charged to equity		
Actuarial loss on pension liability	**(2,569)**	(1,193)
Cash flow hedges transferred to Income Statement	**74**	–
Cash flow hedges fair value adjustments	**(673)**	–
	(3,168)	(1,193)

Reconciliation of Total Tax Credit
The tax credit for the year can be reconciled to the profit per the Income Statement as follows:

	2012 £'000	2011 £'000
Profit for the year	**35,623**	19,851
Total tax credit for the year	**(6,761)**	(8,681)
Less: Share of profit of associates after tax	**(464)**	(492)
	28,398	10,678
Tax expense at Irish corporation tax rate of 12.5%	**3,550**	1,335
Effects of:		
Expenses not deductible for tax purposes	**3,954**	5,946
Differences in effective tax rates on overseas earnings	**960**	869
Utilisation of tax losses	**(20)**	(136)
Net deferred tax assets recognised/(utilised)/not recognised	**(7,845)**	–
Tax exempted earnings and earnings at reduced Irish rates	**(94)**	(987)
Effect of rate change on deferred tax balance	**(211)**	(1,339)
Exceptional items (Note 6)	**(6,262)**	(11,688)
Other	**(793)**	(2,681)
Total tax credit for the year	**(6,761)**	(8,681)

Factors That May Impact Future Tax Charges and Other Disclosures
The tax charge in future periods will be impacted by any changes to the corporation tax rate in force in the countries in which the Group operates. In the UK, the Finance Bill 2012 included a reduction in the rate of corporate income tax from 26% to 24% effective 1 April 2012 that was substantively enacted in March 2012, and a further reduction to 23% effective April 2013 that was substantively enacted in July 2012. Deferred tax balances must be recognised at the future tax rate applicable when the balance is expected to unwind. As such, the rate reduction to 23% is reflected in the closing deferred tax balance. A further annual reduction in the UK corporate tax rate to 22% on 1 April 2014 has also been announced but has not been substantively enacted and therefore cannot be taken into account for the closing deferred tax balances.

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the Group's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred Taxation
The Group's deferred tax assets and liabilities are analysed as follows:

	Property, plant and equipment £'000	Acquisition related intangibles £'000	Retirement benefit obligations £'000	Derivative financial instruments £'000	Tax losses £'000	Employee share options £'000	Other £'000	2012 Total £'000
At beginning of year, as previously reported	**1,476**	**(11,790)**	**24,498**	**–**	**7,500**	**203**	**489**	**22,376**
Adjustments to provisional fair values previously recognised on business combinations (Note 30)	**–**	**425**	**–**	**–**	**–**	**–**	**–**	**425**
At beginning of year, as re-presented	**1,476**	**(11,365)**	**24,498**	**–**	**7,500**	**203**	**489**	**22,801**
Income Statement charge/(credit)	**6,876**	**2,025**	**(1,085)**	**–**	**(2,001)**	**65**	**1,110**	**6,990**
Tax charged to equity	**–**	**–**	**2,569**	**599**	**–**	**–**	**–**	**3,168**
Arising on acquisitions (Note 30)	**(744)**	**–**	**–**	**–**	**–**	**–**	**–**	**(744)**
Currency translation adjustment and other	**29**	**87**	**–**	**–**	**–**	**–**	**–**	**116**
At end of year	**7,637**	**(9,253)**	**25,982**	**599**	**5,499**	**268**	**1,599**	**32,331**
Deferred tax assets (deductible temporary differences)	**27,001**	**216**	**25,982**	**599**	**5,499**	**268**	**1,599**	**61,164**
Deferred tax liabilities (taxable temporary differences)	**(19,364)**	**(9,469)**	**–**	**–**	**–**	**–**	**–**	**(28,833)**
Net deferred tax asset/(liability)	**7,637**	**(9,253)**	**25,982**	**599**	**5,499**	**268**	**1,599**	**32,331**

	Property, plant and equipment £'000	Acquisition related intangibles £'000	Retirement benefit obligations £'000	Tax losses £'000	Employee share options £'000	Other £'000	2011 Total £'000
At beginning of year, as previously reported	(16,652)	(2,864)	23,450	–	116	(1,978)	2,072
Income Statement charge	5,886	647	(145)	–	87	2,467	8,942
Tax charged to equity	–	–	1,193	–	–	–	1,193
Discontinued tax credit	–	–	–	–	–	–	–
Arising on acquisitions (Note 30)	12,244	(9,574)	–	7,500	–	–	10,170
Currency translation adjustment and other	(2)	1	–	–	–	–	(1)
At end of year, as previously reported	1,476	(11,790)	24,498	7,500	203	489	22,376
Deferred tax assets (deductible temporary differences)	23,631	148	24,498	7,500	203	494	56,474
Deferred tax liabilities (taxable temporary differences)	(22,155)	(11,938)	–	–	–	(5)	(34,098)
Net deferred tax asset/(liability), as previously reported	1,476	(11,790)	24,498	7,500	203	489	22,376

Notes to the Group Financial Statements
year ended 28 September 2012
(continued)

9. Taxation (continued)

The Group has not provided deferred tax in relation to temporary timing differences applicable to investments in subsidiaries on the basis that the Group can control the timing and the realisation of these temporary differences, and it is probable that the temporary difference will not reverse in the foreseeable future. Given that participation exemptions and tax credits would be available in the context of the Group's investments in subsidiaries and associates in the majority of the jurisdictions in which the group operates, the aggregate amount of temporary differences in respect of which deferred tax liabilities have not been recognised would be immaterial (with materiality defined in the context of the 2012 financial statements). No provision has been recognised in respect of deferred tax relating to unremitted earnings of subsidiaries as there is no commitment to remit earnings.

No deferred tax asset is recognised in respect of certain tax losses incurred by the Group on the grounds that there is insufficient evidence that the assets will be recoverable. In the event that sufficient profits are generated in the relevant jurisdictions in the future, these assets may be recovered. The unrecognised deferred tax asset at 28 September 2012 was £101.0 million (2011: £113.0 million).

The Group utilised £8.9 million of tax losses during the year. The Group has reassessed the carrying amount of its deferred tax asset in respect of tax losses and an additional £12.3 million has been recognised in respect of tax losses previously unrecognised. This is a key judgement in the preparation of the financial statements.

No deferred tax asset is recognised in respect of certain capital losses incurred by the Group on the grounds that there is insufficient evidence that the assets will be recoverable. The unrecognised deferred tax asset at 28 September 2012 was £11.6 million (2011: £12.7 million).

10. Earnings per Ordinary Share

Basic earnings per ordinary share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares and shares held in trust in respect of the Deferred Bonus Awards Scheme and after adjusting the weighted average number of shares in the prior year for the effect of the Rights Issue and related bonus issue on the average number of shares in issue. The adjusted figures for basic and diluted earnings per ordinary share are after the elimination of exceptional items, the effect of foreign exchange (FX) on inter-company and external balances where hedge accounting is not applied, the movement in the fair value of all derivative financial instruments and related debt adjustments, the amortisation of acquisition related intangible assets and the effect of pension financing.

	2012 £'000	2011 £'000
Profit attributable to equity holders of the Company	**34,675**	19,149
Exceptional items (net of tax)	**5,605**	11,673
Fair value of derivative financial instruments and related debt adjustments	**(2,693)**	(3,168)
FX on inter-company and external balances where hedge accounting is not applied	**(66)**	(1,416)
Amortisation of acquisition related intangible assets (net of tax)	**7,942**	1,859
Pension financing (net of tax)	**3,749**	700
Numerator for adjusted earnings per share calculation	**49,212**	28,797

Denominator for Earnings per Share Calculation

	2012 '000	2011 '000
Shares in issue at the beginning of the year	**387,312**	210,574
Treasury shares	**(3,905)**	(3,905)
Shares held by Trust	**(2,270)**	(1,765)
Effect of bonus issue related to Rights Issue	**–**	49,003
Effect of shares issued in year	**3,873**	20,030
Weighted average number of ordinary shares in issue during the year	**385,010**	273,937

	2012 pence	2011 pence
Basic earnings per ordinary share	**9.0**	7.0
Adjusted basic earnings per ordinary share	**12.8**	10.5

Diluted Earnings per Ordinary Share

Diluted earnings per ordinary share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Employee share options, which are performance based, are treated as contingently issuable shares, because their issue is contingent upon satisfaction of specified performance conditions in addition to the passage of time. These contingently issuable ordinary shares are excluded from the computation of diluted earnings per ordinary share where the conditions governing exercisability have not been satisfied as at the end of the reporting period. Options over 10,295,973 (2011: 8,047,462) shares were excluded from the diluted EPS calculation as they were either antidilutive or contingently issuable ordinary shares which had not satisfied the performance conditions attaching at the end of the reporting period.

A reconciliation of the weighted average number of ordinary shares used for the purpose of calculating the diluted earnings per share amounts is as follows:

Denominator for Diluted Earnings per Share Calculation

	2012 '000	2011 '000
Weighted average number of ordinary shares in issue during the year	**385,010**	273,937
Dilutive effect of share options	**5,141**	2,392
Weighted average number of ordinary shares for diluted earnings per share	**390,151**	276,329

	2012 pence	2011 pence
Diluted earnings per ordinary share	**8.9**	6.9
Adjusted diluted earnings per ordinary share	**12.6**	10.4

11. Dividends Paid and Proposed

	2012 £'000	2011 £'000
Amounts recognised as distributions to equity holders in the year:		
Equity dividends on ordinary shares:		
Final dividend of 2.40 cent for the year ended 30 September 2011 (2010: 4.50 cent)	**7,680**	7,814
Interim dividend of 1.75 pence for the year ended 28 September 2012 (2011: 3.00 cent)	**6,821**	5,422
	14,501	13,236
Proposed for approval at AGM:		
Equity dividends on ordinary shares:		
Final dividend of 2.50 pence for the year ended 28 September 2012 (2011: 2.40 cent)	**9,830**	7,948

This proposed dividend is subject to approval by the shareholders at the annual general meeting and has not been included as a liability in the Balance Sheet of the Group as at 28 September 2012, in accordance with IAS 10 Events After the Balance Sheet Date.

The proposed final dividend for the year ended 28 September 2012 will be payable on 3 April 2013 to shareholders on the Register of Members at 7 December 2012.

Notes to the Group Financial Statements year ended 28 September 2012 (continued)

12. Goodwill and Intangible Assets

	Goodwill £'000	Computer software and other intangibles £'000	Acquisition related intangible assets – Customer related £'000	Acquisition related intangible assets – Non-customer related‡ £'000	Total £'000
Year ended 28 September 2012					
Opening net book amount, as previously reported	**415,806**	**2,920**	**49,355**	**4,091**	**472,172**
Adjustments to provisional fair values previously recognised on business combinations (Note 30)	**13,455**	**137**	**(1,700)**	**–**	**11,892**
Opening net book amount, as re-presented	**429,261**	**3,057**	**47,655**	**4,091**	**484,064**
Acquisitions through business combinations (Note 30)	**16,698**	**–**	**13,939**	**17**	**30,654**
Additions	**–**	**1,334**	**–**	**–**	**1,334**
Currency translation adjustment	**(1,507)**	**–**	**(554)**	**(16)**	**(2,077)**
Amortisation charge	**–**	**(1,366)**	**(7,258)**	**(2,952)**	**(11,576)**
Closing net book amount	**444,452**	**3,025**	**53,782**	**1,140**	**502,399**
At 28 September 2012					
Cost	**444,452**	**10,052**	**64,198**	**7,703**	**526,405**
Accumulated amortisation	**–**	**(7,027)**	**(10,416)**	**(6,563)**	**(24,006)**
Net book amount	**444,452**	**3,025**	**53,782**	**1,140**	**502,399**
Year ended 30 September 2011, as previously reported					
Opening net book amount	328,671	3,564	7,483	3,466	343,184
Acquisitions through business combinations (Note 30)	83,114	–	43,251	1,953	128,318
Additions	–	618	–	–	618
Adjustments	(217)	–	–	–	(217)
Currency translation adjustment	4,238	(1)	(66)	(3)	4,168
Amortisation charge	–	(1,261)	(1,313)	(1,325)	(3,899)
Closing net book amount, as previously reported	415,806	2,920	49,355	4,091	472,172
At 30 September 2011, as previously reported					
Cost	415,806	8,579	52,683	7,708	484,776
Accumulated amortisation	–	(5,659)	(3,328)	(3,617)	(12,604)
Net book amount	415,806	2,920	49,355	4,091	472,172

‡ Non-customer related acquisition related intangibles represents all other acquisition related intangible assets, primarily brands and contract related intangibles.

Goodwill acquired in business combinations is allocated, at acquisition, to the operating segments that are expected to benefit from that business combination. A summary of the allocation of the carrying value of goodwill by operating segment is as follows:

	2012 £'000	2011 As re-presented†* £'000
Convenience Foods UK	**401,678**	400,169
Convenience Foods US	**40,896**	27,060
Ingredients	**1,878**	2,032
	444,452	429,261

* As re-presented to reflect adjustments to provisional fair values previously recognised on business combinations as set out in Note 30.
† As re-presented to show comparative on the same basis as the current year.

Impairment Testing and Goodwill
Goodwill acquired through business combinations has been allocated to operating segments for the purposes of impairment testing based on the business unit into which the business will be assimilated.

The recoverable amount of each operating segment is based on a value in use computation. The cash flow forecasts employed for this computation are extracted from the 2013 budget and three year plan formally approved by the Board of Directors, and specifically exclude incremental profits and other cash flows stemming from any potential future acquisitions. The 2015 forecast cash flows are projected forward for a further two years using the same assumptions. A terminal value reflecting inflation of 2% (but no other growth) is applied to the Year Five cash flows. A present value of the future cash flows is calculated using discount rates of 9% (2011: 8%). Applying these techniques, no impairment arose in either 2012 or 2011.

The key assumptions include management's estimates of future profitability based on modest sales growth and inflation expectations, capital expenditure requirements including continuing investment, most particularly in Prepared Meals, Food to Go, Northampton, Grocery and the US, and working capital movements. The prior year assumptions were prepared on the same basis. The values applied to the key assumptions are derived from a combination of external and internal factors based on historical experience and take into account management's expectation of future trends affecting the industry and other developments and initiatives in the business. Estimation of the carrying value of goodwill is a key judgmental estimate in the preparation of the Group Financial Statements.

The goodwill arising on the acquisitions of MarketFare and Schau during the year was allocated to the Convenience Foods US operating segment and the goodwill arising on the acquisition of ICL was allocated to the Convenience Foods UK operating segment. The goodwill arising on the acquisition of Uniq and On A Roll during the prior year was allocated to the Convenience Foods UK and the Convenience Foods US operating segments respectively. The goodwill arising on the acquisition of Uniq was adjusted during the current year to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Further information in respect of the acquisitions, the intangibles acquired and subsequent adjustments is set out in Note 30.

Adjustments to goodwill relating to the acquisition of Sushi San in 2007 and Ministry of Cake in 2008 were recorded in 2011 and were allocated to the Convenience Foods UK operating segment. These adjustments arose due to the revision of the estimate of deferred contingent consideration payable to the former owners of these businesses.

An adjustment to the goodwill relating to the acquisition of the non-controlling interest in Trilby Trading in 2009 was recorded in 2011 and allocated to the Ingredients operating segment. The adjustment arose due to the revision of the estimate of deferred contingent consideration payable to the former owners of this business.

Sensitivity Analysis
If the estimated pre-tax discount rate applied to the discounted cash flows had been 10% higher than management's estimates, there would have been no requirement for the Group to recognise an impairment against goodwill.

If the estimated cash flow forecasts used in the value in use computations had been 10% lower than management's estimates, again there would have been no requirement for the Group to recognise any impairment against goodwill.

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year ended 28 September 2012
(continued)

13. Property, Plant and Equipment

	Land and buildings £'000	Plant and machinery £'000	Fixtures and fittings £'000	Capital work in progress £'000	Total £'000
Year ended 28 September 2012					
Opening net book amount, as previously reported	**101,864**	**102,577**	**4,473**	**5,933**	**214,847**
Adjustments to provisional fair values previously recognised on business combinations (Note 30)	**(3,776)**	**234**	**–**	**(881)**	**(4,423)**
Opening net book amount, as re-presented	**98,088**	**102,811**	**4,473**	**5,052**	**210,424**
Additions	**1,357**	**11,503**	**2,418**	**14,258**	**29,536**
Acquisitions through business combinations (Note 30)	**6,158**	**3,933**	**184**	**–**	**10,275**
Disposals	**(33)**	**(28)**	**–**	**–**	**(61)**
Reclassifications	**1,705**	**4,687**	**172**	**(6,564)**	**–**
Currency translation adjustment	**(485)**	**(238)**	**(5)**	**52**	**(676)**
Impairment	**(216)**	**(804)**	**–**	**–**	**(1,020)**
Depreciation charge	**(3,627)**	**(16,567)**	**(1,276)**	**–**	**(21,470)**
Closing net book amount	**102,947**	**105,297**	**5,966**	**12,798**	**227,008**
At 28 September 2012					
Cost	**132,419**	**250,345**	**15,243**	**12,798**	**410,805**
Accumulated depreciation	**(29,472)**	**(145,048)**	**(9,277)**	**–**	**(183,797)**
Net book amount	**102,947**	**105,297**	**5,966**	**12,798**	**227,008**
Year ended 30 September 2011, as previously reported					
Opening net book amount	88,075	89,199	3,930	3,328	184,532
Additions	712	10,314	1,561	5,109	17,696
Acquisitions through business combinations (Note 30)	13,780	12,773	25	3,409	29,987
Disposals	(182)	(199)	(4)	–	(385)
Reclassifications	2,308	3,488	99	(5,895)	–
Currency translation adjustment	84	28	19	(18)	113
Depreciation charge	(2,913)	(13,026)	(1,157)	–	(17,096)
Closing net book amount, as previously reported	101,864	102,577	4,473	5,933	214,847
At 30 September 2011, as previously reported					
Cost	127,972	231,085	12,354	5,933	377,344
Accumulated depreciation	(26,108)	(128,508)	(7,881)	–	(162,497)
Net book amount	101,864	102,577	4,473	5,933	214,847

The impairment charge in the current year of £1.02 million arose in the Convenience Foods US operating segment. A charge of £0.52 million arose on the closure of a test facility during the year and is included in operating costs in the Income Statement. A charge of £0.5 million arose on the reorganisation of the product portfolio in the US as part of the integration of MarketFare and Schau and is included as an exceptional item in operating costs in the Income Statement.

14. Investment Property

	2012 £'000	2011 £'000
Opening net book amount	**34,087**	32,164
Additions	**272**	2,354
Disposals	**(1,601)**	(561)
Currency translation adjustment	**(797)**	130
Closing net book amount	**31,961**	34,087

Analysed as:		
Cost	**31,961**	34,087
Accumulated depreciation	**–**	–
Net book amount	**31,961**	34,087

The fair value of the Group's investment properties at 28 September 2012 was £39.2 million (2011: £37.5 million). The valuation was carried out by the Group Property Director and was arrived at by reference to location, market conditions and status of planning applications.

Profit on disposal of property in the Ingredients & Property segment amounted to £nil (2011: £0.3 million).

Investment property at 28 September 2012 represents the Group's land subject to remediation, upon which no depreciation is provided.

15. Inventories

	2012 £'000	2011 As re-presented* £'000
Raw materials and consumables	**24,903**	26,252
Work in progress	**796**	812
Finished goods and goods for resale	**28,625**	22,747
	54,324	49,811

None of the above carrying amounts have been pledged as security for liabilities entered into by the Group.

Inventory recognised within cost of sales	**630,472**	415,838

16. Trade and Other Receivables

	2012 £'000	2011 As re-presented* £'000
Current		
Trade receivables	**77,560**	72,477
Prepayments	**8,402**	5,832
VAT	**7,423**	7,351
Other receivables	**13,633**	14,025
Subtotal – current	**107,018**	99,685
Non-current		
Other receivables	**2,817**	2,818
Total	**109,835**	102,503

The fair value of current receivables approximates book value due to their size and short-term nature.

Non-current receivables bear interest at market rates or are discounted to present value and accordingly approximate fair value.

The Group's exposure to credit and currency risk and impairment losses related to trade and other receivables is disclosed in Note 20.

* As re-presented to reflect adjustments to provisional fair values previously recognised on business combinations as set out in Note 30.

Notes to the Group Financial Statements
year ended 28 September 2012
(continued)

17. Trade and Other Payables

	2012 £'000	2011 As re-presented* £'000
Current		
Trade payables	**178,490**	153,645
Employment related taxes	**4,020**	6,595
Other payables and accrued expenses	**93,747**	86,545
VAT	**46**	44
Declared interim dividend	**6,821**	5,407
Subtotal – current	**283,124**	252,236
Non-current		
Other payables	**3,089**	3,538
Total	**286,213**	255,774

The Group's exposure to liquidity and currency risk is disclosed in Note 20.

18. Cash and Cash Equivalents

	2012 £'000	2011 £'000
Cash at bank and in hand	**18,763**	81,564

Cash at bank earns interest at floating rates based on short-term deposit rates. Deposits are made for varying periods of between one day and one month depending on the cash requirements of the Group. The fair value of cash and cash equivalents equals the carrying amount. Note 21 includes details of the Group's net debt at 28 September 2012.

In the prior year, £68.9 million received in respect of the proceeds of the Rights Issue was included in cash at bank and in hand. This cash was held in order to part fund the payment of the Uniq consideration.

19. Borrowings

	2012 £'000	2011 £'000
Non-current		
Bank borrowings	**172,130**	102,109
Private Placement Notes	**116,517**	120,107
Subtotal – non-current	**288,647**	222,216
Current		
Bank borrowings	**–**	15,500
Total borrowings	**288,647**	237,716

The maturity of non-current borrowings is as follows:

	2012 £'000	2011 £'000
Between 1 and 2 years	**49,912**	–
Between 2 and 5 years	**238,735**	222,216
	288,647	222,216

* As re-presented to reflect adjustments to provisional fair values previously recognised on business combinations as set out in Note 30.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	2012 £'000	2011 £'000
6 months or less	**172,130**	117,609
1–5 years	**116,517**	120,107
	288,647	237,716

Bank Borrowings
The Group's bank borrowings are denominated in sterling and US dollar and bear floating rate interest. Interest is set at commercial rates based on a spread over sterling LIBOR and US dollar LIBOR for periods of up to six months. At 28 September 2012, the Group's borrowings comprised of £95.0 million, and $127 million (2011: €65.0 million, $75.0 million and £15.5 million), the latest maturity being October 2016.

At 28 September 2012, the Group had available £161.4 million (2011: £247.4 million) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. Uncommitted facilities undrawn at 28 September 2012 amounted to £30.9 million (2011: £16.8 million).

Private Placement Notes
The Group's Private Placement Notes were issued in October 2003 and comprise fixed rate debt of $130 million (the US$ Notes) and £25 million (the Stg£ Note) respectively.

The US$ Notes comprise $30 million maturing in October 2013 and $100 million maturing in October 2015. The fixed rates on these notes range from 5.65% to 5.90%. These notes have been swapped (using cross-currency interest rate swaps designated as fair value hedges under IAS 39 Financial Instruments: Recognition and Measurement) from fixed US dollar to floating sterling rates, repricing semi-annually based on a spread over sterling LIBOR.

The Stg£ Note is a £25 million fixed rate note that has a rate of 6.19% and matures in October 2013.

The average spread the Group paid on its bank borrowings and Private Placement Notes in the year ended 28 September 2012 was 1.78%.

Guarantees
The Group's bank borrowings and Private Placement Notes are secured by guarantees from Greencore Group plc and cross guarantees from various companies within the Group. The Group treats these guarantees as insurance contracts and accounts for them as such.

Notes to the Group Financial Statements
year ended 28 September 2012
(continued)

20. Financial Risk Management and Financial Instruments

Financial Risk Management Objectives and Policies

The Group's activities expose it to a variety of financial risks including interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk. These financial risks are actively managed by the Group's treasury department under strict policies and guidelines approved by the Board of Directors. The Group's treasury department actively monitors market conditions with a view to minimising the exposure of the Group to changing market factors while at the same time minimising the volatility of the funding costs of the Group. The Group uses derivative financial instruments and in particular foreign currency contracts, cross-currency swaps and interest rate swaps to manage the financial risks associated with the underlying business activities of the Group and the financing of same.

Financial Assets and Liabilities

2012	Loans and receivables £'000	FV through Income Statement £'000	Cash flow hedges £'000	Financial liabilities at amortised cost £'000	Financial liabilities in fair value hedges £'000	Carrying value £'000	Fair value £'000
Trade and other receivables	**99,390**	**–**	**–**	**–**	**–**	**99,390**	**99,390**
Cash and cash equivalents	**18,763**	**–**	**–**	**–**	**–**	**18,763**	**18,763**
Derivative financial instruments	**–**	**5,643**	**(2,602)**	**–**	**–**	**3,041**	**3,064**
Bank borrowings	**–**	**–**	**–**	**(172,130)**	**–**	**(172,130)**	**(175,580)**
Private Placement Notes	**–**	**–**	**–**	**(25,000)**	**(91,517)**	**(116,517)**	**(117,079)**
Trade and other payables	**–**	**–**	**–**	**(283,107)**	**–**	**(283,107)**	**(283,107)**
Consideration payable	**–**	**–**	**–**	**(3,701)**	**–**	**(3,701)**	**(3,701)**
Provisions for liabilities	**–**	**–**	**–**	**(6,715)**	**–**	**(6,715)**	**(6,715)**

2011	Loans and receivables As re-presented* £'000	FV through Income Statement £'000	Cash flow hedges £'000	Financial liabilities at amortised cost As re-presented* £'000	Financial liabilities in fair value hedges £'000	Carrying value As re-presented* £'000	Fair value As re-presented* £'000
Trade and other receivables	94,643	–	–	–	–	94,643	94,643
Cash and cash equivalents	81,564	–	–	–	–	81,564	81,564
Derivative financial instruments	–	6,922	–	–	–	6,922	6,922
Bank borrowings	–	–	–	(117,609)	–	(117,609)	(116,720)
Private Placement Notes	–	–	–	(25,000)	(95,107)	(120,107)	(120,773)
Trade and other payables	–	–	–	(251,203)	–	(251,203)	(251,203)
Consideration payable	–	–	–	(113,344)	–	(113,344)	(113,344)
Provisions for liabilities	–	–	–	(6,914)	–	(6,914)	(6,914)

The fair value of the financial liabilities held at amortised cost and the financial liabilities in fair value hedges have been calculated by discounting the expected future cash flows at prevailing interest rates and by applying period end exchange rates.

Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for the asset or liability that are not observable market data (unobservable inputs)

* As re-presented to reflect adjustments to provisional fair values previously recognised on business combinations as set out in Note 30.

	2012 Level 2 £'000	2011 Level 2 £'000
Assets carried at fair value		
Cross currency swaps – fair value hedges	**11,867**	16,364
Forward foreign exchange contracts – not designated as hedges	**191**	–
	12,058	16,364
Liabilities carried at fair value		
Interest rate swaps – cash flow hedges	**(2,602)**	–
Interest rate swaps – not designated as hedges	**(6,415)**	(9,416)
Forward foreign exchange contracts – not designated as hedges	**–**	(26)
	(9,017)	(9,442)

During the current and prior periods, there were no transfers between the different levels identified above.

Interest Rate Risk

The Group's exposure to market risk for changes in interest rates arises from its floating rate borrowings, cash and cash equivalents and derivatives. The Group's policy is to minimise interest costs and reduce volatility in reported earnings. This is managed by reviewing the debt profile of the Group regularly on a currency by currency basis and by selectively using interest rate swaps to limit the level of floating interest rate exposure.

Sensitivity Analysis for Floating Rate Debt

The full year impact of both an upward and downward movement in each applicable interest rate and interest rate curve by 100 basis points (assuming all the other variables remain constant) is as follows:

	On profit after tax		**On equity**	
	2012 £'000	2011 £'000	**2012 £'000**	2011 £'000
Effect of a downward movement of 100 basis points (cost)	**(1,032)**	(1,349)	**(7,924)**	(1,349)
Effect of an upward movement of 100 basis points (gain)	**874**	1,201	**6,045**	1,201

Foreign Currency Risk

The Group is exposed to currency risk as follows:

- Sales and purchases in certain businesses
- Financing

Sales and Purchases in Certain Businesses

The Group is exposed to currency risk on sales and purchases in certain businesses that are denominated in currencies other than the functional currency of the entity concerned. The Group employs foreign currency contracts to economically hedge foreign exchange exposures arising from these forecast transactions. In addition, a significant level of the Group's head office costs in Dublin are denominated in euro. The Group's policy is to economically hedge these costs in order to reduce volatility in reported earnings through the use of foreign currency derivatives as appropriate.

The Group's trading entity exposures to foreign currency risk for amounts not denominated in the functional currency of the relevant entity at the balance sheet date were as follows (excluding derivative financial instruments):

		2012			2011	
Denominated in:	**Euro £'000**	**US dollars £'000**	**Sterling £'000**	Euro £'000	US dollars £'000	Sterling £'000
Trade receivables and other receivables	**223**	**–**	**1,251**	217	634	847
Trade payables and other payables	**(1,695)**	**(96)**	**(986)**	(6,094)	(2,001)	(928)
Cash and cash equivalents	**583**	**476**	**332**	(94)	1,108	610
Gross balance sheet exposure	**(889)**	**380**	**597**	(5,971)	(259)	529

Notes to the Group Financial Statements
year ended 28 September 2012
(continued)

20. Financial Risk Management and Financial Instruments (continued)

Financing
Although the Group is an Irish domiciled business and governed by Irish law, the majority of its activity is in the UK and therefore it has adopted sterling as its functional and reporting currency. The Group finances its operations by obtaining funding at Group level through external borrowings and where appropriate, these borrowings are designated as net investment hedges. This enables gains and losses arising on retranslation of foreign currency borrowings to be recognised in equity thereby providing a partial offset in equity against the gains and losses arising on translation of the net assets of the associated operations. A foreign exchange gain of £1.898 million (2011: £0.593 million) was recognised in equity during the period in respect of US dollar borrowings designated as net investment hedges.

The Group has financed its investment in the UK by borrowing sterling. Although a portion of this funding is obtained by directly borrowing sterling, a significant element of the funding is achieved through US dollar borrowings converted to sterling using cross-currency swaps.

Sensitivity Analysis for Primary Foreign Currency Risk
A 10% strengthening of the sterling exchange rate against euro or US dollar exchange rates in respect of the translation of amounts not denominated in the functional currency of relevant entities would increase profit after tax and equity by the amount shown below. This assumes that all other variables remain constant. A 10% weakening of the sterling exchange rate against euro or US dollar exchange rates would have an equal and opposite effect.

	On profit after tax		On equity	
	2012	2011 £'000	**2012 £'000**	2011 £'000
Impact of 10% strengthening of sterling vs euro gain	**858**	5,525	**858**	6,066
Impact of 10% strengthening of sterling vs dollar gain/(loss)	**(178)**	26	**6,964**	4,708

The effect on equity of a movement between sterling and US dollar would be offset by the translation of the net assets of the subsidiaries against which the US dollar borrowings are hedged. The above calculations do not include the variability in Group profitability which arises on the translation of the financial statements of foreign currency denominated subsidiaries into the Group presentation currency.

Liquidity Risk
The Group's policy on funding capacity is to ensure that it always has sufficient long-term funding and committed bank facilities in place to meet foreseeable peak borrowing requirements with an appropriate level of additional headroom. A prudent approach to liquidity risk management is taken by the Group by spreading the maturities of its debt using long-term financing. The Group's treasury department actively monitors the current and future funding requirements of the business on a daily basis. Excess funds are placed on short-term deposit for up to one month whilst ensuring that sufficient cash is available on demand to meet expected operational requirements.

The following are the carrying amounts and contractual liabilities of financial liabilities (including interest payments):

28 September 2012	Carrying amount £'000	Contractual amount £'000	Period 1–6 months £'000	Period 6–12 months £'000	Period 1–5 years £'000	Period >5 years £'000
Non-Derivative Financial Instruments						
Bank borrowings	**(172,130)**	**(188,348)**	**(2,124)**	**(2,060)**	**(184,164)**	**–**
Private Placement Notes	**(116,517)**	**(119,440)**	**(3,123)**	**(3,123)**	**(113,194)**	**–**
Trade and other payables	**(283,107)**	**(283,107)**	**(282,620)**	**–**	**(487)**	**–**
Consideration payable	**(3,701)**	**(3,701)**	**(2,095)**	**(1,071)**	**(535)**	**–**
Provisions for liabilities	**(6,715)**	**(6,937)**	**(662)**	**(2,687)**	**(3,588)**	**–**
Derivative Financial Instruments						
Interest rate swaps – cash flow hedges	**(2,602)**					
Inflow/(outflow)		**(3,180)**	**(312)**	**(346)**	**(2,285)**	**(237)**
Interest rate swaps – not designated as hedges	**(6,415)**					
Inflow/(outflow)		**(6,527)**	**(2,126)**	**(2,154)**	**(2,247)**	**–**
Cross currency swaps – fair value hedges	**11,867**					
Inflow		**92,773**	**2,349**	**2,349**	**88,075**	**–**
Outflow		**(64,205)**	**(799)**	**(711)**	**(62,695)**	**–**
Foreign currency forward contracts	**191**					
Inflow		**14,392**	**12,267**	**1,312**	**813**	**–**
Outflow		**(14,243)**	**(12,168)**	**(1,279)**	**(796)**	**–**

30 September 2011 (as re-presented*)	Carrying amount £'000	Contractual amount £'000	Period 1–6 months £'000	Period 6–12 months £'000	Period 1–5 years £'000	Period >5 years £'000
Non-Derivative Financial Instruments						
Bank borrowings	(117,609)	(139,664)	(17,430)	(1,870)	(120,364)	–
Private Placement Notes	(120,107)	(132,025)	(3,210)	(3,210)	(125,605)	–
Trade and other payables	(251,203)	(251,203)	(250,813)	–	(390)	–
Consideration payable	(113,344)	(113,344)	(113,344)	–	–	–
Provisions for liabilities	(6,919)	(7,447)	(878)	(1,241)	(4,324)	(1,004)
Derivative Financial Instruments						
Interest rate swaps – not designated as hedges	(9,416)					
Outflow		(11,986)	(2,005)	(1,887)	(8,094)	–
Cross currency swaps – fair value hedges	16,364					
Inflow		103,156	2,436	2,436	98,284	–
Outflow		(86,691)	(958)	(1,073)	(84,660)	–
Foreign currency forward contracts	(26)					
Inflow		6,668	6,395	273	–	–
Outflow		(6,566)	(6,298)	(268)	–	–

Credit Risk

Credit risk refers to the risk of financial loss to the Group if a counterparty defaults on its contractual obligations on financial assets held in the balance sheet. Risk is monitored both centrally and locally by Group management. The Group derives a significant proportion of its revenue from sales to a limited number of major customers. Sales to individual customers can be of significant value and the failure of any such customer to honour its debts could materially impact the Group's results. The Group derives significant benefit from trading with its large customers and manages the risk by regularly reviewing the credit history and ratings of all significant customers.

The Group assessed the carrying value of other receivables based on management's review and knowledge of the counterparty. The amount was neither past due nor impaired at 28 September 2012.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet:

	Carrying amount	
	2012 £'000	2011 As re-presented* £'000
Trade receivables	**77,560**	72,477
Other receivables	**14,406**	14,815
Cash and cash equivalents	**18,763**	81,564
Derivative financial instruments	**12,058**	16,364

Trade Receivables

76% of revenue in the Convenience Foods segment are to the top six UK retailers with a similar concentration in trade receivables. Revenue earned from four of these customers, £189.0 million, £167.2 million, £159.1 million and £133.6 million respectively, represent individually more than 10% of the Group's revenue.

The Group also manages credit risk through the use of a receivables purchase arrangement. Under the terms of this agreement, the Group transfers the credit risk, late payment risk and control of the receivables sold. There were no financial assets in which the Group had continuing involvement derecognised at year-end (2011: £10.1 million) and no transferred financial assets that were not derecognised (2011: £nil).

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Carrying amount	
	2012 £'000	2011 £'000
Ireland	**6,503**	7,850
United Kingdom	**65,105**	60,803
Other Europe	**64**	301
Rest of World	**5,888**	3,523
	77,560	72,477

* As re-presented to reflect adjustments to provisional fair values previously recognised on business combinations as set out in Note 30.

Notes to the Group Financial Statements year ended 28 September 2012 (continued)

20. Financial Risk Management and Financial Instruments (continued)

Ageing of Trade Receivables

The aged analysis of trade receivables split between amounts that were neither past due nor impaired, amounts past due but not impaired and amounts that are impaired at 28 September 2012 and 30 September 2011 were as follows:

	2012 £'000	2011 £'000
Neither past due nor impaired:		
Receivable within 3 months of the balance sheet date	**68,274**	58,120
Past due but not impaired:		
Receivable between 1 and 6 months of the balance sheet date	**9,286**	14,357
Impaired		
Not receivable	**–**	–
Total	**77,560**	72,477

Trade receivables are in general receivable within 90 days of the balance sheet date, are unsecured and are not interest bearing. The amounts disclosed above are stated net of provisions for impairment. The movements in the provision for impairment of receivables are as follows:

	2012 £'000	2011 £'000
At beginning of year	**2,486**	799
Provided during year	**1,260**	2,193
Arising on acquisition (Note 30)	**121**	21
Written-off during year	**(2,565)**	(358)
Recovered during year	**(4)**	(171)
Translation adjustment	**(22)**	2
At end of year	**1,276**	2,486

Cash and Cash Equivalents

Exposure to credit risk on cash and cash equivalents is actively monitored by the Group's treasury department. The maximum exposure to credit risk for cash and cash equivalents by geographic location of financial institution was as follows:

	Carrying amount	
	2012 £'000	2011 £'000
UK	**12,319**	76,688
Ireland and other	**6,387**	4,778
Europe	**57**	98
	18,763	81,564

Price Risk

The Group purchases a variety of commodities which are subject to significant price volatility. The price risk on these commodities is actively managed through the Group's purchasing function. It is Group policy to minimise its exposure to volatility by adopting an appropriate forward purchase strategy.

Derivative Financial Instruments

Derivative financial instruments recognised as assets and liabilities in the Balance Sheet are analysed as follows:

		2012	
	Assets £'000	Liabilities £'000	Net £'000
Current			
Forward foreign exchange contracts – not designated as hedges	**170**	**–**	**170**
	170	**–**	**170**
Non-current			
Cross currency interest rate swaps – fair value hedges	**11,867**	**–**	**11,867**
Interest rate swaps – not designated as hedges	**–**	**(6,415)**	**(6,415)**
Interest rate swaps – cash flow hedges	**–**	**(2,602)**	**(2,602)**
Forward foreign exchange contracts – not designated as hedges	**21**	**–**	**21**
	11,888	**(9,017)**	**2,871**
Total	**12,058**	**(9,017)**	**3,041**

	2011 Assets £'000	2011 Liabilities £'000	2011 Net £'000
Current			
Interest rate swaps – not designated as hedges	–	(9,416)	(9,416)
Forward foreign exchange contracts – not designated as hedges		(26)	(26)
	–	(9,442)	(9,442)
Non-current			
Cross currency interest rate swaps – fair value hedges	16,364	–	16,364
Total	16,364	(9,442)	6,922

Derivative instruments which are held for trading and not designated as effective hedging instruments are classified as a current asset or liability (as appropriate) regardless of maturity if the Group expects that they may be settled within 12 months of the balance sheet date. Derivative instruments that are designated as effective hedging instruments are classified as a current or non-current asset or liability by reference to the maturity of the hedged item. All other derivative instruments are classified by reference to their maturity date.

Cross-currency Interest Rate Swaps

The Group utilises cross-currency interest rate swaps to swap fixed rate US dollar denominated debt of $130 million into floating rate sterling debt of £78 million. The floating rates are based on sterling LIBOR. These swaps are designated as fair value hedges under IAS 39 Financial Instruments: Recognition and Measurement.

Interest Rate Swaps

The Group utilises interest rate swaps to convert floating rate sterling and US dollar debt into fixed rate debt liabilities. The principal amount of the Group's borrowings which are swapped at 28 September 2012 total £125 million and $70 million (2011: £75 million and $30 million). In addition, the Group has entered into forward starting interest rate swaps of £50 million and $30 million commencing in October 2013 that replace similar sized maturing instruments at a lower fixed cost. The total value of interest rate swaps designated as cash flow hedges under IAS 39 Financial Instruments: Recognition and Measurement at 28 September 2012 was £100 million and $70 million (inclusive of the forward starting interest rate swaps). At 28 September 2012, the fixed interest rates vary from 0.93% to 5.70% (2011: 4.30% to 5.70%) with maturities ranging from October 2013 to October 2018 (2011: October 2013 to October 2015).

Forward Foreign Exchange Contracts

The notional principal amounts of outstanding forward foreign exchange contracts at 28 September 2012 total £14.4 million (2011: £6.7 million). No outstanding forward foreign exchange contracts are designated as cash flow hedges at 28 September 2012.

21. Analysis of Net Debt

Reconciliation of Opening to Closing Net Debt

Net debt is a non-IFRS measure which comprises current and non-current borrowings and the cross-currency interest rate swaps in fair value hedges related to the Private Placement Notes less cash and cash equivalents. It does not include other derivative financial instruments, but does include the proportion of the fair value of the hedging adjustment on the Private Placement Notes which is included in their carrying value on the balance sheet.

The reconciliation of opening to closing net debt for the year ended is as follows:

2012	At 30 September 2011 £'000	Acquisitions £'000	Cash flow £'000	Hedge adjustment £'000	Translation and non-cash adjustments £'000	At 28 September 2012 £'000
Cash and cash equivalents	**81,564**	**2,686**	**(65,712)**	**–**	**225**	**18,763**
Bank borrowings	**(117,609)**	**–**	**(55,868)‡**	**–**	**1,347**	**(172,130)**
Private Placement Notes	**(120,107)**	**–**	**–**	**3,590**	**–**	**(116,517)**
Cross-currency interest rate swaps – fair value hedges	**16,364**	**–**	**–**	**(4,497)**	**–**	**11,867**
Total	**(139,788)**	**2,686**	**(121,580)**	**(907)**	**1,572**	**(258,017)**

‡ During the year £76.4 million was drawn by the Group on the revolving credit facility and bank borrowings of £20.5 million were repaid.

Notes to the Group Financial Statements year ended 28 September 2012 (continued)

21. Analysis of Net Debt (continued)

	2011					
	At 24 September 2010 £'000	Acquisitions £'000	Cash flow £'000	Hedge adjustment £'000	Translation and non-cash adjustments £'000	At 30 September 2011 £'000
Cash and cash equivalents	9,931	8,364	64,047	–	(778)	81,564
Bank borrowings	(38,308)	(15,500)	(66,967)‡	–	3,166	(117,609)
Private Placement Notes	(154,100)	–	35,120	(1,127)	–	(120,107)
Cross-currency interest rate swaps – fair value hedges	18,413	–	(2,107)	58	–	16,364
Total	(164,064)	(7,136)	30,093	(1,069)	2,388	(139,788)

‡ The Group refinanced its revolving credit facility during the prior year which resulted in the repayment of existing facilities totalling £220.6 million on 21 May 2011 and the draw down of £220.6 million of new facilities on the same date.

Currency Profile

The currency profile of net debt and derivative financial instruments was as follows:

	2012			
	US dollar £'000	**Euro £'000**	**Sterling £'000**	**Total £'000**
Cash and cash equivalents	**3,870**	**2,766**	**12,127**	**18,763**
Borrowings	**(78,228)**	**–**	**(210,419)**	**(288,647)**
Derivative financial instruments	**(1,073)**	**–**	**4,114**	**3,041**
	(75,431)	**2,766**	**(194,178)**	**(266,843)**

	2011			
	US dollar £'000	Euro £'000	Sterling £'000	Total £'000
Cash and cash equivalents	2,777	4,969	73,818	81,564
Borrowings	(48,284)	(55,939)	(133,493)	(237,716)
Derivative financial instruments	(1,515)	–	8,437	6,922
	(47,022)	(50,970)	(51,238)	(149,230)

Interest Rate Profile

The interest rate profile of net debt was as follows:

	2012		
	Floating rate net debt £'000	**Fixed rate net debt £'000**	**Total £'000**
Euro	**2,766**	**–**	**2,766**
Sterling	**(37,524)**	**(148,901)**	**(186,425)**
US dollar	**(31,060)**	**(43,298)**	**(74,358)**
	(65,818)	**(192,199)**	**(258,017)**

	2011 As re-presented†		
	Floating rate net debt £'000	Fixed rate net debt £'000	Total £'000
Euro	(53,018)	–	(53,018)
Sterling	58,599	(100,000)	(41,401)
US dollar	(26,055)	(19,314)	(45,369)
	(20,474)	(119,314)	(139,788)

† As re-presented to show comparative on the same basis as the current year.

22. Provisions for Liabilities

	Deferred contingent consideration £'000	Leases £'000	Remediation and closure £'000	Other £'000	Total £'000
At beginning of year, as previously reported	–	10,177	14,911	2,001	27,089
Adjustments to provisional fair values previously recognised on business combinations (Note 30)	–	426	(2,411)	3,850	1,865
At beginning of year, as re-presented	–	10,603	12,500	5,851	28,954
Provided in year	–	1,100	–	–	1,100
Arising on acquisitions (Note 30)	1,277	223	–	–	1,500
Utilised in year	–	(1,678)	(8,414)	(632)	(10,724)
Unwind of discount to present value in the year	–	149	–	–	149
Currency translation adjustment	(40)	(6)	(160)	(64)	(270)
At end of year	1,237	10,391	3,926	5,155	20,709

Analysed as:

	2012 £'000	2011 As re-presented* £'000
Non-current liabilities	12,112	15,880
Current liabilities	8,597	13,074
	20,709	28,954

The estimation of provisions is a key judgement in the preparation of the financial statements.

Deferred Contingent Consideration
Deferred contingent consideration relates to the acquisition of Schau. Further information is set out in Note 30.

Leases
Lease provisions consist of (a) provisions for leasehold dilapidations in respect of certain leases, relating to the estimated cost of reinstating leasehold premises to their original condition at the time of the inception of the lease as provided for in the lease agreement; and (b) provisions for onerous contractual obligations for properties held under operating lease. It is anticipated that these will be payable within six years.

Remediation and Closure
Remediation and closure obligations were established to cover either a statutory, contractual or constructive obligation of the Group.

In the Ingredients & Property segment, remediation and closure obligations primarily relate to the closure of Irish Sugar and the exit from sugar processing. A portion of the balance provided is not contracted and accordingly the timing of payments is subject to a degree of uncertainty. A significant amount of the costs will be incurred by September 2013.

In the Convenience Foods segment, the remediation and closure obligations relate to the exit from yoghurt production and the exit from the loss making everyday desserts business. This restructuring project is expected to be completed by December 2012.

Other
Other provisions primarily consist of provisions for litigation, warranty and other claims arising from previously disposed businesses. It is anticipated that these will be payable within five years.

23. Retirement Benefit Obligations

The Group operates defined contribution pension schemes in all of its main operating locations. The Group also has defined benefit schemes as set out below. Scheme assets are held in separate trustee administered funds.

Defined Contribution Schemes
The total cost charged to income of £3.251 million (2011: £2.546 million) represents employer contributions payable to these schemes at rates specified in the rules of the schemes. At year-end, £0.370 million (2011: £0.256 million) was included in other accruals in respect of defined contribution pension accruals.

* As re-presented to reflect adjustments to provisional fair values previously recognised on business combinations as set out in Note 30.

Notes to the Group Financial Statements
year ended 28 September 2012
(continued)

23. Retirement Benefit Obligations (continued)

Defined Benefit Schemes

The Group operates four defined benefit schemes in the Republic of Ireland (the Irish schemes) and four defined benefit schemes and two benefit commitments in the UK (the UK schemes). The Group acquired one of the defined benefit schemes and the two benefit commitments in the UK as part of the Uniq acquisition in the prior year. The Projected Unit Credit actuarial cost method has been employed in determining the present value of the defined benefit obligation arising, the related current service cost and, where applicable, past service cost.

The company's cash contributions to its pension schemes are generally determined by reference to actuarial valuations undertaken by the schemes' actuaries at intervals not exceeding three years and not by the provisions of IAS 19. These funding valuations can differ materially from the requirements of IAS 19. In particular the discount rate used to determine the value of the liabilities under IAS 19 is determined by reference to the yield on high grade corporate bonds of comparable duration to the liabilities. In contrast the discount rate used in the ongoing valuation is generally determined by reference to the expected yield on the scheme's current and projected future investment portfolio. Where a funding valuation reveals a deficit in a scheme, the company will generally agree a schedule of contributions with the Trustees designed to address the deficit over an agreed future time horizon. Based on current discussions with the trustees of the scheme we expect cash contributions to be £15.0 million in FY13.

Certain comparatives have been restated to disclose scheme information by geographical location so as to provide users of the financial statements with more information to evaluate the nature of the schemes and their financial effects. The presentation of the Paragraph 51 (b) limit has also been amended.

All of the defined benefit schemes are closed to future accrual and there is an assumption applied in the valuation of the schemes that there will be no discretionary increases in pensions in payment.

Actuarial gains and losses and the associated movement in the deferred tax asset are recognised in retained income via the Statement of Recognised Income and Expense.

Full actuarial valuations were carried out between 1 April 2008 and 1 April 2012. In general, actuarial valuations are not available for public inspection, however, the results of valuations are advised to the members of the various schemes.

The size of the obligation is sensitive to judgmental actuarial assumptions. These include demographic assumptions covering mortality, economic assumptions covering price inflation and benefit increases, together with the discount rate. The expected return on plan assets is also a key judgement.

The principal actuarial assumptions were as follows:

	Irish Schemes		UK Schemes	
	2012	2011 As re-presented†	**2012**	2011 As re-presented†
Rate of increase in pension payment	**0%‡**	0%‡	**2.60%**	3.10%
Discount rate	**4.00%**	5.20%	**4.60%**	5.25%
Inflation rate	**1.90%**	1.90%	**2.70%**	3.10%

‡ The pension increase rate shown applies to the majority of the liability base. There are however certain categories within the Group that have an entitlement to pension indexation and this is allowed for in the calculation.

During the period, the group refined its estimate of the discount rate used for the purposes of the computation of the defined benefit liabilities in ROI. The refinement included a significant extension of the bond data included in the population from which the discount rate is derived as well as a refinement of the approach used to extrapolate the available bond data out to the duration of the pension scheme obligations.

† As re-presented to show comparative on the same basis as the current year.

The expected long-term rates of return on the assets of the schemes were as follows:

	Irish Schemes		UK Schemes	
	2012	2011 As re-presented†	**2012**	2011 As re-presented†
Equities	**7.00%**	8.00%	**6.60%**	7.30%
Bonds	**2.10%–4.00%**	3.50%–4.00%	**3.70%–4.60%**	3.28%–5.25%
Property	**6.00%**	7.00%	**6.60%**	–
Cash/Other	**2.00%**	2.00%	**0.50%**	0.50%

The expected long-term rate of return on scheme assets was calculated taking account of the current level of expected returns on least risk investments (primarily government bonds), the historical level of the risk premium associated with other asset classes in which the portfolio is invested and the expectations of future returns for each asset class.

	2012 £'000	2011 As re-presented†
Total return on plan assets for the year	**54,683**	(2,574)

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 (S1N (YoB) MC tables combined with an underpin for improvements factors). The average life expectancy, in years, of a pensioner retiring at 65 is as follows:

	Irish Schemes		UK Schemes	
	2012 years	2011 As re-presented† years	**2012 years**	2011 As re-presented† years
Male	**22**	22	**24**	22–26
Female	**24**	24–25	**27**	25–28

Sensitivity of Pension Liability to Judgmental Assumptions

		Impact on Scheme Liabilities	
Assumption	**Change in assumption**	**Irish Schemes**	**UK Schemes**
Discount rate	Increase/decrease by 0.5%	↓/↑ by 5.9%	↓/↑ by 9.2%
Rate of inflation	Increase/decrease by 0.5%	↑/↓ by 2.3%	↑/↓ by 7.0%
Rate of mortality	Members assumed to live 1 year longer	↑ by 2.6%	↑ by 2.1%

Market Value of the Assets of the Schemes

	2012			2011 As re-presented†*		
	Irish Schemes £'000	**UK Schemes £'000**	**Total £'000**	Irish Schemes £'000	UK Schemes £'000	Total £'000
Equities	**85,708**	**67,641**	**153,349**	77,390	60,491	137,881
Bonds	**83,347**	**31,957**	**115,304**	72,414	25,725	98,139
Property	**13,150**	**11,771**	**24,921**	14,058	4,239	18,297
Cash/Other	**27,181**	**24,953**	**52,134**	29,168	31,207	60,375
Total market value at end of year	**209,386**	**136,322**	**345,708**	193,030	121,662	314,692
Effect of Paragraph 58(b) limit	**–**	**(631)**	**(631)**	–	(157)	(157)
Present value of scheme liabilities	**(235,767)**	**(251,151)**	**(486,918)**	(223,095)	(221,807)	(444,902)
Deficit in schemes	**(26,381)**	**(115,460)**	**(141,841)**	(30,065)	(100,302)	(130,367)
Deferred tax asset (Note 9)	**–**	**25,982**	**25,982**	–	24,498	24,498
Net liability at end of year	**(26,381)**	**(89,478)**	**(115,859)**	(30,065)	(75,804)	(105,869)

* As re-presented to reflect adjustments to provisional fair values previously recognised on business combinations as set out in Note 30.
† As re-presented to show comparative on the same basis as the current year.

Notes to the Group Financial Statements
year ended 28 September 2012
(continued)

23. Retirement Benefit Obligations (continued)

Defined Benefit Pension Assets and Liabilities are Analysed in the Group Balance Sheet

	2012 £'000	2011 As re-presented* £'000
Non-current liabilities	**(141,841)**	(130,367)

Expense Charged in the Group Income Statement in Respect of Defined Benefit Pension Schemes

	2012 £'000	2011 £'000
Past service costs	–	352

	2012 £'000	2011 £'000
Interest cost	**22,226**	21,090
Expected return on plan assets	**(17,568)**	(19,310)
Total included in finance costs	**4,658**	1,780

Actuarial Losses Recognised in the Statement of Recognised Income and Expense

	2012 £'000	2011 As re-presented† £'000
Actual return less expected return on pension scheme assets	**37,115**	(21,884)
Effect of Paragraph 58(b) limit	**(474)**	299
Actuarial losses arising on the scheme liabilities	**(60,412)**	(15,357)
Total loss included in the Statement of Recognised Income and Expense	**(23,771)**	(36,942)

Cumulative Actuarial Loss Recognised in the Statement of Recognised Income and Expense

	2012 £'000	2011 £'000
At beginning of year	**(169,047)**	(132,105)
Actuarial loss for the year	**(23,771)**	(36,942)
At end of year	**(192,818)**	(169,047)

Movement in the Fair Value of Plan Assets

	2012 £'000	2011 £'000
At beginning of year	**314,692**	323,521
Expected return on plan assets	**17,568**	19,310
Actuarial gain/(loss)	**37,115**	(21,884)
Arising on acquisition (Note 30)	–	967
Contributions by employers	**14,830**	11,985
Contributions by members	–	3
Benefits and expenses paid	**(22,515)**	(22,126)
Currency translation adjustment	**(15,982)**	2,916
At end of year	**345,708**	314,692

* As re-presented to reflect adjustments to provisional fair values previously recognised on business combinations as set out in Note 30.
† As re-presented to show comparative on the same basis as the current year.

Movement in the Present Value of Defined Benefit Obligations

	2012 £'000	2011 As re-presented† £'000
At beginning of year, as previously reported	**444,702**	423,539
Adjustments to provisional fair values previously recognised on business combinations (Note 30)	**200**	–
At beginning of year, as re-presented	**444,902**	423,539
Past service cost	**–**	352
Interest cost	**22,226**	21,090
Arising on acquisition (Note 30)	**–**	3,413
Actuarial loss	**60,412**	15,357
Contributions by members	**–**	3
Benefits and expenses paid	**(22,515)**	(22,126)
Currency translation adjustment	**(18,107)**	3,074
At end of year	**486,918**	444,702

History of Experience Adjustments

	2012 £'000	2011 As re-presented†* £'000	2010 As re-presented† £'000	2009 £'000	2008 £'000
Present value of defined benefit obligations	**(486,918)**	(444,902)	(423,539)	(408,249)	(360,169)
Fair value of scheme assets	**345,708**	314,692	323,521	317,048	306,925
Effect of Paragraph 58(b) limit	**(631)**	(157)	(456)	–	–
Deficit in the schemes	**(141,841)**	(130,367)	(100,474)	(91,201)	(53,244)

	2012	2011 As re-presented†	2010 As re-presented†	2009	2008
Difference between the expected and actual return on scheme assets (£'000)	**37,115**	(21,884)	18,405	(33,129)	(115,228)
As a percentage of scheme assets	**10.7%**	7.0%	5.7%	10.4%	37.5%
Actuarial (losses)/gains on scheme liabilities (£'000)	**(60,412)**	(15,357)	(42,835)	(10,417)	65,779
As a percentage of the present value of scheme liabilities	**12.4%**	3.5%	10.1%	2.6%	18.3%
Total recognised in Statement of Recognised Income and Expenses (£'000)	**(23,771)**	(36,942)	(24,886)	(43,546)	(49,448)
As a percentage of the present value of the scheme liabilities	**4.9%**	8.3%	5.9%	10.7%	13.7%

Greencore Group Pension Scheme Contingent Asset

The Greencore Group Pension Scheme ('the Scheme') has a mortgage and charge relating to certain property assets of the Group with a carrying value of £8.7 million (2011: £10.9 million) for use as a contingent asset of the Scheme. Under the terms of the mortgage and charge, should a disposal of these property assets occur that meets the terms of the mortgage and charge, the Scheme is entitled to a portion of the sale proceeds. The maximum amount recoverable by the Trustees of the Scheme under the mortgage and charge is the amount required for the Scheme to meet the minimum funding standard under the Pension Acts 1990-2009. During the year, £0.4 million (2011: £nil) was paid to the Scheme on foot of this arrangement.

* As re-presented to reflect adjustments to provisional fair values previously recognised on business combinations as set out in Note 30.

† As re-presented to show comparative on the same basis as the current year.

Notes to the Group Financial Statements
year ended 28 September 2012 (continued)

24. Equity Share Capital

Authorised	2012 £'000	2011 £'000
500,000,000 (2011: 500,000,000) ordinary shares of £0.01 (2011: €0.01) each	**5,000**	4,303
500,000,000 (2011: nil) deferred shares of €0.01 each	**4,303**	–
300,000,000 (2011: 300,000,000) deferred shares of €0.62 each	**160,072**	160,072
1 special rights preference share of €1.26 (a)	**–**	–
	169,375	164,375

Issued and fully paid	2012 £'000	2011 £'000
390,451,541 (2011: 383,407,228) ordinary shares of £0.01 (2011: €0.01) each	**3,904**	3,300
384,815,847 (2011: nil) deferred shares of €0.01 each	**3,312**	–
209,131,215 (2011: 209,131,215) deferred shares of €0.62 each	**111,587**	111,587
66 ordinary shares of £0.01 each held as treasury shares (e)	**–**	–
3,904,716 ordinary shares of €0.63 each held as treasury shares (e)	**2,117**	2,117
1 special rights preference share of €1.26 (a)	**–**	–
	120,920	117,004

Reconciliation of movements on Equity Share Capital	2012 £'000	2011 As re-presented† £'000
Share capital, at beginning of year	**117,004**	112,536
Exercise of share options (b)	**7**	11
Shares issued during the year – redenomination (d)	**3,848**	1,500
Scrip dividends (c)	**61**	1,366
Currency translation adjustment	**–**	1,591
Share capital, at end of year	**120,920**	117,004

(a) The special share is owned by the Minister for Agriculture, Food and the Marine, on behalf of the Irish State. This gives the owner certain rights, inter alia, in relation to the shares, sugar quota and sugar producing assets of Irish Sugar Limited. See the Directors' Report on page 33 for further information.
(b) Details of share options granted under the Company's Executive Share Option Scheme, savings-related share option schemes and the Deferred Bonus Plan and the terms attaching thereto are provided in Note 5 to the Group Financial Statements and in the Report on Directors Remuneration.
(c) During the year 6,336,618 (2011: 2,441,392) shares were issued in respect of the scrip dividend scheme.
(d) The Company issued 174,276,013 ordinary shares of €0.01 each by way of a 5 for 6 rights issue on 24 August 2011 for cash at €0.46 each. As part of the Rights Issue, the Company's ordinary shares were renominalised, resulting in the nominal value of each ordinary share being reduced from €0.63 per share to €0.01 per share.
(e) The company re-purchased 3,904,782 ordinary shares of €0.63 each in 1998 and 66 ordinary shares of £0.01 each during the current year. During the current year and the prior year none of these shares were re-issued. These shares are held as treasury shares and do not carry dividend or voting rights.

Redenomination of Ordinary Share Capital
Following the Company's entry into the FTSE UK Index Series and the cancellation of the trading of its shares on the Irish Stock Exchange, the Company's shares were only quoted in sterling. Pursuant to the resolutions passed at the Company's Annual General Meeting on 9 February 2012, the nominal value of the Company's share capital was redenominated to sterling.

Change in Authorised Capital
At the Annual General Meeting held on 9 February 2012, the authorised share capital of the Company was increased so that it now consists of 500,000,000 ordinary shares of £0.01 each, 500,000,000 deferred shares of €0.01 each, 300,000,000 deferred shares of €0.62 each and one special rights preference share of €1.26.

Issue of New Shares
The Company issued 384,815,847 new ordinary shares of £0.01 each as fully paid bonus shares to the equity holders of the Company on the basis of one share for every ordinary share of €0.01 held. The ordinary shares of €0.01 each were then converted into deferred shares of €0.01 in the capital of the Company.

† As re-presented to show comparative on the same basis as the current year.

Deferred Shares

The rights attaching to the ordinary shares of £0.01 each (including voting and dividend rights and rights on a return of capital) are identical to those of the previous ordinary shares of €0.01 each. The deferred shares of €0.01 created on the redenomination and the deferred shares of €0.62 each have no voting or dividend rights and, on a return of capital on a winding up of the Company, will have the right to receive the amount paid up thereon only after ordinary shareholders have received, in aggregate, any amounts paid up thereon plus £100 million per ordinary share of £0.01, the purpose of which is to ensure that the deferred shares have no economic value.

Both the deferred shares of €0.01 each and the deferred shares of €0.62 each are not transferable at any time, other than with the prior written consent of the Directors. At the appropriate time, the Company may redeem or repurchase the deferred shares, make an application to the High Court of Ireland for the deferred shares to be cancelled, or acquire or cancel or seek the surrender of the deferred shares (in each case for no consideration) using such other lawful means as the Directors may determine. The Directors are in the process of cancelling the deferred shares.

Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising return to stakeholders through the optimisation of the debt and equity balance. Invested Capital is defined as the sum of all current and non-current assets (including intangibles), less current and non-current liabilities with the exception of debt items, derivatives and retirement benefit obligations. The Group's return on invested capital is calculated by dividing net operating profit after tax ('NOPAT') by average invested capital. NOPAT is calculated as operating profit (pre-exceptional charges and amortisation of acquisition related intangibles) including share of associates less tax at the effective rate in the income statement. The average invested capital is calculated by adding together the invested capital from the opening and closing balance sheet and dividing by two. The Group monitors the return on invested capital of the Group as a key performance indicator. The FY11 calculation was further adjusted to exclude balance sheet items related to Uniq as there was no trading contribution from Uniq in the FY11 financial statements. An adjustment was also made in FY12 to the opening invested capital to exclude the consideration payable to Uniq shareholders.

	2012 £'000	2011 As re-presented†* £'000	2010 As re-presented† £'000
Total assets	**1,018,060**	1,035,873	721,715
Total liabilities	**(817,541)**	(841,273)	(569,968)
Net debt (Note 21)	**258,017**	139,788	164,064
Derivatives not designated as fair value hedges (Note 20)	**8,826**	9,442	16,028
Retirement benefit obligation (net of deferred tax asset) (Note 23)	**115,859**	105,869	77,024
Consideration payable on acquisition of Uniq (Note 30)	**–**	112,702	–
Capital for 2012 ROIC calculation	**583,221**	562,401	408,863
Adjusted for:			
Fair value of acquired net assets of Uniq excluding borrowing and retirement benefit obligations (Note 30)		(122,725)	–
Capital for 2011 ROIC calculation		439,676	408,863

25. Non-Controlling Interests

	2012 £'000	2011 £'000
At beginning of year	**2,962**	2,444
Profit after tax	**948**	702
Dividends paid to non-controlling interests	**(424)**	(219)
Currency translation adjustment	**(240)**	35
At end of year	**3,246**	2,962

26. Working Capital Movement

	2012 £'000	2011 £'000
Inventories	**332**	(7,145)
Trade and other receivables	**4,245**	(13,892)
Trade and other payables	**18,832**	19,485
	23,409	(1,552)

* As re-presented to reflect adjustments to provisional fair values previously recognised on business combinations as set out in Note 30.

† As re-presented to show comparative on the same basis as the current year.

Notes to the Group Financial Statements
year ended 28 September 2012
(continued)

27. Commitments Under Operating Leases

Operating Leases
Future minimum rentals payable under non-cancellable operating leases at year end are as follows:

	2012 £'000	2011 £'000
Within one year	**10,132**	9,394
After one year but not more than five years	**28,774**	25,796
More than five years	**27,120**	31,893
	66,026	67,083

Operating lease commitments relate to property, plant and machinery and fixtures and fittings.

28. Capital Expenditure Commitments

	2012 £'000	2011 £'000
Capital expenditure that has been contracted but not been provided for	**3,054**	1,511
Capital expenditure that has been authorised by the Directors but not yet been contracted	**7,061**	1,832
	10,115	3,343

29. Contingencies

The Company and certain subsidiaries have given guarantees in respect of borrowings and other obligations arising in the ordinary course of the business of the Company and other Group undertakings. The Company and other Group undertakings consider these guarantees to be insurance contracts and account for them as such. The Company treats these guarantee contracts as contingent liabilities until such time as it becomes probable that a payment will be required under such guarantees.

Pursuant to the provisions of Section 17, Companies (Amendment) Act, 1986, the Company has guaranteed the liabilities of certain subsidiary undertakings in the Republic of Ireland for the financial year ended 28 September 2012 and as a result, such subsidiary undertakings have been exempted from the filing provisions of Section 7, Companies (Amendment) Act, 1986.

Various subsidiaries of the Group are subject to legal proceedings. Provisions for anticipated settlement costs and associated expenses arising from legal and other disputes are made where a reliable estimate can be made of the probable outcome of the proceedings.

As part of the agreement to dispose of Greencore Malt, the Group provided a bank guarantee to Axéréal Union de Coopératives Agricoles for an amount of £8.6 million to guarantee the performance by the Group of its payment obligations in respect of any breach of warranty, indemnity or covenant under the disposal agreement. The security was released during the year.

During the year, The Group provided a bank guarantee to Daiichi Sankyo Development Limited for an amount of £0.9 million to guarantee the performance of the Group of its payment obligations in respect of a lease assignment agreement.

30. Acquisition and Disposal of Undertakings

Acquisitions in the Current Period
On 17 April 2012, the Group acquired 100% of MarketFare which is a leading manufacturer of food to go products for convenience and small stores in the US with facilities in Salt Lake City, Utah and Fredericksburg, Virginia. The acquisition builds additional scale with a key customer, 7-Eleven, and provides new competencies to Greencore USA.

On 21 June 2012, the Group acquired 100% of Schau, a fresh food manufacturer with facilities in Chicago, Illinois and Jacksonville, Florida. The acquisition will form a critical part of the supply network for a significant new multi-regional contract gain with a national food service chain in Greencore USA's Food to Go category.

On 23 August 2012, the Group announced the acquisition of 100% of ICL, a private label chilled ready meal business with a facility in Consett, Co. Durham. The acquisition will provide additional capacity for the Group in the ready meals category in the UK and complements our existing business.

The provisional fair value of the assets acquired, determined in accordance with IFRS, were as follows:

	2012 Acquisitions £'000
Assets	
Intangible assets	**13,956**
Property, plant and equipment	**10,275**
Deferred tax assets	**–**
Inventory	**5,304**
Trade and other receivables	**12,488**
Total assets	**42,023**
Liabilities	
Trade and other payables	**(13,814)**
Provisions for liabilities	**(223)**
Current taxes payable	**–**
Retirement benefit obligations	**–**
Deferred tax liabilities	**(744)**
Total liabilities	**(14,781)**
Net assets acquired	**27,242**
Goodwill	**16,698**
Total enterprise value	**43,940**
Satisfied by:	
Cash payments	**41,538**
Cash acquired	**(2,686)**
Net cash outflow	**38,852**
Consideration payable	**5,088**
Total consideration	**43,940**

The fair values of the acquired net assets have been determined provisionally as at 28 September 2012 and are subject to change, as the Group has yet to finalise the fair value of all the identifiable assets and liabilities acquired due to the timing of the completion of the acquisitions.

MarketFare
The principal factors contributing to the recognition of goodwill on the MarketFare acquisition is the expected realisation of cost savings and operational synergies through the combination of the activities of MarketFare with the existing operations of the Group. The total amount of goodwill recognised of £3.7 million is expected to be deductible for tax purposes.

The principal intangible assets acquired were customer related intangibles amounting to £12.9 million.

Consideration of £0.2 million relating to the acquisition was payable at 28 September 2012.

As part of the acquisition the Group acquired trade receivables with a fair value of £3.5 million. Management estimate that acquired trade receivables will be collected in full.

Transaction costs of £1.0 million associated with the acquisition of MarketFare are presented as an exceptional charge in the operating costs as set out in Note 6.

The post acquisition impact of MarketFare on the Group was to increase revenue by £23.0 million and to increase Group profit by £1.4 million.

If the acquisition of MarketFare was at the beginning of the year Group revenue would have been £1,187.5 million. In addition the profit for the year would have been £36.4 million.

Notes to the Group Financial Statements
year ended 28 September 2012
(continued)

30. Acquisition and Disposal of Undertakings (continued)

Schau

The principal factors contributing to the recognition of goodwill on the acquisition of Schau is the expected realisation of cost savings and operational synergies through the combination of the activities of Schau with the existing operations of the Group. The total amount of goodwill recognised of £11.5 million is expected to be deductible for tax purposes.

The principal intangible assets acquired were customer related intangibles amounting to £0.9 million.

Deferred consideration of £4.7 million is due in respect of this acquisition. A total of £2.7 million is fixed and is payable in five equal instalments with the final payment due on 1 October 2013. A further £0.8 million is payable within one year of the acquisition. An amount of £1.2 million is contingent on the revenue performance of Schau. The maximum amount payable under the acquisition agreement has been provided for based on the performance of Schau since the date of acquisition.

As part of the acquisition the Group acquired trade receivables with a fair value of £1.3 million. Management estimate that acquired trade receivables will be collected in full.

Transaction costs of £0.8 million associated with the acquisition of Schau are presented as an exceptional charge as set out in Note 6.

The post acquisition impact of Schau on the Group was to increase revenue by £7.1 million. The post acquisition impact of the business combination on Group profit was not material.

If the acquisition of Schau was at the beginning of the year, Group revenue would have been £1,179.2 million. In addition, the profit for the year would have been £35.8 million.

ICL

The principal factors contributing to the recognition of goodwill on the acquisition of ICL are the expected realisation of cost savings and operational synergies through the combination of the activities of ICL with the existing operations of the Group. The total amount of goodwill recognised is £1.5 million.

No intangible assets were acquired on the purchase of ICL.

Consideration of £0.2 million relating to the acquisition was payable at the 28 September 2012.

As part of the acquisition the Group acquired trade receivables with a fair value of £5.3 million. The gross contractual amount receivable was £5.5 million and management's estimate of the contractual cashflows not expected to be collected was £0.2 million.

Transaction costs of £0.5 million associated with the acquisition of ICL are presented as an exceptional charge in the operating costs as set out in Note 6.

The post acquisition impact of ICL on the Group was to increase revenue by £5.1 million. The post acquisition impact of the business combination on Group profit was not material.

If the acquisition of ICL was at the beginning of the year, Group revenue would have been £1,202 million. Group profit for the financial year would not have been materially different.

Minsterley Disposal

On 15 June 2012 the Group reached agreement to dispose of its Chilled Desserts facility in Minsterley to Müller Dairy UK group. Under the terms of the agreement, ownership of the facility will transfer to Müller and the co-packaging arrangement for Cadbury chilled desserts will terminate. Cash consideration will be £4.3 million, plus an amount for stock. The disposal is expected to complete at the start of January 2013 once the Group has completed the transfer of certain production lines to its Evercreech facility.

Acquisitions in Prior Periods

On 23 September 2011, the Group's acquisition of Uniq plc ('Uniq') was declared unconditional in all respects. The acquisition provided further critical mass in the Food to Go market and exposure to the premium chilled desserts market, in both cases with a major retail customer with which the Group previously had little trade.

On 6 December 2010, the Group acquired a 100% interest in On A Roll Sales ('On A Roll'), a manufacturer of fresh sandwiches based in Brockton, south of Boston, Massachusetts. The Group obtained control of On A Roll by way of asset purchase. The acquisition provided an additional revenue stream to Greencore USA's Food to Go category.

The provisional fair value of the assets acquired, determined in accordance with IFRS, as previously reported at 30 September 2011 and subsequently adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date were as follows:

	Uniq			On A Roll	
	As previously reported £'000	Adjustments to provisional fair values £'000	**As re-presented £'000**	As previously reported £'000	**Total As re-presented £'000**
Assets					
Intangible assets	38,297	(1,563)	**36,734**	6,907	**43,641**
Property, plant and equipment	29,583	(4,423)	**25,160**	404	**25,564**
Deferred tax assets	19,744	–	**19,744**	–	**19,744**
Inventory	10,780	(2,099)	**8,681**	342	**9,023**
Trade and other receivables	28,418	352	**28,770**	746	**29,516**
Total assets	126,822	(7,733)	**119,089**	8,399	**127,488**
Liabilities					
Borrowings	(15,500)	–	**(15,500)**	–	**(15,500)**
Trade and other payables	(48,072)	809	**(47,263)**	(1,198)	**(48,461)**
Provisions for liabilities	(19,610)	(1,865)	**(21,475)**	–	**(21,475)**
Current taxes payable	(5,833)	(4,891)	**(10,724)**	–	**(10,724)**
Retirement benefit obligations	(2,446)	(200)	**(2,646)**	–	**(2,646)**
Deferred tax liabilities	(9,574)	425	**(9,149)**	–	**(9,149)**
Total liabilities	(101,035)	(5,722)	**(106,757)**	(1,198)	**(107,955)**
Net assets acquired	25,787	(13,455)	**12,332**	7,201	**19,533**
Goodwill	78,792	13,455	**92,247**	4,322	**96,569**
Total enterprise value	104,579	–	**104,579**	11,523	**116,102**
Satisfied by:					
Cash payments			**–**	11,116	**11,116**
Cash acquired			**(8,123)**	(241)	**(8,364)**
Net cash outflow			**(8,123)**	10,875	**2,752**
Consideration payable			**112,702**	648	**113,350**
Total consideration			**104,579**	11,523	**116,102**

The principal factors contributing to the recognition of goodwill on the acquisition of Uniq is the expected realisation of cost savings and operational synergies through the combination of the activities of Uniq with existing operations in the Group, together with the assembled workforce and knowledge and experience of the Uniq employees. The total amount of goodwill recognised of £92.2 million is not expected to be deductible for tax purposes.

The principal intangible assets acquired were customer related intangible assets amounting to £36.7 million.

As part of the acquisition, the Group acquired trade receivables with a fair value of £24.13 million. The gross contractual amount receivable was £24.15 million and management's estimate of the contractual cash flows not expected to be collected was £0.02 million.

Transaction costs of £6.6 million associated with the acquisition of Uniq were presented as an exceptional charge within operating costs as set out in Note 6.

The fair values of the acquired net assets of Uniq were determined provisionally as at 30 September 2011 as a result of the timing of the completion of the acquisition. As a result of the complexity of the acquisition, being the acquisition of a plc, significant judgement was required in estimating the fair value of the liabilities reported above. The ultimate resolution of certain of these liabilities may result in an increase or decrease in the level of the provisions that will be reported in future periods. The determination of the fair value of the acquired net assets of Uniq is a key judgement in the preparation of the financial statements.

The fair value of the acquired net assets of Uniq as at the acquisition date have been adjusted retrospectively. The fair values of the acquired net assets of On A Roll are final and there were no adjustments required to the fair values of the acquired net assets as reported at 30 September 2011. The Group Balance Sheet as at 28 September 2011 and associated notes are re-presented to reflect the effect of these adjustments.

The consideration payable on both the acquisition of Uniq and On A Roll was paid in full during the period, resulting in a cash out flow of £113.3 million.

Notes to the Group Financial Statements
year ended 28 September 2012
(continued)

31. Related Party Disclosures

The principal related party relationships requiring disclosure in the Group Financial Statements under IAS 24 Related Party Disclosures pertain to the existence of subsidiaries and associates and transactions with these entities entered into by the Group and the identification and compensation of key management personnel as addressed in greater detail below.

Subsidiaries and Associates
The Group Financial Statements include the Financial Statements of the Company (Greencore Group plc, the ultimate parent) and its subsidiaries and associates. A listing of the principal subsidiaries and associates is provided in Note 32 of the Group Financial Statements.

Sales to and purchases from, together with outstanding payables and receivables to and from, subsidiaries, are eliminated in the preparation of the Group Financial Statements in accordance with IAS 27 Consolidated and Separate Financial Statements. Amounts receivable from and payable to associates as at the balance sheet date are included as separate line items in the notes to the Group Financial Statements.

Terms and Conditions of Transactions with Associates
In general, sales to and purchases from associates are on terms equivalent to those that prevail in arm's length transactions. The outstanding balances included in receivables and payables at the balance sheet date in respect of transactions with associates are unsecured, interest free and settlement arises in cash. No guarantees have been either requested or provided in relation to the associates company receivables and payables.

Key Management Personnel
For the purposes of the disclosure requirements of IAS 24 Related Party Disclosures, the term 'key management personnel' (i.e. those persons having the authority and responsibility for planning, directing and controlling the activities of the Company), comprise the Board of Directors which manages the business and affairs of the Company. As identified in the Report on Directors' Remuneration, the Directors, other than the Non-Executive Directors, serve as executive officers of the Company.

Key management personnel compensation was as follows:

	2012 £'000	2011 £'000
Salaries and other short-term employee benefits	**3,218**	3,026
Post-employment benefits	**427**	782
Share-based payments	**1,063**	1,054
	4,708	4,862

Defined Benefit Pension Schemes
Transactions with the Group defined benefit pension schemes are disclosed in Note 23.

32. Principal Subsidiaries and Associated Undertakings

Name of undertaking	Nature of business	Percentage share	Registered office
Breadwinner Foods Limited*	Food Processors	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Greencore Advances Limited	Finance Company	100	No.2 Northwood Avenue Northwood Business Park, Santry Dublin 9
Greencore Beechwood Limited	Holding Company	100	No.2 Northwood Avenue Northwood Business Park, Santry Dublin 9
Greencore Developments Limited	Property Company	100	No.2 Northwood Avenue Northwood Business Park, Santry Dublin 9
Greencore Finance Limited	Finance Company	100	No.2 Northwood Avenue Northwood Business Park, Santry Dublin 9
Greencore Foods Limited*	Holding Company	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Greencore Funding Limited**	Finance Company	100	P.O. Box 87, 22 Grenville Street St. Helier, Jersey JE4 8PX
Greencore USA, Inc***	Food Processors	100	The Corporation Service Company 1209 Orange Street City of Willmington County of Newcastle Delaware US
Greencore UK Holdings plc*	Holding Company	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Hazlewood (Blackditch) Limited*	Property Company	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Hazlewood Convenience Food Group Limited*	Food Processors	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA

Notes to the Group Financial Statements
year ended 28 September 2012
(continued)

32. Principal Subsidiaries and Associated Undertakings (continued)

Name of undertaking	Nature of business	Percentage share	Registered office
Hazlewood Convenience Group 1 Limited*	Food Processors	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Hazlewood Foods Limited*	Holding Company	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Hazlewood Grocery Limited*	Food Processors	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
H.C. Schau & Son Inc***	Food Processors	100	10350 Argonne Drive Suite 400 City of Woodridge County of Dupage 60517
International Cuisine Limited*	Food Processors	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Irish Sugar Limited	General Trading Company	100	No.2 Northwood Avenue Northwood Business Park, Santry Dublin 9
MarketFare Foods LLC***	Food Processors	100	160 Greentree Drive Suite 101 City of Dover County of Kent Delaware US
Ministry of Cake Limited*	Food Processors	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Oldfields Limited*	Food Processors	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Premier Molasses Company Limited	Molasses Trading	50	Harbour Road Foynes, Co. Limerick

Name of undertaking	Nature of business	Percentage share	Registered office
Sushi San Limited*	Food Processors	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Trilby Trading Limited	Food Industry Suppliers	100	No.2 Northwood Avenue Northwood Business Park, Santry Dublin 9
Uniq Prepared Foods Limited*	Food Processors	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
United Molasses (Ireland) Limited*	Molasses Trading	50	Duncrue Street Belfast BT3 9AQ

All the above companies are incorporated in the Republic of Ireland except those marked with * which are incorporated within the United Kingdom, that marked with ** which is incorporated in Jersey, and that marked with *** which is incorporated in the US. The principal country of operation of each company is the country in which it is incorporated. United Molasses (Ireland) Limited is accounted for as an associate.

33. Subsequent Events

There were no significant subsequent events after the balance sheet date.

34. Board Approval

The Group Financial Statements, together with the Company Financial Statements, for the year ended 28 September 2012 were approved by the Board of Directors and authorised for issue on 26 November 2012.

Company Statement of Accounting Policies
year ended 28 September 2012

Basis of Preparation

The Company Financial Statements have been prepared in sterling, in accordance with generally accepted accounting principles under the historic cost convention and Irish statute, comprising the Companies Acts, 1963 to 2012, and with the financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland.

Profit and Loss

The profit attributable to equity shareholders dealt with in the Financial Statements of the Parent Company was £3.9 million (2010: £6.6 million). In accordance with section 148(8) of the Companies Act 1963 and section 7(1A) of the Companies (Amendment) Act 1986, the Company is availing of the exemption from presenting its individual Profit and Loss Account to the Annual General Meeting and from filing it with the Registrar of Companies.

Foreign Currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. The resulting monetary assets and liabilities are translated at the balance sheet rate. The resulting profits or losses are dealt with in the profit and loss account.

Investments

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.

Depreciation

Depreciation is calculated so as to write off the cost or valuation, less estimated residual value, of each fixed asset during its expected useful life using the straight line or reducing balance methods over the following periods:

Plant, machinery, fixtures and fittings	3–25 years

No depreciation is provided on freehold land.

Employee Share Options

The Company grants equity settled share-based payments and share awards to employees (through Executive Share Option and Share Award Schemes and employee ShareSave Schemes). In the case of these options, the fair value is determined using a trinomial valuation model, as measured at the date of grant. The fair value is expensed to the Profit and Loss Account on a straight-line basis over the vesting period, based on an estimate of the number of shares that will eventually vest.

The proceeds received when options are exercised, net of any directly attributable transaction costs are credited to share capital and share premium.

Taxation

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

Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profit as computed for taxation purposes and profit as stated in the Financial Statements which arise because certain items of income and expenditure in the Financial Statements are dealt with in different periods for taxation purposes.

Deferred tax assets are recognised to the extent which they are regarded as recoverable. Recoverability is assessed on the basis that more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Retirement Benefits

Defined Contribution Pension Plans

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate defined contribution scheme. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Profit and Loss Account as due. Any difference between the amounts charged to the Profit and Loss Account and contributions paid to the pension scheme are included in debtors or creditors in the Balance Sheet.

Defined Benefit Pension Plan

Pension benefits are funded over the employees' years of service by way of contributions to a defined benefit scheme operated by the Company. Pursuant to paragraph 9 (b) of FRS 17, as the Directors of the Company are unable to determine the portion of the pension scheme assets and liabilities which relate to the employees of the Company, the Company has accounted for the contributions as if the scheme were a defined contribution scheme. Contributions to the plan are charged to the Profit and Loss Account as due. Any difference between the amounts charged to the Profit and Loss Account and contributions paid to the pension scheme are included in debtors or creditors in the Balance Sheet.

Share Capital

Ordinary Shares

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

Treasury Shares

Where the Company purchases the Company's equity share capital, the consideration paid is deducted from the total shareholders' equity and classified as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in total shareholders' equity.

Dividends

Interim dividends payable are recognised as a liability of the Company when the Board of Directors' resolves to pay the dividend and the shareholders have been notified in accordance with the Company's Articles of Association. Final dividends of the Company are recognised as a liability when they have been approved by the Company's shareholders.

Cash Flow

The Company has taken advantage of the exemption available to it under FRS 1 Cash flow Statements not to prepare a statement of cash flows.

Company Balance Sheet
at 28 September 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Tangible assets	1	**1,018**	1,092
Financial assets	2	**88,453**	84,074
		89,471	85,166
Current assets			
Debtors	3	**841,974**	839,391
Cash at bank and in hand		**25**	69,314
		841,999	908,705
Creditors (amounts due within one year)			
Creditors	4	**469,515**	527,565
		469,515	527,565
Net current assets		**372,484**	381,140
Net assets		**461,955**	466,306
Capital and reserves			
Share capital	5	**120,920**	117,004
Capital conversion reserve fund	6	**804**	804
Share premium account	6	**171,469**	171,010
Other reserves	6	**(14,652)**	(17,157)
Profit and loss account	6	**183,414**	194,645
Shareholders' funds		**461,955**	466,306

EF Sullivan
Director

AR Williams
Director

Notes to the Company Balance Sheet
year ended 28 September 2012

1. Tangible Assets

	Computer software £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 30 September 2011	6	1,270	1,276
Additions	–	6	6
At 28 September 2012	6	1,276	1,282
Depreciation			
At 30 September 2011	2	182	184
Charge for the year	–	80	80
At 28 September 2012	2	262	264
Net book value			
At 28 September 2012	4	1,014	1,018
At 30 September 2011	4	1,088	1,092

2. Financial Assets

Interest in subsidiary undertakings	2012 £'000	2011 £'000
At beginning of year	**84,074**	82,710
Movement in year	**4,379**	166
Currency translation adjustment	**–**	1,198
At end of year	**88,453**	84,074

The principal trading subsidiary and associated undertakings are set out in Note 32 to the Group Financial Statements.

3. Debtors

Amounts falling due within one year	2012 £'000	2011 £'000
Amounts owed by subsidiary undertakings‡	**841,427**	838,718
Other debtors	**270**	198
Prepayments and accrued income	**277**	475
	841,974	839,391

‡ Amounts due from subsidiary undertakings are classified as current, as all inter-company receivables and payables are repayable on demand.

4. Creditors

Amounts falling due within one year	2012 £'000	2011 £'000
Amounts owed to subsidiary undertakings‡	**455,837**	516,071
Declared interim dividend	**6,821**	5,407
Trade and other creditors	**2,571**	4,602
Accruals	**4,286**	1,485
	469,515	527,565

‡ Amounts due to subsidiary undertakings are classified as current, as all inter-company receivables and payables are repayable on demand.

5. Share Capital

Details in respect of called-up share capital are presented in Note 24 of the Group Financial Statements.

Notes to the Company Balance Sheet
year ended 28 September 2012
(continued)

6. Equity Reserves

	2012					
	Share capital £'000	Share premium £'000	Share option reserve £'000	Own shares reserve £'000	Capital conversion reserve fund £'000	Profit and loss account £'000
At beginning of year	117,004	171,010	3,230	(20,387)	804	194,645
Currency translation adjustment	–	–	(243)	–	–	243
Profit for the financial year attributable to equity holders of the Company	–	–	–	–	–	3,861
Employee share options expense	–	–	1,914	–	–	–
Exercise, forfeit or lapse of share options	7	455	(683)	–	–	683
Shares acquired by Deferred Share Awards Trust (a)	–	–	–	(58)	–	58
Shares transferred to beneficiaries of the Deferred Share Awards Trust (b)	–	–	–	1,575	–	(1,575)
Issue of shares – redenomination	3,848	(3,848)	–	–	–	–
Costs associated with the issue of shares	–	(5)	–	–	–	–
Dividends	61	3,857	–	–	–	(14,501)
At end of year	120,920	171,469	4,218	(18,870)	804	183,414

(a) The Trustees of the Deferred Bonus Plan acquired 111,742 (2011: 143,420) shares in the Group with a combined value of £0.06 million (2011: £0.168 million) and a nominal value at the date of purchase of £0.001 million (2011: £0.107 million) through the scrip dividend scheme and utilisation of dividend income.

Pursuant to the terms of the Deferred Bonus Plan, 2,250,752 shares were purchased during the prior year at a cost of £1.47 million. The nominal value of these shares on which dividends have not been waived by the Trustees of the Plan, was £0.02 million at the date of purchase.

(b) During the year, 1,292,223 (2011: 989,582) shares with a nominal value at the date of transfer of £0.01 million (2011: £0.547 million at the date of transfer) were transferred to beneficiaries of the Deferred Bonus Plan.

7. Retirement Benefits

The Company operates a defined benefit pension scheme and a defined contribution scheme, with assets held in separate trustee administered funds.

Some employees of the Company are members of a multi-employer defined benefit pension scheme, which is operated in conjunction with other Group companies. The defined benefit scheme is accounted for as if it were a defined contribution scheme on the grounds that the Company is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. The defined benefit scheme of which some employees are members is not included on the Balance Sheet of the Company as it is not possible to determine the proportion of the assets and liabilities of the scheme that relates to the Company on a reasonable and consistent basis. A substantial number of deferred beneficiaries of the scheme were employees of entities that either no longer trade or are no longer owned by the Group.

Total pension costs for the year amounted to £3.04 million (2011: £3.012 million) in respect of defined benefit schemes and £0.483 million (2011: £0.605 million) in respect of defined contribution schemes. At year end, £0.099 million (2011: £0.028 million) was included in other accruals in respect of pension cost accruals.

Disclosures in relation to this and all other Group defined benefit pension schemes are given in Note 23 to the Group Financial Statements.

8. Share-Based Payments

The Company grants share options under various share option plans as detailed in the Report of the Directors. A charge of £1.228 million (2011: £0.82 million) was recognised in the Profit and Loss Account of the Company in respect of the employees of the Company. All disclosures relating to the plans are given in Note 5 to the Group Financial Statements.

9. Financial Guarantee Contracts

Pursuant to the provisions of Section 17, Companies (Amendment) Act 1986, the Company has guaranteed the liabilities of certain subsidiary undertakings in the Republic of Ireland for the financial year ended 28 September 2012. Where the Company has entered into financial guarantee contracts to guarantee the indebtedness of such subsidiaries, the Company considers these to be insurance contracts and accounts for them as such.

The Company is party to cross guarantees on Group borrowings. These are treated as insurance contracts and accounted for as such.

10. Statutory Information

During the period the average number of persons employed by the Company (excluding Non-Executive Directors) was 32 (2011: 30).

Directors' remuneration is disclosed in the Report on Directors' Remuneration and in Note 31 to the Group Financial Statements.

Auditor's remuneration for the year was as follows:

	2012 £'000	2011 £'000
Audit of the Company Financial Statements	**26**	26
Other assurance services	**–**	242
Tax advisory services	**–**	90
	26	358

The Company has annual commitments under operating leases expiring after five years of £0.739 million.

Notes

Shareholder and Other Information

Greencore Group plc is an Irish registered company. Its ordinary shares are quoted on the Irish Stock Exchange and the London Stock Exchange. Greencore has a Level 1 American Depositary Receipts (ADR) programme for which BNY Mellon acts as depositary (Symbol: GNCGY). Each ADR share represents four Greencore ordinary shares.

Shareholding Statistics as at 22 November 2012

Range of units	Total holders	Units	% of Issued Capital
0 - 1,000	5,078	1,839,187	0.47
1,001 - 5,000	3,963	9,289,014	2.36
5,001 - 10,000	822	5,732,769	1.46
10,001 - 25,000	527	7,932,032	2.02
25,001 - 100,000	223	10,307,703	2.62
100,001 - 250,000	47	6,711,977	1.71
250,001 - 500,000	33	11,692,537	2.97
Over 500,001	80	339,690,112	86.39
Total	**10,773**	**393,195,331**	**100**

Financial Calendar

Record date for 2012 final dividend	7 December 2012
Annual General Meeting	29 January 2013
Payment date for 2012 final dividend	3 April 2013
Half yearly financial report	May 2013
Financial year end	27 September 2013
Interim Management Statement	August 2013
Interim dividend payment	October 2013
Announcement of results	November 2013

Advisors and Registered Office

Company Secretary
Conor O'Leary ACIS

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Santry
Dublin 9

Auditor
KPMG
1 Stokes Place
St Stephen's Green
Dublin 2

Registrar and Transfer Office
Computershare Investor Services (Ireland) Limited
Heron House, Corrig Road
Sandyford Industrial Estate
Dublin 18

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(2,191kg of material have been carbon neutralised).