greencore group plc

Bringing Convenience to Good Food 2013

Annual Report and Accounts

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

Our two markets are the United Kingdom and the United States where we provide a wide range of food to go products supplemented by other chilled, frozen and ambient foods to major retail and food service customers.

We have 16 convenience foods facilities in the UK and six in the US and we employ over 10,000 people across the UK, the US and Ireland.

Highlights of the Year

Focused on performing for our shareholders

Financial Highlights*

- / Group operating profit up 8.1% to £76.5 million
- / Group operating margin of 6.4%, a 30bps increase
- / Strong growth in adjusted EPS, up 13.3% to 14.5p
- / Proposed final dividend of 2.9 pence per share, giving a total dividend of 4.8 pence per share, up 12.9%
- / Strong cash flow generation reducing net debt by £25.2 million. Net debt: EBITDA leverage (reported basis) down from 2.75 times to 2.3 times

Operational Highlights

- / Integration of Uniq completed with restructuring of the desserts business and disposal of Minsterley facility. Integration of International Cuisine completed
- / US integrations completed and successful roll out of food to go range to Starbucks USA from four of our six facilities

Revenue (£m)

+3.0%

Operating Profit (£m)

+8.1%

Adjusted EPS (pence)

+13.3%

* Definitions of Key Financial Performance Indicators are provided on page 9.

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At a Glance

Food to Go UK

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 370 million food to go products each year. In addition to sandwiches, baguettes and wraps 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.

Fast Fact:

450m

Greencore produces 450 million food to go products each year in the UK and the US

Food to Go 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:

185m

Greencore produces 185 million prepared meals and quiche each year

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 in which it operates, 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 in which it operates.

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.

Fast Fact:

200m

Greencore produces in excess of 200 million jars of cooking sauces, pickles and condiments each year

Fast Fact:

3m

This year Greencore will produce 3 million Christmas cakes for UK consumers

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 the UK.

Chairman's Statement
Gary Kennedy

Dear Shareholder, it is with great pleasure that I write to you towards the end of my first year as Chairman.

I was honoured to succeed Ned Sullivan in January. I would like to again thank Ned for his huge contribution to the Group during his past ten year tenure. He chaired the Board during a period of enormous strategic, regulatory, marketplace, cultural and people changes. In doing so he demonstrated vision, resilience, wisdom, a collegial spirit and a deep knowledge and insight of the international food industry.

FY13 has been a very successful year for our Group on many levels despite challenging market conditions. We continue to reap the benefits of a focused portfolio of convenience foods businesses, internationalisation, dynamic customer mix and a dedicated workforce.

Financial Performance*

The Group continued its momentum and delivered a strong financial performance against a background where, in its principal market, volume growth was very challenging and there was the added disruptive impact of the horsemeat scandal. Group revenue increased by 3.0% to £1,197.1 million with revenue growth in the Convenience Foods division of 3.5% to £1,129.2 million. Following a stronger fourth quarter, the UK business recorded like for like revenue growth for the year of 0.2%.

Group operating profit grew by 8.1% to £76.5 million. Adjusted earnings per share were 14.5p, an increase of 13.3% on FY12.

Free cash flow generation was again strong with a net cash inflow from operating activities of £65.7 million. Year end net debt was £232.8 million, a reduction of £25.2 million, resulting in a net debt: EBITDA leverage (on a reported basis) of 2.3 times. We have made consistent progress on de-leveraging and it continues to be an area of focus.

UK Development

The integration of Uniq was completed with the transfer of all premium desserts production to the refurbished Evercreech facility and the subsequent disposal in January of the Minsterley facility. International Cuisine was successfully integrated within the Prepared Meals business unit and has performed in line with expectations, delivering strong synergies.

* Definitions of Key Financial Performance Indicators are provided on page 9.

US Development

The integration of the MarketFare and Schau businesses was completed, creating a business with six production facilities. The product portfolio in Newburyport was rationalised to leave the business focused on food to go formats. Between January and April, food to go assembly for Starbucks USA was commenced at four of the facilities further increasing our exposure to the fast-growing convenience and small store channel. We had an excellent launch process with this strategic customer and look forward to building our profile with them.

The US as part of our internationalisation strategy, is well positioned to become an important second pillar of the Group.

Dividends

The Board of Directors is recommending a final dividend of 2.9 pence per share. This will result in a total dividend for the year of 4.8 pence per share representing an increase in dividend per share of 12.9% in line with the growth in adjusted earnings per share.

Board Composition

We have seen a significant level of change this year in the composition of the Board of Directors. I have already referenced Ned's retirement. We also said farewell to Mr Pat McCann during January who showed unswerving commitment to the Group over nine years and to Ms Di Walker who made an enormous contribution to the Group over many years, latterly as Chief Operating Officer.

We have been able to attract a very high calibre of non-executive directors to the Board during the year with the appointments of Ms Heather-Ann McSharry, Ms Sly Bailey, Mr John Moloney and Mr John Warren. Their biographies can be found on page 35; as you will see, they bring a wealth of experience to the Board and they have already made a significant contribution. I very much look forward to continue working with them and all of the Board and management in shaping Greencore's future success.

Finally, I would also like to recognise at this point the contribution of Mr David Simons who will step down from the Board at the conclusion of the AGM in January 2014. David has been a real stalwart, a source of wise counsel for the Board and senior management over a period of nine years and we will miss his experience and insight.

Management and Employees

As we draw a line under FY13 I would like to particularly thank all of my colleagues in both management and the wider environment for their outstanding contribution during the year. Their sense of purpose and commitment is admirable.

Outlook

The Group remains well positioned as a focused and disciplined private label convenience foods business in its chosen markets of the UK and US. Recent portfolio transformation has further developed our position in the attractive and strongly growing food to go market in both geographies.

While economic conditions have steadily begun to improve, there has yet to be a positive impact on the UK grocery retail market. In addition, input cost inflation pressures have recently increased particularly in the UK protein and dairy markets.

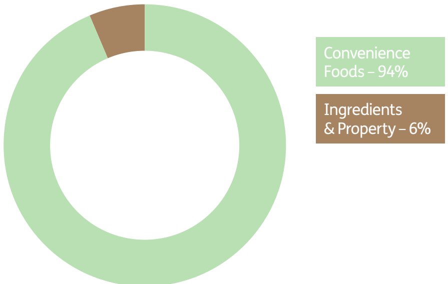
Whilst conditions remain challenging, we have strong market positions, a clear strategy and enter the new financial year with good momentum in our businesses. We remain well positioned to deliver further progress in FY14 and beyond.

Gary Kennedy
Chairman
25 November 2013

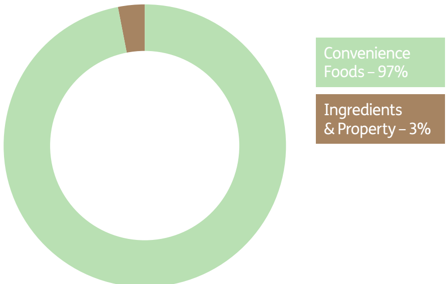
3.0%
Revenue growth

13.3%
Adjusted EPS growth

Revenue by Division



Operating Profit by Division



Business Excellence

We strive to be best in class.

We aim to be a business which drives growth and performance with our customers. A business which operates as a Lean enterprise across the supply chain and a business which manages resources in a disciplined manner consistent with our strategy.

Strategy and Business Model

Vision & Strategy

To be a fast growing international convenience food leader

To drive and deepen food to go leadership supplemented by selected other attractive convenience food categories

To win in the UK and US markets now, and in time develop food to go propositions in other geographic markets

Model & Performance Goals

Model

- Focus on convenience foods categories that capitalise on the favourable, long-term consumer and customer trends in the UK and the US
- Focus on private label and on building enduring customer partnerships
- Build market leading positions in the categories in which we operate

Performance Goals

- Above market like for like revenue growth
- Operating margins > 6%
- Strong cashflows reducing leverage
- Drive return on invested capital > 12%

People at the Core

Business Excellence

'Making Greencore a Great Place to Work'

- Live our company values
- A place to develop your career
- A fun place to work
- A healthy and safe place to work
- A place where everyone's contribution is recognised

Business Excellence

'We strive to be best in class'

- Drive growth and performance with our customers
- Operate as a Lean enterprise across the supply chain
- Manage resources in a disciplined manner and consistent with our strategy
- Business in control

Cost Effectiveness

'We have a cost culture aligned to our business model'

- A constant pipeline of clear identifiable cost initiatives
- Continually challenging the status quo
- Everyone treats resources as if they were their own

Great & Safe Food

'Keeping the passion for food central to our culture'

- A culture centred around great tasting food
- Known externally to have real food credentials as a business
- Continuously driving food technologies

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

Group revenue increased by 3.0% in FY13.

In our Convenience Foods business, the Group measures weekly sales growth. In FY13, revenue growth was 3.5%. A more accurate guide to underlying revenue performance is provided by like for like measures which exclude the impact of acquisitions or disposals in the year. In the UK in FY13, we recorded like for like revenue growth of 0.2% that is excluding both the International Cuisine Limited business for the period October to August and the Uniq Desserts activities, which were exited or sold. A reliable like for like revenue figure cannot be calculated for the US business due to the absence of reliable historic weekly data for acquired businesses.

In the Ingredients & Property division, we track monthly sales, although this is not the primary measure of performance for this division. In FY13, the division recorded a 5.3% decline in revenue on a constant currency basis.

Revenue (£m)

+3.0%

#02.
Operating Margin

The Group's operating margin in FY13 was 6.4% compared to 6.1% in FY12.

In Convenience Foods, the operating margin was 6.5% compared to 6.3% in FY12. The division maintained tight financial and operating discipline throughout the year and delivered improvements in returns in several lower margin businesses. Operating margin is calculated using operating profit before exceptional items and amortisation of acquisition related intangibles divided by reported revenue.

Group Operating Margin

6.4%

Convenience Foods Operating Margin

6.5%

#03.
Cash Flow

Net cash inflow from operating activities was £65.7 million compared to £72.1 million in FY12 which benefitted from one-off working capital reductions in acquired businesses.

Net Cash Inflow

£65.7m

#04.
Return on Invested Capital

The Group's return on invested capital in FY13 was 12.9% (FY12: 11.9%).

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 1% (4% in FY12). 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 the invested capital from the opening and closing balance sheets and dividing by two.

Return on Invested Capital

+100bps

#05.
Adjusted Earnings per Share

Adjusted earnings per share were 14.5 pence compared to 12.8 pence in FY12, an increase of 13.3%.

Adjusted earnings per share is 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. Note 10 to the Financial Statements provides the details of the calculation of adjusted earnings and the weighted average number of ordinary shares in issue.

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

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 customer needs in its chosen markets. The Group also continually works to streamline its cost base to ensure it remains competitive.
Growth	In order for the Group to continue its strategy of growth and expansion, it is necessary that it makes appropriate capital investment decisions and pursues and identifies suitable corporate development opportunities which are all consistent with Group strategy. In addition it is important that major capital projects and acquisitions are executed 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 capital investment projects, including corporate development opportunities. Post project reviews are carried out on all major capital investment projects to monitor the effectiveness of execution. 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 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 market research, innovation and new product development to ensure regulatory, customer and consumer requirements are addressed. In FY13, 43% of all of the products that Greencore manufactured across the UK and the US were new to market versus the same period last year.
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.
Margin and Cost Pressures	The Group's cost base and margin can be affected by fluctuating raw material and energy prices and changes in cost and price profile.	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. The Group has mitigated the impact of 4% input cost inflation in each of FY11 and FY12 and 1% in FY13 through this combined approach.

Risks and Risk Management (continued)

Risks	Description of Risks	Measures to Reduce Risks
Operational Risks		
Food Industry Regulations	As a producer of convenience foods and ingredients, Greencore is subject to rigorous and constantly evolving regulations and legislation particularly in the areas of food safety, environmental protection and employee health and safety.	The Group maintains a strong technical function which sets high standards for food safety controls, health and safety systems and environmental controls which strive for best practice above and beyond the minimum compliance requirements. In addition, Greencore closely monitors emerging issues in an ever-changing regulatory environment to address increasing compliance requirements.
Product Contamination	The Group produces a large volume of food annually and there are risks of product contamination through either accidental or deliberate means. This may lead to products being recalled, which could have both a financial and/or reputational impact on the Group.	The Group maintains industry leading food safety and traceability processes and procedures. Each facility in the UK and the US has a team dedicated to ensuring compliance with Group and industry standards in this area and the Group constantly monitors performance against a detailed set of metrics and measures. The Group operates stringent controls across its supply chain including audits and strict approval of its suppliers supported by rigorous quality checking of all ingredients. The Group's facilities are subject to significant amounts of audits by internal teams, customers and independent bodies auditing against recognised global food safety standards. In FY13, 81 and 167 internal and external audits respectively were carried out at our facilities and 214 audits were carried out on Group suppliers.
Disruption to Day to Day Group Operations	The Group is at risk of disruption to its day to day operations from poor operational management, the breakdown of individual facilities or the loss of a significant manufacturing plant.	The Group maintains industry leading operational processes and procedures to ensure effective operational management at each facility. The Group significantly invests in high calibre on-site teams with responsibility across engineering and maintenance, supply chain, planning and operational excellence. The Group also maintains 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.

Risks	Description of Risks	Measures to Reduce Risks
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. The Group has recently increased its weighted average committed facility profile through the issuance of $65 million of US Private Placement notes and the extension of a £50 million bilateral banking facility.
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 and decline in bond yields 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. The Group has closed all defined benefit pension schemes to future accrual. Where relevant, the Group also uses specific arrangements with schemes to improve the security of scheme benefits while reducing contributions. In FY13, as explained in Note 23 to the Group Financial Statements, the Group entered into such an arrangement with the Hazlewood Foods Retirement Benefit Scheme Trustees in the UK to address £40 million of the actuarial deficit in the scheme.

Chief Executive's Review
Patrick Coveney

Greencore has had a good year in 2013, with clear commercial, strategic and organisational progress delivered across the Group.

Introduction

It was a year in which we consolidated our portfolio after the extensive deal activity of the three preceding years, increased revenues at our US business by over 60%, realigned our resources behind a food to go led strategy, strengthened our position on the London stock market – culminating in entry into the FTSE250 – and revitalised our senior executive team and plc Board. All of this was achieved despite a weak UK consumer environment, limited growth in retail food markets, persistent input cost inflation, and the negative impact of the horsemeat scandal.

Despite these challenges, we grew revenues, strengthened margins and delivered double digit growth in adjusted EPS. Furthermore, our financial performance improved through the year and, importantly, we drove strong free cash flows which helped us strengthen our balance sheet for further growth. We have carried this momentum and progress into 2014.

Delivering on our Vision & Strategy

Our vision is to be a fast growing international convenience foods leader.

This vision is underpinned by 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, the relationships and the capabilities to capitalise on these trends.

During the year we have reshaped our strategy to deliver this vision. Given the performance, growth capability and potential that we have developed in our food to go model, we have tightened our convenience foods strategy to focus on deepening our leadership of that market. However, we continue to participate in a select number of other, structurally attractive convenience foods categories. For now, our geographic focus remains on the UK and US.

I am pleased to report that we have made excellent strategic progress. In the UK, the remaining elements of the Uniq and International Cuisine integrations exceeded expectations in all respects – cost synergies, depth of customer relationships, timing of Minsterley disposal and tax and working capital benefits.

In the US, we have reshaped our business into a larger scale, profitable, food to go, small-store-focused business. In particular, we have delivered Starbucks as a major new customer across four regions, and have also delivered growth and innovation to our largest US customer, 7-Eleven. While there is more to do to bring returns in our US business in line in what we earn in the UK, we now have a material, growing, multi-regional, insight-driven US business which we believe will be scalable in the years ahead.

Our Consumers & Customers

2013 was a difficult year for consumers. Volumes were softer than in prior years, with weak economic data, poor consumer sentiment and a seemingly endless winter resulting in little, if any, market growth in the first half of the year.

The horsemeat scandal compounded these challenges with consumer trust in, and demand for, processed beef products being severely dented by the events of January to March 2013. There was clearly some unacceptable behaviour across parts of the food industry, and many supply chains had become far too complex. Consumers were right to be both concerned and angry. For a time, Greencore was pulled directly into this scandal, although we were relieved to eventually find that our supply chain had not been compromised in any way.

The UK food industry has reacted positively and substantively to this scandal. Species specific testing is now a way of life, supply chains have been shortened, sources of raw material have been narrowed, local protein provenance has become more important, and consumer communication is clearer. Despite these actions, we anticipate that it will take some time for growth to return to certain sectors, such as chilled ready meals, that consumers still associate with the horsemeat scandal.

Fortunately, we saw clear evidence of consumer confidence and volume growth returning more broadly to our categories in the second half of FY13. This uplift was in part influenced by a great British summer, but we saw evidence of returning consumer confidence and improving market sentiment too.

We are a customer focused business. The relationships we build, the products we develop, the service we provide, and the value we deliver to our customers is central to all that we do. We choose to focus on customer owned brands, and we like to build deep, cross-functional, insight-driven, trust-based relationships. We take pride in the depth and length of those relationships, but we never become complacent and work relentlessly to improve them even further. We build teams that are passionate about helping their customers win in the marketplace. We view ourselves as partners to our customers and take the trust they place in us extremely seriously.

Our People

We operate in a complex industry. Across the majority of our sites, we assemble raw materials into a finished food proposition for consumption within 48 hours of manufacture. Our teams 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 that we have at Greencore. Some of these teams have only recently joined our Group as a result of acquisitions, but together we are building an increasingly strong, distinctive and widely admired culture.

When customers, suppliers and industry observers visit our sites and meet our teams, they consistently comment positively on who we are and what we do. I am very proud of the people, the teams, the sense of community and the passion within our business.

This year we again led the food industry in shaping and implementing the IGD's Feeding Britain's Future programme. In September we organised 50 events across 15 UK sites for nearly 750 young people in order to showcase the food industry and demonstrate proactively how to find and build a career in this sector.

The Future

It is a privilege to lead Greencore as Chief Executive. I am more excited than ever about our strategy, our people, our capability and our prospects. Across our Group we have worked hard to reshape our portfolio, build our skills, deepen our customer relationships and excite consumers with our food. We are in a good place, but there is plenty more to do.

I would like to thank all our stakeholders for their support and efforts in 2013, including our colleagues and teams across the business, our Board of Directors, our customers and our investors.

Patrick Coveney
Chief Executive Officer
25 November 2013

Cost Effectiveness

We have a cost culture aligned to our business model.

We aim to be a business with clear identifiable cost initiatives, a culture which challenges the status quo and a business where everyone treats resources as if they were their own.

Operating Review*

Reported revenue in the Convenience Foods division increased by 3.5% in the year to £1,129.2 million. This growth rate was impacted by changes in the portfolio during the year.

Convenience Foods**

Revenue and Operating Profit

	FY13 £m	FY12 £m	Change
Revenue	1,129.2	1,091.1	+3.5%
Operating profit	73.9	69.1	+7.0%
Operating margin	6.5%	6.3%	+20bps

The impact of currency is not material.

In the UK, like for like revenue growth was 0.2%. This was impacted versus prior year by both the lower market growth rate in chilled convenience foods and in particular by the effect of the horsemeat scandal on the ready meals business.

In the US, reported revenues were over 60% higher than in FY12 as a result of both the acquisitions of MarketFare and Schau and the commencement of a multi-site, multi-year supply arrangement with Starbucks.

Input cost inflation across the year was lower than in previous years at around 1%, although pressure increased in the second half in both UK proteins as a result of greater focus from retailers on provenance, and in dairy.

Operating profit grew by 7.0% to £73.9 million with a 20 basis points improvement in operating margin to 6.5%. The division maintained tight financial and operating discipline throughout the year and delivered improvements in returns in several lower margin businesses. This helped us to offset the significant impact to operational gearing from lower chilled ready meals volumes.

UK Convenience Foods

Food to Go

The UK Food to Go business represents approximately 40% of Convenience Foods revenues and comprises sandwiches, sushi, snack and side of plate salads.

Both the sandwiches sub-category and the broader chilled food to go market experienced good growth over the year. Following a slow first half, the market was helped by good summer weather in July and early August. The sandwiches sub-category grew by 5.1% in the year while the broader chilled food to go market (i.e. sandwiches, sushi, snack and side of plate salads) grew by 5.6%. The market growth in value terms was ahead of unit sales and was driven by growth in promotional meal deals activity on premium lines.

Against this backdrop revenue in the combined Food to Go business grew by 4.4%. During the year, we strengthened our position in sandwiches with a number of major customers and also saw promising early results from several significant range refreshes. Following additional investment, most retail customers are now using cardboard packaging rather than plastic. The market remained highly competitive leading to us choosing not to renew several marginal return smaller contracts.

Prepared Meals

The Prepared Meals business comprises chilled ready meals, quiches, chilled soup and chilled sauces and represents approximately 25% of Convenience Foods revenues. Following several years of near double digit growth, the chilled ready meals market experienced growth in FY13 of just 1.4%, while the Italian ready meals market, our major sub-category, declined by 3.7%. This was predominantly driven by the impact of the horsemeat scandal which affected the broader processed beef market from late January. Although all industry tests on chilled ready meals were negative for the presence of horsemeat, the chilled ready meals market and, in particular Italian ready meals, was negatively impacted in Q2 and remained in year on year decline in H2. Both the chilled soup market and the quiche market exhibited more robust performances with soup ahead by 7.8% and quiche ahead by 7.6%, while chilled pasta sauces experienced a 1.2% decline.

The Prepared Meals business grew reported revenues by 9.1% in the year due to the acquisition of the International Cuisine business in August 2012. On a like for like basis revenue was 5.2% lower as a result of the decline in ready meals. Whereas we grew revenues ahead of the market in soups and quiche, our ready meals business was behind the market due to our exposure to Italian ready meals and the concentration of our business in a few customers. Returns in the business were significantly impacted by negative operational gearing as volumes in ready meals declined and we were unable fully to recover fixed costs. The integration of International Cuisine was completed during the year which has enhanced our capabilities in the longer life part of the chilled ready meal market. Notwithstanding the impact of the horsemeat scandal, the business has performed in line with expectations and has delivered strong synergies.

Grocery and Frozen

The Grocery and Frozen business provides meal components with Grocery activity focused on cooking sauces, table sauces and pickles and Frozen supplying Yorkshire puddings. The own label cooking sauces market grew by 1.1% in value in the year whilst the frozen Yorkshire puddings market declined by 1.9%.

The business performed well and grew revenue by 2.6% with strong business performance in cooking sauces in the discounter sub-channel and a net gain in new listings in Yorkshire puddings.

During the year, management of the retail cakes operation in Hull was transferred to the Grocery and Frozen business.

Cakes and Desserts

The Group's cakes and desserts activity includes the Hull facility, the food service desserts facility in Taunton and the chilled desserts facility in Evercreech. The Celebration Cake market, the largest sub-category in which we participate, declined by 1.3% in the year while the total chilled desserts market experienced a 2.1% decline.

Overall, Cakes and Desserts revenues were 5.1% lower on a like for like basis as the business concentrated on improving returns. The financial performance of the Hull facility improved significantly versus the previous year with good operational improvements delivered. While volumes in the food service market were impacted by the warm summer weather, additional business was secured with a key customer, which should provide good growth in FY14.

The refurbishment of the Evercreech facility was completed during the year and the remaining premium desserts lines were all successfully transferred from the Minsterley facility. The disposal of the Minsterley facility was completed as planned at the beginning of January.

US Convenience Foods

The US business has been transformed following the acquisitions of MarketFare and Schau in FY12 and the addition of Starbucks as a major new customer during the year. Reported revenues were over 60% higher than in FY12. The financial performance of the business improved during the year, and is now profitable.

The integrations of MarketFare (Fredericksburg and Salt Lake City facilities) and Schau (Chicago and Jacksonville facilities) were completed during the year with capital investments at all four facilities. The product range in the 'legacy' business was simplified with a significant SKU rationalisation programme to focus the business more on food to go lines. This programme reduced operational complexity at the Newburyport facility in particular. During Q2 and Q3, the business successfully rolled out a range of food to go products (sandwiches, bistro boxes and parfaits) for Starbucks from four facilities (Newburyport, Chicago, Jacksonville and Fredericksburg).

The US business has a clear strategy and we remain focused on building out the business with existing customers in the small store and convenience channels. The business now has significant scale and we continue to build capability both with reassignments from the UK business and with local hires.

Convenience Foods Revenue (£m)

+3.5%

Convenience Foods Operating Profit (£m)

+7.0%

Ingredients & Property

	FY13 £m	FY12 £m	Change Actual Currency	Change Constant Currency
Revenue	**67.9**	70.8	-4.1%	-5.3%
Operating profit	**2.5**	1.6	+59.4%	+57.4%

The Ingredients and Property division represented 6% of Group revenues in the year and a smaller proportion of Group profits. The revenue decline in the year was driven by the edible oils trading activity. Revenue performance was robust in the molasses feed business as the poor winter and spring weather increased demand for feeds. Operating profit benefitted both from better mix in edible oils and the increased molasses revenues.

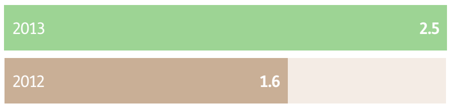
Marketing of the Littlehampton site commenced in the Summer, expressions of interest have been received and are under consideration. As detailed in Note 6 to the financial statements on exceptional items, the Group recognised an exceptional charge of £9.2 million in the first half related to its Irish property portfolio. This comprises an impairment charge following the rezoning of a large proportion of the Group's property assets in Ireland and reflecting the continued soft property market, together with a charge for the expected costs to complete the remediation of the former Irish sugar sites.

Ingredients & Property Revenue (£m)

-4.1%

Ingredients & Property Operating Profit (£m)

+59.4%



* Definitions of Key Financial Performance Indicators are provided on page 9.

** Market growth rates are based on Nielsen data for the 52 weeks to 28 September 2013.

Financial Review*
Alan Williams

Reported revenues in the year were £1,197.1 million, an increase of 3.0% versus FY12.

Revenue and Operating Profit

Group operating profit of £76.5 million was £5.8 million or 8.1% higher than in FY12. Group operating margin was 6.4%, 30 basis points ahead of the prior year. The improvement in operating profit and operating margin was driven by tight financial management of the Group, including a focus on improvements in returns in lower margin businesses. The impact of currency in the year was not material.

Interest Payable

The Group's bank interest payable in FY13 was £15.6 million, a decrease of £0.8 million. This was driven by a combination of lower net debt and a lower effective interest rate payable on the Group's committed facilities. The composition of the charge was £14.3 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 credit in FY13 was £0.5 million (£1.8 million charge in FY12). The change in the fair value of derivatives and related debt adjustments was a non cash credit of £4.4 million (£2.8 million credit in FY12) reflecting the mark to market of the Group's interest rate swap portfolio. The non cash pension financing charge of £3.8 million was lower than the charge in FY12 of £4.7 million and reflects a reduction in interest rates and lower expected return on assets. The charge in respect of the increase in the present value of assets and liabilities held was £0.2 million (£0.1 million credit in FY12).

From FY14, the Group will adopt the revised accounting standard on employee benefits, 'IAS 19 (revised 2011): Employee Benefits'. This will result in a higher net non-cash financing charge related to pensions. Further details and an estimate of the impact are given below under 'Pensions'.

Taxation

The Group's effective tax rate in FY13 was 1% compared to a rate of 4% in FY12.

The low effective tax rate reflects the considerable tax attributes assumed by the Group in September 2011 following the acquisition of Uniq plc.

Exceptional Items

The Group recognised a net exceptional credit of £18.1 million (FY12: net charge of £5.6 million).

The credit is analysed as follows:

- a charge of £2.7 million in connection with the completion of the integration of the Uniq business, including the Chilled Desserts restructuring, and the completion of the integration of International Cuisine;
- a charge of £1.5 million in connection with the completion of the integration of the MarketFare and Schau acquisitions in the US;
- a charge of £9.2 million related to the Group's Irish property portfolio. This comprises an impairment charge of £4.3 million following the change in zoning of a large area owned by the Group together with soft property market conditions, and an additional charge of £4.8 million in connection with the remediation of the former sugar processing sites;
- a credit of £4.4 million representing a curtailment gain in connection with the Greencore Group pension scheme;
- a tax credit of £18.9 million following a reassessment of the utilisation of deferred tax assets acquired as part of the Uniq transaction;
- a tax credit of £7.8 million in connection with the resolution of a number of tax positions, including the settlement of an overseas tax case; and
- a tax credit of £0.3 million in respect of integration charges in the year.

Earnings per Share

Adjusted earnings of £56.9 million were 15.6% or £7.7 million above prior year. Adjusted earnings per share of 14.5 pence were 13.3% ahead of FY12.

Cash Flow and Net Debt

A net cash inflow from operating activities of £65.7 million was recorded compared to an inflow of £72.1 million in FY12. Whereas FY12 benefitted from a one-time working capital inflow following acquisition activity of £23.4 million, the corresponding inflow in FY13 was £9.9 million.

Capital expenditure of £34.9 million was incurred in the year compared to £30.4 million in FY12. The increase was predominantly driven by investment in capacity upgrades in soup, sushi and further carton packaging investments in sandwiches. In addition capital investments were undertaken in businesses acquired in FY12.

Interest costs of £15.1 million were paid in the year (FY12: £15.7 million) with cash dividends to equity holders of £11.1 million (FY12: £9.2 million).

The Group's net debt at 27 September 2013, a seasonal low point, was £232.8 million, a reduction of £25.2 million from 28 September 2012. The reduction was driven by strong free cash flow conversion and disposal proceeds partly offset by higher capital expenditure and an increase in cash dividends paid.

During the year, the Group extended the maturity of a £50 million bilateral loan facility by two years to 2018. Subsequent to the year end, the Group refinanced $65 million of maturing US private placement notes with a new eight year facility. This leaves the Group with £430 million of committed facilities with a weighted average maturity of 3.2 years.

The net debt at year end of £232.8 million resulted in a reduction in leverage (expressed as the ratio of net debt to reported EBITDA) from 2.75 times to 2.3 times. The Group remains focused on further underlying leverage reduction.

Pensions

The net pension deficit (before related deferred tax) reduced to £137.5 million at 27 September 2013 from £141.8 million at 28 September 2012. The net pension deficit after related deferred tax was £114.3 million, a decrease of £1.6 million from 28 September 2012.

The fair value of total plan assets relating to the Group's defined benefit pension schemes (excluding associates) increased to £373.5 million at 27 September 2013 from £345.7 million at 28 September 2012. The present value of the total pension liabilities for these schemes increased to £511.0 million from £486.9 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.

On 10 May 2013, the Group entered into arrangements with the Hazlewood Foods Retirement Benefit Scheme Trustees to address £40 million of the actuarial deficit in the scheme. The substance of this arrangement is to reduce the cash funding which would otherwise be required based on the latest triennial valuation, whilst improving the security of the pension scheme members' benefits. This arrangement has no impact on the acturial valuation under IAS 19. This agreement is described in further detail in Note 23 of the financial statements.

From 1 October 2013, the Group will be applying 'IAS 19 (Revised 2011): Employee Benefits'. Applying the revised standard is expected to increase the non cash financing charge, as a single liability discount rate will be applied to the net of assets and liabilities rather than, at present, a separate expected rate of return being applied to the assets and a finance charge applied to the liabilities. Had the change applied in FY13, the non cash financing charge to the Income Statement would have been £1.7 million higher. Under the revision, scheme administration costs including the UK Pension Protection Fund levy will be recognised as an operating cost through the Income Statement. These costs had previously been taken directly to scheme liabilities as the schemes are all closed to future accrual. The costs in FY13 were approximately £2.0 million. The changes have no impact to cash funding requirements for the schemes and no impact on the deficit for actuarial purposes.

Alan Williams
Chief Financial Officer
25 November 2013

Operating Profit (£m)

Bank Interest Payable (£m)

Adjusted EPS (pence)

+13.3%

Net Debt (£m)

-£25.2m

* Definitions of Key Financial Performance Indicators are provided on page 9.

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.

* Greencore Group plc Board Director.

1. 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.

2. 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.

3. 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.

4. 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 the Group in 1999. Before joining the business, Kevin worked for more than a decade in senior roles in management consultancy and retail.

5. Phil Taylor

HR Director, Greencore Group

Phil is Group HR Director. Prior to this appointment Phil was Managing Director for Greencore Grocery with responsibility for three UK manufacturing facilities. Phil joined Greencore in 1999 and has worked in a number of senior roles across various Greencore categories. Before joining Greencore Phil worked in a number of commercial roles in a variety of non-food branded businesses.

6. Eoin Tonge

CSO, Greencore Group

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

7. Alan Williams*

CFO, Greencore Group

Alan is Chief Financial Officer. He 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.

Great and Safe Food

Keeping the passion for food central to our culture.

We aim to have a culture centred around great tasting food, to be known externally to have real food credentials as a business and continuously driving food technologies.

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 strong integrity and sustainable corporate and social responsibility practices for the benefit of our people, our customers, our suppliers, the environment, our shareholders and our communities.

Our Values

Greencore conducts its business in a manner which 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.

Group CEO presenting the Food First Chairman's Award to representatives from Greencore Grocery.

Introduction

We aim to operate in a sustainable and responsible manner. To embed and drive this approach within our organisation we have developed a framework, which we call 'The Greencore Way'. This framework is based on four core operating principles as described in the 'Strategy and Business Model' section on page 8:

1) People at the core
2) Great and safe food
3) Business excellence
4) Cost effectiveness

The Greencore Way sets out how we apply these principles to our behaviours and actions on a day to day basis. It also creates a vision and goals for our desired outcomes with our key stakeholders – our people, our customers, our suppliers, the environment, our communities and our shareholders. This report therefore discusses our vision and goals and how we are doing against each of these stakeholders (other than Shareholders which is the key focus of the other sections of the Business Review and Strategic Report).

People at the Core

'Making Greencore a great place to work'

People are at the core of The Greencore Way but are of course also a key stakeholder. We believe that people make the difference to our business and they make Greencore a great place to work.

Our Company Values

Greencore has a well-established set of company values, which are recognised across the Group. The values are built on **'Performance Matters'**, **'People Matter'**, **'Responsibility Matters'**, and **'Passion to Succeed'**. These values are used as part of our Group performance management programme, which we call a **PRIDE Review**.

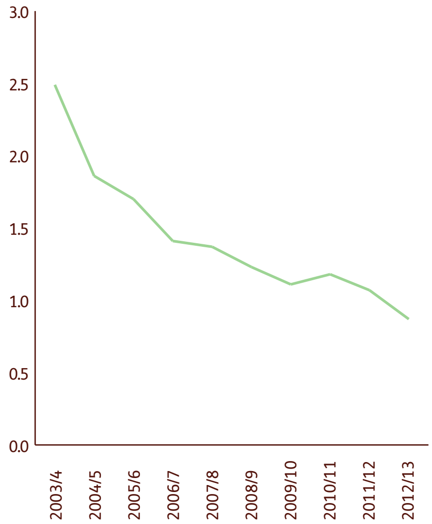
A Healthy and Safe Place to Work

Greencore aims to have **industry-leading standards** of health and safety to ensure the safest conditions for our people, visitors and contractors at all of our facilities.

We continue to benchmark the Group accident incident rate, shown below. During the period 2003/04 to 2012/13 there has been **a reduction in the accident incident rate (AIR), from 2.49 to 0.87 accidents per 100 employees**. Specifically in the past year:

- The total accident rate for the 2012-13 year is down 19%
- Reportable accidents have decreased by 38% year on year

Our AIR figures demonstrate a continuing improvement in health and safety risk management.



Despite these figures we continue to focus on improving our health and safety risk management. We regularly conduct detailed health and safety risk management audits across each of our sites. These audits are an important driver for managing risk reduction across the business. A number of our facilities are independently certified to OHSAS 18001: 2007 and have successfully maintained this distinction.

Over and above the Group audits, we commission specialist third party experts to support our continuous improvement process. As an example, all recommendations from the specialist machinery safety audits carried out across all UK manufacturing sites between 2009 and 2011 are now complete. Machinery safety is one of the main causes of major injury incidents in the food industry and these audits are key to Greencore's control of this type of risk.

Greencore continues to support the HSE Food Manufacturing Forum by providing a representative through our membership of the Chilled Foods Association.

Greencore is a signatory to the UK Government's Public Health Responsibility Deal pledges on Health at Work and Physical Activity, supporting the health of our employees. Greencore provides Occupational Health services across manufacturing sites as appropriate to the size and specific risks of the facility. Occupational health is measured annually against industry best practice as part of the Group health and safety audit.

A Place to Develop your Career

Greencore's goal is to be recognised as a place where people can develop their careers. We therefore put much emphasis on learning and development to help our employees achieve their potential.

Individual and team development is supported across Greencore by **learning and development programmes**. These are formulated to deliver a wide range of training needs at all levels. They include basic technical skills offered to all of our operations staff, such as **food safety and hygiene training**, right through to **executive development programmes** across the UK, the US and Ireland.

Learning and development needs are identified through Greencore's PRIDE performance review system. All Greencore salaried staff and management participate in a **PRIDE Review** at least once a year. Four thousand learning activities will be delivered throughout the coming year to meet both personal development and skills enhancement opportunities identified in this year's PRIDE reviews.

Greencore's manufacturing sites have **dedicated learning and development staff** and there is also a **Group Learning and Development Manager**, whose role is to develop, coordinate and drive programmes throughout the business.

Colleagues from our Food to Go category.

Greencore is now an **ILM** (Institute of Leadership and Management) accredited centre with dedicated **Regional Training Centres**. We work with a number of external providers to ensure that we build effective leadership skills and food manufacturing capabilities for our people. Since its launch in 2006, nearly 2,000 Greencore colleagues have participated in **the Leadership Academy**. This has more recently been rolled out at Greencore's US facilities.

A Place Where Everyone's Contribution is Recognised

At Greencore, putting people at our core means that we recognise and celebrate the outstanding achievements of our colleagues.

This year Greencore has launched the Star Awards programme across UK sites. **Star Awards** began at our Northampton facility three years ago to recognise the great work done by individuals and teams. All UK sites can now highlight their star performers each month.

Greencore facilities in the US recognise the **Employee of the Month**. The scheme is being extended this year with the opportunity to nominate Employee of the Year.

Some of our sites seek external accreditation that helps to demonstrate the value placed on our people. In September, the Food to Go facility in Manton Wood was re-accredited with its **Investors in People** standard.

Corporate Social Responsibility Report (continued)

Diversity

The Group recognises the importance and benefit of ensuring diversity throughout the business. We ensure there is a balance between different cultures, ages and gender. We strive to create a culture which recruits, promotes and ensures the constant development of women in the workplace.

Ratio of Men and Women

Women currently make up approximately 38% of our Group-wide employees. In Ireland, 46% of the workforce are female, in the UK approximately 36% of our employees are female whilst in the US 49% of employees are female.

All Employee gender breakdown

Country	Ireland	United Kingdom	US
No. of Employees			
Male	22	5,709	606
Female	19	3,251	589
Total	**41**	**8,960**	**1,195**

Female representation on the Greencore Group plc board is 20%, further details are set out on page 34. Female representation on our subsidiary company boards is currently at 19%. The senior management of the business is composed of the Group Executive Board ("GEB"), details of which are set out on page 22. Since the departure of Di Walker, this is now composed of two Executive Directors and five other senior managers. Whilst the Board is satisfied that the GEB has the appropriate balance of skills, experience and expertise necessary to fulfil its role, should there be further compositional changes, the Board will give due regard to diversity.

Greencore celebrates **long service** by its staff, with recognition given to those that have served for 20, 25 and 30 years. At the Prepared Meals facility in Sheffield, one colleague celebrated 45 years with the business earlier this year. Greencore Grocery in Selby holds an annual **Christmas Party** for pensioners and colleagues with 25 years or more service. Long service and retired staff enjoy lunch, entertainment and products from the site.

We celebrate and recognise our food culture through our unique Food First programme which was established in 2003. Each year the **Food First Chairman's Awards** are given to the sites or teams that have demonstrated just that, both from a commercial and a cultural perspective. In 2013 Greencore USA was awarded the Food First Commercial Award for its work on the Starbucks launch. Greencore Grocery in Selby won the Food First Culture Award for its 'Learning Lunches' programme, an education programme amongst site colleagues on international cuisines.

Successes and achievements at Greencore are shared through regular communications including **site briefings**, staff **notice boards**, the Greencore magazine '**On the Menu**' and our staff intranet '**On the Menu online**'.

A Fun Place to Work

Whilst maintaining a professional approach to our work, Greencore does also encourage its colleagues to have fun and enjoy their work. At many of Greencore's sites this is centred on **charity fundraising**.

A number of Greencore's UK facilities celebrated '**Red Nose Day**' in March and in doing so raised much-needed funds for **Comic Relief**. Greencore teams across the UK and in Chicago participated in October's '**Wear it Pink**' day in aid of Breast Cancer Support.

We celebrate our food culture through our unique Food First programme which involves the whole workforce joining in with fun, and occasionally novel, events. In May, colleagues from Greencore Food to Go participated in the **British Sandwich Association's** world record attempt at the most people making sandwiches at the same time. This was achieved with more than 600 colleagues from across the industry participating.

Greencore staff also get together to enjoy social clubs and sporting events – a group of colleagues at Greencore's facility in Wisbech have set up their own local football club, **Greencore FC**.

Engagement is encouraged through regular employee surveys giving colleagues the opportunity to comment on all aspects of life at Greencore.

Customers

'Delivering Excitement, Intimacy and Trust'

Greencore believes in building strong relationships with our customers, and in turn consumers. Our goals are:

- to understand our customers deeply and commit to helping them win
- to be an industry leader in food safety standards and supply chain security
- to be known for innovative and great tasting food products

Understanding our Customers Deeply and Commitment to Helping Them Win

Our dedicated key account teams work closely with our customers to ensure that our four operating principles (people at the core, great and safe food, business excellence, cost effectiveness) are aligned to the strategies and expectations of our customers. This is recognised through the status that we have with many of our customers as 'category captains' or as key strategic suppliers. This year we received awards and recognition from our customers for the work we do for them, including 'Asda Account Manager of the Year', 'Sainsbury's Technical Excellence Award' and 'Tesco Values Awards'.

We also continue to work with customers to help drive and deliver their sustainability strategies, including supporting nutrition improvements to extend the portfolio of healthy products available to consumers and meeting both our customers' and Greencore's environmental and ethical criteria throughout our operations and supply chains.

An Industry Leader in Food Safety Standards and Supply Chain Effectiveness

Food safety is an absolute priority for Greencore and we maintain the highest standards throughout our operations. We have a strong set of key performance indicators, which measure our food safety performance on a daily, weekly and monthly basis as well as setting technical strategies that respond to internal performance and external factors.

Our facilities undergo multiple audits to ensure we meet specific standards on food safety and hygiene. This year, 81 internal inspections by Greencore technical personnel, including health checks and unannounced audits, were carried out. These were accompanied by 167 formal audits by external bodies against retailer and accredited standards of quality and safety.

We have always maintained robust procedures to ensure traceability and authenticity within our supply chains and we continue to challenge and improve these through our internal testing processes and our dedicated supply chain audit team.

Our specialist team of auditors has conducted 214 physical audits of companies supplying our business throughout FY13.

Known for Innovative and Great Tasting Food Products

Our core principle of Great & Safe Food is widely recognised by both our colleagues and customers as a platform for competitive advantage by demonstrating a genuine love and passion for great food. At Greencore we employ high calibre **food development professionals** who drive this food agenda. We make significant investments in uncovering and understanding **new food trends** and developments, through market data, consumer research and market visits.

All of this expertise and knowledge forms the basis of our product and packaging development activities. 43% of all of the products manufactured by Greencore across the UK and US in the last 12 months are new to the market. However, the focus on great and safe food doesn't stop with our product development teams – every employee within Greencore is encouraged to demonstrate and share a passion for great and safe food.

Products manufactured by Greencore are regularly shortlisted and winners at key industry product awards. Last year 11 products were shortlisted at **The Grocer Own Label Food & Drink Awards** and seven products have made **The Quality Food & Drink awards** shortlist. Greencore has also won awards at **The Sandwich Industry Awards** as well as the **British Frozen Food Federation Awards**.

Health and nutrition are a particular focus for Greencore and our customers. We signed the UK government's Public Health Responsibility Deal commitments on salt reduction and removal of artificial trans fats in 2011.

We have met the 2012 salt reduction targets for products across the majority of categories in which we operate, including sandwiches, prepared meals, soups, cakes, tomato ketchup, pasta sauces, pastes and puddings. For the small number of products that do not meet the targets, our technologists continue to work towards them, where food safety and quality allow.

We met the commitment to remove artificial trans fats from products at an early stage. Partially hydrogenated vegetable oil is not used as an ingredient in our products. Furthermore, oils and fats containing trans fats are not used in their preparation.

Our development teams are supported by our company nutritionist and recently appointed Group Sustainability Manager, who are in contact with external bodies including, in the UK, the Department of Health, Public Health England, the East Midlands Platform on Public Health, the Chilled Food Association (CFA), Institute of Grocery Distribution (IGD) and Food Standards Agency Scotland. We continue to engage with the Department of Health in the UK on the Public Health Responsibility Deal and the review of salt targets scheduled for 2013-14.

Health awareness is part of a calendar of site activities, aiming to encourage our workforce to maintain a healthy lifestyle.

Suppliers

'Operating Effective and Transparent Supply Chains'

By the very nature of the typically short shelf-life food categories in which we operate, it is critical for Greencore to work closely with its suppliers to have effective and transparent supply chains. Our goals for suppliers are:

- to be a business that sets clear standards for its suppliers
- to be a business with deep supplier insight and supply chain capability
- to be a business that partners with its suppliers for responsible sourcing of key materials

A Business that sets Clear Standards for its Suppliers

Greencore has a central technical and purchasing function that works with our suppliers to ensure that our requirements and standards are met. All of our suppliers undergo regular auditing processes, either by our dedicated in-house supplier auditing team or via approved third party supplier auditors.

In addition to the auditing and approval processes described above, each ingredient supplier has its own specification, which sets out the required quality and safety standards.

A Business with deep Supplier Insight and Supply Chain Capability

Greencore operates to the highest customer service levels of 99+% for the vast majority of its products. These standards can be difficult to achieve within most product areas, but due to the capabilities of our purchasing and supply chain teams we are able to achieve these levels in traditionally challenging short shelf-life product categories.

A Business that Partners with Suppliers for Responsible Sourcing of Key Materials

We set ethical standards within our business and aim to ensure fair working practices throughout our supply chains.

As a member of SEDEX, Greencore encourages suppliers to its UK business to register with the organisation. The majority of the top 100 suppliers to our UK sites are SEDEX members and we are working across our broader supply base to encourage membership.

Learning & Development Manager, Richard Everitt presenting the Kiveton site learning and development notice boards.

Greencore sites within the UK undergo internal ethical audits in addition to those conducted by our customer and independent 3rd party auditors against the SEDEX Members Ethical Audit (SMETA).

Our customers expect high standards of animal welfare for their products. All raw beef used within our prepared meals is produced from UK origin farm assured cattle.

Responsible sourcing of raw materials is important to Greencore and to our customers. We use Marine Stewardship Council (MSC) certified Pollock in our products and 95% of the tuna in our sandwiches is pole and line caught. 86% of the cold water prawns we use are sustainably sourced.

Corporate Social Responsibility Report (continued)

Global GHG emissions data for period 1 October 2012 to 30 September 2013

	Kg of CO_2e	
	Current reporting year FY13	Comparison year[1] FY12
Emissions from:		
Combustion of fuel and operation of facilities (Scope 1)	85,067	84,583
Electricity, heat, steam and cooling purchased for own use (Scope 2)	65,618	75,369
Total emissions (Scope 1 & 2)	150,685	159,952
Intensity measurement (Kg CO_2e per £1 sales revenue)	0.126	0.137

We are working with our suppliers to transition all of the palm oil ingredients we use in our products to the Round Table on Sustainable Palm Oil (RSPO) standard. Our bakery at Kiveton is RSPO certified for the use of segregated palm oil in its quiches. Across our other sites we support the Book and Claim model operated by GreenPalm and have recently undergone an independent audit to demonstrate our compliance with this system.

Environment

'Respecting our Environment'

Greencore believes it makes sense, both economically and ethically, to seek ways to reduce the effect of our operations and our business on the Environment. Our goals for the Environment are:

– to be an efficient user of resources
– to be a leader in material usage and sustainability
– to be an influencer in reducing consumer food waste right the way across the food chain

An Efficient User of Resources

In 2013 we again responded to the **Carbon Disclosure Project** Climate Change Programme and continue to work on improving our carbon reporting and reducing our carbon footprint. For the first time this year we have also responded to the Carbon Disclosure Project Forests Programme.

In FY13 a number of energy and carbon reduction projects were completed across our business, including investments in inverters, compressed air improvements, energy efficient lighting, refrigeration upgrades, including the use of 'free cooling' in colder weather to reduce refrigeration system energy consumption.

In the last year we have delivered an overall 1.3% total energy reduction and 1.7% reduction in energy per tonne of product[2].

Details of our carbon footprint are shown above. This is produced following the guidelines and principles of the WBCSD/WRI Greenhouse Gas Protocol, and covers our scope 1 emissions (fossil fuels, transport fuel & refrigerant losses) and scope 2 (electricity), using emission factors from UK Government's GHG Conversion Factors for Company Reporting. The footprint includes all Greencore operating companies for FY13.

We have reported on all of the emission sources required under the UK Companies Act 2006 (Strategic Report and Directors Reports) Regulations 2013.

We have continued to focus on reducing **water usage**. Our total water consumption has remained broadly flat, as has consumption (m^3) per tonne of product at 6.78 compared to 6.73 in the previous financial year. This is against an overall reduction in water consumption per tonne of product of 25% in the previous five years.

In addition to reducing water consumption, we aim to minimise **effluent** production at source. We have also improved the quality of discharge through investment in an upgrade to our effluent plant at Greencore Grocery in Hull and a new treatment plant at Greencore Food to Go in Bow.

Greencore Prepared Meals Kiveton received a highly commended in the Sustainable Resources category at the inaugural Yorkshire Water Taking Responsibility for Business Awards 2013.

A Leader in Material Usage and Sustainability

We aim to use our raw materials as efficiently as possible within our processes and to reduce waste of all types.

Our priority for waste management continues to be in line with the waste hierarchy, as we strive to eliminate waste at source, minimise where practical, and then look to reduce the environmental impact of unavoidable waste through better recycling and recovery.

We continue to support the Courtauld Commitment, and undertook a successful WRAP supported waste prevention exercise at our Food to Go facility in Worksop. As a result the site was highly commended in the sustainability category at the 'Made in Midlands' awards 2013. We are now looking to roll out the benefits from this project across the Group through incorporating some of the key learning into our Lean Environment programme.

During the last financial year we have made a significant change to our waste management services by directly employing a full time Group Waste Manager and administrative support. This has helped to further drive improvements in managing our unavoidable waste. During FY13, we achieved our aim of sending zero waste directly to landfill, and delivered a year on year reduction in total waste of 3.2%, and waste per tonne of product of 3.4%.

	2011/12	2012/13	Year on year change[2]
Tonnes of waste per tonne of product	0.153	0.148	-3.4%

An Influencer in Reducing Consumer Food Waste Right the Way Across the Food Chain

Greencore continues to engage in the broader aspects of food supply chain sustainability, through chairing the Chilled Food Association Sustainability Working Group, active involvement in the IGD Industry Sustainability Group and active engagement with a number of customer sustainability and environmental working groups and forums.

1 Note – the FY12 data has been re-calculated with the new emission factors for individual years produced by the UK Government, replacing the previous five year grid rolling average factors.
2 Note – Based on the 15 UK manufacturing sites (out of a total of 16) owned and operated by Greencore in each of the last two financial years.

We work closely with our customers to continue to develop and improve packaging formats, which reduce the environmental impact of the packaging itself, but also helps to reduce food wastage for the consumer.

In January, Greencore Food to Go Northampton became one of the first suppliers to be validated to the silver level of the M&S Plan A supplier framework.

Group Environmental Advisor, Norman Watson, with Mick McKernon and Paul Sharp of Greencore Food to Go.

Communities

'Making a Positive Impact'

Greencore is aware of its responsibility to ensure that it makes a positive impact on the communities in which it operates. Our goals for Communities are:

- to be a good neighbour
- to be a champion for the food industry
- to be a company with charitable giving as part of its culture

A Good Neighbour

Greencore aims to be a good neighbour by active engagement in the communities serving its facilities and employees. We are committed to establishing and maintaining good community relationships, both in the role of employer and also in terms of any impact our operations may have on local communities. In this regard Greencore aims to respond rapidly to resolve any nuisance complaints which may arise from its operations.

Several Greencore sites have company representatives who participate in local community meetings as the 'eyes and ears' on the ground, able to identify quickly emerging issues or concerns. Greencore's Newburyport facility in the US is also a member of the local Chamber of Commerce and Industrial Park Board.

Greencore engages with schools and other local institutions in community projects. For example in Selby in the UK, Greencore supported a project led by the local police force in which school children painted a decorative mural on a disused wall close to our facility.

A Champion for the Food Industry

As a major employer within our industry, Greencore has a responsibility to champion the food industry. We do this in a number of ways, including participating in and taking leading roles in industry-wide projects, organised by leading trade organisations and charities such as the Chilled Foods Association (CFA) and the Institute of Grocery Distribution (IGD).

In the past 12 months, Greencore has played an active role in the CFA led '**Chilled Education**' initiative with the objective of raising interest in schools and colleges of the technical careers available in the food industry. We have contributed support materials and provided STEM (Science, Technology Engineering and Maths) ambassadors to visit schools. We have also invited school teachers to our facility in Northampton to showcase what our industry has to offer young people.

Together with our peers across the industry, Greencore has for the second consecutive year played a leading role in the **Feeding Britain's Future** initiative in the UK. We invited young unemployed people to our facilities in order to give them an insight into what a career in the industry has to offer. The young people were also given basic skills training with the aim of improving their employability prospects. In October 2013, Greencore was recognised with the **IGD President's Cup** for the role it has played in supporting the IGD and Feeding Britain's Future.

In addition to these activities Greencore has sponsored places for young people run by the **Food Science Summer Schools** at the Universities of Nottingham and Leeds. We support the charity **Young Enterprise** with its development activities within schools and colleges.

A Company With Charitable Giving as Part of its Culture

Greencore supports a number of charities, both from a Group perspective and through local site initiatives. Greencore is a long-standing supporter of the industry charity **GroceryAid** and was the proud recipient of a Silver Achievement Award for its product donations, participation in fundraising events and committee work – all for the benefit of former industry workers that have fallen on hard times.

Greencore also supports **FareShare** in the UK and **Feeding America** in the US. Both organisations redistribute surplus food products to those in need through a variety of different channels.

At a local level, Greencore sites support a wide range of organisations, including **Comic Relief, Jeans for Genes, Great Ormond Street Hospital, The Disability Games, Acorn** and **Breast Cancer Research** in the UK and charities such as **Poverty Aid** and **Food Banks** in the US.

Greencore also supports individual colleagues in their various fundraising activities. Our Group Technical Director, Helen Sisson took part in a **Farm Africa**-led project in Kenya to dig a fish pond providing a source of food and income for the local community; Managing Director of our Food to Go Convenience business, Steve Evans, cycled from Paris to London as part of a Marks & Spencer initiative to raise funds for a number of **cancer charities**; Group CSO, Eoin Tonge, participated in the **Dublin Marathon** for the second year running to raise funds for childrens' orthopaedic surgery in a local hospital. These are just three examples of the many individual fundraising activities by our colleagues across the UK, Ireland and the US.

People At The Core

Making Greencore a great place to work.

We aim to live our company values, be a healthy and safe place to work and a place to develop your career. We want to be a place where everyone's contribution is recognised and to be a fun place to work.


greencore
Safety
Absence
greencore

Board of Directors

Audit Committee
JA Warren* ** (appointed to Committee 20 March 2013)
SG Bailey* (appointed to Committee 25 July 2013)
JT Herlihy* (appointed to Committee 11 March 2010)
HA McSharry* (appointed to Committee 20 March 2013)

Nomination Committee
DM Simons * ** (appointed to Committee 1 July 2004)
PF Coveney (appointed to Committee 1 April 2008)
PG Kennedy* (appointed to Committee 26 July 2012)
JJ Moloney* (appointed to Committee 20 March 2013)

Option and Remuneration Committee
EL Nicoli* ** (appointed to Committee 29 January 2013)
JT Herlihy* (appointed to Committee 22 April 2009)
PG Kennedy* (appointed to Committee 11 March 2010)

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

1. PG Kennedy, BA, FCA

Non-Executive Director (Aged 55)

Gary joined the Board on 20 November 2008 and was appointed Chairman in January 2013. In June 2013 he was appointed Chairman of Green REIT plc. He is a Director of Elan plc as well as being Chairman of its 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 a period of ten years until he retired in December 2005.

2. PF Coveney, B Comm, M Phil, D Phil

Chief Executive Officer (Aged 43)

Patrick joined the Board on 5 September 2005 and was appointed Chief Executive Officer 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. He also served as President of the Dublin Chamber of Commerce from February 2012 until February 2013, having been a Council member since 2003.

3. AR Williams, BA Hons, ACMA, CGMA, AMCT

Chief Financial Officer (Aged 44)

Alan was appointed to the Board as Chief Financial Officer on 7 March 2011. Prior to joining Greencore, he 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 has previously served as Head of Finance for the US confectionery operations of Cadbury and also of its French beverages business.

4. JT Herlihy, B Comm, FCA

Non-Executive Director (Aged 46)

John joined the Board on 13 March 2009. He is head of Google Ireland and also Vice President of International Sales at Google. He previously 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).

5. HA McSharry, B. Comm, MBS

Non-Executive Director (Aged 52)

Heather Ann joined the Board on 30 January 2013. She currently serves as a Non-Executive Director of CRH plc, Jazz Pharmaceuticals plc, Ergonomics Solutions International and is Chairman of the Bank of Ireland Pension Fund Trustee Board. In addition, she serves on the Board of the Institute of Directors, and the IDA, the Industrial Development Agency in Ireland, where she is also Chair of the Audit and Finance Committee. Heather Ann is a former Managing Director Ireland of Reckitt Benckiser and Boots Healthcare.

6. SG Bailey

Non-Executive Director (Aged 51)

Sly joined the Board on 17 May 2013 and is currently a Non-Executive Director of Ladbrokes plc and a Governor of the English National Ballet School. Sly previously served as Chief Executive Officer of Trinity Mirror plc and Non-Executive Director of the Press Association and Littlewoods plc and was also a Non-Executive Director and Senior Independent Director of EMI plc.

7. JA Warren, BSc, FCA

Non-Executive Director (Aged 60)

John joined the Board on 30 January 2013 and is currently a Non-Executive Director of Bovis Homes Group plc, Spectris plc, 4imprint plc and Welsh Water. John is former Group Finance Director of United Biscuits plc and WH Smith plc and previously served as Chairman of Uniq plc, Non-Executive Director of The Rank Group plc, BPP Holdings plc, Arla Foods UK plc, RAC plc and Rexam plc.

8. JJ Moloney, B.Ag.Sc, MBA

Non-Executive Director (Aged 59)

John joined the Board on 8 February 2013. John served as Group Managing Director of Glanbia plc until 12 November 2013 having previously held a number of senior positions within the international nutritional solutions and cheese group, including Chief Executive of Food Ingredients and Agribusinesses. John is also a Non-Executive Director of DCC plc.

9. EL Nicoli, CBE, BSc

Non-Executive Director (Aged 63)

Eric was appointed to the Board on 14 May 2010. He previously served as Group Chief Executive of United Biscuits (Holdings) plc from 1991 to 1999, and was Chairman and Chief Executive of EMI Group plc until 2007. He is currently Chairman of Ulysses Enterprises Ltd (formerly uSwitch), R & R Music Ltd and Wentworth Media & Arts Ltd and serves on the advisory Board of nFluence Media Inc.

10. DM Simons, CBE, BSc Econ, FCMA

Non-Executive Director (Aged 66)

David was appointed to the Board on 1 July 2004 and has served as Senior Independent Director since 22 March 2012. Previously he held the position of Chairman of Littlewoods Shop Direct Group Limited for five years. David was also Chief Executive of Somerfield plc for seven years and has held many senior executive and non-executive positions in major UK and International retail companies.

11. C O'Leary, ACIS

Group Company Secretary (Aged 44)

Conor was appointed Group Company Secretary on 4 June 2010. Previously he held the position of Deputy Group Secretary from 2005. Prior to joining the Group in 2001, he held senior company secretarial roles in Glanbia plc and Cable & Wireless plc and trained with PricewaterhouseCoopers.

Directors' Report

Introduction

The Directors submit their Report and Financial Statements for the year ended 27 September 2013. The Directors' Report is contained in pages 36 to 62.

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 development and 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 and form part of this report.

Results for the Year

The results of the Group for the year are set out in the Group Income Statement on page 76. The operating profit for the year before amortisation and exceptional items was £76.5 million (2012: £70.7 million), whilst the profit after taxation and exceptional charges was £71.7 million (2012: £35.6 million).

Dividends

An interim ordinary dividend of 1.90 pence (2012: 1.75 pence) per share was paid on 3 October 2013. The Directors recommend the payment of a final ordinary dividend of 2.9 pence (2012: 2.5 pence) per share. Subject to shareholders' approval, this dividend is to be paid on 2 April 2014 to shareholders who are on the register of members at 5.00pm on 6 December 2013.

Share Capital

During the year 6,486,959 (2012: 6,336,318) Ordinary Shares were issued under the Company's Scrip Dividend Scheme and 525,105 (2012: 708,061) Ordinary Shares were issued under the Company's ShareSave schemes. Further details are set out in Note 24 to the Group's Financial Statements.

At the Annual General Meeting ("AGM") held on 29 January 2013, shareholders approved the conversion of 3,904,782 Treasury Shares into stock which were thereafter converted into 3,904,782 Ordinary Shares of £0.01 each, representing circa 1% of the Issued Share Capital of the Company and were subsequently reissued at their nominal value to the Company's employee benefit trust to be held for the purpose of satisfying vestings under the Company's employee share schemes.

Pursuant to the Articles of Association, the Company has bought back for nil consideration, and cancelled, all Deferred Shares that were in issue.

There is one Special Share of €1.26 in the capital of the Company. The Articles of Association provide that the Special Share may be held only by, or transferred only to, the Minister for Agriculture, Food & the Marine or some other person appointed by the Minister. In 2011, many of the rights attaching to the Special Share were abolished. Under the Articles of Association, the consent of the holder of the Special Share is required in the winding up of the Company.

The Directors are currently authorised to allot shares up to a maximum nominal amount equal to £1,310,642.56 under an authority that was conferred on them at the AGM held in January 2013. As this authority will expire at the forthcoming AGM, shareholders will be asked to renew, until the date of the AGM to be held in 2015 or 28 July 2015 (whichever is the earlier), the authority of the Directors to allot new shares. This authority will be limited to the allotment of up to an aggregate nominal value of 33% of the nominal value of the Company's Issued Share Capital.

Additionally, at the forthcoming AGM, shareholders will be asked to approve, until the day following the AGM to be held in 2015, or 28 July 2015, whichever is the earlier, 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/or the allotment of shares up to an aggregate nominal value equal to 5% of the nominal value of the Company's Issued Share Capital.

At the AGM held in January 2013, the shareholders passed a resolution to give the Company, or any of its subsidiaries, the authority to make market purchases of up to 10% of its own shares. At the forthcoming AGM, shareholders will be asked to renew this authority until the date of the AGM to be held in 2015 or 18 months after this forthcoming AGM, whichever is the earlier. The Directors do not have any current intention to exercise the power to purchase the Company's own shares. Furthermore, such purchases would be made only at price levels which the Directors considered to be in the best interests of the shareholders generally, after taking into account the Group's overall financial position. In addition, the authority being sought from shareholders will provide that the minimum price which may be paid for such shares shall not be less than the nominal value of the shares and the maximum price will be the higher of 105% of the then average market price of such shares and the amount stipulated by Article 5(1) of the EU Market Abuse (Buyback and Stabilisation) Regulations.

Subject to the necessary approval from shareholders at the forthcoming AGM, the Directors have decided to continue the Scrip Dividend Scheme reactivated in February 2003, so that eligible shareholders will be offered the opportunity of taking all or part of the 2013 final dividend of 2.9 pence per Ordinary Share in the form of fully paid new Ordinary Shares.

Future Developments

The Group showed further growth and development during the year, in particular with the completion of the integration of Uniq and International Cuisine in the UK and the integration of MarketFare and Schau also successfully completed in the US. Future prospects are outlined in the Chairman's Statement, the Chief Executive's Review and the Operating and Financial Reviews.

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 (the Transparency (Directive 2004/109/EC) Regulations 2007, as amended), the Directors are required to give a description of the principal risks and uncertainties which the Group faces. These principal risks and uncertainties form part of the Directors' Report and are set out on pages 11 to 13.

Further detail in relation to the Group's internal controls is included on pages 42 and 43 of this report. Details of the Group's financial risk management and hedging policies are set out in Note 20 to the Group Financial Statements. Details of the Group's key performance indicators are set out on page 9. These disclosures form part of this report.

Directors

In accordance with provision B.7.1. of the UK Corporate Governance Code ("the Code") and the Irish Corporate Governance Annex ("the Annex"), each of the Directors shall retire at all future AGMs 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 re-appointment 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 27 September 2013

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 27 September 2013, 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
Letko Brosseau & Associates	42,850,203	10.68
Polaris Capital Mgt	37,814,480	9.42
Sheffield Asset Mgt	15,665,680	3.90
Norges Bank Investment Mgt	15,078,189	3.76
SEB Asset Mgt	14,409,206	3.59
Legal & General Investment Mgt	13,128,948	3.27
Henderson Global Investors	12,532,018	3.12

At 25 November 2013, 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 Mgt	36,939,038	9.15
Letko Brosseau & Associates	35,686,400	8.84
Fidelity Mgt & Research	26,049,186	6.45
Norges Bank Investment Mgt	15,264,447	3.78
SEB Asset Mgt	14,987,249	3.71
Henderson Global Investors	13,505,629	3.34
Legal & General Investment Mgt	12,626,141	3.13
Global Thematic Partners	12,579,591	3.12
BlackRock Investment Management	12,139,736	3.00

Other than these holdings, the Company has not been notified as at 25 November 2013 of any interest of 3% or more in its Ordinary Share Capital.

Directors' Report (continued)

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 39 to 43, 56, 58 and 61 to 62.

As Greencore Group plc is an Irish registered company with a year end of 27 September 2013, the Group is not subject to the disclosure requirements contained in the recently enacted Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 in the UK. However, we are committed to ensuring transparency and therefore have implemented certain provisions of the regulations. In particular, we have provided information on environmental matters, the Group's employees and social, community and human rights issues as set out on pages 26 to 33. This additional information does not however constitute a strategic report for the purpose of Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and should therefore not be relied upon in that respect. The Report on Directors' Remuneration is set out on pages 44 to 55.

Corporate Social Responsibility

As a Group, we are committed to maintaining integrity and sustainable corporate and social responsibility practices for the benefit of all of our related parties and stakeholders. More details in relation to our Corporate Social Responsibility agenda can be found on pages 26 to 33.

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 18 and 19 and in Note 2 to 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 Taxes 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 2014 AGM, together with details of special business to be considered at the meeting, will be circulated to shareholders in December 2013.

On behalf of the Board

PG Kennedy
Director

AR Williams
Director

Dublin
25 November 2013

Directors' Report (continued)
Corporate Governance Report

Corporate Governance defines how companies are directed and controlled. The Directors are committed to ensuring that the Company maintains the highest standards of corporate governance to ensure accountability and transparency towards all of our stakeholders.

This statement explains how the Group has applied the principles set out in the 2012 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 to voluntarily adopt the provisions 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 and has therefore taken into account the revised provisions of the 2012 UK Corporate Governance Code which apply to financial years which commenced on or after 1 October 2012. The Board believes that the Group has complied fully with the 2012 UK Corporate Governance Code and the relevant provisions of the Annex throughout the financial year ended 27 September 2013 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.

PG Kennedy
Chairman
25 November 2013

Board of Directors

The Board is responsible for the leadership, monitoring and control of the Group and promoting the long-term success of the Group. The Board currently comprises two Executive and eight Non-Executive Directors. Biographical details for each of the Board members are set out on page 35 and include their dates of appointment. The Board considers that, between them, the Directors have the range of skills, knowledge, expertise, dedication and experience necessary to lead the Group, in addition to vast international strategic experience, both within the food industry and in the broader commercial arena. The four Non-Executive Director appointments to the Board in the year under review have strengthened the Board's collective vision and added deep sectoral and international experience to the Board, which will bring a new focus for the Group as it moves forward in its development.

All the Directors bring independent judgement to bear on issues of risk, culture, health and safety, strategy, performance, resources, key appointments, ethics and standards. The Board has determined that each of the Non-Executive Directors is independent, which is in line with the Code requirement which recommends 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. No Non-Executive Director has any material interest or other relationship with the Group.

It is intended that Mr David Simons will retire from the Board immediately after the forthcoming AGM of the Company. Mr Simons joined the Board on 1 July 2004 and was appointed Chairman of the Nomination Committee on 29 January 2013 having been a member of the Committee since his appointment to the Board. Given Mr Simons' key strengths and attributes, he was appointed Senior Independent Director on 22 March 2012. Following Mr Simons' retirement from the Board in January 2014, Mr Eric Nicoli will be appointed Senior Independent Director.

The Directors believe that following the recent key appointments the Board is of the correct size and structure wherein the balance between Non-Executive Directors and Executive Directors ensures that the Board continues to have the appropriate skills, expertise and experience required to ensure the Board fulfills its function effectively and no undue reliance is placed on any individual Non-Executive Director. The Board recognises the importance of ensuring that each of the Non-Executive Directors is independent of both mind and judgement in order to meet the challenges of the role.

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, the Chief Executive Officer or the Company Secretary on any items which will be raised at the meeting and these views are thereafter communicated to the Board as appropriate. A list of the Directors' attendances at scheduled meetings throughout the year can be found on page 41.

There is an agreed list of matters which the Board has formally reserved to itself for consideration and decision and includes approving the interim and final Financial Statements, approval of the interim dividends and recommending final dividends to shareholders, Board membership, major acquisitions and disposals, major capital expenditure, risk management, treasury policies and the approval of all circulars and listing particulars. The list of matters reserved for Board decision is reviewed regularly by the Board and is amended as appropriate. 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 on an individual and collective basis.

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 twice a year. 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.

Directors' Report (continued)
Corporate Governance Report (continued)

Board of Directors (continued)

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 ensures 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 Group management accounts and reports on a monthly basis. 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 acknowledged that there should be a recognised senior member of the Board, known as the 'Senior Independent Director'. Mr Simons is the current Senior Independent Director and was appointed to this role on 22 March 2012. Following Mr Simons' retirement from the Board at the conclusion of the 2014 AGM, it is intended that Mr Eric Nicoli will be appointed Senior Independent Director. The Senior Independent Director is available to shareholders who have concerns that cannot be addressed through the Chairman, Chief Executive or Chief Financial Officer and also acts as a confidential sounding board and intermediary for the other Directors, if necessary.

The Board alone holds the authority for planning, directing and controlling the activities of the Group. Whilst the roles of Chairman and Chief Executive Officer are separate and there is a clear division of responsibilities between each role, the Board has delegated operational responsibility for the management of the Group to the Chief Executive Officer who is accountable to the Board.

It is expected that the Non-Executive Directors will constructively challenge 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 the time commitment involved in the role and is required to confirm that he or she is able to meet the time commitment required.

In the year under review, further to the compositional changes to the Board, the process of annual evaluation was amended such that each of the Directors completed a questionnaire which detailed how the Board collectively and individually discharged its responsibilities during the year, the performance of the committees and the general corporate governance of the Group. Following the completion of the questionnaire, the Chairman met with each of the Directors to discuss the results of the questionnaire and also to evaluate each individual Director's performance and the conduct of Board meetings. The purpose of individual Director evaluation is to focus on the contribution of the Director to the Board and how each member met their expectations during the year. It is intended that the Chairman of the Board will present the results of the Board effectiveness review at the December Board meeting and any issues which have been identified will be discussed, with key areas for focus in the forthcoming year addressed. In addition, every year the Chairman meets with the Non-Executive Directors without the Executive Directors present. 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. This forms part of the broader Board effectiveness review and ensures a robust, independent and effective Board. In line with the Code, the Board, both collectively and individually, will be evaluated by an external evaluator at least every three years.

Board Committees

The Board has established an effective committee structure ("the Committees") in order to assist in the discharge of its responsibilities. Details of the various committee memberships, together with the relevant biographies are set out on pages 34 and 35 of this report. Further details on the role of the Committees and the work undertaken by each in the year under review are set out on pages 44 to 61.

	2013	2012
Average number of Executive Directors	2	3
Average number of Non-Executive Directors	8	6
	10	9

Attendance at scheduled Board and Board committee meetings during the year ended 27 September 2013 was as follows:

	Board		Audit		Nomination		Option and Remuneration	
	A	B	A	B	A	B	A	B
PF Coveney	8	8	–	–	1	1	–	–
SG Bailey (i)	2	2	1	1	–	–	–	–
JT Herlihy	8	6	3	1	–	–	3	2
PG Kennedy	8	8	1	1	1	1	3	3
PA McCann (ii)	2	2	–	–	–	–	–	–
HA McSharry (iii)	5	5	2	2	–	–	–	–
JJ Moloney (iv)	5	5	–	–	–	–	–	–
EL Nicoli	8	8	2	2	–	–	2	2
DM Simons	8	7	1	1	1	1	–	–
EF Sullivan (ii)	2	2	–	–	–	–	1	1
DS Walker (v)	6	5	–	–	–	–	–	–
JA Warren (iii)	5	4	2	2	–	–	–	–
AR Williams	8	8	–	–	–	–	–	–

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

(i) Appointed 17 May 2013
(ii) Retired 29 January 2013
(iii) Appointed 30 January 2013
(iv) Appointed 8 February 2013
(v) Ceased to be a Director on 24 May 2013

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 of 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 represents the Group's shareholders and is accountable to them for effective governance of the business. The Group 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 and divestments are released through a Regulatory News Service of 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 Group 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 elect to 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 information concerning the Group is available on the website which can be accessed through the Investor Relations section of the website. Stock Exchange announcements are also made available on the Investor Relations section of the website, after release to the London Stock Exchange.

The Board members attend the AGM and are available to shareholders to answer questions. Separate resolutions are proposed on substantially different issues. The agenda of business to be conducted at the AGM includes a resolution to receive and consider the Annual Report and Financial Statements. Each committee chairman is available at the AGM. The notice of the AGM, 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 AGM on 29 January 2013, 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.

Shareholders' Meetings

The Company operates under the Companies Acts 1963 to 2012 ("the Acts"). These Acts provide for two types of shareholder meetings: the Annual General Meeting ("AGM") with all other meetings being called Extraordinary General Meetings ("EGM").

Directors' Report (continued)
Corporate Governance Report (continued)

Shareholders' Meetings (continued)

The Company must hold a general meeting in each year as its AGM in addition to any other general meetings held in that year. Not more than 15 months may elapse between the date of one AGM and the next. The Directors may at any time call an EGM. EGMs shall also be convened on the requisition of members holding not less than 5% of the voting share capital of the Company. The notice period for an AGM and an EGM to consider any special resolution (a resolution which requires a 75% majority vote, not a simple majority) is 21 days. The Company may call any other general meeting on 14 days' notice subject to obtaining shareholder authority to do so.

No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Three members present in person or by proxy and entitled to vote shall be a quorum. Only those shareholders registered on the Company's register of members at the prescribed record date, being a date not more than 48 hours before the general meeting to which it relates, are entitled to attend and vote at a general meeting.

The Acts require that resolutions of the general meeting be passed by the majority of votes cast (ordinary resolution) unless the Acts or the Company's Articles of Association provide for 75% majority of votes cast (special resolution). Any shareholder who is entitled to attend, speak and vote at a general meeting is entitled to appoint one or more proxies to attend, speak and vote on his or her behalf. A proxy need not be a member of the Company. At meetings, unless a poll is demanded, all resolutions are determined on a show of hands, with every shareholder who is present in person or by proxy having one vote. On a poll every shareholder who is present in person or by proxy shall have one vote for each share of which he/she is the holder. A shareholder need not cast all votes in the same way.

The business of the Company is managed by the Directors who may exercise all the powers of the Company unless they are required to be exercised by the Company in general meeting. Matters reserved to shareholders in general meeting include the election of Directors, the declaration of dividends on the recommendation of the Directors, the fixing of the remuneration of the External Auditor, amendments to the Articles of Association, measures to increase or reduce the Ordinary Share Capital and the authority to issue shares.

The information required to be provided to shareholders in accordance with the Shareholders Rights (Directive 2007/36/EC) Regulations 2009 is available on the Company's website.

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:

- 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 five year time horizon 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
- the Audit Committee which approves plans and deals with significant control issues raised by the Risk Management Group or External Audit.

The preparation and issue of financial reports are managed by the Group finance department as delegated by the Board. 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, this process was supported by the Group financial control department and Group treasury function. 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 Officer and the Chief Financial Officer, along with the category Managing Directors. The Annual Report is reviewed by the Audit Committee in advance of its presentation to the Board for approval.

The Group maintains a Risk Register 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. Further detail on risk and risk management is set out on pages 11 to 13 and in Note 20 to the Group Financial Statements.

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.

Directors' Report (continued)
Report on Directors' Remuneration

Dear Shareholder,

As Chairman of the Option and Remuneration Committee ("the Committee"), I am pleased to present our Directors' Remuneration Report for the year ended 27 September 2013. This is my first Report as Chairman of the Committee having taken over the role from Mr Gary Kennedy in January 2013 when Gary was appointed Chairman of the Company. On behalf of the Committee I would like to thank Gary for his work in the role.

Remuneration Framework

As outlined in the Report on Directors' Remuneration included in the 2012 Annual Report, the Committee, supported by Deloitte LLP ("Deloitte"), undertook a review of the remuneration arrangements for senior Executives to ensure that all arrangements continued to effectively met the aims of the remuneration policy. Following the review, the Committee concluded that, while the structure created alignment between the long-term interests of shareholders and Executives by providing part of the package in deferred shares, the arrangements were not sufficiently aligned with the long-term financial performance of the business and therefore a new long-term Performance Share Plan ("PSP") was proposed by the Committee to create further alignment between the interests of the Executives with those of the shareholders by making a portion of Executive reward contingent on delivery of long-term performance.

This proposal was overwhelmingly approved by shareholders at the AGM of the Company on 29 January 2013 with circa 99% of voting shareholders approving the resolution. As a result of the passing of the resolution, the remuneration arrangements were amended whereby the bonus opportunity for Executive Directors was reduced from 200% of base salary to 150% of base salary, 75% of salary in cash and 75% of salary in shares deferred for three years, with the introduction of a PSP award of 100% of salary.

The first awards under the PSP were granted in March 2013. These awards will vest over three years, subject to the achievement of stretching Earnings Per Share ("EPS") and Return on Invested Capital ("ROIC") performance targets. With the introduction of the PSP, the Committee is confident that the current remuneration arrangements align the long-term interests of shareholders and Executives, as they focus on long-term shareholder value creation through the improvement of long-term returns and earnings growth.

Business Performance and Incentive Payouts

In making a decision on Executive remuneration in respect of FY13, the Committee took into account the excellent strategic delivery in the year, including the transformation of the US business with the integration of MarketFare and Schau, the successful integration of the Uniq and International Cuisine businesses in the UK and inclusion in the FTSE250. The Committee considered the results relative to the annual budget to be very strong in both absolute and relative terms which resulted in a payout on the EPS element of 43 out of 50. Furthermore, ROIC targets were set against budget and 100bps growth on 11.9% resulted in a pay-out of 22 out of 25. In the context of strong Company performance and the contribution of the Executive Directors to delivery of this performance, the Committee decided that it was appropriate to pay bonuses of 89% of maximum to the Chief Executive Officer and 90% of maximum to the Chief Financial Officer. Half of the bonus is paid in cash with the remaining half paid in shares deferred for three years.

Departure of Di Walker

Following an internal reorganisation, on 24 May 2013 Ms Di Walker ceased to be an Executive Director and Chief Operating Officer having served over four years on the Board. Ms Walker played an integral role in the Group since joining in 2004, in particular in recent years when she made an invaluable contribution to the acquisition and integration of both Uniq and International Cuisine and also helped define and develop the US business. Ms Walker's termination arrangements are outlined on page 51.

Chief Financial Officer's Salary

During the year the Chief Financial Officer took on additional responsibilities in relation to the leadership of the Purchasing and Company Secretariat functions. In light of the increased scope of his role and to reflect his strong performance, the Committee determined that it was appropriate to increase his base salary from £375,000 to £425,000 (13% increase) with effect from 1 January 2014.

Changes to the Option and Remuneration Committee Membership

Mr Ned Sullivan served on the Committee from 30 January 2003 until 29 January 2013 when he retired from the Board. I would like to take this opportunity to thank Ned for his significant contribution to the Committee during his tenure. As outlined above, in accordance with best practice, Mr Gary Kennedy stood down from his role as Chairman of the Committee upon his appointment as Chairman of the Board, at which time I was elected Chairman of the Committee.

I look forward to receiving shareholders' support on the Directors' Remuneration Report at the AGM in January 2014. I will be available to answer questions from shareholders at the AGM.

Eric Nicoli
On behalf of the Option and Remuneration Committee
25 November 2013

This Report on Directors' Remuneration provides information on our remuneration strategy and policy as well as details of remuneration paid and awarded in respect of FY13. On 1 October 2013, the Department of Business, Innovation and Skills implemented new Directors' Remuneration Regulations in the UK which require companies incorporated in the UK to disclose additional information surrounding remuneration. Although Greencore is an Irish incorporated entity and as such is not required to comply with the new UK regulations, we recognise the importance of shareholder transparency. In that regard, the Company intends to comply with the new UK regulations from next year onwards, which is the year in which we would be required to comply with the regulations if we were a UK company. For the current year's report, we have included some of the disclosures required under the new UK reporting regulations such as a remuneration policy table and scenario charts.

The Role of the Option and Remuneration Committee

The role of the Option and Remuneration Committee ("the Committee") is to ensure that all remuneration arrangements are aligned with the Group's strategy and vision. The Terms of Reference of the Committee include the determination of the remuneration packages for Executive Directors, the Company Secretary and other members of the executive management team as appropriate. Such remuneration packages generally consist of salary, annual bonus, long-term incentive plans and pension arrangements. The Committee also makes recommendations to the Board Chairman and the Executive Directors in relation to the Non-Executive Directors' fees. The Terms of Reference for the Committee are updated as appropriate and are available on the Group's website, www.greencore.com, under the Corporate Governance section.

Membership of the Committee

The Nomination Committee recommends the co-option of Non-Executive Directors to the Committee based on the skills and attributes required for the role. In the year under review, Mr Eric Nicoli, Mr Gary Kennedy and Mr John Herlihy were members of the Committee. Mr Kennedy served as Chairman of the Committee until 29 January 2013 when he was appointed Chairman of the Board, at which stage Mr Nicoli was elected Chairman of the Committee. In addition, Mr Ned Sullivan was a Committee member from January 2003 until his retirement from the Board in January 2013. The biographical details for each of the Committee members are set out on page 35 and include their dates of appointment to the Committee.

In the year under review, the Committee held three scheduled meetings, details of the attendances at these meetings are set out on page 41. In addition, the Committee met on four unscheduled occasions during the year, to discuss the implementation of the Performance Share Plan ("PSP") and also to consider the arrangements in respect of Ms Walker's departure.

The Group Company Secretary acts as secretary to the Committee. The Chief Executive Officer 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 Policy

The main aim of the Group's remuneration policy is to align the interests of Executive Directors with the Group'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, the regulatory and governance framework and the need to ensure that the Directors are remunerated appropriately, whilst ensuring that the Group pays no more than is necessary. The Committee also takes into consideration the remuneration practices throughout the Group when considering Executive Directors' pay.

The Committee obtains external independent advice on remuneration from Deloitte LLP ("Deloitte") as appropriate. Deloitte are one of the founding members of the Remuneration Consulting Group and comply with the voluntary code of conduct in respect of the provisions of remuneration consultancy services. Deloitte also provide tax advice to the Group. The Committee is satisfied that the Deloitte engagement partner and team, which provide remuneration advice to the Committee, do not have connections with the Group that may impair their independence. The Committee reviews the potential for conflicts of interest and adjudicates on whether there are appropriate safeguards against such conflicts. During the year under review, the Committee was provided with advice by Deloitte, primarily in respect of the design and implementation of the PSP in the amount of £30,500.

Directors' Report (continued)
Report on Directors' Remuneration (continued)

Dialogue with Shareholders and Shareholder Voting
The Committee is committed to ensuring open dialogue with shareholders in relation to remuneration. In advance of the proposal to introduce the PSP awards, Mr Kennedy, who was Chairman of the Committee at the time, met with key shareholders and proxy advisory firms to obtain their feedback. The Committee would normally consult with shareholders regarding any significant future changes to remuneration arrangements. The table below highlights the voting outcome of the resolution passed at the 2013 AGM in relation to the introduction of the PSP.

	Valid Proxies	For	Against	Vote Withheld
To authorise the introduction of a Performance Share Plan	251,891,634	249,419,042	2,417,655	54,937
	(c.64% of Issued Share Capital)	(99.02%)	(0.96%)	(0.02%)

Each year at the AGM, shareholders are asked to receive and consider the Directors' Remuneration Report. The table below highlights the voting outcome of the resolution proposed at the 2013 AGM in relation to the 2012 Directors' Remuneration Report.

	Valid Proxies	For	Against	Vote Withheld
To receive and consider the Report on Directors' Remuneration	251,891,634	247,453,575	3,745,268	692,791
	(c.64% of Issued Share Capital)	(98.24%)	(1.49%)	(0.27%)

The Committee is pleased with the level of support received for the PSP and the FY12 Report on Directors' Remuneration. The Committee Chairman is available to answer any queries in relation to Executive remuneration at the Company's AGM.

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:

- promote value creation;
- promote sound risk management;
- support the business strategy;
- ensure that the interests of Executive Directors are aligned with the long-term interests of the shareholders;
- deliver a competitive level of pay for the Executive Directors;
- ensure the Executive Directors are rewarded for their contributions to the success of the Group; and
- motivate the Executive Directors to deliver enhanced sustainable performance.

Remuneration arrangements throughout the Group are based on the same remuneration principles, i.e. individuals are rewarded based on their contribution to the Group and to the success of the Group, and that reward should be competitive in the market without paying more than is necessary to recruit and retain individuals. Reward packages differ taking into account location, seniority and level of responsibility, but they are all built around the common reward objectives and principles outlined above.

Summary of Key Elements of Executive Directors' Remuneration

The table below sets out the element and purpose of Executive Directors' packages and how each operates.

Element of remuneration	Purpose of this element	Operation	Maximum potential value	Performance metrics
Basic Salary	To provide the basis of a market competitive overall remuneration policy. Takes account of the role, skills and contribution of individuals.	Basic salaries are determined taking into account practice at other companies of a similar size and complexity, individual responsibilities, performance and experience and the pay arrangements throughout the organisations. Salaries are reviewed during November and any increases will normally be effective from 1 October.	Executive Director salaries from 1 January 2014 are set at the following levels: CEO €764,783 CFO £425,000	n/a
Pension and Other Benefits	To provide post-retirement remuneration and market typical benefits to ensure that the overall remuneration package is competitive.	The Chief Executive Officer receives a taxable non-pensionable cash allowance in lieu of participation in a Defined Contribution Pension Scheme. The Chief Financial Officer participates in part to a Defined Contribution Pension Scheme and receives a partial taxable non-pensionable cash allowance. The Chief Executive Officer participated in the Defined Benefit Scheme until it was closed to future accrual in 2009. Executive Directors also receive health insurance and a car allowance.	Contributions are as follows: 35% of pensionable salary for CEO 25% of pensionable salary for CFO	n/a
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 mechanism.	A cash bonus award delivered following year end with a deferred share award of equal value which vests over three years, subject to continued employment. The Committee has the discretion to reduce the number of deferred shares if, prior to vesting, the participant is in fundamental breach of his or her employment contract.	Maximum cash bonus opportunity of 75% of base salary with a deferred share award of equal value (total bonus award of 150% of base salary)	75% of the award is based on financial targets (50% based on EPS and 25% based on ROIC) and 25% is based on personal and strategic goals.
Performance Share Plan	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.	An award of Greencore shares that vest over a three year period subject to meeting stretching performance goals. PSP awards can be "clawed back" in certain circumstances, at the discretion of the Committee prior to vesting.	100% of salary	Vesting over three years based on the delivery of stretching EPS (50%) and ROIC (50%) targets.

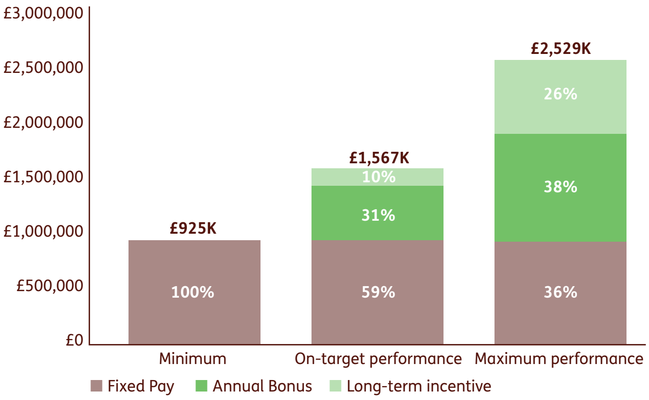
Directors' Report (continued)
Report on Directors' Remuneration (continued)

Remuneration Opportunities in Different Scenarios

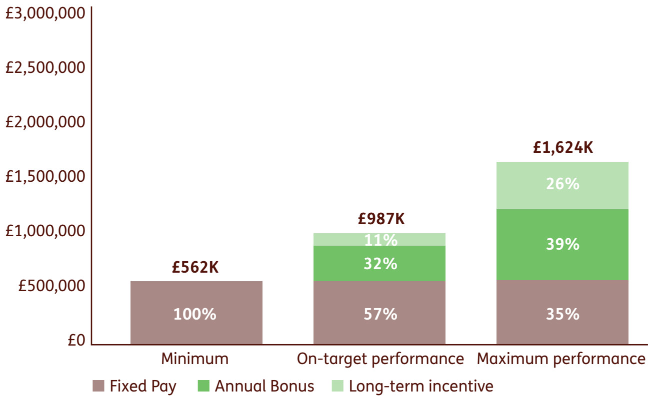
The Committee believes that the current remuneration arrangements provide an appropriate balance between fixed and variable pay linked to short and long-term strategic objectives. The charts below illustrate the current value and composition of the Executive Directors' remuneration opportunity in minimum, "on-target" and maximum performance scenarios.

Minimum	– No bonus payout – No vesting under the Performance Share Plan
On target performance	– 50% of maximum annual bonus payout – 25% of maximum vesting under the Performance Share Plan
Maximum performance	– 100% of maximum annual bonus payout – 100% of maximum Performance Share Plan vesting

CEO*



CFO



* The above figures for the Chief Executive Officer are based on an exchange rate of €1:£0.8389 which was the average exchange rate in FY13.

	Salary with effect from 1 January 2014 €/£'000	Benefits €/£'000	Pension with effect from 1 January 2014 €/£'000	Total Fixed Pay with effect from 1 January 2014 €/£'000
CEO (Patrick Coveney)	€765	€53	€286	€1,104
CFO (Alan Williams)#	£425	£31	£106	£562

\# Mr Williams receives part of his salary in euro and part of his salary in sterling reflecting his responsibilities across Ireland and the UK.

Further Details

Basic Salary

Executive Directors' basic salaries are reviewed annually by the Committee and any changes are normally effective from 1 October. Basic salaries are determined taking into consideration the role, skills, experience and contribution of the individuals concerned, the pay and conditions across the wider organisation, market practice of other companies of a similar size and complexity and the wider market environment. The Committee considers that salaries are appropriately positioned, given the history of the Group as well as the calibre and experience of the individuals.

The Committee approved a 2.5% increase to the Chief Executive Officer's base salary with effect from 1 January 2014. In addition, to reflect both the strong performance and the additional responsibilities undertaken by the Chief Financial Officer during FY13, including leadership of the Purchasing and Company Secretariat functions, the Committee approved a pay increase for the Chief Financial Officer from £375,000 to £425,000 with effect from 1 January 2014. The Committee considers that this level of salary is appropriate taking into account the new scope and responsibility of the Chief Financial Officer's role.

Pension Benefits

Since 1 January 2010, pension contributions are as follows:

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

The Chief Executive Officer participated in the Company's defined benefit arrangements until December 2009 when the scheme closed to future accrual. At the time of the closure of the scheme, the scheme actuaries determined that a defined contribution of 35% of pensionable salary was broadly equivalent to his existing entitlements under the defined benefit arrangements. No changes have been proposed to the pension benefits for 2013.

Details of pension contributions made on behalf of the Executive Directors are outlined on page 50.

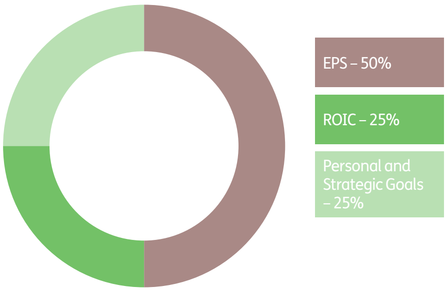
Annual Bonus

The maximum cash bonus opportunity for Executive Directors is 75% of basic salary. A deferred share award with an equal value of the cash award will also be awarded. The deferred share award vests over three years, subject to continued employment.

Performance is measured based on Group 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 balance of targets is illustrated below.

The targets for the FY14 annual bonus are based around the Group's 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:



Long-Term Incentives

As outlined above, a PSP was introduced in 2013 under which Executive Directors can 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 EPS (50% of the award) and ROIC (50% of the award) performance.

The Committee considers that the adjusted 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.

FY13 Awards

The targets that apply to the awards granted in March 2013 in respect of the year ended 27 September 2013 are as follows:

Vesting	EPS element Compound annual growth in period FY13-15 Versus FY12 base	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 considers the underlying financial performance of the business, as well as the value added to shareholders, and the level of vesting may be adjusted where it considers that there is a material difference (the "performance underpin"). When assessing the underpin, the Committee will take into consideration a number 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.

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 Group as a result of participant misconduct, the Committee may scale back awards prior to vesting.

Directors' Report (continued)
Report on Directors' Remuneration (continued)

Long-Term Incentives (continued)
FY14 Awards
The Committee considered the planned targets and vesting criteria for FY14, and it was agreed that these would remain unchanged from the FY13 targets.

At the AGM in 2004, shareholders approved the introduction of a long-term incentive scheme for senior Executives. However, since the introduction of this plan, no awards have been made to any Executive Director. Therefore no awards vested in the year under review.

Remuneration and Fees Paid in Respect of FY13
The following sets out remuneration paid to Executive and Non-Executive Directors in respect of FY13

	Salary/Fees £'000		Pension contributions £'000		Other benefits* £'000		Performance Bonus** £'000		Termination payment £'000		**2013*** Total £'000**	2012 Total £'000
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012		
Executive Directors												
PF Coveney	626	618	234	231	44	42	418	569	–	–	**1,322**	1,460
DS Walker (i)	400	400	110	105	57	55	360	360	910	–	**1,837**	920
AR Williams (ii)	371	360	95	91	31	30	253	332	–	–	**750**	813
	1,397	**1,378**	**439**	**427**	**132**	**127**	**1,031**	**1,261**	**910**	**–**	**3,909**	**3,193**
Non-Executive Directors												
EF Sullivan (iii)	62	184	–	–	–	–	–	–	–	–	**62**	184
SG Bailey (iv)	17	–	–	–	–	–	–	–	–	–	**17**	–
JT Herlihy	45	44	–	–	–	–	–	–	–	–	**45**	44
PG Kennedy	144	54	–	–	–	–	–	–	–	–	**144**	54
PA McCann (iii)	19	54	–	–	–	–	–	–	–	–	**19**	54
HA McSharry (v)	30	–	–	–	–	–	–	–	–	–	**30**	–
JJ Moloney (vi)	29	–	–	–	–	–	–	–	–	–	**29**	–
EL Nicoli	52	44	–	–	–	–	–	–	–	–	**52**	44
DM Simons	58	54	–	–	–	–	–	–	–	–	**58**	54
JA Warren (v)	36	–	–	–	–	–	–	–	–	–	**36**	–
	492	434	–	–	–	–	–	–	–	–	**492**	434
Total remuneration	**1,889**	**1,812**	**439**	**427**	**132**	**127**	**1,031**	**1,261**	**910**	–	**4,401**	**3,627**

* Other benefits comprise health insurance and/or car allowances.
** The performance bonus includes the cash value only.
*** The exchange rate used for the conversion of fees from euro to sterling for FY13 was €1:£0.8389. The exchange rate used for FY12 was €1:£0.8286

(i) Ms Walker ceased to be a Director on 24 May 2013, further details are set out on page 51 in relation to Ms Walker's compensation for loss of office.
(ii) Mr Williams receives part of his salary in euro and part of his salary in sterling reflecting his responsibilities across Ireland and the UK. Mr Williams' UK salary was redenominated at an exchange rate of €1:£0.86 with effect from 1 October 2012 whilst the exchange rate used for the conversion of his Irish salary from euro into sterling was €1/£.8389 which was the average exchange rate for the year.
(iii) Mr Sullivan and Mr McCann retired from the Board on 29 January 2013.
(iv) Ms Bailey was appointed to the Board on 17 May 2013.
(v) Ms McSharry and Mr Warren were appointed to the Board on 30 January 2013.
(vi) Mr Moloney was appointed to the Board on 8 February 2013.

Executive Directors' Remuneration in respect of FY13
FY13 Bonus Out-Turns
The Group delivered excellent financial and operating performance for the year ended 27 September 2013 against the backdrop of challenging market conditions. In addition, the Group made clear economic, strategic and organisational progress in the year. Bonus targets were set in terms of adjusted EPS and ROIC. The Group delivered a 13.3% increase in adjusted EPS to 14.5 pence and a 100bps increase in ROIC to 12.9%. Against the targets set, this delivered a 43% out of 50% reward for EPS and a 22% out of 25% reward for ROIC.

The Committee assessed personal and strategic performance objectives for the Chief Executive Officer and the Chief Financial Officer for the year under review. During the year, the Group had solid revenue growth and enhanced operating margins, secured FTSE250 inclusion and reshaped the US business. In the context of these achievements, as well as their performance against other personal objectives and contribution to the wider success of the business, the Committee determined that 24% and 25% out of 25% for this element of the bonus should be awarded to the Chief Executive Officer and Chief Financial Officer respectively.

This resulted in total bonus payment of 89% of maximum of base salary for the Chief Executive Officer and 90% of maximum for the Chief Financial Officer, as follows:.

	CEO %	CFO %
EPS	43	43
ROIC	22	22
Personal/strategic	24	25
Total bonus (% of maximum)	**89**	**90**
Total bonus (% of salary)	**133.5%**	**135%**

Half of this bonus is payable as a cash award and a deferred share award with an equal value to the cash award will also be granted.

Departure Arrangements for Di Walker

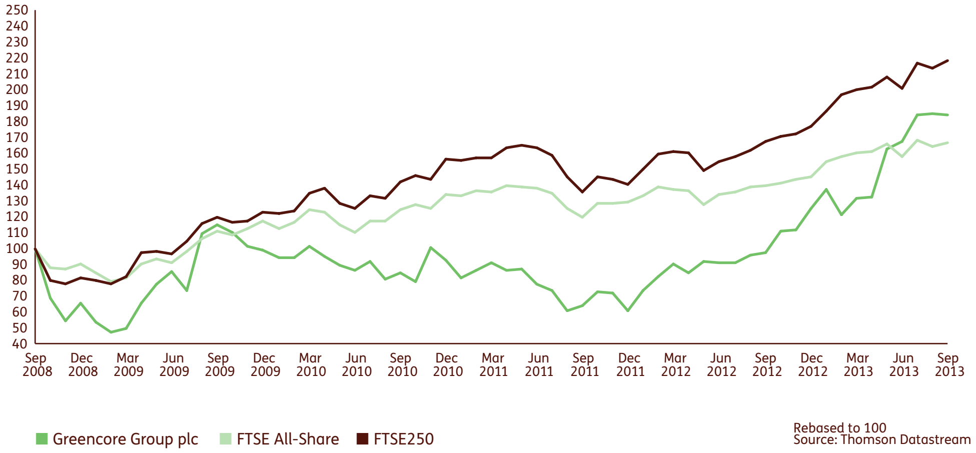
Ms Di Walker ceased to be an Executive Director and the Chief Operating Officer of the Company on 24 May 2013. As part of this change, her responsibilities were reallocated across the wider leadership team. The role of Chief Operating Officer was not replaced. In order to ensure a seamless transition to the new management structure, Ms Walker remained an employee of the Group until 27 September 2013.

Under her compromise agreement and in line with her Irish contract and statutory entitlements, Ms Walker was entitled to an aggregate payment in lieu of notice of £863,450. The individual constituents of this payment represented a payment in lieu of 11 months' salary of £366,000; a payment in lieu of 11 months' benefits of £137,450 and a payment of £360,000 in respect of her entitlement to a bonus for the financial year ended 26 September 2014. As Ms Walker was an employee of the Group until 27 September 2013 she was also entitled to receive a deferred share bonus award equivalent to £360,000 for this performance period. Ms Walker was also entitled to receive a deferred share bonus award equivalent to her cash bonus of £360,000 for the performance period covered by her contractual notice period. These deferred share awards will not vest until December 2014. In consideration of a payment of £46,550, Ms Walker also agreed to abide by extended confidentiality, restrictive covenants and other restrictions for a period of 12 months from leaving the Group compared to those set out in her contract of employment.

The deferred share awards granted to Ms Walker in December 2010, 2011 and 2012 will vest in December 2013.

Company TSR Performance

The following chart shows total shareholder returns when compared with the FTSE250 and FTSE All-Share Index over the last five years.



Directors' Report (continued)
Report on Directors' Remuneration (continued)

Executive Shareholdings
The Company has adopted director shareholding guidelines whereby the Chief Executive Officer and Chief Financial Officer shall acquire a holding of shares in the Company equal to 200% and 100% of base salary, respectively, over a five year period commencing on the date of their employment or from when the policy was introduced in November 2013, whichever is earlier.

The level of Executives shareholdings are summarised below:

	Value of shares (based on 3 month average share price to year end)	Holding as a percentage of base salary
CEO (Patrick Coveney)	£2,737,717	437%
CFO (Alan Williams)	£237,006	64%

Directors' Service Contracts
Executive Directors' service contracts have an 11 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 Group. 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 11 months immediately preceding such termination. These provisions reflect Irish employment law. The Non-Executive Directors do not have service contracts but have letters of appointment.

Executive Directors' External Appointment
The Chief Executive Officer and the Chief Financial Officer 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 5% of share capital in respect of discretionary schemes and a maximum of 10% 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' Fees
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 and the time commitment of the role, without paying more than is necessary.

The fees for the Non-Executive Directors are determined by the Board following recommendations from the Committee. The fees for the Chairman are determined by the Committee. The Chairman is not eligible to participate in any of the Group's incentive arrangements and neither are the Non-Executive Directors.

	2012/2013 Euro €
Basic fee	
Chairman	55,000
Non-Executive Directors	53,000
Additional fees	
Chairman Additional Fee	166,000
Senior Independent Director*	15,000
Committee Chairman **	12,000/15,000

* If a Non-Executive Director is a Chairman of more than one Committee, outside of the Audit Committee, the special fee is capped at €12,000 for all roles.
** If a Non-Executive Director holds the position of Senior Independent Director and Committee Chairman, the fee is capped at €15,000.

Details of Non-Executive Directors' fees paid in respect of FY13 are set out on page 50.

FY14 Non-Executive Directors' Remuneration Policy
Basic fees were last increased in October 2010 and are reviewed on an ongoing basis.

Performance Share Plan

Following approval of the PSP in January 2013, awards were granted to the Chief Executive Officer and Chief Financial Officer as follows:

Executive Directors	Date of Award	Price of Award £	No. of Shares Awarded	Holding Period*
Patrick Coveney	05/03/2013	0.9825	658,417	05/03/2013 – 05/03/2016
Alan Williams	05/03/2013	0.9825	381,639	05/03/2013 – 05/03/2016

It is intended that further PSP awards will be granted in respect of FY14 on 3 December 2013 which is the earliest practicable date following the release of the Group's FY13 financial results.

Deferred Bonus Plan Awards

Executive Directors	Market Price On Day of Award €/£	No. of Shares Awarded	Holding Period*
Patrick Coveney	€1.30	866,078**	03/12/2010 – 03/12/2013
	€0.64	909,375	09/12/2011 – 09/12/2014
	£0.92	603,739	03/12/2012 – 03/12/2015
Alan Williams	€0.64	309,375	09/12/2011 – 09/12/2014
	£0.92	352,794	03/12/2012 – 03/12/2015

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

** Following the rights issue in August 2011, the Option and Remuneration Committee approved the recalculation 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 2010.

In respect of the year ended 27 September 2013, the value of the Deferred Bonus Award that will be allocated as Deferred Share Awards to the Executive Directors is:

PF Coveney	£418,000
AR Williams	£253,000
DS Walker	£360,000#

The allocation of the number of shares under the Deferred Bonus Plan will be determined on 3 December 2013 which is the earliest practicable date following the release of the Group's FY13 financial results.

Ms Walker will also be granted shares to the value of £360,000 in respect of her contractual notice period. Further details surrounding Ms Walker's departure are set out on page 51.

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[1]

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	402,833	–	–	–	402,833	01/12/2008 – 01/12/2015	€2.66
Basic	22/06/2006	125,885	–	–	–	125,885	22/06/2009 – 22/06/2016	€2.86
AR Williams								
Basic	–	–	–	–	–	–	–	–

1 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 as the Scheme has expired.

Directors' Report (continued)
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	02/07/2012	26,217	–	–	€0.69	–	01/09/2015 – 28/02/2016	26,217
AR Williams								
ShareSave	02/07/2012	15,000	–	–	£0.60		01/09/2015 – 28/02/2016	15,000

There were no changes in the interests in share awards or options of the Directors between 27 September 2013 and 25 November 2013. In the financial year under review, the share price ranged from a low of £0.80 to a high of £1.54. The closing price on 27 September 2013 was £1.455.

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 27 September 2013, in the share capital of the Company were as follows:

Director	As at 28.09.12	As at 27.09.13	As at 25.11.13
SG Bailey	–	25,000	25,000
PF Coveney	1,529,738	1,867,640	1,904,343
JT Herlihy	–	–	–
PG Kennedy	34,737	36,449	36,918
HA McSharry	–	12,500	12,646
JJ Moloney	–	25,000	25,000
EL Nicoli	17,000	17,000	17,000
DM Simons	87,856	87,856	87,856
JA Warren	–	25,000	25,000
AR Williams	154,571	161,683	164,046
Group Company Secretary			
C O'Leary	18,399	18,790	19,010

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 28 September 2012 and 27 September 2013 was as a result of Directors taking interim and final scrip dividends or where Non-Executive Directors who were appointed during the year acquired shares. In addition, Mr Coveney received shares in December 2012 as a result of the vesting of Deferred Share Awards granted in 2009. The changes which occurred in the interests of the Directors from 27 September 2013 to 25 November 2013 reflect the interim scrip dividend for FY13 for shareholders who were on the register of members at 5.00pm on 7 June 2013, shares for which were allotted on 3 October 2013.

Pension Benefits

Mr Coveney is a deferred member of the Group's Defined Benefit Pension Scheme which was closed to future accrual from 31 December 2009.

The value of the frozen scheme benefits as at 27 September 2013 was as follows:

	£'000
Mr Coveney	48

Share Based Payments

Until 2011, the Group operated an Executive Share Option Scheme which had been approved by shareholders. The Executive Share Option Scheme expired in 2011, prior to that it was Group policy to grant options to key Executives across the Group to encourage identification with shareholders' interests. There are currently 34 Executives with options outstanding in the scheme and options have been granted to approximately 270 Executives to date, however, no further options may be granted by the Company. Non-Executive Directors did not participate in the scheme.

Under the Executive Share Option Scheme, the 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.

The Group also operates a ShareSave scheme in Ireland and the UK which encourages eligible employees to save in order to buy shares in the Company. The ShareSave scheme provides a means of saving and gives employees the opportunity to become shareholders. Currently, there are approximately 1,308 participants in the scheme.

The Group's Financial Statements recognise an Income Statement charge in accordance with IFRS 2 Share Based Payment in respect of options issued under the Executive Share Option Scheme, ShareSave scheme, the Deferred Bonus Plan Awards and the Performance Share Plan. The related charge in respect of options issued to Executive Directors totalled £141,000 (2012: £1,000). Full details of the Deferred Bonus Plan Awards and Performance Share Plan Awards are outlined on page 53. The related expense recognised in the Income Statement for Executive Directors in the year totalled £0.82 million (2012: £1.062 million) for Deferred Bonus Plan Awards and £0.6 million (2012: £nil) for Share Plan Awards.

Options outstanding under the Company's Executive Share Option Scheme, the PSP, and ShareSave scheme at 27 September 2013 amounted to 12,117,203 Ordinary Shares (2012: 9,675,366) made up as follows:

		No. of Ordinary Shares	Price range	Normal dates exercisable
Share option scheme	Basic tier	3,848,352	€0.64 – €3.88	2013 – 2021
Performance Share Plan	Basic tier	3,869,355	£0.98	2013 – 2016
ShareSave scheme	Ireland	282,648	€0.66 – €1.20	2013 – 2016
ShareSave scheme	UK	4,116,848	£0.60 – £2.39	2013 – 2018

Directors' Report (continued)
Report of the Audit Committee

Dear Shareholder,

I am delighted to report on the activities of the Audit Committee for the year ended 27 September 2013.

Role of the Committee

The role, responsibilities, authority and duties of the Audit Committee ("the Committee") are set out in our written Terms of Reference, which were updated in September 2013 to take into account the revisions to the UK Corporate Governance Code ("the Code"). The Terms of Reference are available under the Investor Relations section of our website at www.greencore.com.

The Committee's responsibilities include, but are not limited to, the following matters with a view to bringing any relevant issues to the attention of the Board:

- Monitoring the financial reporting process, integrity of the financial statements and any formal announcements relating to the Group's financial performance;
- Reviewing significant financial reporting judgements;
- Monitoring the effectiveness of the Group's risk management and internal control arrangements;
- Monitoring the statutory audit of the annual and consolidated accounts;
- Reviewing the External Auditor's performance, objectivity, qualification and independence;
- Making recommendations to the Board in relation to the appointment of the External Auditor, the approval of the Auditors' remuneration and terms of engagement;
- Reviewing the Group's 'whistleblowing' arrangements; and
- Reviewing reports from specialist functions, such as health and safety, environmental, legal, regulatory and compliance issues and advising the Board on the outcome of such reviews and making recommendations where appropriate.

The Committee undertook to early adopt the revised Code as introduced by the Financial Reporting Council ("FRC") in September 2012. In line with Provision C.3.4. of the Code, the Board has extended the Committee's remit such that the Committee must now formally advise the Board on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the performance of the Group, along with its business model and strategy and in this regard, I confirm, on behalf of the Committee, that we have fulfilled our responsibilities in line with our Terms of Reference.

Membership of the Committee

The Nomination Committee recommends to the Board, for appointment to the Audit Committee, those members who it believes have both the financial and commercial experience and expertise necessary to ensure an effective Committee.

In March 2013, upon joining the Committee, I was delighted to be appointed Committee Chairman following Mr David Simons' retirement from the Committee. In accordance with Provision C.3.1., the Board has determined that I have the 'recent and relevant financial experience', as required by the Code. At the same time, Ms Heather Ann McSharry was also appointed to the Committee. Following a further review of Committee membership in July, Ms Sly Bailey was appointed following Mr Eric Nicoli's retirement from the Committee.

On behalf of the Committee, I wish to thank Mr Simons and Mr Nicoli for their contribution since their co-option in July 2004 and May 2010 respectively.

All members of the Committee are deemed to be independent and the Committee has concluded that its membership meets the requirements of the Code. Each Committee member is expected to be financially literate and to have knowledge of the following key areas:

- Financial reporting principles and accounting standards;
- The regulatory framework within which the Group operates;
- The Group's internal control and risk management environment; and
- Factors impacting the Group's Financial Statements.

Further details of the Directors' experience and qualifications can be found on page 35.

As a Committee we meet at least three times in the year. The Chief Executive, the Chief Financial Officer, the Head of Risk Management, the Group Financial Controller and representatives of the External Auditors attend upon invitation. At least once a year, other individuals from within the businesses will attend the meeting and give a presentation to the Committee on certain key matters such as health and safety, insurance, IT and legislation. As with the Nomination Committee and Option and Remuneration Committee, the Group Company Secretary acts as secretary to the Committee.

Acting as Chairman of the Committee, I am available to discuss any particular matter with my fellow Board members and in addition meet with the Auditor and Risk Management without the presence of management.

In order to ensure an effective working Committee, the meetings of the Committee take place in advance of three scheduled Board meetings. In order to ensure that all Directors are kept informed of the Committee's agenda, I provide a verbal report to the Board meeting on key matters discussed at the Committee meetings. In addition, the minutes of the meetings are made available to the Board.

How the Committee has Discharged its Responsibilities

In the year under review, the Committee met three times, attendance at which is set out on page 41. In order to ensure that the Committee executes its duties efficiently, the Committee's agenda corresponds with the Group's financial calendar. This year, the Committee meetings focused on the following key areas:

Monitoring the Integrity of the Financial Statements including Significant Judgements

- We reviewed the appropriateness of Group accounting principles, practices and policies and monitored changes to, and compliance with, accounting standards on an ongoing basis;
- Prior to recommending their publication to the Board, we reviewed the half-year results for FY13, having discussed them with the External Auditor and compared the results with management accounts and budgets, focusing on key areas of judgement; and
- We reviewed, prior to making any recommendations to the Board, the statement of annual results for the year ended 27 September 2013. In undertaking this review, we discussed with management and the External Auditor the critical accounting policies and judgements that had been applied, these were:

Taxation

Significant judgement is exercised by management, working with our tax advisors Deloitte, in arriving at the amounts to be provided for both current and deferred tax. The final tax determination of many transactions is uncertain and may not be known for several years. As part of their audit KPMG reviewed the judgements that had been made, using tax specialists as appropriate, and provided the Committee with an assessment. The most significant judgement made within tax this year was the recognition of an additional deferred tax asset arising from the Uniq acquisition. This was treated as an exceptional item. Following discussion, we were satisfied that the judgements made were prudent and appropriate and that the correct accounting treatment had been adopted. Further details are outlined in Note 9 to the Group Financial Statements.

Pensions Accounting

The Group operates a number of defined benefit schemes which have significant deficits as outlined in Note 23 to the Group Financial Statements. Although these schemes are closed to future accrual they are sensitive to changes in actuarial assumptions. During their audit, KPMG evaluated the assumptions and methodologies used by the Group's actuarial advisors and assessed whether the assumptions made were appropriate and not materially different from external benchmarks. KPMG reported to us that they were satisfied with the assumptions used and with the way that our schemes had been accounted for.

Provisions

The Group has recorded provisions in the sum of £17.9 million as at 27 September 2013 as outlined in Note 22 to the Group Financial Statements which, by their nature, are uncertain and highly judgmental in nature. As part of the year end audit, KPMG considered the nature of the provisions, the potential outcomes, any developments relating to specific claims, and the prior history of lease obligations, provisions and claims in order to assess whether the provisions recorded were appropriate and suitably conservative. We noted the KPMG work, which was satisfactory, and discussed the key elements of judgement with management to assure ourselves as to the adequacy and appropriateness of the provisions. Following this discussion, we were satisfied that the judgements exercised were appropriate.

Goodwill and Intangible Assets

As set out in Note 12 to the Group Financial Statements, as at 27 September 2013, the Group had goodwill of £446.2 million with intangible assets amounting in total to £499.9 million. In order to satisfy itself that these balances were appropriately stated, the Committee considered the impairment reviews carried out by management. These reviews involve the discounting of the forecasted cashflows at each cash generating unit at the Company's cost of capital. These assumptions are then subjected to sensitivity analysis. KPMG provided the Committee with their review of the impairment review process and, following discussion, we were satisfied that the assumptions used were appropriate and that there was significant headroom on all calculations thus obviating the need for any impairment.

Exceptional Items

Exceptional items are those which are separately disclosed by virtue of their nature or amount in order to aid the user's understanding of underlying performance. Group management exercises judgement in assessing each particular item and whether this treatment is consistent with our accounting policies and practice. KPMG reviewed this treatment and were satisfied that the identification of items as exceptional was consistently applied. We discussed these items with management and also enquired of management whether there were any other items which should have been identified as exceptional and received confirmation that there were no such items. We were therefore satisfied with the treatment adopted, that it was consistent with our accounting policy and previous practice and that the individual descriptions were clear. Further details are outlined in Note 6 to the Group Financial Statements

Following discussions with the auditors, and the deliberations set out above, we were satisfied that the Financial Statements dealt appropriately with each of the areas of significant judgement.

The Auditor also reported to the Committee on any misstatements that they had found in the course of their work and confirmed that no material amounts remained unadjusted.

Directors' Report (continued)
Report of the Audit Committee (continued)

How the Committee has Discharged its Responsibilities (continued)

Monitoring the Integrity of the Financial Statements including Significant Judgements (continued)

As previously outlined, in accordance with the Code and our Terms of Reference, we also reviewed the Annual Report and were able to, taken as a whole, and confirm to the Board that, in our view, the Annual Report and Financial Statements, taken as a whole, was fair, balanced and understandable and provided the information necessary for shareholders to assess the Group's performance, business model and strategy.

Risk Management and Internal Controls/Risk Management Group Function

The Board as a whole is responsible for the Group's system of internal control, however, the Committee assists the Board in meeting its obligations in this regard. More information on Group's internal control mechanism is set out on pages 42 and 43.

In order to ensure that the Committee fulfills its role relating to the adequacy and effectiveness of the Group's risk management and internal control system, twice a year the Committee formally meets with the Head of Risk Management who reports on the risk management group's key business processes and control reviews.

In May 2013 the Head of Risk Management provided us with an interim update on progress against the plan for the year together with a presentation on the reports completed to date and updates on the risk management charter.

In September 2013, we received a final report on the activities for the year which showed very good progress against the agreed plan and concluded that the overall Group control environment remained satisfactory. It included a review of the objectives of the function and how those objectives had been met. The Committee then reviewed and approved the Risk Management plan for the forthcoming year together with approval of the budget and resource requirements.

During the year, the Committee has overseen a review of the Group's corporate reporting responsibilities with regard to risk, which was undertaken by risk management. A full review of the Group's risks has been undertaken to validate and suggest changes to the current published listing which had historically been a 'top down' view. Workshops with central functions and product categories were held to establish what the business considered to be the most important and current risks. Upon completion of the workshops, the published listing was revised. The Group's significant risks, along with details of how they are controlled are outlined on page 11 to 13.

In addition, the Committee noted reports from the Head of Risk Management on good faith reporting ("whistleblowing") at the Committee meetings held in May and September. Under the Group's whistleblowing policy, arrangements are in place for individuals to raise any issue, in confidence, relating to accounting, risk issues, auditing issues or any other impropriety.

External Audit

It is the responsibility of the Committee to monitor the performance, objectivity and independence of the External Auditor. In September, we met with the External Auditors to agree the audit plan for the year, highlighting the key financial statement and audit risks, to ensure that the audit was appropriately focused. In addition, the External Auditor's Letter of Engagement was reviewed by the Committee in advance of the commencement of the audit.

In November 2013, in advance of the finalisation of the Group's Financial Statements, we received a report from KPMG on their key audit findings, including the management letter and the key areas of risk and significant judgements referred to above, and discussed the issues with them in order for the Committee to form a judgement on the Financial Statements. In addition, we considered the Letter of Representation.

At least once a year, we meet with the External Auditors privately to discuss any matters the auditors may wish to raise without management being present.

The last external audit tender was conducted in 2008 and KPMG were formally appointed as the Group's auditors by shareholders at the AGM held in February 2009. The lead partner is rotated every five years to ensure continued independence and objectivity.

The Committee continues to be fully satisfied with the performance of KPMG who remain effective, objective and independent. We have therefore recommended to the Board that KPMG should continue as the Group's auditors at the forthcoming Annual General Meeting.

Provision C.3.7 of the 2012 Code introduced a new provision whereby FTSE350 companies should put the external audit contract to tender at least every ten years. The Group is also cognisant of the Competition Commission's findings on 17 October 2013 whereby the external audit should be put to tender every ten years. As noted above, the external audit was put to tender five years ago.

In advance of the commencement of the annual audit, the Committee reviewed a letter provided by the External Auditor confirming their independence within the meaning of the regulations and professional standards. In addition, in order to satisfy itself as to the External Auditor's independence, the Committee undertook a review of auditor compensation and the balance between audit and non-audit fees.

Non-Audit Fees

In accordance with our Terms of Reference, it is the Committee's responsibility to develop and implement policy on the engagement of the External Auditor to supply non-audit services, taking into account relevant ethical guidance. The Committee has agreed that non-audit work may only be undertaken by the external auditors in limited circumstances and non-audit fees must not exceed 20% of the total audit fee in any year without the prior approval of the Committee. The Committee regularly reviews the nature of non-audit work performed by the auditors and the volume of that work.

Details of the amounts paid to the External Auditor during the year for audit and other services are set out in Note 3 to the Group Financial Statements, from which you will note that non-audit fees amounted to only £16,000 in the year.

Committee Effectiveness

The effectiveness of the Committee is reviewed on an annual basis by both the Board and the Committee itself. Following such reviews, I am delighted to advise that the Committee is considered to continue to operate effectively and efficiently.

Further questions

I will be available to shareholders at the forthcoming AGM to answer any questions relating to the role of the Committee.

Yours sincerely

John Warren
On behalf of the Audit Committee
25 November 2013

Directors' Report (continued)
Report of the Nomination Committee

Dear Shareholder,

As Chairman of the Nomination Committee ("the Committee"), I am pleased to present the report of the Committee for the year ended 27 September 2013.

This has been an exceptionally eventful year for the Committee given the significant changes to the Board in recent times. On 27 November 2012 the Group announced that both Mr Ned Sullivan, Chairman, and Mr Pat McCann, Non-Executive Director, would be retiring from the Board at the conclusion of the 2013 Annual General Meeting. On the same day, it was also announced that Mr Gary Kennedy, Non-Executive Director would succeed Mr Sullivan as Chairman. In advance of these retirements, the Committee carried out extensive deliberations, mainly in terms of succession planning for the Chairman and also to ensure that the Board remained fit for purpose. As a result of the deliberations, the Committee recommended the co-option of four new Non-Executive Directors to the Board. MWM Consulting, which does not have any other affiliation with the Group, assisted the Committee in its search for the most suitable candidates to join the Board based on a selected list of necessary criteria with specific emphasis on the desired skills, knowledge, innovation and expertise. In that regard, I am delighted to welcome four extremely capable and knowledgeable Non-Executive Directors to the Board. Ms Heather Ann McSharry and Mr John Warren joined the Board in January of this year, followed by the appointment of Mr John Moloney in February and finally the appointment of Ms Sly Bailey in May of this year. Their biographical details are set out on page 35. Each of the new Non-Executive Directors are already making a significant contribution to Board discussions.

The role of the Committee is to regularly review the size, structure and composition of the Board and how it compares to the Group's requirements and to recommend any proposed changes where appropriate. The Committee also ensures that succession plans are in place for the Directors and senior Executives whilst reviewing the leadership needs of the organisation taking into consideration the policy on Board structure, the commercial changes affecting the Group and the market in which the Group operates.

The Committee uses the services of independent consultants where necessary in order to assist in the search for any new appointments to the Board, taking into consideration the correct balance of skills, experience and expertise necessary. The Committee understands the importance of ensuring that any new members of the Board must be independent minded, self confident, passionate about business and must also be able to exercise clear judgement.

When a suitable candidate has been identified, the Committee will recommend the appointment to the Board. All appointments to the Board are approved by the Board as a whole.

In order to ensure that the independence of Non-Executive Directors is preserved, the Group 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 AGM following their appointment. Since the Company's AGM in 2012, in compliance with the relevant provision of the Code, all Directors retire at the AGM of the Company and submit themselves for re-election where appropriate.

In addition to myself, the Committee consists of two other Non-Executive Directors, Mr Kennedy and Mr Moloney, together with one Executive Director, Mr Patrick Coveney. Details of Committee membership, together with meeting attendance during the year are set out on page 41. Mr McCann served as Chairman of the Nomination Committee from 1 April 2008, having been elected to the Committee on 18 November 2004, until his retirement on 29 January, 2013, at which stage I was appointed Chairman of the Committee, a position I hold in addition to my role as Senior Independent Director. Mr Sullivan was a member of the Committee from July 2003 until his retirement from the Board.

In line with the Terms of Reference of the Committee, the Group Company Secretary is secretary to the Committee and no one other than a member of the Committee and the secretary is entitled to be present at its meetings, however, advisors and other members of the Board may be invited to attend if appropriate. In the situation where a matter concerning any of the Committee members is to be discussed, then he or she will absent themselves from the meeting as appropriate. The full Terms of Reference of the Committee are available on the Group's website at www.greencore.com.

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 AGM of the Company.

When a new Executive or Non-Executive Director joins the Group, an induction programme is arranged which includes, inter alia, visits to the trading operations of subsidiaries. The Group understands the importance of effective induction which serves to build an understanding of the nature of the Company, its business and markets. In addition, it provides an understanding of the Group's main stakeholders and ensures a link between the Group's people.

In addition to the scheduled meeting held in the year under review, the Committee met an additional seven times to discuss the significant changes to the Group Board. As outlined above, the Committee met to discuss succession planning in advance of Mr Sullivan's and Mr McCann's retirement. In accordance with good corporate governance, Mr Kennedy absented himself from any meetings where the appointment of the Chairman designate was discussed. The Committee also met to consider and recommend the appointment of Ms McSharry and Mr Warren and to recommend the further co-option of Mr Moloney and Ms Bailey to the Board following on from a further review of the Board structure. The Committee met on two separate occasions to discuss and recommend changes to the structures of each of the Nomination Committee, Audit Committee and Option and Remuneration Committee.

The Committee and the Board understand the importance of ensuring diversity and the key role a diversified Board plays in the ensuring effectiveness, with particular emphasis on gender diversity. The Board will always take diversity into account whilst also ensuring the best people are nominated to all appointments. In that regard, we are pleased that there was an equal number of both male and female appointments to the Board in the year under review, with the result that the Board now has 20% female representation. The Committee and Board are further cognisant of the report from Lord Davies of Abersoch 'Women on Boards' which recommends that all FTSE250 companies have a minimum of 25% representation of females on the Board by 2015. Notwithstanding this, suitable candidates are selected on the basis of relevant experience, backgrounds, skills, knowledge and insight, having due regard for the benefits of diversity on the Board, including gender in accordance with Principle B.2.of the 2012 Code.

The Committee and Board further realise that diversity extends beyond the Board and in this regard all recruitment decisions are fair and non-discriminatory. Further details on the breakdown of female and male employees can be found on page 28 of the Business Review and Strategic Report.

Each year, the Committee reviews the time required to fulfill the roles of Chairman, Senior Independent Director and Non-Executive Director, and is satisfied that all members of the Board are devoting sufficient time to their duties.

After the conclusion of the AGM to be held in January 2014, I will be retiring from the Board after almost ten years, having joined the Board on 1 July 2004.

As I outlined above, Mr Sullivan and Mr McCann retired from the Board in January 2013 and I would like to reiterate the comments of the Board Chairman and thank them both, on a personal basis, for the integral role they played on the Board over an 11 and ten year period respectively. In addition, I wish to thank Ms Walker who ceased to be a Director in May of this year, for her enormous contribution to both the Group and the Board over many years.

I am extremely confident and very pleased that following the recent additions to the Board, the Group has a strong, experienced, balanced Board who will both complement and challenge the executive team in these exciting times for the Group.

David Simons
On behalf of the Nomination Committee
25 November 2013

Directors’ Report (continued)
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 (“EU”). 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 EU, 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 Transparency Rules of the Central Bank 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 EU 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.

In accordance with the 2012 Corporate Governance Code, the Directors, having taken all relevant matters into consideration, believe that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and gives shareholders the information needed to assess the Group’s performance, business model and strategy.

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 page 36 (Share Capital), 35 and 37 (Directors), 37 (Significant Shareholdings), 47 (Performance Related Annual Bonus and Deferred Bonus Plan), 47 (Performance Share Plan), 55 (Share Option Schemes), 54 (Directors’ and Company Secretary’s Share Interests), 53 and 54 (Share Options), 52 (Directors’ Service Contracts), 55 (Share-Based Payments) and 50 (Remuneration and Fees Paid in respect of FY13) 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 Group’s 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.

Responsibility Statement in Regard to Annual Report

Each of the Directors, whose names and functions are listed on page 35 of this Annual Report, confirm that, to the best of each person’s knowledge and belief:

As required by the Transparency Regulations:
- The Group Financial Statements, prepared in accordance with IFRS as adopted by the EU and the Parent Company Financial Statement prepared in accordance with Irish GAAP, give a true and fair view of the assets, liabilities, financial position of the Group and Parent Company at 27 September 2013 and of the profit/loss of the Group and Parent Company for the year then ended; and
- The Directors’ Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Group and Parent Company, together with a description of the principal risk and uncertainties that they face;

As required by the UK Corporate Governance Code:
- The Annual Report and Financial Statements, taken as a whole, provides the information necessary to assess the Group’s performance, business model and strategy and is fair, balanced and understandable.

On behalf of the Board

PG Kennedy
Director

AR Williams
Director

Dublin
25 November 2013

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

Opinion and Conclusions Arising from our Audit

1. Our Opinion on the Financial Statements is Unmodified

We have audited the financial statements of Greencore Group plc for the year ended 27 September 2013 as set out on pages 66 to 125, which comprise the Group Income Statement, the Group Statement of Recognised Income and Expense, the Group Balance Sheet, the Group Cash Flow Statement, the Group Statement of Changes in Equity, the Group Accounting Policies and the related Notes 1 to 34; and the Company Balance Sheet, the Company statement of Accounting Policies and the related Notes 1 to 10. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK and Ireland).

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 27 September 2013 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 27 September 2013; and
– the Financial Statements have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation.

2. Our Assessment of Risks of Material Misstatement

The risks of material misstatement detailed in this section of this report are those risks that we have deemed, in our professional judgment, to have had the greatest effect on: the overall audit strategy; the allocation of resources in our audit; and directing the efforts of the engagement team. Our audit procedures relating to these risks were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of these risks, and we do not express an opinion on these individual risks.

In arriving at our audit opinion above on the Group Financial Statements, the risks of material misstatement that had the greatest effect on our Group audit were as follows:

Retirement Benefit Obligations (£137.5 million)

Refer to page 57 (Report of the Audit Committee), page 73 (accounting policy) and Note 23 to the Group Financial Statements.

The Risk

The Group operates large defined benefit pension schemes which, although closed to future accrual, have significant deficits which are sensitive to changes in actuarial assumptions and modest changes to the assumptions used to value the Group's net pension deficit would have a significant effect on the results and financial position of the Group.

Our Response

Our audit procedures included using a KPMG actuarial specialist to assist the Group audit team in evaluating the assumptions and methodologies used by the Group's actuarial advisors, in particular those relating to the discount rate, inflation and mortality assumptions. We compared the Group's assumptions to externally derived data as well as our own assessments in relation to these and other key inputs in assessing whether the assumptions used by the Group are reasonable. We also assessed whether the disclosures reflected the risks inherent in the accounting for the pension schemes.

Taxation (current tax liabilities of £24.8 million; deferred tax assets of £66.6 million and deferred tax liabilities of £21.3 million)

Refer to page 57 (Report of the Audit Committee), page 73 (accounting policy) and Note 9 to the Group financial statements.

The Risk

The Group is subject to income taxes in a number of jurisdictions and certain acquisitions made in recent years (particularly Uniq plc) have involved complex tax aspects. As a consequence, the Group's current and deferred tax balances are sensitive to assumptions used in determining the appropriate liabilities and assets.

Our Response

Our audit procedures included using KPMG international and national taxation specialists to assist the Group audit team in evaluating the assumptions and methodologies used by the Group and its taxation advisors, in particular those relating to the recoverability and recognition of deferred tax assets. We considered the Group's assumptions in relation to the utilisation of losses carried forward against projected taxable profits and applied sensitivities to determine the appropriateness of the judgements applied. We also assessed the accounting for movements in tax balances and whether the treatment of the recognition of an additional deferred tax asset and the treatment of the settlement of a number of tax cases, including an overseas liability, as exceptional items was appropriate (see Note 6) and whether the Group's disclosures reflected the risks inherent in the accounting for the taxation balances.

Independent Auditor's Report
to the Members of Greencore Group plc (continued)

Provisions (£17.9 million)
Refer to page 57 (Report of the Audit Committee), page 71 (accounting policy) and Note 22 to the Group financial statements.

The Risk
The Group has significant provisions which are inherently judgemental in nature, comprising principally onerous lease obligations, remediation and closure provisions and certain warranty and other claims arising from previously disposed of businesses.

Our Response
Our audit procedures included consideration of the nature of the provisions, the range of potential outcomes, any recent correspondence in relation to specific claims and relevant settlement history of lease obligations, provisions and claims. We also tested the accounting for movements in the provision balances and the related disclosures.

Goodwill and Intangible Assets (£499.9 million)
Refer to page 57 (Report of the Audit Committee), pages 69 and 70 (accounting policy) and Note 12 to the Group financial statements.

The Risk
The Group has significant goodwill and intangible assets which are reviewed periodically for impairment. Recoverability of these assets is based on forecasting and discounting future cash flows, which is inherently judgemental.

Our Response
Our audit procedures included evaluating the assumptions used by the Group in its impairment model for goodwill, specifically the cash flow projections, perpetuity rates and discount rate used. We compared the Group's assumptions, where possible, to externally derived data and performed sensitivity analysis on the impact of changes in significant assumptions. We also assessed whether the disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions were appropriate.

3. Our Application of Materiality and an Overview of the Scope of our Audit
Materiality is a term used to describe the acceptable level of precision in financial statements. The concept of materiality is applied in planning and performing the audit and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming our opinion on them. In accordance with ISAs (UK and Ireland), we identify a monetary amount, "materiality for the financial statements as a whole", based on our judgment as to the quantitative misstatement or omission that might reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The materiality for the Group financial statements as a whole was set at £3.0 million. This has been calculated using a benchmark of Group profit before taxation and exceptional items (of which it represents 5.5%), which we have determined, in our professional judgement, to be one of the principal benchmarks within the financial statements relevant to members of the Company in assessing financial performance.

We agreed with the Audit Committee to report to it all corrected and uncorrected misstatements we identified through our audit in excess of £100,000, in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

The structure of the Group's finance function is such that certain transactions and balances are accounted for by the central Group finance team, with the remainder accounted for in the operating units. We performed comprehensive audit procedures, including those in relation to the significant risks above, on those transactions and balances accounted for at Group level. In relation to the group's operating units, audits for Group reporting purposes were performed at the key reporting components in Ireland, the United Kingdom and the United States. Our audits covered 93% of total Group revenue, 98% of Group profit before taxation and 96% of Group total assets.

The audits undertaken for Group reporting purposes at the key reporting components of the Group were all performed to materiality levels set by the Group audit team. These local materiality levels were set individually for each component and ranged from £500,000 to £2,000,000.

Detailed audit instructions were sent to the auditors in all of these identified locations. These instructions covered the significant audit areas to be covered by these audits (which included the relevant risks of material misstatement detailed above) and set out the information required to be reported to the Group audit team. The Group audit team, including the lead engagement partner, attended each divisional closing meeting at which the results of all component audits were discussed with divisional and Group management. Statutory audits are performed in other subsidiaries that are not included in scope for Group reporting purposes and certain of these are completed after the date of this report.

4. We Have Nothing to Report in Respect of the Matters on which we are Required to Report by Exception
ISAs (UK and Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:
- we have identified any inconsistencies between the knowledge we acquired during our audit and the directors' statement that they consider the annual report is fair, balanced and understandable and provides the information necessary for shareholders to assess the entity's performance, business model and strategy; or
- the Report of the Audit Committee does not appropriately disclose those matters that we communicated to the Audit Committee.

The Listing Rules of the UK Listing Authority require us to review:
- the statement of directors' responsibilities, set out on page 62, in relation to going concern;
- the part of the Corporate Governance report on page 39 relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of disclosures to shareholders by the Board in the Report on Directors' Remuneration.

In addition, the Companies Acts require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

5. Our Conclusions on Other Matters on which we are Required to Report by the Companies Acts 1963 to 2012 are set out below

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

The Company balance sheet is in agreement with the books of account and, in our opinion, proper books of account have been kept by the Company.

In our opinion the information given in the Directors' Report is consistent with the financial statements and the description in the Corporate Governance Report of the main features of the internal control and risk management systems in relation to the process for preparing the Group financial statements is consistent with the Group 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 27 September 2013 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.

Basis of our Report, Responsibilities and Restrictions on Use

As explained more fully in the Statement of Directors' Responsibilities set out on page 62, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Group and Company financial statements in accordance with applicable law and International Standards on Auditing (ISAs) (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK and Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing our audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK and Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of accounting and reporting.

Our 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.

David Meagher

David Meagher
for and on behalf of
KPMG

25 November 2013
Chartered Accountants, Statutory Audit Firm
1 Stokes Place, St. Stephen's Green
Dublin 2, Ireland

Group Statement of Accounting Policies
Year Ended 27 September 2013

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 27 September 2013 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 27 September 2013.

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 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 to the Friday nearest to 30 September. Accordingly these Financial Statements are prepared for the 52 week period ended 27 September 2013. Comparatives are for the 52 week period ended 28 September 2012. The Balance Sheets for 2013 and 2012 have been prepared as at 27 September 2013 and 28 September 2012 respectively.

The loss attributable to equity shareholders dealt with in the Financial Statements of the Company was £7.6 million (2012: profit of £3.9 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
IAS 1	Presentation of Financial Statements – Revision to the presentation of other comprehensive income	1 July 2012
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

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 1	Government loans – Requires first time adopters to apply the requirements in IAS 20 prospectively	1 January 2013
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 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

Group Statement of Accounting Policies
Year Ended 27 September 2013 (continued)

New Standards and Interpretations (continued)

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 Employee Benefits (2011) which will result in an increased charge to the Income Statement in respect of the Group's defined benefit pension schemes as set out in Note 23.

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, machinery, equipment, fixtures and fittings	3 – 25 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

Acquisitions on or After 26 September 2009

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.

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.

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 Before 25 September 2009

Where a business combination occurred on or before 25 September 2009 and the business combination agreement provides 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) is 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 27 September 2013 (continued)

Goodwill (continued)

Subsequent Measurement

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. On acquisition, goodwill is allocated to cash-generating units 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.

Goodwill arising on investments in associates is included in the carrying amount of the investment and any impairment of the goodwill is included in income from associates.

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.

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 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.

Discontinued Operations and Non-Current Assets Held for Sale

A discontinued operation is a component of an entity that either has been disposed of, abandoned, or is classified as held for sale and:

- represents a separate major line of business or geographical area of operation; or
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal, abandonment, or when the operations meet the criteria to be classified as held for sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of the carrying amount and the fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than continued use. This condition is regarded as satisfied only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year of the date of classification. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is calculated based on first-in, first-out (FIFO) or weighted average as appropriate. 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, and 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, cancelled or 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.

Group Statement of Accounting Policies
Year Ended 27 September 2013 (continued)

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 initially 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 12 months and as a current asset or liability if the maturity of the hedged item is less than 12 months.

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 as finance costs. 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 re-measurement 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 profit or loss. When the hedged part of a net investment is disposed of, the associated cumulative amount in equity is transferred to profit or loss 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 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 Executive Share Option Schemes, Employee ShareSave Schemes, a Deferred Bonus Plan and the Performance Share 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.

Group Statement of Accounting Policies
Year Ended 27 September 2013 (continued)

Employee Share-Based Payments (continued)
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. To the extent that the deductible difference exceeds the cumulative charge to the Income Statement, it is recorded in the Statement of Recognised Income and Expense.

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

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 primary reporting segment, for which more detailed disclosures are made, is 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 unless the parent has undertaken to fund their losses.

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 27 September 2013

	Notes	2013 Pre-exceptional £'000	2013 Exceptional (Note 6) £'000	2013 Total £'000	2012 Pre-exceptional £'000	2012 Exceptional (Note 6) £'000	2012 Total £'000
Continuing operations							
Revenue	1	**1,197,099**	**–**	**1,197,099**	1,161,930	–	1,161,930
Cost of sales		**(838,145)**	**–**	**(838,145)**	(812,195)	–	(812,195)
Gross profit		**358,954**	**–**	**358,954**	349,735	–	349,735
Operating costs, net	2	**(282,500)**	**(8,942)**	**(291,442)**	(279,039)	(13,950)	(292,989)
Group operating profit/(loss) before acquisition related amortisation		**76,454**	**(8,942)**	**67,512**	70,696	(13,950)	56,746
Amortisation of acquisition related intangibles	12	**(7,833)**	**–**	**(7,833)**	(10,210)	–	(10,210)
Group operating profit/(loss)		**68,621**	**(8,942)**	**59,679**	60,486	(13,950)	46,536
Finance income	7	**17,499**	**–**	**17,499**	17,905	–	17,905
Finance costs	7	**(32,590)**	**–**	**(32,590)**	(36,043)	–	(36,043)
Share of profit of associates after tax	8	**648**	**–**	**648**	464	–	464
Profit/(loss) before taxation		**54,178**	**(8,942)**	**45,236**	42,812	(13,950)	28,862
Taxation	9	**(501)**	**27,004**	**26,503**	(1,584)	8,345	6,761
Profit/(loss) for the financial year	3	**53,677**	**18,062**	**71,739**	41,228	(5,605)	35,623
Attributable to:							
Equity shareholders		**52,610**	**18,062**	**70,672**	40,280	(5,605)	34,675
Non-controlling interests	25	**1,067**	**–**	**1,067**	948	–	948
		53,677	**18,062**	**71,739**	41,228	(5,605)	35,623
Basic earnings per share (pence)							
Continuing operations	10			**18.0**			9.0
Diluted earnings per share (pence)							
Continuing operations	10			**17.6**			8.9

PG Kennedy
Director

AR Williams
Director

Group Statement of Recognised Income and Expense
Year Ended 27 September 2013

	Notes	2013 £'000	2012 £'000
Items of income and expense taken directly to equity			
Items that will not be reclassified to profit or loss:			
Actuarial loss on Group defined benefit pension schemes	23	**(8,958)**	(23,771)
Deferred tax on Group defined benefit pension schemes	9	**(1,613)**	2,569
		(10,571)	(21,202)
Items that may subsequently be reclassified to profit or loss:			
Currency translation adjustment		**(988)**	151
Current tax on currency translation adjustment	9	**151**	88
Hedge of net investment in foreign currency subsidiaries		**(13)**	1,898
Cash flow hedges:			
fair value movement taken to equity		**1,855**	(2,924)
transfer to Income Statement for the period		**676**	322
Deferred tax on cash flow hedges	9	**(582)**	599
		1,099	134
Net expense recognised directly within equity		**(9,472)**	(21,068)
Group result for the financial year		**71,739**	35,623
Total recognised income and expense for the financial year		**62,267**	14,555
Attributable to:			
Equity shareholders		**61,024**	13,847
Non-controlling interests		**1,243**	708
Total recognised income and expense for the financial year		**62,267**	14,555

Group Balance Sheet
At 27 September 2013

	Notes	2013 £'000	2012 As re-presented* £'000
ASSETS			
Non-current assets			
Intangible assets	12	**499,924**	503,831
Property, plant and equipment	13	**229,246**	226,283
Investment property	14	**28,870**	31,961
Investments in associates	8	**826**	548
Other receivables	16	**1,033**	2,817
Derivative financial instruments	20	**8,235**	11,888
Deferred tax assets	9	**66,586**	61,164
Total non-current assets		**834,720**	838,492
Current assets			
Inventories	15	**53,144**	54,474
Trade and other receivables	16	**115,720**	107,039
Derivative financial instruments	20	**966**	170
Cash and cash equivalents	18	**6,310**	18,763
Total current assets		**176,140**	180,446
Total assets		**1,010,860**	1,018,938
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	24	**4,013**	120,920
Share premium		**177,330**	171,469
Reserves		**67,236**	(95,116)
		248,579	197,273
Non-controlling interests	25	**3,468**	3,246
Total equity		**252,047**	200,519
LIABILITIES			
Non-current liabilities			
Borrowings	19	**199,665**	288,647
Derivative financial instruments	20	**2,246**	9,017
Retirement benefit obligations	23	**137,545**	141,841
Other payables	17	**2,239**	3,089
Provisions for liabilities	22	**10,968**	12,479
Deferred tax liabilities	9	**21,288**	28,833
Government grants		**57**	70
Total non-current liabilities		**374,008**	483,976
Current liabilities			
Bank overdrafts	18	**4,554**	–
Borrowings	19	**44,094**	–
Derivative financial instruments	20	**346**	–
Trade and other payables	17	**303,141**	283,155
Consideration payable on acquisitions		**918**	4,181
Provisions for liabilities	22	**6,928**	8,597
Current taxes payable		**24,824**	38,510
Total current liabilities		**384,805**	334,443
Total liabilities		**758,813**	818,419
Total equity and liabilities		**1,010,860**	1,018,938

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

PG Kennedy
Director

AR Williams
Director

Group Cash Flow Statement
Year Ended 27 September 2013

	Notes	2013 £'000	2012 £'000
Profit before taxation		**45,236**	28,862
Finance income		**(17,499)**	(17,905)
Finance costs		**32,590**	36,043
Share of profit of associates (after tax)		**(648)**	(464)
Exceptional items		**8,942**	13,950
Operating profit (pre-exceptional)		**68,621**	60,486
Depreciation		**23,659**	21,470
Amortisation of intangible assets		**9,039**	11,576
Employee share based payment expense		**2,521**	1,914
Amortisation of government grants		**(13)**	(13)
Difference between pension charge and cash contributions		**(13,695)**	(14,830)
Working capital movement	26	**9,854**	23,409
Other movements		**453**	1,143
Net cash inflow from operating activities before exceptional items		**100,439**	105,155
Cash outflow related to exceptional items	6	**(20,019)**	(19,421)
Interest paid		**(15,093)**	(15,688)
Tax refunded		**412**	2,013
Net cash inflow from operating activities		**65,739**	72,059
Cash flow from investing activities			
Dividends received from associates	8	**370**	498
Purchase of property, plant and equipment		**(29,404)**	(28,762)
Purchase of investment property		**(510)**	(272)
Purchase of intangible assets		**(4,966)**	(1,334)
Acquisition of undertakings		**(3,115)**	(152,173)
Disposal of undertakings		**10,394**	181
Interest received		**181**	45
Net cash outflow from investing activities		**(27,050)**	(181,817)
Cash flow from financing activities			
Proceeds from issue of shares		**369**	457
Ordinary shares purchased – own shares		**(709)**	–
Drawdown of bank borrowings	21	**–**	76,368
Repayment of bank borrowings	21	**(43,138)**	(20,500)
Dividends paid to equity holders of the Company		**(11,098)**	(9,169)
Dividends paid to non-controlling interests	25	**(1,002)**	(424)
Net cash (outflow)/inflow from financing activities		**(55,578)**	46,732
Net decrease in cash and cash equivalents		**(16,889)**	(63,026)
Reconciliation of opening to closing cash and cash equivalents			
Cash and cash equivalents at beginning of year	18	**18,763**	81,564
Translation adjustment	21	**(118)**	225
(Decrease) in cash and cash equivalents	21	**(16,889)**	(63,026)
Net cash and cash equivalents at end of year	18	**1,756**	18,763

Group Statement of Changes in Equity
Year Ended 27 September 2013

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
At 28 September 2012	**120,920**	**171,469**	**(11,758)**	**(83,358)**	**197,273**	**3,246**	**200,519**
Items of income and expense taken directly to equity							
Currency translation adjustment	–	–	(1,164)	–	(1,164)	176	(988)
Current tax on currency translation adjustment	–	–	–	151	151	–	151
Net investment hedge	–	–	(13)	–	(13)	–	(13)
Actuarial loss on Group defined benefit pension schemes	–	–	–	(8,958)	(8,958)	–	(8,958)
Deferred tax on Group defined benefit pension schemes	–	–	–	(1,613)	(1,613)	–	(1,613)
Cash flow hedge taken to equity	–	–	1,855	–	1,855	–	1,855
Cash flow hedge transferred to Income Statement	–	–	676	–	676	–	676
Deferred tax on cash flow hedge	–	–	(582)	–	(582)	–	(582)
Profit for the financial period	–	–	–	70,672	70,672	1,067	71,739
Total recognised income and expense for the financial year	**–**	**–**	**772**	**60,252**	**61,024**	**1,243**	**62,267**
Employee share based payments expense	–	–	2,521	–	2,521	–	2,521
Exercise, lapse or forfeit of share based payments	5	364	(678)	678	369	–	369
Cancellation of deferred shares	(114,899)	–	114,899	–	–	–	–
Redenomination and renominalisation of treasury shares (c)	(2,078)	–	2,078	–	–	–	–
Shares acquired by Employee Benefit Trust (a)	–	–	(766)	57	(709)	–	(709)
Shares granted to beneficiaries of the Employee Benefit Trust (b)	–	–	836	(836)	–	–	–
Disposal of non-controlling interest	–	–	–	–	–	(19)	(19)
Dividends	65	5,497	–	(17,461)	(11,899)	(1,002)	(12,901)
At 27 September 2013	**4,013**	**177,330**	**107,904**	**(40,668)**	**248,579**	**3,468**	**252,047**

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total £'000	Non-controlling interests £'000	Total equity As re-presented £'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 to 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 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 on cash flow hedge	–	–	599	–	599	–	599
Profit for the financial period	–	–	–	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 based payments	7	455	(683)	683	462	–	462
Shares acquired by Employee Benefit Trust (a)	–	–	(58)	58	–	–	–
Shares granted to beneficiaries of the Employee Benefit 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**

Other Reserves

	Share based payments £'000	Own shares £'000	Capital redemption reserve £'000	Capital conversion reserve fund £'000	Hedging reserve £'000	Foreign currency translation reserve £'000	Total £'000
At 28 September 2012	**4,218**	**(18,870)**	**–**	**804**	**(2,003)**	**4,093**	**(11,758)**
Items of income and expense taken directly to equity							
Currency translation adjustments	–	–	–	–	–	(1,164)	(1,164)
Net investment hedge	–	–	–	–	–	(13)	(13)
Cash flow hedge taken to equity	–	–	–	–	1,855	–	1,855
Cash flow hedge transferred to Income Statement	–	–	–	–	676	–	676
Deferred tax on cashflow hedge	–	–	–	–	(582)	–	(582)
Total recognised income and expense for the financial year	**–**	**–**	**–**	**–**	**1,949**	**(1,177)**	**772**
Currency translation adjustments	189	–	–	–	–	(189)	–
Employee share based payments expense	2,521	–	–	–	–	–	2,521
Exercise, lapse or forfeit of share based payments	(678)	–	–	–	–	–	(678)
Cancellation of deferred shares			114,899	–	–	–	114,899
Redenomination and renominalisation of treasury shares (c)	–	–	2,078	–	–	–	2,078
Shares acquired by Employee Benefit Trust (a)	–	(766)	–	–	–	–	(766)
Shares granted to beneficiaries of the Employee Benefit Trust (b)	–	836	–	–	–	–	836
At 27 September 2013	**6,250**	**(18,800)**	**116,977**	**804**	**(54)**	**2,727**	**107,904**

	Share based payments £'000	Own shares £'000	Capital redemption reserve £'000	Capital conversion reserve fund £'000	Hedging reserve £'000	Foreign currency translation reserve £'000	Total As re-presented £'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 adjustment	–	–	–	–	–	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 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 based payment expense	1,914	–	–	–	–	–	1,914
Exercise, lapse or forfeit of share based payment	(683)	–	–	–	–	–	(683)
Shares acquired by Employee Benefit Trust (a)	–	(58)	–	–	–	–	(58)
Shares granted to beneficiaries of the Employee Benefit Trust (b)	–	1,575	–	–	–	–	1,575
At 28 September 2012	**4,218**	**(18,870)**	**–**	**804**	**(2,003)**	**4,093**	**(11,758)**

(a) The Employee Benefit Trust acquired 62,239 (2012: 111,742) shares in the Group with a combined value of £0.06 million (2012: £0.06 million) and a nominal value at the date of purchase of £0.001 million (2012: £0.001 million) through the scrip dividend scheme and utilisation of dividend income.

Pursuant to the terms of the Employee Benefit Trust, 727,885 (2012: nil) shares were purchased during the financial year ended 27 September 2013 at a cost of £0.7 million (2012: £nil). The nominal value of these shares, on which dividends have not been waived by the Employee Benefit Trust was £0.07 million (2012: £Nil) at the date of purchase.

(b) During the year, 1,402,077 (2012: 1,292,223) shares with a nominal value at the date of transfer of £0.014 million (2012: £0.013 million) were transferred to beneficiaries of the Employee Benefit Trust.

(c) On 29 January 2013, the Group renominalised and redenominated 3,904,716 Treasury Shares of €0.63 each into Treasury Shares of £0.01 each and thereafter converted the 3,904,782 Treasury Shares into stock which were then converted into 3,904,782 Ordinary Shares of £0.01 each and were subsequently transferred to the Employee Benefit Trust at nominal value.

Notes to the Group Financial Statements
Year Ended 27 September 2013

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 and 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. Intersegment revenue is not material.

	Convenience Foods		Ingredients & Property		Total	
	2013 £'000	2012 £'000	**2013 £'000**	2012 £'000	**2013 £'000**	2012 £'000
Revenue – continuing operations	**1,129,200**	1,091,148	**67,899**	70,782	**1,197,099**	1,161,930
Group operating profit before exceptional items and acquisition related amortisation – continuing	**73,905**	69,097	**2,549**	1,599	**76,454**	70,696
Amortisation of acquisition related intangible assets	**(7,833)**	(10,210)	**–**	–	**(7,833)**	(10,210)
Exceptional items					**(8,942)**	(13,950)
Group operating profit	**66,072**	58,887	**2,549**	1,599	**59,679**	46,536
Finance income					**17,499**	17,905
Finance costs					**(32,590)**	(36,043)
Share of profit of associates after tax	–	–	**648**	464	**648**	464
Profit before taxation					**45,236**	28,862

	Convenience Foods		Ingredients & Property		Total	
	2013 £'000	2012 As re-presented* £'000	**2013 £'000**	2012 £'000	**2013 £'000**	2012 As re-presented* £'000
Segment assets						
Assets	**883,333**	879,431	**44,604**	46,974	**927,937**	926,405
Investments in associates	**–**	–	**826**	548	**826**	548
Total assets	**883,333**	879,431	**45,430**	47,522	**928,763**	926,953
Reconciliation to Total Assets as Reported in the Group Balance Sheet						
Deferred tax assets					**66,586**	61,164
Cash and cash equivalents					**6,310**	18,763
Derivative financial instruments					**9,201**	12,058
Total assets as reported in the Group Balance Sheet					**1,010,860**	1,018,938

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

	Convenience Foods		Ingredients & Property		Total	
	2013 £'000	2012 As re-presented* £'000	**2013 £'000**	2012 £'000	**2013 £'000**	2012 As re-presented* £'000
Segment liabilities						
Liabilities	**296,875**	281,964	**14,854**	18,025	**311,729**	299,989
Reconciliation to Total Liabilities as reported in the Group Balance Sheet						
Bank overdrafts					**4,554**	–
Borrowings (current and non-current)					**243,759**	288,647
Derivative financial instruments (current and non-current)					**2,592**	9,017
Government grants					**57**	70
Declared interim dividend					**7,620**	6,821
Interest payable					**4,845**	4,679
Retirement benefit obligations					**137,545**	141,841
Income tax liabilities (current and deferred)					**46,112**	67,343
Total liabilities as reported in the Group Balance Sheet					**758,813**	818,407

Other Segment Information

	Convenience Foods		Ingredients & Property		Total	
	2013 £'000	2012 £'000	**2013 £'000**	2012 £'000	**2013 £'000**	2012 £'000
Continuing operations						
Capital expenditure	**35,810**	30,775	**513**	367	**36,323**	31,142
Depreciation	**23,429**	21,239	**230**	231	**23,659**	21,470
Amortisation of intangible assets	**9,039**	11,576	**–**	–	**9,039**	11,576

Geographical Analysis

The following is a geographical analysis of the segment information presented above.

	Ireland		UK		Rest of World		Total Group	
	2013 £'000	2012 £'000	**2013 £'000**	2012 As re-presented* £'000	**2013 £'000**	2012 As re-presented* £'000	**2013 £'000**	2012 As re-presented* £'000
Revenue	**68,745**	71,347	**999,294**	1,011,172	**129,060**	79,411	**1,197,099**	1,161,930
Capital expenditure	**513**	358	**32,128**	29,321	**3,682**	1,463	**36,323**	31,142
Non-current assets (excluding derivative financial instruments and deferred tax assets)	**11,578**	16,032	**670,053**	669,912	**78,268**	79,496	**759,899**	765,440

* 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 27 September 2013 (continued)

2. Operating Costs, Net

	2013 £'000	2012 As re-presented* £'000
Distribution costs	**52,299**	52,322
Administrative expenses	**226,756**	222,895
Research and development	**5,159**	4,766
Other operating costs	**361**	1,028
Other operating income	**(2,075)**	(1,972)
Total operating costs pre-exceptional, net	**282,500**	279,039
Exceptional charge (Note 6)	**8,942**	13,950
Total operating costs, net	**291,442**	292,989

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

3. Result for the Financial Period

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

	2013 £'000	2012 £'000
Depreciation:		
Owned assets	**23,614**	21,470
Assets held under finance lease	**45**	–
	23,659	21,470
Amortisation of intangible assets	**9,039**	11,576
Operating lease rentals:		
Premises, plant and equipment	**14,240**	11,813
Auditor's remuneration		
Fees paid to the lead audit firm:		
Audit of the Group Financial Statements	**534**	550
Other assurance services	**60**	64
Tax advisory services	**16**	32
Other non-audit services	**–**	–
	610	646
Fees paid to other firms in the lead audit firms network:		
Other assurance services	**9**	185
	9	185
	619	831
Government grant amortised	**(13)**	(13)
Rental income from investment properties	**(114)**	(112)

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:

	2013 Number	2012 Number
Production	**8,189**	7,799
Distribution	**627**	683
Administration	**990**	1,244
	9,806	9,726

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

	2013 £'000	2012 £'000
Wages and salaries	**207,445**	200,197
Social welfare costs	**21,472**	20,764
Employee share based payment expense (Note 5)	**2,521**	1,914
Termination costs (Note 31)	**910**	–
Pension costs – defined contribution plans (Note 23)	**2,980**	3,251
Pension – curtailment gain (Note 23)	**(4,368)**	–
	230,960	226,126
Defined benefit interest cost (Note 23)	**20,995**	22,226
Defined benefit expected return on plan assets (Note 23)	**(17,243)**	(17,568)
	234,712	230,784

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

	2013 £'000	2012 £'000
Actual return less expected return on pension scheme assets (Note 23)	**7,499**	37,115
Effect of Paragraph 58(b) limit (Note 23)	**623**	(474)
Actuarial losses arising on the scheme liabilities (Note 23)	**(17,080)**	(60,412)
Total included in the Statement of Recognised Income and Expense	**(8,958)**	(23,771)

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 for the year was £0.56 million (2012: £nil). 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 set out in the Report on Directors' Remuneration. All conditions are non-market based.

No options were granted under the scheme in the current year.

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.

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 plan:

	2013		2012	
	Number outstanding	**Weighted average exercise price €**	Number outstanding	Weighted average exercise price €
At beginning of year	**5,031,312**	**1.53**	5,469,726	1.65
Granted	**–**	**–**	575,000	0.64
Expired	**(119,589)**	**2.33**	(377,656)	2.28
Forfeit	**(1,063,371)**	**1.58**	(635,758)	1.32
At end of year	**3,848,352**	**1.49**	5,031,312	1.53
Exercisable at end of year	**–**	**–**	–	–

Notes to the Group Financial Statements
Year Ended 27 September 2013 (continued)

5. Share Based Payments (continued)

Executive Share Option Scheme (continued)

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 27 September 2013				
€0.01–€1.00	**1,343,246**	**6.36**	**0.64**	**–**
€1.01–€2.00	**1,453,967**	**6.35**	**1.06**	**–**
€2.01–€3.00	**642,014**	**2.17**	**2.69**	**–**
€3.01–€4.00	**409,125**	**3.85**	**3.88**	**–**
	3,848,352	**5.39**	**1.49**	**–**
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	–

ShareSave Schemes

The Group operates savings-related share option schemes in both Ireland and the UK. Options are granted at a discount of between 20% and 25% 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 credit recognised in the Income Statement in respect of these options was £0.27 million (2012 charge of: £0.089 million). Grant date fair value was arrived at through applying a trinomial model, which is a lattice option-pricing model.

During the year ended 27 September 2013, ShareSave Scheme options were granted over 22,611 shares (Ireland) and 946,940 shares (UK), which will ordinarily be exercisable at an exercise price of €1.20 and £1.08 respectively per share, during the period 1 September 2016 to 28 February 2017. The weighted average fair value of share options granted during the year ended 27 September 2013 was £0.20.

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

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

	2013		2012	
	Number outstanding	**Weighted average exercise price €**	Number outstanding	Weighted average exercise price €
At beginning of year	**281,934**	**0.69**	301,461	0.69
Granted	**22,611**	**1.20**	178,275	0.69
Exercised	**(2,921)**	**0.75**	(192,295)	0.70
Forfeit	**(18,976)**	**0.67**	(5,507)	0.75
At end of year	**282,648**	**0.73**	281,934	0.69
Exercisable at end of year	**–**	**–**	–	–

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 27 September 2013					
€0.01–€1.00	**260,037**	**1.95**	**0.69**	**–**	**–**
€1.01–€2.00	**22,611**	**2.93**	**1.20**	**–**	**–**
	282,648	**2.03**	**0.73**	**–**	**–**
At 28 September 2012					
€0.01–€1.00	281,934	2.88	0.69	–	–
	281,934	2.88	0.69	–	–

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

	2013		2012	
	Number outstanding	**Weighted average exercise price £**	Number outstanding	Weighted average exercise price £
At beginning of year	**4,362,120**	**0.66**	3,451,360	0.72
Granted	**946,940**	**1.08**	2,046,060	0.60
Exercised	**(522,184)**	**0.70**	(515,136)	0.69
Expired	**(18,906)**	**2.12**	–	
Forfeit	**(651,122)**	**0.65**	(620,164)	0.76
At end of year	**4,116,848**	**0.75**	4,362,120	0.66
Exercisable at end of year	**124,834**	**0.92**	326,219	0.78

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 27 September 2013					
£0.01–£1.00	**3,129,285**	**1.97**	**0.63**	**95,912**	**0.71**
£1.01–£2.00	**982,275**	**2.84**	**1.11**	**22,716**	**1.77**
£2.01–£3.00	**5,288**	**1.29**	**2.39**	**–**	**–**
	4,116,848	**2.18**	**0.75**	**118,628**	**0.92**
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

Notes to the Group Financial Statements
Year Ended 27 September 2013 (continued)

5. Share-Based Payments (continued)

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 £1.48 million (2012: £1.8 million). The fair value of the award is equal to the share price on the grant date.

On 1 December 2012, 2,527,955 awards were granted to senior executives of the Group under the Deferred Bonus Plan. A cumulative charge of £1.14 million was recognised in the Income Statement in FY13. A charge amounting to £0.55 million was included in the Group Financial Statements in FY12 in respect of the estimated 2012 charge related to these awards.

On 1 December 2011, 3,477,745 awards were granted to senior executives of the Group under the Deferred Bonus Plan. 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.

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

	2013 Number outstanding	**2013** Weighted average exercise price €	2012 Number outstanding	2012 Weighted average exercise price €
At beginning of year	**6,980,651**	**–**	4,726,498	–
Granted	**2,527,955**	**–**	3,477,745	–
Exercised	**(1,351,807)**	**–**	(1,223,592)	–
Forfeit	**(312,282)**	**–**	–	–
At end of year	**7,844,517**	**–**	6,980,651	–
Exercisable at end of year	**–**	**–**	–	–

Awards will be granted to senior executives of the Group under the Deferred Bonus Plan in respect of the year ended 27 September 2013. A charge amounting to £0.244 million relating to Executive Directors and £0.17 million relating to other awards has been included in the Group Financial Statements in respect of the estimated 2013 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.

Performance Share Plan

A new long-term incentive scheme, the Performance Share Plan, was introduced during the year as outlined in the Report on Directors' Remuneration. In accordance with this scheme, participants are awarded an allotment of shares which will vest over three years subject to vesting conditions for profit, return on invested capital and earnings per share. The number of shares granted is calculated based on the market value on the date of allocation. Shares are forfeit should an executive voluntarily leave the Group prior to the vesting date, subject to normal 'good leaver' provisions. The fair value of the award is equal to the share price on the grant date. Further description of the scheme can be found in the Directors' Remuneration Report on page 47.

On 1 March 2013, 4,298,604 shares were granted to executives of the Group under the Performance Share Plan. A charge amounting to £0.74 million was included in the Group Financial Statements in FY13 related to these awards.

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

	2013 Number outstanding	**2013** Weighted average exercise price €	2012 Number outstanding	2012 Weighted average exercise price €
At beginning of year	**–**	**–**	–	–
Granted	**4,298,604**	**–**	–	–
Forfeit	**(429,249)**	**–**	–	–
At end of year	**3,869,355**	**–**	–	–
Exercisable at end of year	**–**	**–**	–	–

Range of Exercise Prices for the Share Option Plan

The following 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. In FY13 the fair value of awards granted under the deferred bonus plan and the performance share plan is equal to the share price on the grant date.

	2013 ShareSave 3 year
Dividend yield (%)	**4.46%**
Expected volatility (%)	**43%**
Risk-free interest rate (%)	**0.22%**
Expected life of option (years)	**3.50**
Share price at grant (£)	**1.24**
Exercise price (£)	**1.08**
Fair value (£)	**0.20**

		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	–
Fair value (€)	0.22	0.23	0.54

The average share price during the year was £1.15 (2012:£0.68).

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 £0.80–£1.54 (2012: £0.47–£0.84) .

6. Exceptional Items

Exceptional items are those that, in management's judgement, 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	**2013 £'000**	2012 £'000
Integration cost of UK acquisitions	(a)	**(2,686)**	(7,566)
Integration cost of US acquisitions	(b)	**(1,472)**	(3,074)
Pension curtailment gain	(c)	**4,368**	–
Property related charge	(d)	**(9,152)**	–
Transaction costs	(e)	**–**	(2,210)
One off costs relating to former activities	(f)	**–**	(1,100)
		(8,942)	(13,950)
Tax on exceptional charges	(g)	**293**	2,083
Exceptional tax credit	(g)	**26,711**	6,262
Total exceptional credit/(expense)		**18,062**	(5,605)

Notes to the Group Financial Statements
Year Ended 27 September 2013 (continued)

6. Exceptional Items (continued)

(a) Integration Cost of UK Acquisitions

During the year, the Group incurred an exceptional charge of £2.7 million in connection with (i) the completion of the integration of the Uniq business, including the Chilled Desserts restructuring, and (ii) the completion of the integration of International Cuisine Limited ("ICL") acquired in August 2012.

In 2012, 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.

(b) Integration Cost of US Acquisitions

During the year, the Group incurred an exceptional charge of £1.5 million in connection with the completion of integration of the MarketFare Foods LLC ("MarketFare") and H.C. Schau & Son Inc. ("Schau") acquisitions.

In 2012, the Group completed the acquisition of MarketFare and Schau in the United States and a charge of £3.1 million was incurred in relation to the integration of these businesses and the subsequent reorganisation of the product portfolio in the US.

(c) Pension Curtailment Gain

During the year, the Group recognised a curtailment gain of £4.4 million as the trustees of the Greencore Group pension scheme resolved to pass on the cost of the Irish pensions levy to beneficiaries of the pension scheme in the form of a reduction in future pension payments. The cost of the levy had previously been assumed to be borne by the scheme and had been treated as a reduction in assets of the scheme when paid and as an increase in scheme liabilities for future amounts payable.

(d) Property Related Charge

During the year, the Group recognised a property related charge of £9.2 million arising on its Irish property portfolio which comprises a property impairment charge together with a charge for remediation costs relating to the former sugar processing sites. The property impairment charge of £4.3 million arose due to the re-zoning of a large proportion of the Group's property assets in Ireland, together with the continued softening of demand for land and the related impact on prices being achieved on sales. The Group also re-evaluated the expected costs to be incurred in meeting the requirements of the Environmental Protection Agency regarding the remediation of the former sugar processing sites and an additional charge of £4.8 million was recognised in this respect.

(e) Transaction Costs

In 2012, a charge of £2.2 million was incurred for transaction costs on the acquisitions of MarketFare, Schau and ICL.

(f) One-off Costs Relating to Former Activities

In 2012, the Group recognised a provision for costs amounting to £1.1 million relating to an onerous obligation in connection with a business which was sold a number of years ago.

(g) Tax

During the year, and following the completion of the Uniq integration, the Group reassessed the prospects of recovery of deferred tax attributes acquired as part of the Uniq transaction which to date had not been recognised. This resulted in the recognition of an additional tax credit of £18.9 million over and above what would have been expected in the normal course of business. A further tax credit of £7.8 million arose as the Group resolved a number of tax positions including the settlement of an overseas tax case. A tax credit of £0.3 million was recognised in respect of exceptional charges during the year.

In 2012, 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 year.

Cash flow on Exceptional Items

The total cash outflow during the year in respect of exceptional charges was £20.0 million (2012: £19.4 million), of this amount £11.8 million (2012: £16.5 million) was in respect of prior year exceptional charges.

7. Finance Costs and Finance Income

	2013 £'000	2012 £'000
Finance Costs		
Bank overdrafts and loans	**12,636**	12,179
Other borrowings	**3,080**	4,248
Interest on obligations under finance leases	**98**	–
Interest on defined benefit pension scheme liabilities	**20,995**	22,226
Unwind of discount on liabilities	**185**	149
Fair value movement on hedged financial liabilities (Note 21)	**(3,481)**	(3,590)
Fair value movement on fair value hedges (Note 21)	**2,666**	4,497
Fair value movement on interest rate swaps not designated as hedges	**(3,962)**	(3,001)
Fair value movement on forward foreign exchange contracts not designated as hedges	**261**	(599)
Foreign exchange on inter-company and external balances where hedge accounting is not applied	**112**	(66)
	32,590	36,043
Finance Income		
Interest income on bank deposits	**(256)**	(45)
Expected return on defined benefit pension scheme assets	**(17,243)**	(17,568)
Unwind of discount on assets	**–**	(292)
	(17,499)	(17,905)
Net finance expense recognised in the Income Statement	**15,091**	18,138
Recognised Directly in Equity		
Currency translation effects on foreign currency net investment	**(988)**	151
Currency translation effect on foreign currency borrowings designated as net investment hedges	**(13)**	1,898
Effective portion of changes in fair value of cash flow hedges	**1,855**	(2,924)
	854	(875)

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.

	2013 £'000	2012 £'000
Group share of:		
Revenue	**5,114**	3,961
Profit before finance costs	**848**	627
Finance costs (net)	**(1)**	(3)
Profit before taxation	**847**	624
Taxation	**(199)**	(160)
Profit after taxation	**648**	464

Notes to the Group Financial Statements
Year Ended 27 September 2013 (continued)

8. Associates (continued)
Investment in Associates

	2013 £'000	2012 £'000
Share of associates' balance sheet		
Current assets	**1,202**	1,373
Non-current assets	**95**	116
Current liabilities	**(295)**	(747)
Non-current liabilities	**(176)**	(194)
Net assets	**826**	548

	2013 £'000	2012 £'000
Carrying amount of associates		
At beginning of year	**548**	582
Share of profit after tax of associates	**648**	464
Dividends received	**(370)**	(498)
At end of year	**826**	548

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

9. Taxation

	2013 £'000	2012 £'000
Continuing operations		
Current tax		
Corporation tax (credit)	**(1,543)**	(3)
Overseas tax (credit)/charge	**(1,920)**	8,115
Total current tax (pre-exceptional)	**(3,463)**	8,112
Deferred tax		
Origination and reversal of temporary differences	**12,084**	(7,367)
Defined benefit pension obligations	**865**	1,115
Effect of tax rate change	**(541)**	(211)
Employee share based payments	**(129)**	(65)
Increase in asset recognised	**(8,315)**	–
Total deferred tax charge/(credit)	**3,964**	(6,528)
Income tax expense (pre-exceptional)	**501**	1,584
Tax on exceptional items		
Current tax credit	**(7,835)**	(7,883)
Deferred tax credit	**(19,169)**	(462)
Exceptional tax credit	**(27,004)**	(8,345)
Total tax credit	**(26,503)**	(6,761)
Current tax relating to items credited to equity		
Income tax relating to foreign exchange	**(151)**	(88)
Deferred tax relating to items charged/(credited) to equity		
Actuarial loss on Group defined benefit pension schemes	**1,613**	(2,569)
Cash flow hedges transferred to Income Statement	**155**	74
Cash flow hedges fair value adjustments	**427**	(673)
	2,195	(3,168)

Reconciliation of Total Tax Credit

The tax credit for the year can be reconciled to the profit per the Income Statement as follows:

	2013 £'000	2012 £'000
Profit for the year	**71,739**	35,623
Total tax credit for the year	**(26,503)**	(6,761)
Less: Share of profit of associates after tax	**(648)**	(464)
Profit before tax	**44,588**	28,398
Tax expense at Irish corporation tax rate of 12.5%	**5,574**	3,550
Effects of:		
Expenses not deductible for tax purposes	**1,462**	3,954
Differences in effective tax rates on overseas earnings	**2,450**	960
Creation/(utilisation) of tax losses	**668**	(20)
Net deferred tax assets utilised, including exceptional provision	**(24,525)**	(7,845)
Tax exempted earnings and earnings at reduced Irish rates	**46**	(94)
Effect of rate change on deferred tax balance	**(541)**	(211)
Exceptional items	**(7,835)**	(6,262)
Movement in provisions	**(4,269)**	–
Other	**467**	(793)
Total tax credit for the year	**(26,503)**	(6,761)

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 to 23% effective 1 April 2013 that was substantively enacted in July 2012. The Finance Bill 2013 included further reductions in the rate of corporate income tax to 21% effective 1 April 2014 and to 20% effective 1 April 2015 that were substantively enacted in July 2013. 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 20% is reflected in some of the closing deferred tax balances in respect of the UK.

During the year the Group recognised £27.3 million of previously unrecognised deferred tax assets, which arose on the acquisition of Uniq plc, based on current year forecast utilisation of deferred tax assets.

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 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	2013 Total £'000
At beginning of year	7,637	(9,253)	25,982	599	5,499	268	1,599	32,331
Income Statement (charge)/credit	(16,056)	3,239	(1,103)	–	29,459	129	(463)	15,205
Tax charged to equity	–	–	(1,613)	(582)	–	–	–	(2,195)
Currency translation adjustment and other	9	(53)	–	–	–	–	1	(43)
At end of year	(8,410)	(6,067)	23,266	17	34,958	397	1,137	45,298
Deferred tax assets (deductible temporary differences)	6,804	–	23,266	17	34,958	397	1,144	66,586
Deferred tax liabilities (taxable temporary differences)	(15,214)	(6,067)	–	–	–	–	(7)	(21,288)
Net deferred tax asset/(liability)	(8,410)	(6,067)	23,266	17	34,958	397	1,137	45,298

Notes to the Group Financial Statements
Year Ended 27 September 2013 (continued)

9. Taxation (continued)

Deferred Taxation (continued)

	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	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 credited to equity	–	–	2,569	599	–	–	–	3,168
Arising on acquisition	(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

The Group has not provided deferred tax in relation to temporary differences applicable to investments in subsidiaries on the basis that the Group can control the timing and 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 FY13 Group 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 27 September 2013 was £67.0 million (2012: £101.0 million).

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 27 September 2013 was £11.2 million (2012: £11.6 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/or the Performance Share Plan. 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 certain 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.

	2013 £'000	2012 £'000
Profit attributable to equity holders of the Company	**70,672**	34,675
Exceptional items (net of tax)	**(18,062)**	5,605
Fair value of derivative financial instruments and related debt adjustments where hedge accounting is not applied	**(4,516)**	(2,693)
FX on inter-company and external balances where hedge accounting is not applied	**112**	(66)
Amortisation of acquisition related intangible assets (net of tax)	**5,720**	7,942
Pension financing (net of tax)	**2,980**	3,749
Numerator for adjusted earnings per share calculation	**56,906**	49,212

Denominator for Earnings per Share Calculation

	2013 '000	2012 '000
Shares in issue at the beginning of the year	**394,356**	387,312
Effect of treasury shares	**(2,553)**	(3,905)
Effect of shares held by Employee Benefit Trust	**(2,896)**	(2,270)
Effect of shares issued during the year	**4,693**	3,873
Weighted average number of ordinary shares in issue during the year	**393,600**	385,010

	2013 pence	2012 pence
Basic earnings per ordinary share	**18.0**	9.0
Adjusted basic earnings per ordinary share	**14.5**	12.8

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 8,757,933 (2012: 10,295,973) 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

	2013 '000	2012 '000
Weighted average number of ordinary shares in issue during the year	**393,600**	385,010
Dilutive effect of share options	**8,621**	5,141
Weighted average number of ordinary shares for diluted earnings per share	**402,221**	390,151

	2013 pence	2012 pence
Diluted earnings per ordinary share	**17.6**	8.9
Adjusted diluted earnings per ordinary share	**14.1**	12.6

11. Dividends Paid and Proposed

	2013 £'000	2012 £'000
Amounts recognised as distributions to equity holders in the year:		
Equity dividends on ordinary shares:		
Final dividend of 2.50 pence for the year ended 28 September 2012 (2011: 2.40 cent)	**9,841**	7,680
Interim dividend of 1.90 pence for the year ended 27 September 2013 (2012: 1.75 pence)	**7,620**	6,821
Total	**17,461**	14,501
Proposed for approval at AGM:		
Equity dividends on ordinary shares:		
Final dividend of 2.90 pence for the year ended 27 September 2013 (2012: 2.50 pence)	**11,711**	9,830

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 27 September 2013, in accordance with IAS 10 Events After the Balance Sheet Date.

The proposed final dividend for the year ended 27 September 2013 will be payable on 2 April 2014 to shareholders on the Register of Members at 6 December 2013.

Notes to the Group Financial Statements
Year Ended 27 September 2013 (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 27 September 2013					
Opening net book amount, as previously reported	**444,452**	**3,025**	**53,782**	**1,140**	**502,399**
Adjustments to provisional fair values previously recognised on business combinations (Note 30)	**1,432**	**–**	**–**	**–**	**1,432**
Opening net book amount, as represented	**445,884**	**3,025**	**53,782**	**1,140**	**503,831**
Additions	**–**	**4,966**	**–**	**–**	**4,966**
Disposals	**–**	**(33)**	**–**	**–**	**(33)**
Currency translation adjustment	**313**	**(35)**	**(79)**	**–**	**199**
Amortisation charge	**–**	**(1,206)**	**(7,552)**	**(281)**	**(9,039)**
Closing net book amount	**446,197**	**6,717**	**46,151**	**859**	**499,924**
At 27 September 2013					
Cost	**446,197**	**14,925**	**64,019**	**7,703**	**532,844**
Accumulated amortisation	**–**	**(8,208)**	**(17,868)**	**(6,844)**	**(32,920)**
Net book amount	**446,197**	**6,717**	**46,151**	**859**	**499,924**
Year ended 28 September 2012, as previously reported					
Opening net book amount	429,261	3,057	47,655	4,091	484,064
Acquisitions through business combinations	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, as previously reported					
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

\# 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 cash generating units (CGUs) that are expected to benefit from that business combination. A summary of the allocation of the carrying value of goodwill by segment is as follows:

	2013 £'000	2012 As re-presented* £'000
Convenience Foods UK	**401,579**	401,582
Convenience Foods US	**42,640**	42,424
Ingredients & Property	**1,978**	1,878
	446,197	445,884

Impairment Testing and Goodwill

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

The recoverable amount of each CGU is based on a value in use computation. The cash flow forecasts employed for this computation are extracted from the 2014 budget and four year plan formally approved by the Board of Directors, and specifically exclude incremental profits and other cash flows stemming from any potential future acquisitions. 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 a discount rate of 8.1% (2012: 9%). Applying these techniques, no impairment arose in either 2013 or 2012.

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

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 Food to Go, Hull 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.

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 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 to recognise any impairment against goodwill.

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 27 September 2013					
Opening net book amount, as previously reported	**102,947**	**105,297**	**5,966**	**12,798**	**227,008**
Adjustments to provisional fair values previously recognised on business combinations (Note 30)	**(201)**	**(508)**	**(16)**	**–**	**(725)**
Opening net book amount, as re-presented	**102,746**	**104,789**	**5,950**	**12,798**	**226,283**
Additions	**1,024**	**14,091**	**1,667**	**14,065**	**30,847**
Disposals	**(2,277)**	**(1,776)**	**(19)**	**–**	**(4,072)**
Reclassifications	**7,821**	**11,506**	**256**	**(19,583)**	**–**
Currency translation adjustment	**233**	**(12)**	**(3)**	**–**	**218**
Impairment	**(371)**	**–**	**–**	**–**	**(371)**
Depreciation charge	**(4,255)**	**(17,828)**	**(1,576)**	**–**	**(23,659)**
Closing net book amount	**104,921**	**110,770**	**6,275**	**7,280**	**229,246**
At 27 September 2013					
Cost	**139,703**	**272,451**	**17,120**	**7,280**	**436,554**
Accumulated depreciation	**(34,782)**	**(161,681)**	**(10,845)**	**–**	**(207,308)**
Net book amount	**104,921**	**110,770**	**6,275**	**7,280**	**229,246**
Year ended 28 September 2012, as previously reported					
Opening net book amount	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, as previously reported	102,947	105,297	5,966	12,798	227,008
At 28 September 2012, as previously reported					
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

The impairment charge in the current year arose in the Ingredients and Property division. A charge of £0.37 million arose on the Group's Irish property portfolio due to the continued softening of demand for land and the related impact on prices being achieved on sales. This charge is included as an exceptional item in operating costs in the Income Statement.

Notes to the Group Financial Statements
Year Ended 27 September 2013 (continued)

13. Property, Plant and Equipment (continued)

The impairment charge in the prior 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 was included in operating costs in the Income Statement. A charge of £0.5 million arose on the re-organisation of the product portfolio in the US as part of the integration of MarketFare and Schau and was included as an exceptional item in operating costs in the Income Statement.

Assets Held Under Finance Leases

The net book amount and the depreciation charge during the year in respect of assets held under finance leases and capitalised in property,plant and machinery are as follows:

	£'000
Cost	**1,047**
Depreciation charge	**(45)**
Net book amount	**1,002**

14. Investment Property

	2013 £'000	2012 £'000
Opening net book amount	**31,961**	34,087
Additions	**510**	272
Disposals	**(271)**	(1,601)
Impairment	**(3,794)**	–
Currency translation adjustment	**464**	(797)
Closing net book amount	**28,870**	31,961
Analysed as:		
Cost	**28,870**	31,961
Accumulated depreciation	**–**	–
Net book amount	**28,870**	31,961

The fair value of the Group's investment properties at 27 September 2013 was £30.3 million (2012: £39.2 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.

The impairment charge in the current year arose in the Ingredients and Property Segment. A charge of £3.79 million arose on the Group's Irish property portfolio due to the re-zoning of a large portion of the Group's property assets in Ireland, together with the continued softening of demand for land and the related impact of prices being achieved on sales. This charge is included as an exceptional item in operating costs in the Income Statement.

15. Inventories

	2013 £'000	2012 As re-presented* £'000
Raw materials and consumables	**24,392**	24,903
Work in progress	**951**	796
Finished goods and goods for resale	**27,801**	28,775
	53,144	54,474

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

Inventory recognised within cost of sales (pre-exceptional)	**733,906**	630,472

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

16. Trade and Other Receivables

	2013 £'000	2012 As re-presented* £'000
Current		
Trade receivables	**85,484**	77,560
Prepayments	**8,959**	8,402
VAT	**7,330**	7,423
Other receivables	**13,947**	13,654
Subtotal – current	**115,720**	107,039
Non-current		
Other receivables	**1,033**	2,817
Total	**116,753**	109,856

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 set out in Note 20.

17. Trade and Other Payables

	2013 £'000	2012 As re-presented* £'000
Current		
Trade payables	**198,071**	178,490
Employment related taxes	**5,569**	4,020
Other payables and accrued expenses	**91,881**	93,778
VAT	**–**	46
Declared interim dividend	**7,620**	6,821
Subtotal – current	**303,141**	283,155
Non-current		
Other payables	**2,239**	3,089
Total	**305,380**	286,244

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

18. Cash and Cash Equivalents

	2013 £'000	2012 £'000
Cash at bank and in hand, being cash and cash equivalents	**6,310**	18,763
Bank overdrafts	**(4,554)**	–
Net cash and cash equivalents	**1,756**	18,763

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods, between one day and one month, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents equals the carrying amount. Note 21 includes details of the Group's net debt at 27 September 2013.

* 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 27 September 2013 (continued)

19. Borrowings

	2013 £'000	2012 £'000
Non-current		
Bank borrowings	**129,676**	172,130
Private Placement Notes	**68,942**	116,517
Finance leases	**1,047**	–
Subtotal – non-current	**199,665**	288,647
Current		
Private Placement Notes	**44,094**	–
Subtotal – current	**44,094**	–
Total borrowings	**243,759**	288,647

The maturity of non-current borrowings is as follows:

	2013 £'000	2012 £'000
Between 1 and 2 years	**–**	49,912
Between 2 and 5 years	**148,618**	238,735
Over 5 years	**51,047**	–
	199,665	288,647

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

	2013 £'000	2012 £'000
6 months or less	**173,770**	172,130
1–5 years	**68,942**	116,517
Over 5 years	**1,047**	–
	243,759	288,647

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 up to six months. At 27 September 2013, the Group's bank borrowings comprised of £50 million and $130 million (2012: £95 million and $127 million), the latest maturity being October 2018.

At 27 September 2013, the Group had available £199.5 million (2012: £161.4 million) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. Uncommitted facilities undrawn at 27 September 2013 amounted to £43.7 million (2012: £30.9 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£ Notes) respectively.

The US$ Notes comprise $30 million that matured at the end of October 2013 and $100 million not due to mature until 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 at 6.19% that matured at the end of October 2013.

In October 2013, the Group issued $65 million in US Notes maturing in October 2021 to replace the US$ and Stg£ Notes that matured at the end of October 2013.

The average spread the Group paid on its bank borrowings and Private Placement Notes in the year ended 27 September 2013 was 1.78% (2012: 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.

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 such as foreign currency contracts, cross currency swaps and interest rate swaps to manage the financial risks associated with the underlying business activities of the Group.

Financial Assets and Liabilities

2013

	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	**106,537**	**–**	**–**	**–**	**–**	**106,537**	**106,537**
Net cash and cash equivalents	**1,756**	**–**	**–**	**–**	**–**	**1,756**	**1,756**
Derivative financial instruments	**–**	**6,679**	**(70)**	**–**	**–**	**6,609**	**6,609**
Bank borrowings	**–**	**–**	**–**	**(129,676)**	**–**	**(129,676)**	**(132,050)**
Private Placement Notes	**–**	**–**	**–**	**(25,000)**	**(88,036)**	**(113,036)**	**(113,952)**
Finance lease	**–**	**–**	**–**	**(1,047)**	**–**	**(1,047)**	**(1,625)**
Trade and other payables	**–**	**–**	**–**	**(302,208)**	**–**	**(302,208)**	**(302,208)**
Consideration payable	**–**	**–**	**–**	**(918)**	**–**	**(918)**	**(918)**
Provisions for liabilities	**–**	**–**	**–**	**(5,747)**	**–**	**(5,747)**	**(5,747)**

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.

2012

	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	99,410	–	–	–	–	99,410	99,410
Net 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	–	–	–	(282,651)	–	(282,651)	(282,651)
Consideration payable	–	–	–	(4,181)	–	(4,181)	(4,181)
Provisions for liabilities	–	–	–	(6,715)	–	(6,715)	(6,715)

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 (un-observable inputs)

* 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 27 September 2013 (continued)

20. Financial Risk Management and Financial Instruments (continued)
Fair Value Hierarchy (continued)

	2013 Level 2 £'000	2012 Level 2 £'000
Assets carried at fair value		
Cross currency swaps – fair value hedges	**9,201**	11,867
Forward foreign exchange contracts – not designated as hedges	**–**	191
	9,201	12,058
Liabilities carried at fair value		
Interest rate swaps – cash flow hedges	**(70)**	(2,602)
Interest rate swaps – not designated as hedges	**(2,453)**	(6,415)
Forward foreign exchange contracts – not designated as hedges	**(69)**	–
	(2,592)	(9,017)

During the year, 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 optimise interest cost 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 shown below.

	On Profit after tax		On Equity	
	2013 £'000	2012 £'000	**2013 £'000**	2012 £'000
Effect of a downward movement of 100 basis points (cost)	**(259)**	(1,032)	**(6,101)**	(7,924)
Effect of an upward movement of 100 basis points (gain)	**164**	874	**5,735**	6,045

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 utilises foreign currency contracts to economically hedge foreign exchange exposures arising from these 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):

	2013			2012		
Denominated in:	**Euro £'000**	**US dollars £'000**	**Sterling £'000**	Euro £'000	US dollars £'000	Sterling £'000
Trade receivables and other receivables	**281**	**1,707**	**1,356**	223	–	1,251
Trade payables and other payables	**(1,303)**	**(2,046)**	**(833)**	(1,695)	(96)	(986)
Net cash and cash equivalents	**271**	**53**	**(2,905)**	583	476	332
Gross balance sheet exposure	**(751)**	**(286)**	**(2,382)**	(889)	380	597

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, 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 £0.013 million (2012: loss of £1.898 million) was recognised in equity during the period in respect of 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 the euro or US dollar exchange rates in respect of the translation of amounts not denominated in the functional currency of relevant entities into the functional currency 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 the euro or US dollar exchange rates would have an equal and opposite effect.

	On Profit after tax		On Equity	
	2013 £'000	2012 £'000	**2013 £'000**	2012 £'000
Impact of 10% strengthening of sterling vs euro gain	**865**	858	**865**	858
Impact of 10% strengthening of sterling vs dollar gain/(loss)	**(120)**	(178)	**6,864**	6,964

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 foreign currency subsidiaries' financial statements to 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):

27 September 2013	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	**(129,676)**	**(144,439)**	**(1,450)**	**(1,601)**	**(91,362)**	**(50,026)**
Private Placement Notes	**(113,036)**	**(114,445)**	**(46,715)**	**(1,828)**	**(65,902)**	**–**
Finance leases	**(1,047)**	**(2,080)**	**(96)**	**(96)**	**(768)**	**(1,120)**
Trade and other payables	**(302,208)**	**(302,208)**	**(302,208)**	**–**	**–**	**–**
Consideration payable	**(918)**	**(918)**	**(918)**	**–**	**–**	**–**
Provisions for liabilities	**(5,747)**	**(5,961)**	**(1,711)**	**(2,036)**	**(2,214)**	**–**
Derivative Financial Instruments						
Interest rate swaps – cashflow hedges	**(70)**					
Inflow/(outflow)		**(677)**	**(758)**	**(518)**	**509**	**90**
Interest rate swaps – not designated as hedges	**(2,453)**					
Inflow/(outflow)		**(2,220)**	**(563)**	**(502)**	**(1,155)**	**–**
Cross currency swaps – hedges	**9,201**					
Inflow		**88,672**	**20,942**	**1,828**	**65,902**	**–**
Outflow		**(81,158)**	**(18,758)**	**(748)**	**(61,652)**	**–**
Foreign currency forward contracts	**(69)**					
Inflow		**15,853**	**15,588**	**265**	**–**	**–**
Outflow		**(15,932)**	**(15,663)**	**(269)**	**–**	**–**

Notes to the Group Financial Statements
Year Ended 27 September 2013 (continued)

20. Financial Risk Management and Financial Instruments (continued)

Liquidity Risk (continued)

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 – cashflow 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)	–

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. 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 rating of all significant customers.

The Group assessed the carrying value of other receivables based on management's assessment and knowledge of the counterparty. The amounts due were neither past due nor impaired at 27 September 2013.

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

	Carrying Amount	
	2013 £'000	2012 As re-presented* £'000
Trade receivables	**85,484**	77,560
Other receivables	**14,087**	14,427
Cash and cash equivalents	**6,310**	18,763
Derivative financial instruments	**9,201**	12,058

Trade Receivables

74% of revenue in the Convenience Foods segment are to the top six UK retailers. Revenue earned individually from four of these customers, £180.1 million, £166.1 million, £146.1 million and £145.2 million respectively represents 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 has transferred substantially all of the credit risk and control of the receivables, which are subject to this agreement, and accordingly £9.3 million (2012: £nil) has been derecognised at year end.

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

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

	Carrying Amount	
	2013 £'000	2012 £'000
Ireland	**7,391**	6,503
United Kingdom	**68,386**	65,105
Other Europe	**45**	64
Rest of World	**9,662**	5,888
	85,484	77,560

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 27 September 2013 and 28 September 2012 were as follows:

	2013 £'000	2012 £'000
Neither past due nor impaired:		
Receivable within 3 months of the balance sheet date	**75,154**	68,274
Past due but not impaired:		
Receivable between 1 and 6 months of the balance sheet date	**10,330**	9,286
Impaired		
Not receivable	**–**	–
Total	**85,484**	77,560

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

	2013 £'000	2012 £'000
At beginning of year	**1,276**	2,486
Provided during year	**342**	1,260
Acquisition through business combinations	**–**	121
Written-off during year	**(1,074)**	(2,565)
Recovered during year	**(51)**	(4)
Translation adjustment	**81**	(22)
At end of year	**574**	1,276

Cash and Cash Equivalents

Exposure to credit risk on cash and derivative financial instruments 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	
	2013 £'000	2012 £'000
Europe	**3,376**	6,387
UK	**707**	12,319
Ireland and other	**2,227**	57
	6,310	18,763

Price Risk

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

Notes to the Group Financial Statements
Year Ended 27 September 2013 (continued)

20. Financial Risk Management and Financial Instruments (continued)

Derivative Financial Instruments

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

		2013	
	Assets £'000	**Liabilities £'000**	**Net £'000**
Current			
Cross currency interest rate swaps – fair value hedges	**966**	**–**	**966**
Interest rate swaps – not designated as hedges	**–**	**(277)**	**(277)**
Forward foreign exchange contracts – not designated as cash flow hedges	**–**	**(69)**	**(69)**
	966	**(346)**	**620**
Non-current			
Cross currency interest rate swaps – fair value hedges	**8,235**	**–**	**8,235**
Interest rate swaps – not designated as hedges	**–**	**(2,176)**	**(2,176)**
Interest rate swaps – designated as hedges		**(70)**	**(70)**
	8,235	**(2,246)**	**5,989**
Total	**9,201**	**(2,592)**	**6,609**

		2012	
	Assets £'000	Liabilities £'000	Net As re-presented £'000
Current			
Forward foreign exchange contracts – not designated as cash flow 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 – designated as hedges		(2,602)	(2,602)
Forward foreign exchange contracts – not designated as cash flow hedges	21	–	21
	11,888	(9,017)	2,871
Total	12,058	(9,017)	3,041

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. 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 27 September 2013 total £125 million and US$70 million (2012: £125 million and US$70 million). In addition, the Group has entered into forward starting interest rate swaps of £50 million and US$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 27 September 2013 was £100 million and US$70 million (inclusive of the forward starting interest rate swaps). At 27 September 2013, the fixed interest rates varied from 0.93% to 5.70% (2012: 0.93% to 5.70%) with maturities ranging from 28 October 2013 to 28 October 2018 (2012: October 2013 to October 2018).

Forward Foreign Exchange Contracts

The notional principal amounts of outstanding forward foreign exchange contracts at 27 September 2013 total £15.9 million (2012: £14.4 million). No outstanding forward foreign exchange contracts are designated as cashflow hedges as at the 27 September 2013.

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. An adjustment was made to the FY12 calculation to the opening invested capital to exclude the consideration payable to Uniq shareholders included on the September 2011 Balance Sheet.

	2013 £'000	2012 As re-presented* £'000	2011 £'000
Total assets	**1,010,860**	1,018,938	1,035,873
Total liabilities	**(758,813)**	(818,419)	(841,273)
Net debt (Note 21)	**232,802**	258,017	139,788
Derivatives not designated as fair value hedges (Note 20)	**2,592**	8,826	9,442
Retirement benefit obligation (net of deferred tax asset) (Note 23)	**114,279**	115,859	105,869
Consideration payable on acquisition of Uniq	**–**	–	112,702
Capital for ROIC calculation	**601,720**	583,221	562,401

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 net 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 27 September 2013 is as follows:

	At 28 September 2012 £'000	**Acquisitions £'000**	**Cash flow £'000**	**Hedge adjustment £'000**	**Translation and non-cash adjustments £'000**	**At 27 September 2013 £'000**
Net cash and cash equivalents	**18,763**	**–**	**(16,889)**	**–**	**(118)**	**1,756**
Bank borrowings	**(172,130)**	**–**	**43,138#**	**–**	**(684)**	**(129,676)**
Finance leases	**–**	**–**	**–**	**–**	**(1,047)**	**(1,047)**
Private Placement Notes	**(116,517)**	**–**	**–**	**3,481**	**–**	**(113,036)**
Cross-currency interest rate swaps – fair value hedges	**11,867**	**–**	**–**	**(2,666)**	**–**	**9,201**
Total	**(258,017)**	**–**	**26,249**	**815**	**(1,849)**	**(232,802)**

During the year, the Group repaid bank borrowings of £5.0 million and repaid £38.2 million on its revolving credit facility.

	At 30 September 2011 £'000	Acquisitions £'000	Cash flow £'000	Hedge adjustment £'000	Translation and non-cash adjustments £'000	At 28 September 2012 £'000
Net cash and cash equivalents	81,564	2,686	(65,712)	–	225	18,763
Bank borrowings	(117,609)	–	(55,868)#	–	1,347	(172,130)
Finance leases	–	–	–		–	–
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, the Group repaid bank borrowings of £20.5 million and drew down £76.4 million on its revolving credit facility.

* 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 27 September 2013 (continued)

21. Analysis of Net Debt (continued)

Currency Profile

The currency profile of net debt and derivative financial instruments at 27 September 2013 was as follows:

	US dollar £'000	Euro £'000	Sterling £'000	Total £'000
Net cash and cash equivalents	**2,226**	**302**	**(772)**	**1,756**
Borrowings	**(79,676)**	**–**	**(164,083)**	**(243,759)**
Derivative financial instruments	**168**	**–**	**6,441**	**6,609**
	(77,282)	**302**	**(158,414)**	**(235,394)**

The currency profile of net debt and derivative financial instruments at 28 September 2012 was as follows:

	US dollar £'000	Euro £'000	Sterling £'000	Total £'000
Net 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)

Interest Rate Profile

The interest rate profile of net debt at 27 September 2013 was as follows:

	Floating rate net debt £'000	Fixed rate net debt £'000	Total £'000
EUR	**302**	**–**	**302**
STG	**(4,607)**	**(151,047)**	**(155,654)**
USD	**(34,077)**	**(43,373)**	**(77,450)**
	(38,382)	**(194,420)**	**(232,802)**

The interest rate profile of net debt at 28 September 2012 was as follows:

	Floating rate net debt £'000	Fixed rate net debt £'000	Total £'000
EUR	2,766	–	2,766
STG	(37,524)	(148,901)	(186,425)
USD	(31,060)	(43,298)	(74,358)
	(65,818)	(192,199)	(258,017)

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	**1,237**	**10,391**	**3,926**	**5,155**	**20,709**
Adjustments to provisional fair values previously recognised on business combinations (Note 30)	**–**	**366**	**–**	**–**	**366**
At beginning of year, as restated	**1,237**	**10,757**	**3,926**	**5,155**	**21,075**
Provided in year	**–**	**–**	**4,350**	**–**	**4,350**
Utilised in year	**–**	**(1,353)**	**(4,955)**	**(563)**	**(6,871)**
Disposed of in the year	**–**	**–**	**(760)**	**–**	**(760)**
Unwind of discount to present value in the year	**–**	**185**	**–**	**–**	**185**
Currency translation adjustment	**2**	**(5)**	**(99)**	**19**	**(83)**
At end of year	**1,239**	**9,584**	**2,462**	**4,611**	**17,896**

Analysed as:

	2013 £'000	2012 As re-presented* £'000
Non-current liabilities	**10,968**	12,479
Current liabilities	**6,928**	8,597
	17,896	21,076

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

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.

In the prior year, remediation and closure obligations in the Convenience Foods segment relate to the exit from yoghurt production and the exit from the loss-making everyday desserts business. The restructuring project completed in January 2013.

Other
Other provisions primarily consist of provisions for litigation, warranty and other claims arising from the sale and closure of 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 £2.980 million (2012: £3.251 million) represents employer contributions payable to these schemes at rates specified in the rules of the schemes. At year-end, £0.231 million (2012: £0.370 million) was included in other accruals in respect of defined contribution pension accruals.

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 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 Group'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 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 yield on the scheme's current and projected future investment portfolio. Where a funding valuation reveals a deficit in a scheme, the Group 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 cash contributions are expected to amount to £15 million in FY14.

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.

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.

Notes to the Group Financial Statements
Year Ended 27 September 2013 (continued)

23. Retirement Benefit Obligations (continued)

Defined Benefit Schemes (continued)

Full actuarial valuations were carried out between 31 March 2010 and 5 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	
	2013	2012	**2013**	2012
Rate of increase in pension payment	**0%‡**	0%‡	**3.20%**	2.60%
Discount rate	**3.50%**	4.00%	**4.60%**	4.60%
Inflation rate	**1.90%**	1.90%	**3.30%**	2.70%

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

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

	Irish Schemes		UK Schemes	
	2013	2012	**2013**	2012
Equities	**6.60%**	7.00%	**7.40%**	6.60%
Bonds	**2.60%–3.60%**	2.10%–4.00%	**3.90%–4.30%**	3.70%–4.60%
Property	**5.60%**	6.00%	**7.40%**	6.60%
Cash/Other	**2.00%**	2.00%	**5.00%**	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 the future returns for each asset class.

	2013 £'000	2012 £'000
Total return on plan assets for the year	**24,570**	54,683

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 improvement factors). The average life expectancy, in years, of a pensioner retiring at 65 is as follows:

	Irish Schemes		UK Schemes	
	2013 years	2012 years	**2013 years**	2012 years
Male	**22**	22	**24**	24
Female	**24–25**	24–25	**27**	27

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 6.2%	↓/↑ by 9.2%
Rate of inflation	Increase/decrease by 0.5%	↑/↓ by 2.3%	↑/↓ by 8.3%
Rate of mortality	Members assumed to live 1 year longer	↑ by 2.6%	↑ by 2.4%

Market Value of the Assets of the Schemes

	2013			2012		
	Irish Schemes £'000	**UK Schemes £'000**	**Total £'000**	Irish Schemes £'000	UK Schemes £'000	Total £'000
Equities	**93,873**	**79,029**	**172,902**	85,708	67,641	153,349
Bonds	**85,505**	**33,562**	**119,067**	83,347	31,957	115,304
Property	**13,912**	**12,949**	**26,861**	13,150	11,771	24,921
Cash/Other	**29,801**	**24,839**	**54,640**	27,181	24,953	52,134
Total market value at end of year	**223,091**	**150,379**	**373,470**	209,386	136,322	345,708
Effect of Paragraph 58(b) limit	**–**	**(8)**	**(8)**	–	(631)	(631)
Present value of scheme liabilities	**(241,585)**	**(269,422)**	**(511,007)**	(235,767)	(251,151)	(486,918)
Deficit in schemes	**(18,494)**	**(119,051)**	**(137,545)**	(26,381)	(115,460)	(141,841)
Deferred tax asset (Note 9)	**–**	**23,266**	**23,266**	–	25,982	25,982
Net liability at end of year	**(18,494)**	**(95,785)**	**(114,279)**	(26,381)	(89,478)	(115,859)

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

	2013 £'000	2012 £'000
Non-current liabilities	**(137,545)**	(141,841)

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

	2013 £'000	2012 £'000
Curtailment gain (Note 6)	**(4,368)**	–

	2013 £'000	2012 £'000
Interest cost	**20,995**	22,226
Expected return on plan assets	**(17,243)**	(17,568)
Total included in finance costs	**3,752**	4,658

Actuarial Losses Recognised in the Statement of Recognised Income and Expense

	2013 £'000	2012 £'000
Actual return less expected return on pension scheme assets	**7,499**	37,115
Effect of Paragraph 58(b) limit	**623**	(474)
Actuarial losses arising on the scheme liabilities	**(17,080)**	(60,412)
Total included in the Statement of Recognised Income and Expense	**(8,958)**	(23,771)

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

	2013 £'000	2012 £'000
At beginning of year	**(192,818)**	(169,047)
Actuarial loss for the year	**(8,958)**	(23,771)
At end of year	**(201,776)**	(192,818)

Movement in the Fair Value of Plan Assets

	2013 £'000	2012 £'000
At beginning of year	**345,708**	314,692
Expected return on plan assets	**17,243**	17,568
Actuarial gain/(loss)	**7,499**	37,115
Contributions by employers	**13,825**	14,830
Benefits and expenses paid	**(21,952)**	(22,515)
Currency translation adjustment	**11,147**	(15,982)
At end of year	**373,470**	345,708

Notes to the Group Financial Statements
Year Ended 27 September 2013 (continued)

23. Retirement Benefit Obligations (continued)

Movement in the Present Value of Defined Benefit Obligations

	2013 £'000	2012 £'000
At beginning of year, as previously reported	**486,918**	444,902
Interest cost	**20,995**	22,226
Curtailment gain	**(4,368)**	–
Actuarial loss	**17,080**	60,412
Benefits and expenses paid	**(21,952)**	(22,515)
Currency translation adjustment	**12,334**	(18,107)
At end of year	**511,007**	486,918

History of Experience Adjustments

	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Present value of defined benefit obligations	**(511,007)**	(486,918)	(444,902)	(423,539)	(408,249)
Fair value of scheme assets	**373,470**	345,708	314,692	323,521	317,048
Effect of Paragraph 58(b) limit	**(8)**	(631)	(157)	(456)	
Deficit in the schemes	**(137,545)**	(141,841)	(130,367)	(100,474)	(91,201)

	2013	2012	2011	2010	2009
Difference between the expected and actual return on scheme assets (£'000)	**7,499**	37,115	(21,884)	18,405	(33,129)
As a percentage of scheme assets	**2.0%**	10.7%	7.0%	5.7%	10.4%
Actuarial (losses)/gains on scheme liabilities (£'000)	**(17,080)**	(60,412)	(15,537)	(42,835)	(10,417)
As a percentage of the present value of scheme liabilities	**3.3%**	12.4%	3.5%	10.1%	2.6%
Total recognised in Statement of Recognised Income and Expenses (£'000)	**(8,958)**	(23,771)	(36,942)	(24,886)	(43,546)
As a percentage of the present value of the scheme liabilities	**1.8%**	4.9%	8.3%	5.9%	10.7%

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 £5.1 million (2012: £8.7 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 £0.6 million (2012: £0.4 million) was paid to the Scheme in accordance with this arrangement.

Hazlewood Foods Retirement Benefits Scheme Pension Funding Partnership

The Group entered into arrangements with the Hazlewood Foods Retirement Benefits Scheme ("the Scheme") to address £40.0 million of the actuarial deficit in the Scheme. The substance of this arrangement is to reduce the cash funding which would otherwise be required based on the latest actuarial valuation, whilst improving the security of the Scheme members' benefits.

On 10 May 2013, the Group made a contribution to the Scheme of £32.8 million. On the same day, the Scheme's trustees invested £32.8 million in Greencore Convenience Foods Limited Partnership ("SLP") as a limited partner. SLP was established by Greencore Prepared Meals Limited, a wholly owned subsidiary of the Group, to hold properties of the Group and loan notes issued by Greencore Convenience Foods I Limited Liability Partnership ("LLP"). LLP was established by SLP and holds certain trade receivables of the Group. As at 27 September 2013, the properties held by SLP had a carrying value of £19.1 million and the trade receivables held by SLP had a carrying value of £36.0 million in the Group Financial Statements. The properties are leased to other Group undertakings. As a partner in SLP, the Scheme is entitled to a semi-annual share of the profits of SLP until 2029.

These partnerships are controlled by the Group, and as such, they are fully consolidated as wholly owned subsidiaries in accordance with IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation – Special Purpose Entities. Under IAS 19 Employee Benefits, the investment held by the Scheme in SLP does not represent a plan asset for the purposes of the Group's consolidated accounts. Accordingly, the Scheme's deficit position presented in the Group Financial Statements does not reflect the investment in SLP held by the Scheme. Distributions from SLP to the Scheme are treated as contributions by employers in the Group Financial Statements on a cash basis.

Adoption of 'IAS 19 (Revised 2011): Employee Benefits'

From 1 October 2013 the Group will be applying 'IAS 19 (Revised 2011): Employee Benefits'. Implementing this standard is expected to have the following impact:

- the non-cash financing charge is expected to increase as a single liability discount rate will be used for the net of assets and liabilities rather than a separate expected rate of return on assets and finance charge for liabilities; and

– scheme administration costs including the UK pension protection fund levy will be recognised as an operating cost through the Income Statement. These costs had previously been taken directly to scheme liabilities as the schemes are all closed to future accrual.

The changes have no impact to the cash funding requirement for the schemes and no impact on the deficit for actuarial purposes. The table below sets out the estimated impact of IAS 19 (revised 2011) if it had been adopted in FY13.

	2013					
	Group operating profit £'000	Net financing costs £'000	Share of profit of associates after tax £'000	Profit before tax £'000	Actuarial gain/(loss) £'000	Net pension Liability £'000
As currently disclosed	**59,679**	**(15,091)**	**648**	**45,236**	**(8,958)**	**(137,545)**
Separate recognition of scheme administration costs	(2,034)	–	–	(2,034)	–	–
Revised calculation of finance charges	–	(1,713)	–	(1,713)	1,713	–
Calculated in accordance with IAS 19 (Revised 2011)	**57,645**	**(16,804)**	**648**	**41,489**	**(7,245)**	**(137,545)**

24. Equity Share Capital

Authorised	**2013 £'000**	2012 £'000
500,000,000 ordinary shares of £0.01 each	**5,000**	5,000
500,000,000 deferred shares of €0.01 each	**4,303**	4,303
300,000,000 deferred shares of €0.62 each	**160,072**	160,072
1 special rights preference share of €1.26 (a)	**–**	–
	169,375	169,375

Issued and fully paid	**2013 £'000**	2012 £'000
401,368,367 (2012: 390,451,541) ordinary shares of £0.01 each	**4,013**	3,904
Nil (2012: 384,815,847) deferred shares of €0.01 each (f)	**–**	3,312
Nil (2012: 209,131,215) deferred shares of €0.62 each (f)	**–**	111,587
Nil (2012: 66) ordinary shares of £0.01 each held as treasury shares (e)	**–**	–
Nil (2012: 3,904,716) ordinary shares of €0.63 each held as treasury shares (e)	**–**	2,117
1 special rights preference share of €1.26 (a)	**–**	–
	4,013	120,920

Reconciliation of movements on Equity Share Capital	**2013 £'000**	2012 £'000
Share capital, at beginning of year	**120,920**	117,004
Exercise of share options (b)	**5**	7
Shares issued during the year – redenomination (d)	**–**	3,848
Scrip dividends (c)	**65**	61
Cancellation of deferred shares of €0.62 and €0.01 each (f)	**(114,899)**	–
Redenomination and renominalisation of treasury shares (e)	**(2,078)**	–
	4,013	120,920

(a) There is one Special Share of €1.26 in the capital of the Company. The Articles of Association provide that the Special Share may be held only by, or transferred only to, the Minister for Agriculture, Food & the Marine or some other person appointed by the Minister. In 2011, many of the rights attaching to the Special Share were abolished. Under the Articles of Association, the consent of the holder of the Special Share is required to wind up the Company.
(b) Details of share options granted under the Company's Executive Share Option Scheme, savings-related share option schemes, the Deferred Bonus Plan and the Performance Share 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 6,486,959 (2012: 6,336,618) shares were issued in respect of the scrip dividend scheme.
(d) 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.
(e) During the year, 3,904,716 Treasury Shares of €0.63 each were redenominated and renominalised into Treasury Shares of £0.01 each. Thereafter, 3,904,782 Treasury Shares were converted into stock and then converted into 3,904,782 Ordinary Shares of £0.01 each. These shares were subsequently transferred to the Employee Benefit Trust at nominal value to be held for the purpose of satisfying vestings under the Company's Employee Share Schemes.
(f) Pursuant to the Articles of Association, the Company has bought back for nil consideration and cancelled all deferred shares that were in issue.

The Company cancelled the deferred shares of €0.62 and €0.01 each that were created on the renominalisation of the Company's share capital as part of the rights issue in 2011 and on the redenomination of the Company's share capital to sterling following the Company's entry into the FTSE UK Index Series in 2012 respectively. The deferred shares had no voting or dividend rights and no economic value. The Company acquired the deferred shares for nil consideration and cancelled them pursuant to the Articles of Association of the Company.

Notes to the Group Financial Statements
Year Ended 27 September 2013 (continued)

25. Non-Controlling Interests

	2013 £'000	2012 £'000
At beginning of year	**3,246**	2,962
Profit after tax	**1,067**	948
Dividends paid to non-controlling interests	**(1,002)**	(424)
Disposals	**(19)**	–
Currency translation adjustment	**176**	(240)
At end of year	**3,468**	3,246

26. Working Capital Movement

The following represents the Group's working capital movement:

	2013 £'000	2012 £'000
Inventories	**(321)**	332
Trade and other receivables	**(11,238)**	4,245
Trade and other payables	**21,413**	18,832
	9,854	23,409

27. Commitments Under Operating and Finance Leases

Operating Leases

Future minimum rentals payable under non-cancellable operating leases at year end are as follows:

	2013 £'000	2012 £'000
Within one year	**10,527**	10,132
After one year but not more than five years	**26,289**	28,774
More than five years	**24,034**	27,120
	60,850	66,026

Operating lease commitments relate to property, plant and machinery and fixtures and fittings.

Finance Leases

The future minimum lease payments under finance leases at 27 September 2013, together with the present value of the net minimum lease payments were as follows:

	2013 Minimum payments £'000	2013 Present value of payments £'000	2012 Minimum payments £'000	2012 Present value of payments £'000
Within one year	**192**	**35**	–	–
After one year but not more than five years	**768**	**182**	–	–
More than five years	**1,120**	**830**	–	–
Total minimum lease payments	**2,080**	**1,047**	–	–
Less: Amounts allocated to future finance costs	**(1,033)**	**–**	–	–
Present value of minimum lease payments	**1,047**	**1,047**	–	–

28. Capital Expenditure Commitments

	2013 £'000	2012 £'000
Capital expenditure that has been contracted but not been provided for	**4,444**	3,054
Capital expenditure that has been authorised by the Directors but not yet been contracted	**6,881**	7,061
	11,325	10,115

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 27 September 2013 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.

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 Prior Periods

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 its key customer, 7-Eleven, and provides new competencies to Greencore US.

On 21 June 2012, the Group acquired 100% of Schau, a fresh food manufacturer with facilities in Chicago, Illinois and Jacksonville, Florida. The acquisition forms a critical part of the supply network for a significant new multi-regional contract gain with Starbucks in food to go category.

On 23 August 2012, the Group acquired 100% of ICL, a private label chilled ready meal business with a facility in Consett, Co. Durham. The acquisition provides additional capacity for the Group in the ready meals category in the UK and complements our existing business.

Notes to the Group Financial Statements
Year Ended 27 September 2013 (continued)

30. Acquisition and Disposal of Undertakings (continued)

Acquisitions in Prior Periods (continued)

The fair value of the assets acquired, determined in accordance with IFRS, as previously reported at 28 September 2012 and subsequently adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date were as follows:

	As previously reported £'000	Adjustments to provisional values	**As re-presented £'000**
Assets			
Intangible assets	13,956	–	**13,956**
Property, plant and equipment	10,275	(725)	**9,550**
Inventory	5,304	150	**5,454**
Trade and other receivables	12,488	21	**12,509**
Total assets	42,023	(554)	**41,469**
Liabilities			
Trade and other payables	(13,814)	(32)	**(13,846)**
Provisions for liabilities	(223)	(366)	**(589)**
Deferred tax liabilities	(744)	–	**(744)**
Total liabilities	(14,781)	(398)	**(15,179)**
Net assets acquired	27,242	(952)	**26,290**
Goodwill	16,698	1,432	**18,130**
Total enterprise value	43,940	480	**44,420**
Satisfied by:			
Cash payments	41,538	–	**41,538**
Cash acquired	(2,686)	–	**(2,686)**
Net cash outflow	38,852	–	**38,852**
Consideration payable	5,088	480	**5,568**
Total consideration	43,940	480	**44,420**

The fair values of the acquired net assets have been adjusted retrospectively. The Group balance sheet and associated notes are represented to reflect the effect of these adjustments.

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 £4.1 million is expected to be deductible for tax purposes.

The principal intangible assets acquired were customer related intangibles amounting to £12.9 million.

As part of the acquisition the Group acquired trade receivables with a fair value of £3.7 million. Management estimate that acquired trade receivables will be collected in full.

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 £12.6 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 £1.78 million is due in respect of this acquisition. £0.5 million is fixed and is payable on 1 October 2013. £1.2 million is contribution related and is contingent on the contribution performance of Schau.

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.

ICL

The principal factors contributing to the recognition of goodwill on the acquisition of ICL is 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 £1.4 million.

No intangible assets were acquired on the purchase of ICL.

Deferred consideration of £0.4 million relating to the acquisition was payable at 27 September 2013.

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.

Disposals in the Current Period

Minsterley Disposal

On 15 June 2012 the Group reached agreement to dispose of its Chilled Desserts facility in Minsterley to Müller Dairy UK group. This disposal completed on 2 January 2013 following the transfer of certain product lines to the Group's Evercreech facility. Under the terms of the agreement, ownership of the facility transferred to Müller and the co-packing arrangement for Cadbury chilled desserts terminated. Cash consideration received was £5.5 million.

The net assets of Minsterley at the date of disposal were as follows:

	At disposal £'000
Assets	
Property, plant and equipment	**4,000**
Inventory	**1,392**
Trade and other receivables	**119**
Total assets	**5,511**
Satisfied by:	
Cash payments	**5,511**
Cash acquired	**–**
Net cash outflow	**5,511**
Consideration payable	**–**
Total consideration	**5,511**

Disposals in Prior Periods

Deferred consideration of £4.9 million relating to the disposal of the bottled water and Dutch based businesses was received during the year. These businesses were disposed of in FY10.

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 associate 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), comprises the Board of Directors which manages the business and affairs of the Company. As identified in the Report on Directors' Remuneration, the Directors who served during the year, other than the Non-Executive Directors, serve as executive officers of the Group.

Notes to the Group Financial Statements
Year Ended 27 September 2013 (continued)

31. Related Party Disclosures (continued)

Key Management Personnel (continued)

Key management personnel compensation was as follows:

	2013 £'000	2012 £'000
Salaries and other short-term employee benefits	**2,560**	3,218
Post-employment benefits	**439**	427
Share based payments	**1,551**	1,063
Termination	**910**	–
	5,460	4,708

32. Principal Subsidiaries and Associated Undertakings

Name of undertaking	Nature of business	Percentage share	Registered office
Greencore Advances Limited	Finance Company	100	No. 2 Northwood Avenue Northwood Business Park, Santry Dublin 9
Greencore Beechwood Limited*	Holding Company	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Greencore Convenience Foods Limited Partnership*	Pension Funding	100	c/o Eversheds LLP 3-5 Melville Street Edinburgh EH3 7PE
Greencore Convenience Foods I Limited Liability Partnership*	Pension Funding	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
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 Food to Go Limited* (formerly Uniq Prepared Foods Limited)	Food Processors	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 Grocery Limited* (formerly Hazlewood Grocery Limited)	Food Processors	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA

Name of undertaking	Nature of business	Percentage share	Registered office
Greencore Prepared Meals Limited* (formerly Hazlewood Convenience Group 1 Limited)	Food Processors	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Greencore USA, Inc***	Food Processors	100	The Corporation Service Company 1209 Orange Street City of Willmington County of Newcastle Delaware USA
Greencore UK Holdings Limited*	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 Foods Limited*	Holding Company	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
Ministry of Cake 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
Trilby Trading Limited	Food Industry Suppliers	100	No. 2 Northwood Avenue Northwood Business Park, Santry Dublin 9
United Molasses (Ireland) Limited*	Molasses Trading	50	Duncrue Street Belfast BT3 9AQ

All the above entities are registered in the Republic of Ireland except those marked with * which are registered within the United Kingdom, that marked with ** which is registered in Jersey, and that marked with *** which is registered in the U.S.

33. Subsequent Events

Subsequent to the year end the Group refinanced US$65 million of maturing US private placement rates with a new eight year facility. There were no further 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 27 September 2013 were approved by the Board of Directors and authorised for issue on 25 November 2013.

Company Statement of Accounting Policies
Year Ended 27 September 2013

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 loss attributable to equity shareholders dealt with in the Financial Statements of the Company was £7.625 million (2012: Profit of £3.861 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.

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

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 27 September 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Tangible assets	1	**938**	1,018
Financial assets	2	**88,453**	88,453
		89,391	89,471
Current assets			
Debtors	3	**872,091**	841,974
Cash at bank and in hand		**54**	25
		872,145	841,999
Creditors (amounts due within one year)			
Creditors	4	**516,924**	469,515
		516,924	469,515
Net current assets		**355,221**	372,484
Net assets		**444,612**	461,955
Capital and reserves			
Share capital	5	**4,013**	120,920
Share premium account	6	**177,330**	171,469
Capital conversion reserve fund	6	**804**	804
Other reserves	6	**104,427**	(14,652)
Profit and loss account	6	**158,038**	183,414
Shareholders' funds		**444,612**	461,955

PG Kennedy
Director

AR Williams
Director

Notes to the Company Balance Sheet
Year Ended 27 September 2013

1. Tangible Assets

	Computer software £'000	Fixtures and fittings £'000	**Total £'000**
Cost			
At 28 September 2012	6	1,276	**1,282**
Additions	–	–	**–**
At 27 September 2013	6	1,276	**1,282**
Depreciation			
At 28 September 2012	2	262	**264**
Charge for the year	1	79	**80**
At 27 September 2013	3	341	**344**
Net book value			
At 27 September 2013	3	935	**938**
At 28 September 2012	4	1,014	1,018

2. Financial Assets

	2013 £'000	2012 £'000
Interest in subsidiary undertakings		
At beginning of year	**88,453**	84,074
Movement in year	**–**	4,379
At end of year	**88,453**	88,453

The principal trading subsidiary and associated undertakings are set out in Note 32 to the Group Financial Statements.

3. Debtors

	2013 £'000	2012 £'000
Amounts falling due within one year		
Amounts owed by subsidiary undertakings*	**871,635**	841,427
Other debtors	**153**	270
Prepayments and accrued income	**303**	277
	872,091	841,974

* Amounts owed by subsidiary undertakings are classified as current, as all inter-company receivables and payables are repayable on demand.

4. Creditors

	2013 £'000	2012 £'000
Amounts falling due within one year		
Bank overdrafts	**131**	–
Amounts owed to subsidiary undertakings*	**503,155**	455,837
Declared interim dividend	**7,620**	6,821
Trade and other creditors	**3,250**	2,571
Accruals	**2,768**	4,286
	516,924	469,515

* Amounts owed 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 27 September 2013 (continued)

6. Equity Reserves

	2013						
	Share capital £'000	Share premium £'000	Capital conversion reserve fund £'000	Share based payment reserve £'000	Own shares reserve £'000	Capital redemption reserve £'000	Profit and loss account £'000
At beginning of year	**120,920**	**171,469**	**804**	**4,218**	**(18,870)**	**–**	**183,414**
Currency translation adjustment	**–**	**–**	**–**	**189**	**–**	**–**	**(189)**
Loss for the financial year attributable to equity holders of the Company	**–**	**–**	**–**	**–**	**–**	**–**	**(7,625)**
Employee share based payment expense	**–**	**–**	**–**	**2,521**	**–**	**–**	**–**
Exercise, forfeit or lapse of share based payments	**5**	**364**	**–**	**(678)**	**–**	**–**	**678**
Shares acquired by Employee Benefit Trust (a)	**–**	**–**	**–**	**–**	**(766)**	**–**	**57**
Shares granted to beneficiaries of the Employee Benefit Trust (b)	**–**	**–**	**–**	**–**	**836**	**–**	**(836)**
Cancellation of deferred shares	**(114,899)**	**–**	**–**	**–**	**–**	**114,899**	**–**
Redenomination and renominalisation of treasury shares (c)	**(2,078)**	**–**	**–**	**–**	**–**	**2,078**	**–**
Dividends	**65**	**5,497**	**–**	**–**	**–**	**–**	**(17,461)**
At end of year	**4,013**	**177,330**	**804**	**6,250**	**(18,800)**	**116,977**	**158,038**

(a) The Employee Benefit Trust acquired 62,239 (2012: 111,742) shares in the Group with a combined value of £0.06 million (2012: £0.06 million) and a nominal value at the date of purchase of £0.001 million (2012: £0.001 million) through the scrip dividend scheme and utilisation of dividend income.

Pursuant to the terms of the Employee Benefit Trust, 727,885 (2012: nil) shares were purchased during the financial year ended 27 September 2013 at a cost of £0.7 million (2012: £nil). The nominal value of these shares, on which dividends have not been waived by the Employee Benefit Trust was £0.07 million (2012: £0.02 million) at the date of purchase.

(b) During the year, 1,402,077 (2012: 1,292,223) shares with a nominal value at the date of transfer of £0.014 million (2012: £0.013 million) were transferred to beneficiaries of the Employee Benefit Trust.

(c) On 29 January 2013, the Group renominalised and redenominated 3,904,716 Treasury Shares of €0.63 each into Treasury Shares of £0.01 each and thereafter converted 3,904,782 Treasury Shares into stock which were then converted into 3,904,782 Ordinary Shares of £0.01 each and were subsequently transferred to the Employee Benefit Trust at nominal value.

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 £3.153 million (2012: £3.04 million) in respect of defined benefit schemes and £0.549 million (2012: £0.483 million) in respect of defined contribution schemes. At year end, £nil (2012: £0.099 million) was included in other creditors in respect of amounts owed to the scheme.

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 £2.152 million (2012: £1.228 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 27 September 2013. 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 27 (2012: 32).

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:

	2013 £'000	2012 £'000
Audit of the Company Financial Statements	**26**	26

The Company has annual commitments under operating leases expiring between two and five years of £0.469 million and after five years of £0.201 million.

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Shareholder and Other Information

Greencore Group plc is an Irish registered company. Its ordinary shares are quoted on 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 21 November 2013

Range of units	Total holders	Units	% of Issued Capital
0 - 1,001	5,095	1,834,913	0.46
1,001 - 5,000	3,982	9,425,201	2.33
5,001 - 10,000	833	5,811,534	1.44
10,001 - 25,000	569	8,592,773	2.13
25,001 - 100,000	253	11,546,304	2.86
100,001 - 250,000	70	10,432,488	2.58
250,001 - 500,000	42	14,251,881	3.53
Over 500,001	105	341,923,421	84.67
Total	**10,949**	**403,818,515**	**100.00**

Financial Calendar

Record date for 2013 final dividend	6 December 2013
Annual General Meeting and Interim Management Statement	28 January 2014
Payment date for 2013 final dividend	2 April 2014
Half yearly financial report	20 May 2014
Financial year end	26 September 2014
Interim Management Statement	29 July 2014
Interim Dividend Payment	October 2014
Announcement of Results	25 November 2014

Advisors and Registered Office

Company Secretary
Conor O'Leary ACIS

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Northwood Business Park
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

Solicitors
Arthur Cox
Earlsfort Centre
Earlsfort Terrace
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