greencore group plc

Bringing convenience to good food

Annual Report and Accounts 2011

Greencore Group plc is a leading convenience food business with an annual turnover in excess of £800 million.

We operate manufacturing facilities in the United Kingdom and the United States and employ nearly 7,000 people. We have 16 convenience foods facilities in the UK and three in the US providing a wide range of chilled, frozen and ambient foods to major retail and foodservice customers in the UK, the US and Ireland.

Find out more about our site locations on page 11

Our vision is to be a leading international food company delivering convenient, premium-quality meal and snack solutions to retailers and foodservice providers at prices the majority of today's consumers can afford every day.

Find out more about our products from pages 1 to 8

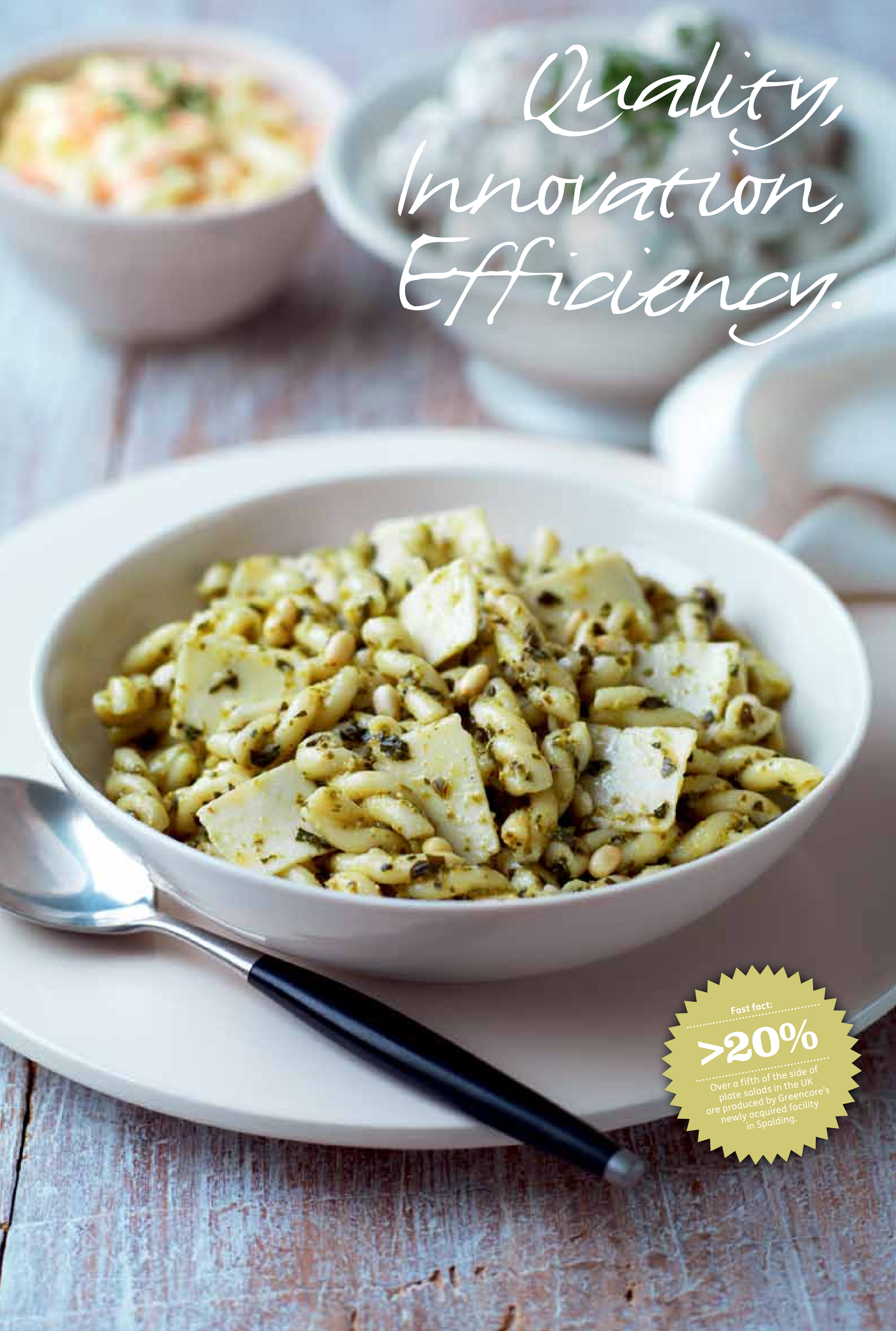
Our focus is on growing our UK convenience foods business and extending our presence in the US with an emerging convenience foods business.

Find out more about our strategy and performance on pages 14 and 15

Section #1
Business Review
09-31

Section #2
Corporate Governance
32-47

Section #3
Financial Statements
48-112


Quality,
Innovation,
Efficiency.
Fast fact:
>20%
Over a fifth of the side of plate salads in the UK are produced by Greencore's newly acquired facility in Spalding.

We create award-winning convenience foods in some of the most dynamic sectors of the market, predominantly operating in the innovative customer brand sector.

Our businesses are focused around specific expertise and category areas; all of these businesses hold a significant share of their markets:

– Food to Go
– Chilled Prepared Meal Solutions
– Ambient Grocery
– Frozen Foods
– Cakes & Desserts

Find out how we performed in the Operating Review on pages 17 and 18

With production in nine state-of-the-art facilities in the UK and the US, Greencore is one of the world's leading manufacturers of pre-packaged sandwiches, baguettes, wraps, ready to eat prepared salads and sushi.

Fast fact:

400m

400 million sandwiches produced by the Group every year.

Making more sandwiches than anyone else

Delicious, diverse and ready to eat

Fast fact:

>120m

We produce more than 120 million prepared meals every year.

Chilled Prepared Meal Solutions

With four facilities in the UK and a growing presence in the US, Greencore is a market leading manufacturer of chilled prepared meals, quiche, chilled pasta sauces and chilled soups.

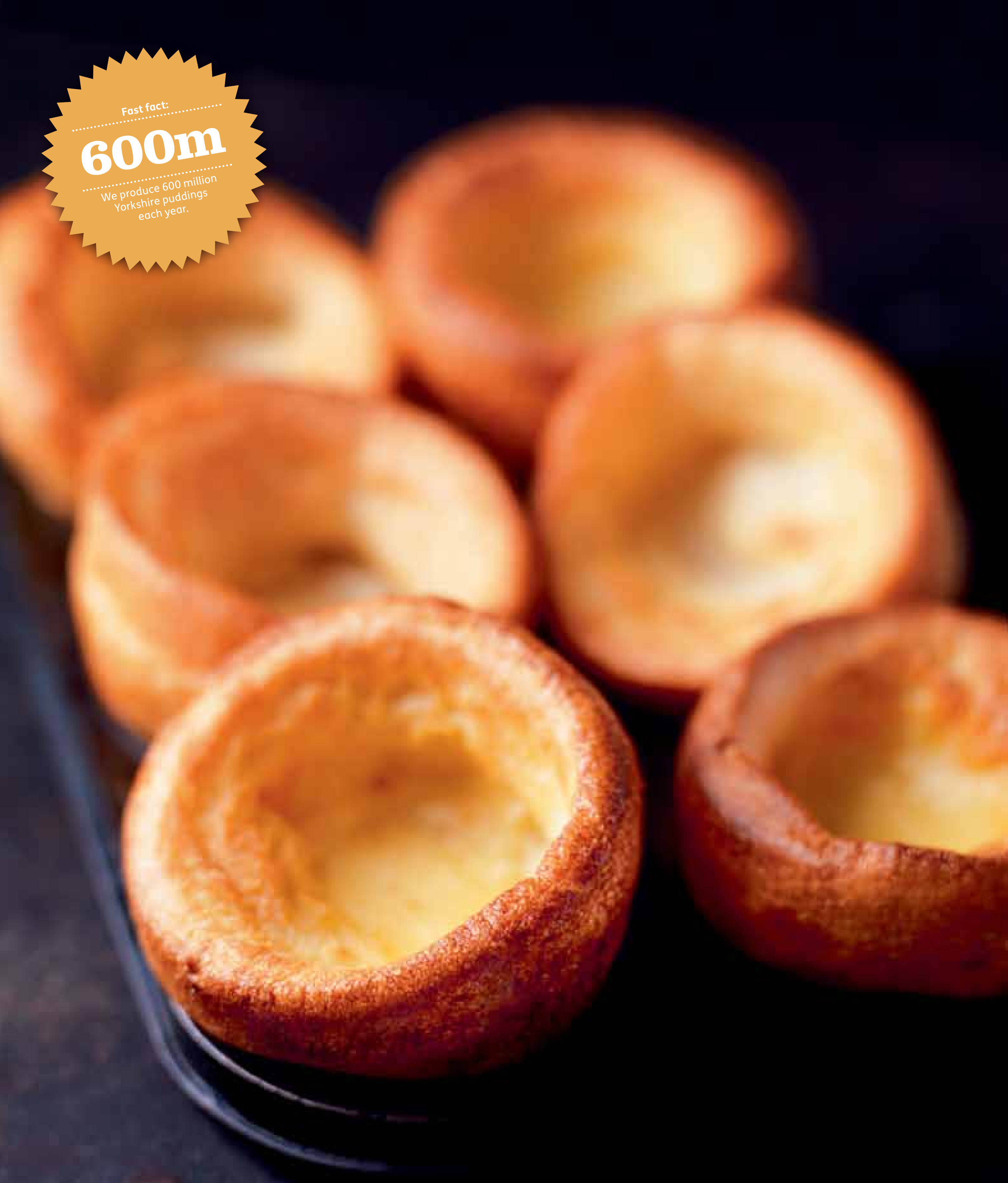
As well as being a leading UK manufacturer of ambient cooking sauces, Greencore also manufactures a range of table sauces, pickles and condiments.

Chosen by every major retailer in the UK

Fast fact:

No.1

We are number 1 in own label cooking sauces and pickles in the UK.



A great British classic

Frozen Foods

From our well-invested facility in Yorkshire, Greencore Frozen Foods is a leading manufacturer of Yorkshire puddings and Toad in the Hole.

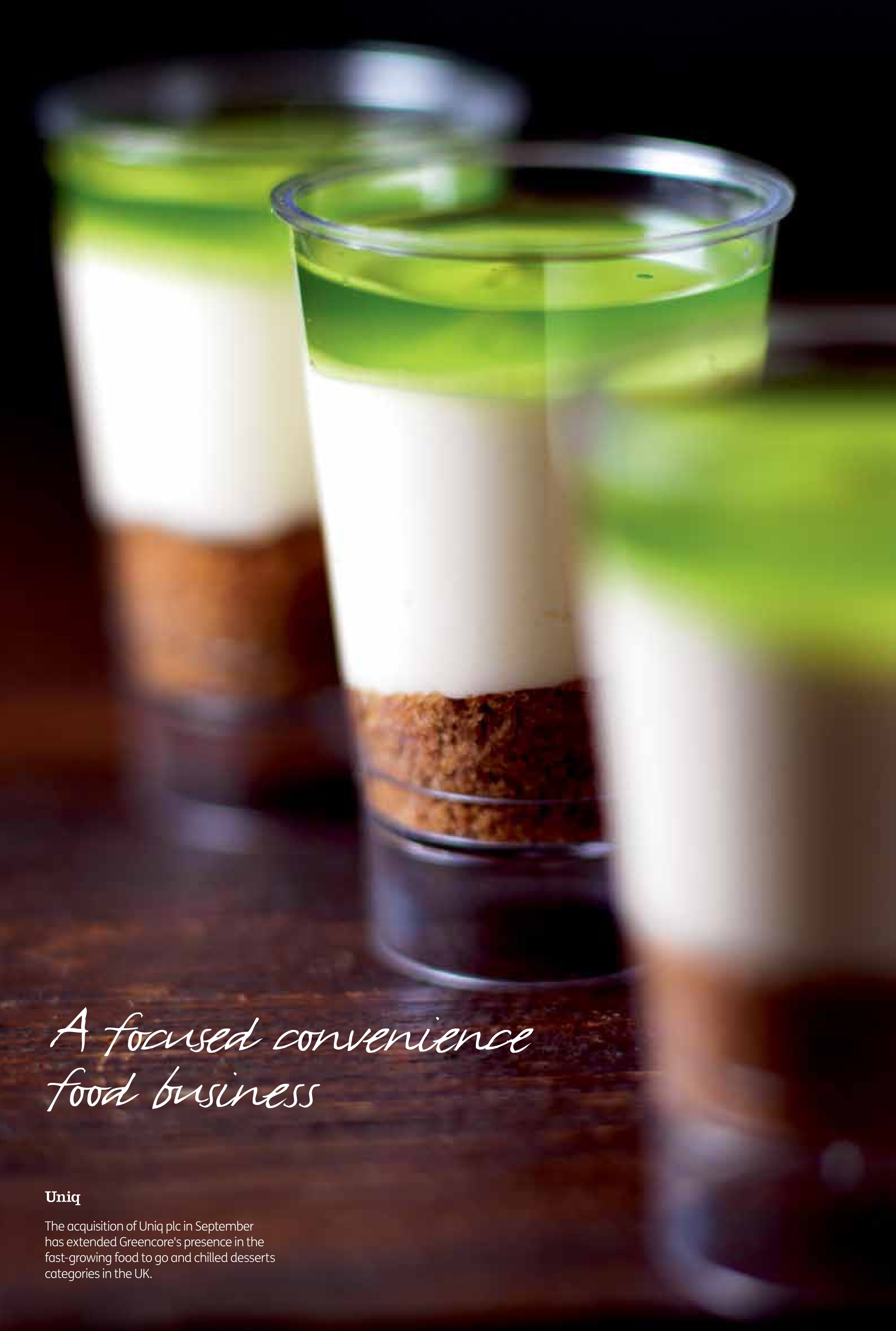
From its four facilities in the UK, Greencore produces cakes and desserts for both retailers and foodservice customers across the UK and Ireland.

Indulgent, premium, perfection!

Fast fact:

No.1

We are number 1 in Christmas cakes in the UK.



A focused convenience food business

Uniq

The acquisition of Uniq plc in September has extended Greencore's presence in the fast-growing food to go and chilled desserts categories in the UK.

Business Review

Highlights of the Year

- Group revenue[1] of £804.2 million, an increase of 8.7%, 4.3% on a like for like basis[5]
- Group operating profit[1,2] from continuing operations of £51.5 million, in line with FY10
- Continuing adjusted EPS[1,3,4] of 13.9 pence, up 20.9%
- Proposed final dividend of 2.4 cent per share, making a total distribution for the full year of 46% of Adjusted Earnings[3]
- Good performance in Convenience Foods despite challenging market conditions
- Successfully completed the acquisition of Uniq plc on 23 September 2011 – integration on track
- Refinancing completed – the Group has an average debt maturity of 4.3 years at competitive rates

Revenue[1] (£m)

+8.7%

Operating Profit[1,2] (£m)

±0%

Adjusted EPS[3,4] (pence)

+20.9%

1 Continuing operations comparisons exclude activities disposed of during FY10 (Malt in the Ingredients & Property division and Water and the Continental businesses in the Convenience Foods division).
2 Operating profit and margin are stated before exceptional items and acquisition related amortisation.
3 Adjusted earnings are stated before exceptional items, pension finance items, acquisition related amortisation, FX on inter-company and certain external balances and the movement in the fair value of all derivative financial instruments and related debt adjustments.
4 Non-GAAP measure, excluding the effect of the Rights Issue on average shares in issue.
5 Excluding the impact of the 53rd week and the acquisition of On a Roll Sales.

Chairman's Statement
Ned Sullivan

The Group delivered a good performance overall, growing revenues[1] by 8.7%, maintaining operating profit[1,2] in a difficult environment and growing continuing adjusted EPS[3,4] by 20.9% from 11.5 pence to 13.9 pence.

Summary of Performance

The Group delivered a good performance overall, growing revenues[1] by 8.7%, maintaining operating profit[1,2] in a difficult environment and growing continuing adjusted EPS[3,4] by 20.9% from 11.5 pence to 13.9 pence. Basic EPS was 7.0 pence in FY11 (FY10: 11.4 pence). The growth in continuing adjusted EPS[3,4] was driven by a significant reduction in finance costs following the disposal of non-core activities in FY10.

The Convenience Foods division delivered a good performance in challenging market conditions. The UK retail market has experienced a difficult year with real volume declines for the first time in many years. Real disposable incomes have declined; pronounced input cost inflation, coupled with tax rises and growing unemployment, have held back consumption.

Against this background, the Group has continued to grow revenues through its exposure to faster growing categories, through meeting consumer and customer needs and through new business gains. The UK business experienced input cost inflation of 4% and this was successfully mitigated through internal efficiency programmes, product reconfiguration and selective price increases. The Convenience Foods business delivered revenue[1] and operating profit[1,2] growth of 8% and 5.3% respectively and sustained a strong operating margin[1,2] of 6.7% for the year.

The Ingredients & Property segment represented less than 10% of overall Group activity in FY11 and will represent a smaller proportion going forward.

Further Strengthening its Growth Platform

The Group substantially strengthened its position in chilled convenience foods in its chosen markets of the UK and the US during the financial year through the acquisitions of Uniq plc and On a Roll Sales. The Uniq acquisition was part funded by a rights issue which significantly increased the issued share capital of the company.

1 Continuing operations comparisons exclude activities disposed of during FY10 (Malt in the Ingredients & Property division and Water and the Continental businesses in the Convenience Foods division).
2 Operating profit and margin are stated before exceptional items and acquisition related amortisation.
3 Adjusted earnings are stated before exceptional items, pension finance items, acquisition related amortisation, FX on inter-company and certain external balances and the movement in the fair value of all derivative financial instruments and related debt adjustments.
4 Non-GAAP measure, excluding the effect of the Rights Issue on average shares in issue.

8.7%
Revenue[1] growth

20.9%
Adjusted EPS[3,4] growth

46%
Dividend payout – 46% of Adjusted Earnings[3]

In May 2011, the Group completed the refinancing of the primary bank facility of £280 million for a five year term at competitive rates. In doing this, we extended our average debt maturity to 4.3 years. The Group has changed its reporting currency from euro to sterling to align the Group's external financial reporting with the profile of the Group.

We have gone through several changes to our Board with the retirement of Tony Hynes in December 2010 and the arrival of Alan Williams onto the Board as Chief Financial Officer in March 2011. Alan brings a wealth of experience from his days with Cadbury in various locations in Europe and North America and has already made a significant impact to our Board and our business.

In addition, David Sugden is due to retire from the Board at the forthcoming AGM following nine years of exceptional contributions as a Non-Executive Director. The Board would like to thank David for his food industry insight during that period and offer him our best wishes for the future.

Dividend and Outlook

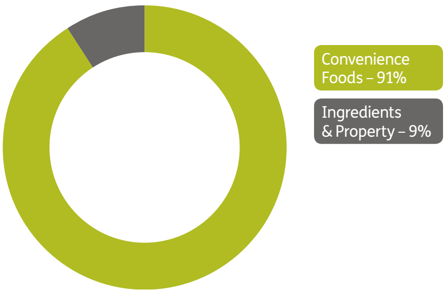
The Board of Directors is recommending a final dividend of 2.4 cent per share on the post Rights Issue enlarged equity base. This will result in a total distribution to shareholders for the year of 46% of Adjusted Earnings[3], in line with the overall distribution for FY10.

The business has made a good start to FY12 with revenue momentum in all of our major categories. The Uniq businesses are trading in line with our expectations and the integration is progressing to plan. The retail and economic environment remains challenging. Whilst input cost inflation is showing signs of moderating, it is still expected to be modestly higher for our business than in FY11. We have made good progress to date in mitigating this inflationary impact. We have reshaped our portfolio, we have strong market positions, we are delivering good performance and are thus well positioned for further progress in FY12 and beyond.

Ned Sullivan
Chairman
5 December 2011

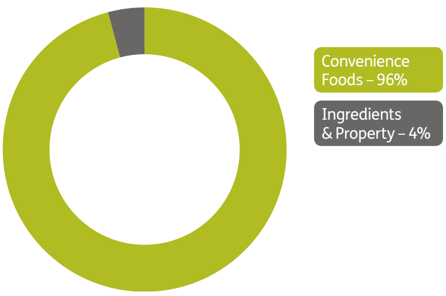
Revenue[1] (£m)

Revenue[1] by Division



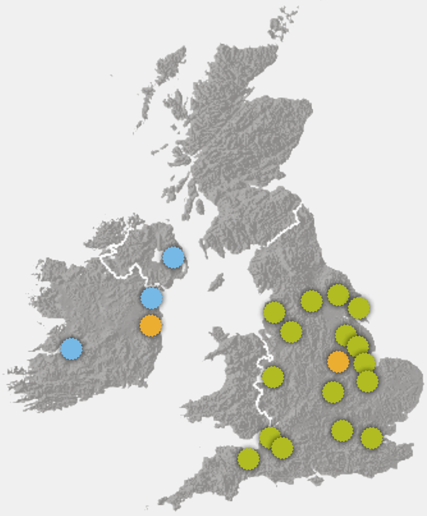
Operating Profit[1,2] (£m)

Operating Profit[1,2] by Division

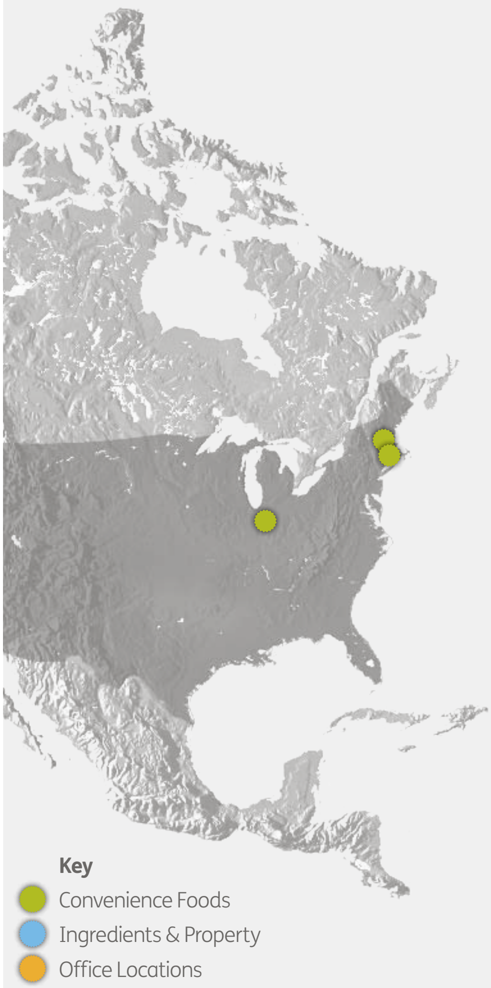


Adjusted EPS[3,4] (pence)

Our UK & Ireland Locations



Our US Locations



Chief Executive's Review
Patrick Coveney

Our strategy is a simple one – to win in convenience foods.

Introduction

FY11 has been a year of significant change at Greencore. It was a year that began with an impending merger with Northern Foods plc but instead closed out with the successful acquisition of Uniq plc. Furthermore, in trading terms, Greencore faced more challenging times with consumers, customers, raw material pricing, capital markets – even climate challenges – than we had experienced for some time. Against this background, I am pleased to report another year of strong progress and growth, with revenues[1] increased by 8.7% and operating margins[1,2] and returns on capital[3] sustained at healthy levels, 6.7% and 13.2%, respectively.

Our Strategy

Our strategy is a simple one – to win in convenience foods. Underpinning this strategy is a belief that consumers and customers will continue to seek out and value ever more convenient food propositions. The performance in FY11 highlights that while there is plenty more to do, our business is winning in its key categories. Winning in this context means exciting consumers, deepening our market share and making excellent food for a margin that gives us an appropriate return on capital. Our three largest category businesses, Food to Go, Prepared Meals and Grocery, all built revenues, market share and returns strongly in FY11. Our customers consistently recognise and value what we do. I am proud to highlight that Greencore won the overall 'Own Label Supplier of the Year Award' at The Grocer Awards this year. These achievements reflect the 'passion for good food' evident in every part of our business, consistent with our overall strategy of winning in convenience foods.

Our Consumer

Following an excellent year of growth in FY10, we have seen consumers sustain a healthy demand for our food offerings throughout FY11. More importantly, there is strong evidence that many of the lifestyle changes and food consumption patterns seen in the last two years are now embedded, with consumers adjusting to the new economic environment. In particular, the macro trends of increased consumption of food on the go, as well as for prepared meals at home, strongly support demand for our food products. The sales growth[1] of 8.0% recorded in FY11 in the Convenience Foods division is testament to the performance of our business in meeting the needs of our consumers. With our markets constantly changing and our need to be

WINNER

Own Label Supplier of the Year 2011

Greencore has again in 2011 received a large number of awards, which recognise its people and its products. Amongst these Greencore is particularly proud to have been awarded the overall 'Own Label Supplier of the Year' Award, which is awarded by our customers and leading UK trade magazine 'The Grocer'.

immediately responsive to evolving tastes and preferences, we innovate continuously – approximately 40% of our products are less than a year old at any point in time. Looking ahead, without taking anything for granted, we believe our portfolio matches up well to the current consumer environment in our key UK and US markets.

Our Portfolio

Our strategy drives the portfolio choices that we make. We have consistently sought to build further scale in our core chilled food categories, both through strong growth and development in our core businesses, and where financially and strategically attractive, through corporate development initiatives. In November 2010, our Board of Directors announced a recommended nil premium merger with one of our largest competitors, Northern Foods, to form Essenta Foods plc. However, a subsequent premium cash bid emerged for Northern Foods that led their board of directors to change its original recommendation and, having assessed all of our alternatives, we stepped away from a Northern Foods transaction. In the second half of FY11, the opportunity to acquire Uniq plc emerged. This acquisition offered outstanding strategic, commercial and financial merits. Specifically, the acquisition has enabled us to build more scale in the Food to Go category, added a large new customer to our Group, facilitated significant synergy delivery and offered valuable tax attributes that will enhance Group cashflows going forward.

Our Board of Directors was very grateful for shareholder support in the form of a 5-for-6 rights issue that underpinned the financing of this transaction and we are pleased to report that having completed the transaction on 23 September 2011, we are well on track in delivering the integration benefits.

On 6 December 2010, we extended our footprint in the US with the acquisition of a small sandwich manufacturer, On A Roll Sales, based in Brockton, Massachusetts. This acquisition has helped reshape our US business into a Food to Go led proposition with a broader multi-channel commercial footprint and we are excited about its prospects going forward.

Our People

The industry that we are in, whilst simple in many ways, is enormously complex in others. In many of our category businesses, we assemble raw ingredients into a finished food proposition for consumption within 48 hours of manufacture. We have to 'get it right' at every critical step along the way, from sourcing and supply chain to safe manufacture, logistics and customer relationship management. The fact that we do this consistently is testament to the quality of the people we have in Greencore. We are particularly pleased to be bringing colleagues from the former Uniq and On A Roll businesses into our Group. They bring innovation skills, channel and customer specific knowledge and new perspectives to our teams. They will, undoubtedly, strengthen our culture, our organisation and our capability. People matter in every industry but perhaps, most of all, in the food industry. Whilst we are very proud of the people, teams and businesses we have built, we remain far from complacent. Today, we have pockets of excellence in particular functional and process areas but there is much to do to further improve our business and we are actively on the case.

Our Well-Invested Facilities

Manufacturing is a core competence at Greencore. We strive to obtain competitive advantage through having the lowest per unit manufacturing cost in our key manufacturing sites. To this end, factory and category scale matters. By way of example, our Manton Wood manufacturing facility is the largest fresh sandwich facility globally, our Kiveton facility has industry-leading scale in quiche production and our Selby facility is the largest cooking sauce facility in Europe. The addition of the Northampton sandwich facility from the Uniq acquisition is consistent with this theme.

1 Continuing operations comparisons exclude activities disposed of during FY10 (Malt in the Ingredients & Property division and Water and the Continental businesses in the Convenience Foods division).
2 Operating profit and margin are stated before exceptional items and acquisition related amortisation.
3 Capital is defined as the sum of the book value of shareholders' equity plus net debt but excluding investment property and pension scheme assets or deficits with the returns measure expressed as operating profit[1,2] including share of associates. In FY11, the Rights Issue proceeds, the net debt of Uniq on acquisition and the employee benefit obligations related to Uniq have been excluded from Capital for the purpose of calculating Return on Capital Employed to enable comparability with FY10.

This manufacturing scale provides a backbone onto which we continue to invest in the best people, technology, assets and processes to produce great food and continuously offer optimal per unit costs to our customers.

Our Profitability and Returns on Capital

We have had another good year of delivery as measured by the Group's operating margin. In the face of significant input cost inflation and weather-related disruption, Convenience Foods delivered an operating margin[1,2] of 6.7% (and our Group, a margin[1,2] of 6.4%). This reflects the connection of the various facets which drive returns, as I have referred to above. Group operating profit[1,2] was held at £51 million. Over the past four years, we have been on a steady path of margin expansion, and while we strive to do better still, we now believe our margin levels represent a more appropriate return on our invested capital. The underlying strength in margin has been delivered through operating leverage, our performance management culture and also from a myriad of efficiency initiatives driven through the business at any point in time in a framework of continuous improvement. Margin management in Greencore is about achieving an appropriate balance of returns on capital and delivering a food proposition competitively to our customers. Our return on capital[3] in FY11 was 13.2%.

The Future

It is an honour to be the chief executive of this Group and I continue to be excited about the prospects for Greencore. We now have the right combination of portfolio, people, balance sheet and strategy to drive our Group forward. We will continue to build on this and will never accept the status quo as 'our lot'. In conclusion, I would like to thank all of our stakeholders for their enduring support and efforts in a very busy year, including those of our colleagues, our business leaders, our Board of Directors, our customers and our investors.

Patrick Coveney
Chief Executive
5 December 2011

Strategy

The recipe for success...

Our goal:
To win in convenience foods
In the UK and the US.

Our goal

We aim to be the leading international food company delivering convenient, premium-quality meal and snack solutions to retailers and foodservice providers at prices the majority of today's consumers can afford every day.

What does this mean in the UK?

Our UK goal:

To lead in UK convenience foods

To achieve this goal we will:
- Drive value from our existing well invested assets and demonstrated capability.
- Get closer still to our consumers and customers to anticipate and fully meet their category needs.
- Enhance the robustness and depth of our teams across all functions and businesses.
- Create an organisation that believes in itself, takes pride in what it does, is agile and responsive to market changes and is positioned for future growth.
- Remember that we are a food company – we must champion great food!

What does this mean in the US?

Our US goal:

To lead in selected regions of US convenience foods

To achieve this goal we will:
- Take the time to really understand the market and build enduring relationships with our consumers, customers, regulators, suppliers and colleagues.
- Embed a leadership team and operating model that has the ambition, capability and headroom to develop and operate, in time, a scale business.
- Continue to hit the demanding operational and commercial milestones that we have in place.
- Put in place the right development plan – one that gives us the asset footprint we need, maintains momentum and delivers for shareholders in the long-term.

Our culture

Underpinning everything is the imperative to strengthen our culture, our organisation and our capability. 'People matter' in every industry, but perhaps most of all in food. Today we have pockets of excellence in particular functional areas but there is much more to do and we are 'on the case'.

Business Review

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 separate measures, 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 from continuing businesses[1] increased by 8.7% in FY11 or 4.3% on a like for like basis[3]. In our Convenience Foods business, the Group measures weekly sales growth. In FY11 we recorded 8.0% growth or 3.4% growth on a like for like basis[3]. In the Ingredients & Property division, we track monthly sales, however this is not the primary measure of performance for this division. In FY11, the division recorded a 16.6% increase in revenue on continuing businesses[1].

Group Revenue[1] (£m)

+8.7%

#02.

Operating Margin

The Group's operating margin on continuing businesses[1,2] in FY11 was 6.4% compared to 7.0% in FY10. In Convenience Foods, the operating margin on continuing businesses[1,2] was 6.7% compared to 6.9% in FY10.

Group Operating Margin[1,2]

6.4%
-60bps

Convenience Foods Operating Margin[1,2]

6.7%
-20bps

#03.

Return on Capital Employed

The Group's return on capital on a continuing basis in FY11 was 13.2% (FY10 (as previously reported): 14.1%). Capital is defined as the sum of the book value of shareholders' equity plus net debt but excluding investment property and pension scheme assets or deficits with the returns measure expressed as operating profit[1,2] including share of associates. To enable comparability with FY10, the Rights Issue proceeds, the net debt of Uniq on acquisition and the employee benefit obligations related to Uniq have been excluded from Capital for the purpose of calculating Return on Capital Employed in FY11.

Return on Capital Employed

-90bps

#04.

Free Cash Flow

Group continuing free cash was £46.9 million in FY11, which represents 91.1% of Group operating profit[1,2] of £51.5 million. The Group's free cash measure is net cash flow from operating activities after capital expenditure but before exceptional items and pension deficit funding.

Free Cash Flow

£46.9m
91%
of Group operating profit[1,2]

#05.

Adjusted Earnings per Share

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

In the current year, an adjustment has been made to adjusted earnings per share to exclude the effect of the Rights Issue during the year. This is a non-GAAP measure and is reported in order to show a meaningful metric for adjusted earnings per share that is comparable to the prior year. The denominator for continuing adjusted earnings per share has been calculated by excluding the effects of the Rights Issue and related bonus issue on the weighted average number of shares in issue during the year and the prior year. **Continuing adjusted earnings per share excluding the effect of the Rights Issue of 13.9p increased by 20.9% in FY11.**

Adjusted EPS (pence)

+20.9%

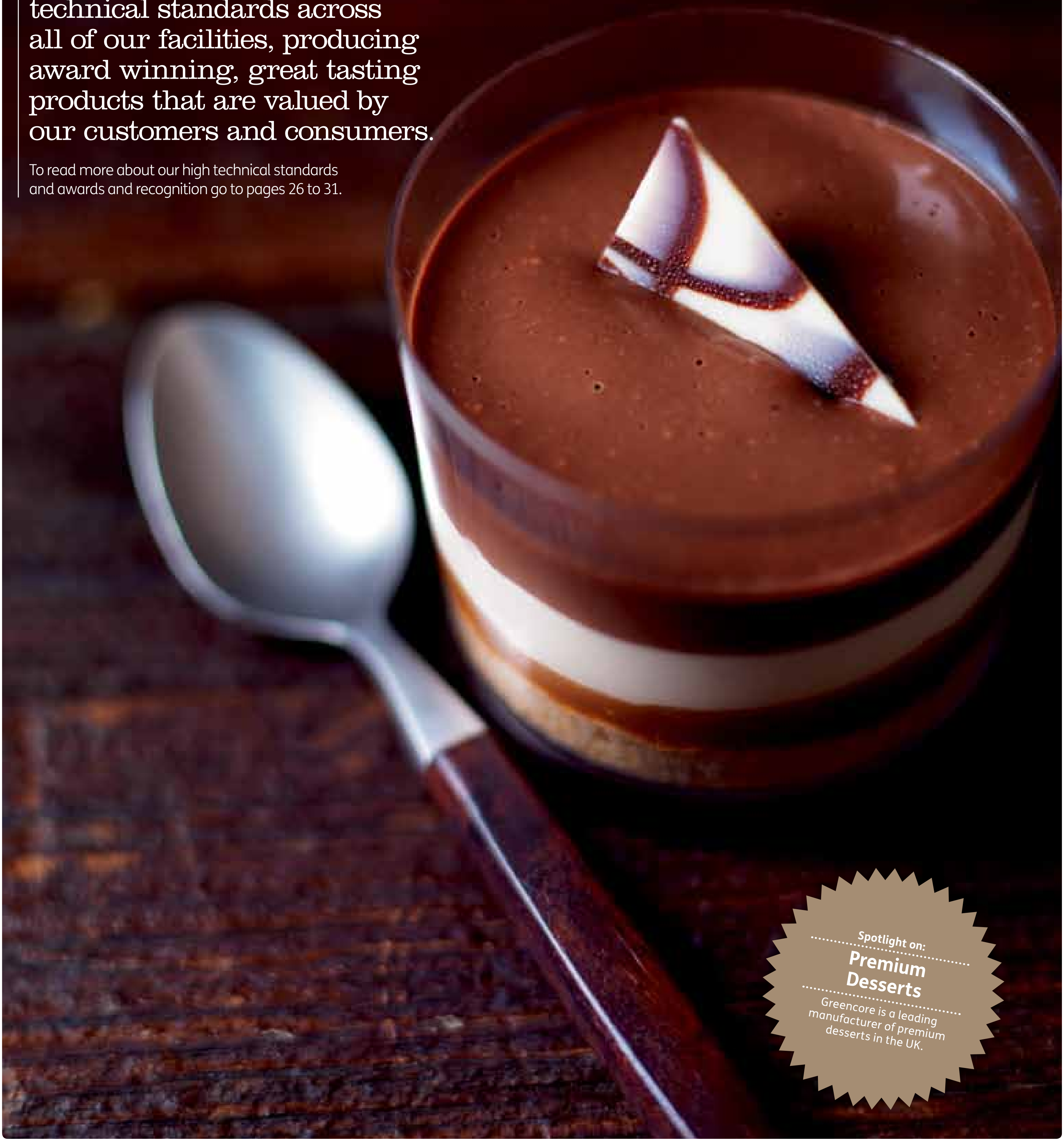
1 Continuing operations comparisons exclude activities disposed of during FY10 (Malt in the Ingredients & Property division and Water and the Continental businesses in the Convenience Foods division).
2 Operating profit and margin are stated before exceptional items and acquisition related amortisation.
3 Excluding the impact of the 53rd week and the acquisition of On a Roll Sales.

Focused on Quality, Innovation
and Efficiency

Quality

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

To read more about our high technical standards and awards and recognition go to pages 26 to 31.



Spotlight on:
Premium Desserts
Greencore is a leading manufacturer of premium desserts in the UK.

Operating Review

Convenience Foods Revenue[1] (£m)

+8.0%

Convenience Foods

The Convenience Foods division delivered a good performance in some of the most challenging market conditions in many years with revenue[1] growth of 8.0% and growth in operating profit[1,2] of 5.3% leading to an operating margin[1,2] of 6.7%. Excluding the impact of the 53rd week and the acquisition of On a Roll Sales, revenue[1,3] was ahead by 3.4%. The UK retail market has experienced a difficult year with volume declines for the first time in many years. Real disposable incomes have declined; pronounced input cost inflation coupled with tax rises and growing unemployment have held back consumption.

Against this background, the Group has continued to grow revenues through its exposure to faster growing categories, through meeting consumer and customer needs and through new business gains. The UK business experienced input cost inflation of 4% and this was successfully mitigated through internal efficiency programmes, product reconfiguration and selective price increases.

The division was strengthened in both the US and the UK. In December 2010, the Group completed the acquisition of On a Roll Sales, a Brockton, MA based business, predominantly manufacturing and distributing a Food to Go offer for the convenience channel. The business has profitably grown revenues at over 20% since acquisition. In July 2011, the Group announced the acquisition of Uniq plc in the UK. The acquisition was completed in late September 2011.

Food to Go

9% Revenue Growth

Food to Go is our largest business comprising fresh sandwiches, salads and sushi. The sandwich market grew by 1%** in FY11 with consumers seeking value through competitively priced lines and 'extra free' offers. In this context, our Food to Go business grew revenues by 9% overall and we grew our market share with both existing and new customers, successfully adding a new major retail customer. New product development (NPD) continues to be a feature of the market, both in product and packaging, with further conversion to cardboard skillets.

Prepared Meals

10% CRM Market Growth

Our Prepared Meals business comprises two core categories, chilled ready meals (CRM) and quiche. The business recorded double-digit revenue growth, ahead of both the CRM and quiche categories, through growth with existing customers and the annualisation of business gained during FY10, supported by significant innovation. The CRM market again grew strongly (+10.1%) and is now worth over £1.6 billion at retail†. This market growth has been supported by both increased purchase frequency and increased spend per trip with increased multibuy activities in most retailers. The quiche market declined by 2.7%† in value terms, in part influenced by a cool summer.

Grocery

Return to Growth

Our Grocery business comprises ambient cooking sauces, pickles and table sauces. The business returned to growth in FY11 having undertaken a significant SKU rationalisation programme in FY10 to eliminate non-economic product lines, in particular refocusing our contract packing business. Greencore has a leading market position in the UK private label cooking sauces market. Despite intense competition from branded ambient cooking sauces, the own label market grew by 3.7% in value terms. Greencore Grocery delivered growth significantly ahead of the market through a combination of growth on existing contracts and new business wins. The business also captured further business in table sauces. The combination of a focus on fewer SKUs and investments to improve automation and efficiency and staying very close to our customers, has delivered a material improvement in business performance.

Cakes and Desserts

Difficult Market Conditions

The Cakes and Desserts business experienced a difficult year. The category has experienced a significantly higher level of inflation than our other category businesses. This factor, coupled with excess industry capacity and a flat cakes market†, led to declining returns. Against this backdrop, the business delivered modest revenue growth in the year improving distribution with several of our major retail partners.

Chilled Sauces and Soups

10% Market Growth

We have significant positions in the manufacture of chilled sauces and chilled soup. The chilled soup market continued to exhibit strong growth in FY11 with value growth of 10%†. Our business improved its share by expanding its business with existing customers and gaining new lines during the year. We added further capacity to enable us to meet demand in this seasonal category. The chilled sauce market grew by over 7%† although Italian sauces lagged the market at +3%† resulting in a slight underperformance of market growth in our business.

Convenience Foods delivered a good performance in some of the most challenging market conditions in many years with revenue[1] growth of 8.0% and growth in operating profit[1,2] of 5.3%.

Operating Review
(continued)

Frozen Foods

Service Levels Recovered

Our frozen Yorkshire Pudding business had a challenging year as we upgraded the ovens at the Leeds manufacturing facility following the fire in March 2010. While the frozen Yorkshire Pudding category experienced modest growth in FY11†, our business experienced a decline as we looked to rebuild our position following service issues related to the fire. Our service levels have now recovered and in addition to the investment in new ovens, we have expanded our storage capacity to enable us to support customers during peak periods.

Foodservice Desserts – Ministry of Cake

20% Market Share

We are the market leader in foodservice desserts in the UK with a market share estimated at 20%. The business had a solid year exhibiting modest growth. The business supplies the top selling dessert lines to many of the UK's pub chains and wholesalers and adding business in Continental Europe with a UK-based coffee chain.

Convenience Foods Operating Profit[1,2] (£m)

+5.3%

Convenience Foods Operating Margin[1,2]

-20bps

US Convenience Foods

Acquisition of On A Roll

Our US business has continued to develop during FY11. In December 2010, we completed the acquisition of On a Roll Sales, based to the south of Boston in Brockton, MA. The business has considerably strengthened our regional Food to Go market position, particularly in the convenience channel. Food to Go now accounts for over half of our US revenue. Our grocery channel business had a mixed year. We gained listings for WeightWatchers ready meals in over 500 Walmart stores but experienced declines in deli salads with some customer losses and lower demand during the peak summer season. Input cost inflation was broadly recovered through pricing. We completed the re-fit investment at the Newburyport facility and improved our manufacturing and technical processes.

Ingredients & Property

Less than 10% of Group Activity

The Ingredients & Property segment represented less than 10% of overall Group revenue in FY11 and will represent a smaller proportion following the acquisition of Uniq plc.

The edible oils and molasses businesses traded well in FY11 and maintained returns in a high inflationary environment. Year on year operating profit delivery was impacted by lower property trading profits. Remediation was completed at the Mallow site and work continues in line with our obligations at Carlow.

Subsequent to year end, outline planning permission was obtained for mixed use development at the Littlehampton site.

Ingredients & Property Revenue[1] (£m)

+16.6%

Ingredients & Property Operating Profit[1,2] (£m)

-53.8%

Ingredients & Property Operating Margin[1,2] (£m)

-470bps

1 Continuing operations comparisons exclude activities disposed of during FY10 (Malt in the Ingredients & Property division and Water and the Continental businesses in the Convenience Foods division).
2 Operating profit and margin are stated before exceptional items and acquisition related amortisation.
3 Excluding the impact of the 53rd week and the acquisition of On a Roll Sales.

** References to market share, category growth and market size are based on Nielsen data for the 52 weeks to 1 October 2011 and Greencore retail sales figures.

† References to market share, category growth and market size in the Operating Review are based on Kantar data for the 52 weeks to 2 October 2011.

Focused on Quality, Innovation and Efficiency

Innovation

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

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

Spotlight on:

Sushi

Greencore is a leading manufacturer driving innovation in the pre-packed sushi market.

Financial Review
Alan Williams

The Group delivered a good performance overall, growing revenues[1] by 8.7%, maintaining operating profit[1,2] in a difficult environment and growing continuing adjusted EPS[3,4] by 20.9% from 11.5 pence to 13.9 pence.

Overview

Group revenue from continuing operations[1] was £804.2 million, an increase of 8.7%. Excluding the impact of the 53rd week and the acquisition of On a Roll Sales, revenue was ahead by 4.3%. Group operating profit from continuing operations[1,2] was £51.5 million, in line with FY10. The Group operating margin on continuing operations[1,2] was 6.4% compared to 7.0% in FY10. Group operating profit for the year was £24.6 million (FY10: £49.6 million). Profit for the financial period was £19.9 million (FY10: £30.2 million).

Interest Payable

The Group's bank interest payable in FY11 was £16.9 million, a £5.0 million reduction on the FY10 charge of £21.9 million. The composition of the charge in FY11 was interest payable of £13.7 million, commitment fees for undrawn facilities of £1.1 million and an amortisation charge in respect of facility arrangement fees of £2.1 million.

Non-Cash Finance Charges

The Group's net non-cash finance credit in FY11 was £3.0 million (£1.8 million charge in FY10). The change in the fair value of derivatives and related debt adjustments was a non-cash credit of £3.2 million in FY11 (£3.2 million charge in FY10) reflecting the impact of marking to market the Group's fixed interest rate swaps. The non-cash pension financing charge of £1.8 million was greater than the charge in FY10 of £0.2 million reflecting a reduction in interest rates and the lower expected returns on pension assets. The credit in respect of the increase in the present value of assets and liabilities held was £0.2 million (FY10: charge £0.1 million).

Taxation

The Group's effective tax rate in FY11 was 13% including the tax impact associated with pension finance items, which is lower than the full year effective tax percentage of 17% in FY10. During the year, the Group resolved a number of outstanding tax positions which led to a one-off exceptional credit to the Income Statement amounting to £11.7 million. This has also resulted in a reduction in the effective tax rate for the year.

Effective Tax Rate

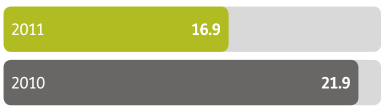
13%

-4ppts

The Group completed the refinancing of the primary bank facility of £280 million for a five year term at competitive rates. The average debt maturity of the Group at 30 September 2011 was 4.3 years compared to 2.0 years at 24 September 2010.

Operating Profit[1,2] by Division (£m)

Bank Interest Payable (£m)



Adjusted EPS[3,4]

+20.9%

Exceptional Items

An exceptional charge of £11.7 million was recorded in FY11 as set out below:

- a charge of £19.4 million was recorded in relation to acquisition activity during the year. Of this amount, £12.3 million related to the proposed merger of equals with Northern Foods to create Essenta Foods and the subsequent assessment of an acquisition of Northern Foods, together with modest costs associated with the assessment of another proposed transaction with which the Directors ultimately decided not to proceed. £6.6 million of transaction costs were incurred in relation to the acquisition of Uniq plc and costs incurred on the acquisition of On a Roll Sales amounted to £0.4 million;
- a charge of £3.6 million in relation to settlement of an outstanding claim relating to former activities of the Group;
- a charge of £1.3 million on a restructuring programme to improve long-term operating performance; and
- a credit of £11.7 million relating to the resolution of a number of outstanding tax positions and a tax credit of £0.9 million on exceptional charges.

Earnings per Share

Continuing adjusted earnings per share[3,4] for FY11 were 13.9 pence compared to 11.5 pence in FY10. This is based on a weighted average number of ordinary shares for the year (prior to the impact of the Rights Issue in late August) of 206.8 million (FY10 204.5 million). Including the impact of the Rights Issue and the related bonus issue, the weighted average number of ordinary shares for the year was 273.9 million and continuing adjusted earnings per share[3] were 10.5 pence. Basic earnings per share for the year was 7.0 pence (FY10: 11.4 pence).

Capital Structure

The Group employs a combination of debt and equity to fund its operations. At the end of FY11, the total capital employed in the Group was £405.3 million (FY10: £361.0 million). Capital employed is defined as the sum of the book value of shareholders' equity plus net debt but excluding investment property and pension scheme assets or deficits.

During FY11, the Group raised £68.9 million net of associated fees by way of a Rights Issue, by issuing five new shares for every six shares held. The proceeds were applied as partial funding of the acquisition of Uniq plc, paid during early October 2011. The combination of new equity and debt raised to fund the acquisition of Uniq plc was designed to maintain internally prescribed Group net debt to EBITDA targets both on acquisition and within 18 months of acquisition.

Net Debt

As at 30 September 2011, the Group's net debt was £139.8 million. Adjusting for the Rights Issue proceeds included within cash and cash equivalents at year end and Uniq net debt assumed on acquisition, net debt was £201.3 million.

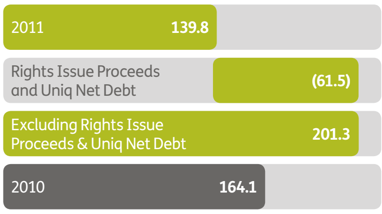
The Group significantly extended the maturity profile of its debt in FY11 by securing two new facilities: a five year £280 million Revolving Credit Facility in May 2011 and a five year £60 million bilateral bank facility in September 2011. In October 2010, $55 million of matured Private Placement notes were repaid. At the end of FY11, the weighted average maturity of available committed debt facilities of £443 million was 4.3 years, increased from 2.0 years at the end of FY10.

Average net debt, as is customary and having regard to the seasonal profile of our business and our customers' and suppliers' working capital profile, is estimated to have been approximately £65 million higher than net debt at the end of the financial year which is a seasonal low point.

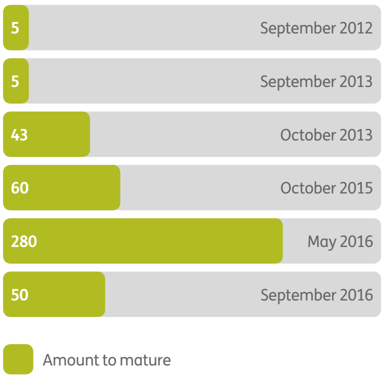
1 Continuing operations comparisons exclude activities disposed of during FY10 (Malt in the Ingredients & Property division and Water and the Continental businesses in the Convenience Foods division).
2 Operating profit and margin are stated before exceptional items and acquisition related amortisation.
3 Adjusted earnings are stated before exceptional items, pension finance items, acquisition related amortisation, FX on inter-company and certain external balances and the movement in the fair value of all derivative financial instruments and related debt adjustments.
4 Non-GAAP measure, excluding the effect of the Rights Issue on average shares in issue.

Financial Review (continued)

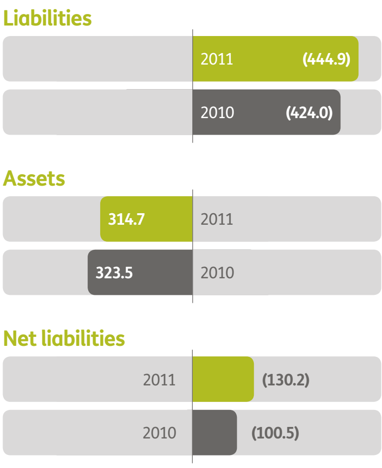
Net Debt (£m)



Borrowings Profile (£m)



Defined Benefit Pension Liability (£m)



Pensions

The net pension deficit (before related deferred tax) increased to £130.2 million at 30 September 2011 from a net pension deficit of £100.5 million at 24 September 2010. The net pension deficit was £105.7 million after related deferred tax at 30 September 2011 (from a deficit of £77.0 million after related deferred tax at 24 September 2010).

The fair value of total plan assets relating to the Group's defined benefit pension schemes (excluding associates) decreased to £314.7 million at 30 September 2011 from £323.5 million at 24 September 2010. The present value of the total pension liabilities for these schemes increased to £444.9 million from £424.0 million over the same period.

A net pension deficit of £2.4 million relating to benefit obligations of Uniq was recognised on acquisition and is included within the movements described above.

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.

Cash Flow

A net cash inflow from operating activities (prior to exceptional items) of £58.3 million was recorded compared to £83.8 million in FY10. Capital expenditure of £23.0 million was incurred in the year. Interest costs of £19.9 million were paid in the year with dividends to equity holders of £10.8 million.

Financial Control and Risk

The Group has a broad set of financial control procedures, performance measures and monitoring controls to maintain a strong control environment. A Risk Management Group (RMG) which reports to the Audit Committee exists to identify and monitor the key risks the Group faces and to ensure effective risk mitigation strategies are in place.

On an ongoing basis, the Group's financial control environment is subjected to continual review by the Group's finance function with a particular focus on finance talent to ensure the Group's financial control environment is maintained. Additionally, individual businesses are measured against each other internally and there is continual measuring of all key controls.

Alan R Williams

Alan Williams
Chief Financial Officer
5 December 2011

Focused on Quality, Innovation and Efficiency

Efficiency

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

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

Spotlight on:

Lasagne

We are the leading manufacturer of Italian chilled prepared meals in the UK.

Principal Risks and Uncertainties

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

Operational Risks (continued)

Risks	Description of Risks	Measures to Reduce Risks
Loss of Manufacturing Capability	The loss of a significant manufacturing/operational site through fire, natural catastrophe, act of vandalism or critical plant failure could potentially have a material impact on the Group.	The Group mitigates these risks through robust security and comprehensive operational disaster recovery plans. In addition, the Group undertakes regular reviews of all sites with external insurance and risk management experts, with these reviews being aimed at improving the Group's risk profile.
Loss of Key Personnel	The ongoing success of the Group is dependent on attracting and retaining high quality senior management and staff who have the ability to effectively manage the Group's operations in a period of economic stability and in a downturn.	The Group mitigates the risk associated with loss of key personnel through robust succession planning, strong recruitment processes, long-term management incentives and retention initiatives.

Financial Risks

Risks	Description of Risks	Measures to Reduce 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.	The 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 22 to the Group Financial Statements.
Employee Retirement Obligations	The Group's defined benefit pension funds are exposed to the risk of changes in interest rates and the market values of investments, as well as inflation and the increasing longevity of scheme members. The recent volatility in world-wide equity markets has brought the risk of employee retirement obligations to the fore.	These risks are mitigated by paying appropriate contributions into the funds and through balanced investment strategies which are designed to avoid a material worsening of the current surplus or deficit in each fund. In addition, the Group has closed all defined benefit pension schemes to future accrual. The assumptions used in calculating the funding position of the pension funds are shown in detail in Note 27 to the Group Financial Statements.

Other

Risks	Description of Risks	Measures to Reduce Risks
Property Development	The Group has a considerable land-bank for future development. The value of this holding is directly related to the macro-economic environment in Ireland and the UK, the successful environmental clean-up of the brownfield sugar factory sites and the nature and timing of any zoning and subsequent planning permission obtained.	The Group manages these opportunities and the related risks through a clear property development strategy, the centralisation of all property development related issues under the Chief Financial Officer, the employment of property specialists with significant industry experience, detailed site-specific plans and regular engagement with the Board.

Corporate Responsibility Review

We're fully committed

Greencore is fully committed to maintaining good corporate responsibility. It has a duty to conform to the laws and regulations in the jurisdiction which it operates and it takes this duty seriously. Greencore treats its colleagues fairly and takes measures to protect the health and well-being of its colleagues, consumers and the communities in which it operates.

CR Strategy:
Four Areas of Focus
Each underpinned by our culture and values.

The following review covers:

#1:
Workplace*
- PRIDE
- Learning & Development Strategy
- Lean Greencore Leadership Academy
- Health & Safety Excellence

* includes People and Health & Safety

#2:
Environment
- Environmental Management
- Carbon Footprint
- Waste & Recycling
- Water & Effluent

#3:
Marketplace
- Food Safety
- Health & Nutrition
- Ethical Management

#4:
Communities
- Caravan
- Young Enterprise
- FareShare
- Comic Relief

Our values
Greencore conducts its business in a manner that is in line with its culture and values, which are centred on the following overriding principles: 'People Matter', 'Responsibility Matters', 'Performance Matters' and 'A Passion About What We Do'. To read more about these values please see page 28.

The health, safety and well-being of our people and visitors to our facilities continues to be of the utmost importance to Greencore.

Workplace

PRIDE

PRIDE is Greencore's model for managing performance amongst its people at all levels in the organisation. It is used to set and monitor individual objectives and shape personal development plans. In the past year an electronic version of this system '**ePRIDE**' has been launched across the management teams within the Group, in addition to the manual version of PRIDE, which has been cascaded to the hourly paid workforce. A key element of ePRIDE is the **360 degree feedback** model, which maps the individual's progress against the Greencore values and can be used to identify areas where colleagues perform particularly well as well as highlighting future development opportunities. Consistent with our **high performance culture** PRIDE was amended this year to ensure that all staff received clear, explicit feedback on their performance. In addition, changes to PRIDE will ensure that all staff have an explicit **Learning & Development Plan** which will feed into the Greencore talent management process and agenda future-proofing the development of the Group's human capital and capability. Over 1,100 salaried staff participated in our ePRIDE process in 2011 and PRIDE has also been selectively introduced to our hourly paid colleagues.

Above:
Greencore's SHE Manager Tom Chambers (second from left) with other members of the IOSH Shadowing Scheme working group.

Right:
Learning & Development Managers Richard Everitt and Dan Clark.

Learning & Development Strategy

Greencore has a dedicated Group Learning & Development (L&D) Manager, who works with the individual sites across the Group to ensure that the right development opportunities are available to develop the whole work force, from line operator right through to the senior management levels in the organisation. These L&D processes are laid out in our **G.O.L.D. Map** (Greencore Organisational Learning & Development). Everyone who joins Greencore participates in a **Group induction programme**. This programme ensures that all new starters understand what is required to be successful at Greencore and know their obligations with regards to Health & Safety and Food Hygiene. Language training can be provided for those that do not have English as a first language and, where appropriate, additional support is provided in the form of translated documentation and signage within the workplace. Greencore provides **NVQ** training to its staff and in the past year has also started piloting the new competence-based **QCF** qualifications in food manufacturing excellence. Greencore has also launched a new **employee satisfaction survey**, which was piloted in the Prepared Meals category in 2011. This survey will be rolled out across the rest of the organisation in 2012.

Lean Greencore Leadership Academy

The **Lean Greencore Leadership Academy** provides a holistic approach to building effective leadership skills and food manufacturing capability in our people. Launched in 2006, the programme is now in its sixth year. It uses recognised world class lean manufacturing methods and standards. An **Advanced Lean Programme** was launched last year, which moved the programme beyond manufacturing and into other areas, including engineering and environment. Through our specially designed **Dynamic Dashboard** we are able to track and monitor progress as we continue to drive this programme through the business.

Health & Safety Excellence

The health, safety and well-being of our people and visitors to our facilities continues to be of the utmost importance to Greencore. During the coming financial year Greencore and other UK businesses will witness major changes in the administration of health and safety. We believe that the investment that we have made year on year and are continuing to make will help us meet these opportunities. An example of this being that seven of our sites are now certified to the internationally recognised **OHSAS 18001** standard.

Greencore has made additional resources available for the further development in our system of **behavioural safety**. We have developed, in partnership with a third party software provider, a system for behavioural safety observation in the workplace which has been rolled out across the Group. We are also piloting an in house system for the measurement of our safety culture. This has been designed to add to our suite of **Health & Safety Key Performance Indicators** and will be utilised to measure our employees opinion of the effectiveness of our safety systems. The results of which will be widely available via the Greencore Dynamic Dashboard, a system that gives visibility of our health and safety performance across the business.

We have recently approved investment for a system of contractor management supporting permits to work, recording the availability of risk assessments and contractor insurance. The system is now being implemented. It will maintain records indefinitely and also provides for a central overview for auditing purposes.

Corporate Responsibility Review (continued)

Last year we reported that Tom Chambers had been appointed to the **Council of the Institution of Occupational Safety & Health** for a three year term. In agreement with Greencore, Tom developed the **IOSH Shadowing Scheme**, the purpose of which is to give newly qualified graduates who are unemployed the opportunity of increasing their employment opportunities by gaining valuable experience from Health & Safety Practitioners. Greencore has supported this valuable initiative with a pilot scheme of three places, one of whom has gone on to full-time employment within the Group. The pilot has been so successful that IOSH launched the full scheme with a media campaign across the manufacturing sector at the **National Food & Drinks Health and Safety Conference** in October 2011.

Greencore's own **graduate entry programme** continues to flourish with one manager being granted **Chartered Membership of the Society for the Environment** after graduating with a MSc from University of Portsmouth. Other colleagues are nearing the end of the process toward **Chartered Membership of the Institution of Occupational Safety & Health.** We continued to deliver **in-house training** in conjunction with our insurers to a broad audience and have recently completed machinery safety seminars to our engineering teams.

Greencore continues to contribute in the development of UK health and safety policy by participating in the **Health & Safety Food Manufacturing Forum** and by providing a speaker at the **2011 National Health and Safety Food Manufacturing Conference in October**.

For the third year running Greencore has recorded a fall in reportable accidents. The FY11 figures show a decline of 16% compared to the previous year, with the actual number of reportable accidents sitting well within our stringent target.

Our values

All the right ingredients...

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

#1:
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.

#2:
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.

#3:
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.

#4:
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.

We actively encourage source segregation of waste to facilitate the reuse and recycling of materials.

Environment

Environmental Management

Greencore is committed to growing its business in an environmentally responsible and sustainable manner.

The Lean Environment programme was rolled out to a further four sites during the year, and continued to identify a range of opportunities for reducing the environmental impact of the business, whilst engaging with colleagues at all levels. This year also saw us develop and launch an innovative environmental training game as a novel and additional means of raising environmental awareness across the Group.

Our Group Environmental Manager has been appointed as chair of the Chilled Food Association Sustainable Development Working Group, and has been closely involved with the IGD working group on the development of an environmental sustainability matrix tool that was launched in October 2011.

Carbon Footprint

In 2011 we again responded to the Carbon Disclosure Project, and will continue to work on improving our carbon reporting, and more importantly working to reduce our carbon footprint. A number of energy and carbon reduction projects were completed across our business, including a positive trial on the use of induction lighting that is planned to be rolled out to a number of sites in 2011/12.

Details of our carbon footprint are shown on the right. This is produced following the guidelines and principles of the WBCSD/WRI Greenhouse Gas Protocol, and covers our scope 1 & 2 emissions, incorporating fossil fuels, transport fuel, refrigerants and electricity related data.

During the year we successfully retained our Climate Change Levy discount at all participating sites, and registered for the Carbon Reduction Commitment (CRC) scheme, confirming an exemption for all sites.

As part of our ongoing commitment to reducing our own carbon emissions and improving energy efficiency, our Grocery site in Selby and Prepared Meals site at Kiveton have been particularly active in driving a number of improvement projects through their ‘energy roadmaps’. These have contributed to an overall reduction in total energy consumption per tonne of product of 1.5% this year and 7.8% over the last four years (for UK manufacturing sites).

Waste & Recycling

Our continued focus on the application of the waste hierarchy has enabled us to deliver on our commitment of zero waste direct to landfill from Greencore UK manufacturing sites by mid-2011, 18 months ahead of our original target. We will however continue in our efforts on waste to further reduce at source, and to maximise the recovery and recycling of unavoidable wastes that are produced, within the enlarged Greencore Group following the acquisition of Uniq.

The chart on the right shows our progress in reducing the environmental impact of our waste by diverting from landfill to alternative facilities further up the waste hierarchy.

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

Water & Effluent

As part of a greater focus on water conservation during the year we undertook a joint project with the Food Standards Agency under their interchange programme. Two FSA employees worked closely with Greencore colleagues at two of our sites to map water consumption across the facility and to highlight opportunities for improvement. The initial scoping exercise identified some significant opportunities for improvement, with the potential to reduce water consumption by 14% at one site and 9% at the other.

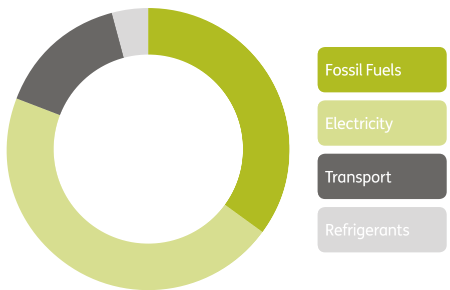
Our Chilled Sauces and Soups business at Bristol is also involved in a Defra funded pilot project in partnership with the University of Bristol, and two other food manufacturers to evaluate the potential benefits of ice pigging for improving product recovery from pipelines, and reducing water consumption in cleaning operations. Initial trials look promising, with a plan for a more detailed evaluation during 2011/12. Alongside this the site has also been working on a number of water efficiency measures that has delivered around 15% reduction in water use per tonne of product in the last year.

These projects all contribute to our overall improvements in water efficiency, delivering 18.1% improvement in relative water consumption over the last four years (from UK manufacturing sites), as shown on the chart on the right.

Other Areas

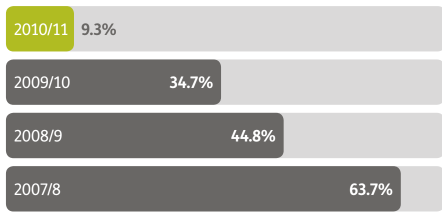
During 2010/11 we made a significant investment to install a chemical scrubber system which has virtually eliminated odours from our Prepared Meals facility at Warrington.

Greencore Group Carbon Footprint 2010/11
117,388 tonnes CO_2e (Scope 1 & 2 emissions)



Greencore Group
Waste Disposal 2007/8 to 2010/11
UK Manufacturing Sites

Waste disposal to landfill (% of total waste)



Greencore Group
Water Consumption 2007/8 to 2010/11
UK Manufacturing Sites
Total water consumption per tonne of product (m^3/tonne)

Corporate Responsibility Review (continued)

Marketplace

Food Safety

Food safety continues to be of utmost importance to Greencore and for this reason we continue to invest in our people and facilities to ensure the highest standards are maintained as we aim to be industry leading in this area.

Greencore has **dedicated technical experts** at all of its manufacturing facilities, who report to the site management teams as well as the Group Technical Director. The Group technical team has undertaken a number of **training and development** courses and conferences throughout the year. These courses range from externally delivered certificated courses, such as HACCP level 4, and internal courses on nutrition, internal auditing and microbiology. In 2011, 406 people were trained on Greencore technical courses. Greencore continues to work with its customers developing and piloting new food manufacturing audit processes meeting the highest standards.

In the past year a large number of internal and external audits took place:

Internal Audits	9,776
External Audits	97
Customer Taste Panels	375
Internal Taste Panels	33,035
Supplier Audits	202

All of the Greencore facilities in the UK retained their **British Retail Consortium** (BRC) Grade 'A' accreditation. In November 2011 our US facility in Newburyport also achieved a BRC Grade 'A' accreditation.

Greencore Technical Controller, Martin Ford, currently serves as Chairman of the **Chilled Food Association's** Technical Committee.

Greencore is also passionate about promoting the food industry to future employees and in particular highlighting opportunities in the industry to our future food technologists. Through our trade associations Greencore supports the sponsorship of school children at **Nottingham Summer School** and has worked with the Chilled Food Association on the development of their '**Chilled Education Programme**' and a number of Greencore colleagues are looking to become Science, Technical, Engineering and Mathematics (STEM) ambassadors delivering lessons in chilled food at schools. At the other end of the education spectrum the Greencore Group Technical Director is an advisory board member for **Leeds University Food Science Department**.

Health & Nutrition

Greencore has a responsibility to ensure that it provides healthy food choices to its customers and colleagues. Health and nutrition is a key area of focus and Greencore employs a dedicated **Group Nutritionist** to work with its new product development (NPD) technologists and technical teams as well as our customers. The Group Nutritionist also works with external bodies such as the **Chilled Foods Association**, the **Department of Health**, the **Food Standards Agency** and the **IGD** (Institute of Grocers & Distributors) setting targets and working in cross company project teams to support, develop and drive new health initiatives and policies for the whole food industry in the UK. Examples of Greencore using its expertise to support the health agenda for the food industry includes Greencore participating as an active member of the **IGD Industry Nutrition Strategy Group** (INSG) and the **Nutritionists in Industry** (NII) group. Greencore participated in the working group which developed the widely reported IGD report on composite fruits and vegetables.

Greencore's key activities and achievements in 2011 include:

- A structured approach to measuring and reporting **nutrition targets**.
- Strong links with **customer nutritionists** in order to track and monitor and help deliver customer nutritional policies, activities and opportunities.
- Greencore has an ongoing commitment to improve the **nutritional quality** of our products, which includes:
  - Continued commitment in working towards **FSA 2012 salt targets** – 79% of Greencore products in the UK already meet these targets.
  - No hydrogenated vegetable oils, industrially added trans fats or genetically modified organisms are used in UK Greencore retail products.
- Ensuring that our **people** are informed and trained in best practice:
  - Basic **nutrition training** programmes in place for Greencore employees.
  - Driving and supporting the Group **Food First** programme, which promotes the good food culture at Greencore. Food First is widely supported by a large number of fund-raising and awareness raising events and activities at all Greencore sites.
  - Greencore is a member of the **East Midlands Platform on Food**, **Physical Activity** and Health, which aims to tackle issues related to obesity in the region in support of the national **Change4Life** campaign.

Ethical Management

Sustainability, ethical sourcing and animal welfare are all important considerations, which are entering the mainstream of food retailing. Greencore is a long-standing member of **SEDEX**, an organisation which monitors both Greencore's and its suppliers ethical performance.

Greencore has its own **ethical self audit** for all of its sites and is subject to ethical audits conducted by our customers, who set high standards for Greencore to operate within.

Greencore is a fully signed up member of the **Round Table for Sustainable Palm Oil** and has moved to fully sustainable palm oil at its Prepared Meals facility in Kiveton.

All of the eggs used at Greencore's UK facilities already meet the new **2012 EU Regulations** which ban battery hen eggs.

Furthermore Greencore Food to Go has moved to **sustainable pole and line caught tuna** with selected customers.

Picture:

The winners of the Chairman's Food First Category Award from Greencore Chilled Sauces & Soups and Greencore Frozen Foods, together with Group CEO, Patrick Coveney and UK CEO Di Walker.

Greencore is aware of the positive impact that it can have within the local communities in which its sites operate and actively encourages its people to engage in local community projects.

Communities

Greencore is aware of the positive impact that it can have within the local communities in which its sites operate and actively encourages its people to engage in local community projects. The types of activities vary across the sites and include participation in local school activities, sponsored sporting events and the donation of products and gifts for fund-raising raffles and auctions.

At a Group level, Greencore has actively supported the following organisations in 2011:

Caravan

Greencore is a long-standing supporter of Caravan – the grocery industry charity, which supports people who have worked in the industry who have fallen on hard times. Caravan currently supports more than **2,000 beneficiaries** and their dependants. Greencore supports Caravan through participation in the work of the Caravan committees, by raising awareness of the charity both internally and externally, through attending a number of **fundraising events** throughout the year and by donating products for Christmas hampers for the needy each year. For the past three years Greencore has received achievement awards from Caravan in recognition of the support it has given them.

Young Enterprise

Greencore strongly believes that it is critical to support young people to help **develop their skills and employability**. This is why it is now in its fourth year of supporting Young Enterprise, an international organisation which aims to build a connected world of young people (ranging from 4 to 24 years old), business volunteers and educators inspiring each other to succeed in enterprise.

A number of Greencore colleagues have participated in classroom learning activities over the past 12 months and the aim over the next 12 months is to increase our support to Young Enterprise.

In June, Greencore signed the **IGD Employability Pledge**, which is a commitment by the food industry to provide high quality work experience and work opportunities.

In addition Greencore invites local schools to visit its sites and organises food demonstrations to promote careers in the food industry.

FareShare

With an estimated four million people who can't afford a healthy diet in the UK, Greencore's partnership with FareShare helps **provide meals for those in need**. FareShare works with a number of food manufacturers and retailers in the UK collecting food that would otherwise have gone to waste, including landfill, and redistributing it to around 600 organisations in the UK, including hostels, shelters and drop-in centres. Every pallet of surplus food can contribute up to 1,400 meals. Greencore intends to roll this activity out across more of its sites in 2012.

Comic Relief

Seriously Good is a range of cooking sauces developed by celebrity chef, Gordon Ramsay and manufactured and sold by Greencore Grocery. For every jar sold at least 10p goes to charity and so far the range has generated in excess of **£300,000 for Comic Relief** – the funds are redistributed to support charitable causes internationally. A range of Italian cooking sauces was initially launched in 2009, with a selection of Indian sauces joining the range earlier this year. To mark the occasion and to raise awareness for the range Comic Relief organised a 'Pop-Up Curry Stand' on London's Brick Lane.

Picture:
Gordon Ramsay and Coronation Street actress Shobna Gulati serve curry prepared with Seriously Good cooking sauce at Brick Lane.

Board of Directors

1


2


3


4


5


6


7


8


9


10


Group Company Secretary

11


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

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

Option and Remuneration Committee
PG Kennedy* ** (appointed to Committee 11 March 2010)
JT Herlihy*(appointed to Committee 22 April 2009)
DA Sugden* (appointed to Committee 1 April 2008)
EF Sullivan*(appointed to Committee 30 January 2003)

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

1.
EF Sullivan*, B Comm, MBS
Chairman (Aged 63)
Ned joined the Board on 11 March 2002 and became Chairman in February 2003. He was previously Group Managing Director of Glanbia plc and, prior to that, held a number of senior positions with Grand Metropolitan plc in London and Dublin. He is Chairman of eircom Limited and was the first Chairman of An Bord Bia (The Irish Food Board).

2.
PF Coveney, B Comm, M Phil, D Phil
Chief Executive Officer (Aged 41)
Patrick was appointed Chief Executive with effect from March 2008. He joined the Board on 5 September 2005 and previously held the position of Chief Financial Officer for the Group. Prior to joining Greencore, he was a partner with McKinsey & Company, serving as managing partner of McKinsey, Ireland. He was elected a member of the Council of the Dublin Chamber of Commerce where he now serves as Vice President.

3.
AR Williams, BA Hons, ACMA, AMCT
Chief Financial Officer (Aged 42)
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, including most recently as the Global Corporate Finance Director. He previously served as head of finance for the US confectionery operations of Cadbury and of its French beverages business.

4.
DS Walker, BSc Hons
Chief Executive, Convenience Foods UK (Aged 39)
Di was appointed Chief Executive, Convenience Foods UK and joined the Board on 22 April 2009. She joined Greencore in June 2004 as Managing Director of Greencore's Chilled Sauces and Soups category and in October 2006 was appointed Managing Director of Food To Go, the largest convenience food category within the Group. Prior to joining Greencore she held a number of senior positions within the chilled foods industry and was Divisional Managing Director of Hibernia Foods plc and Convenience Food Sales and Marketing Director of Hazlewood Foods plc, prior to it being acquired by Greencore.

5.
JT Herlihy*, B Comm, FCA
Non-Executive Director (Aged 44)
John joined the Board on 13 March 2009. He is Vice President of Advertiser Operations at Google and head of Google Ireland. Previously, he held senior management positions at global technology companies including First Data (US and EMEA), Epiphany (US and Asia-Pacific) and Oracle Corporation (US and EMEA).

6.
PA McCann*
Non-Executive Director (Aged 60)
Pat joined the Board on 24 November 2003. He is Chief Executive of Dalata Hotel Group and was formerly Chief Executive of Jurys Doyle Hotel Group plc, a position he held from 2000 until 2006. He was also a Non-Executive Director of EBS Building Society (resigned June 2011) and was a Non-Executive Director of the Irish Heart Foundation (resigned September 2011). He is also Chairman and Non-Executive Director of a number of private companies.

7.
EL Nicoli*, CBE, BSc
Non-Executive Director (Aged 61)
Eric was appointed to the Board on 14 May 2010. He was previously Group Chief Executive of United Biscuits (Holdings) plc from 1991 until 1999 and Chairman and Chief Executive of EMI Group plc until 2007. He is currently a Director of a number of privately-owned companies in the entertainment, software, property and financial services sectors.

8.
DM Simons*, CBE, BSc Econ, FCMA
Non-Executive Director (Aged 64)
David was appointed to the Board on 1 July 2004. Previously, he was Chairman of Littlewoods Shop Direct Group Limited for five years and Chief Executive of Somerfield plc for seven years. He has held many senior executive and non-executive positions in major UK and International retail companies.

9.
DA Sugden*, BSc, FCA
Non-Executive Director (Aged 60)
David joined the Board on 22 April 2002. He is Chairman of Findel plc. He is a former Chairman of BPP Holdings plc and MSB International plc. Prior to that, he was Group Chief Executive of Geest plc and Group Finance Director of Spear & Jackson International plc. He was a Non-Executive Director of Mouchel plc until October 2011.

10.
PG Kennedy*, BA, FCA
Non-Executive Director (Aged 53)
Gary joined the Board on 18 November 2008. He is a Director of Elan plc as well as being Chairman of its Audit Committee, and during the year was appointed as a Director of Irish Bank Resolution Corporation Limited, where he is also Chairman of its Audit Committee. In addition, he is a Director of Friends First Holdings Ltd. He is also Chairman of a number of private companies. Previously 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 USA and Poland. Prior to that, he was Group Vice-President of Nortel Networks Europe, having started his management career at Deloitte and Touche. He served on the Board of the Industrial Development Authority of Ireland for ten years until he retired in December 2005.

11.
C O'Leary, ACIS
Group Company Secretary (Aged 42)
Conor was appointed Group Company Secretary on 4 June 2010 having served as Deputy Secretary since 2005. Prior to joining Greencore in 2001, he held senior company secretarial roles in Glanbia and Cable & Wireless.

Directors' Report

Introduction
The Directors submit their Report and Financial Statements for the year ended 30 September 2011.

Principal Activities and Review of Business
Greencore is a leading international producer and supplier of convenience foods and ingredients to consumer, industrial and foodservice markets. Detailed commentaries on the Group's performance for the year are contained in the Chairman's Statement, the Chief Executive's Review and the Divisional and Financial Reviews. The principal subsidiary and associate undertakings are listed in Note 37 to the Group Financial Statements.

Results for the Year
The results of the Group for the year are set out in the Group Income Statement. The profit for the year after taxation and exceptional charges was £19.9 million (2010: £30.2 million).

Dividends
An interim ordinary dividend of 3.0c (2010: 3.0c) per share was paid on 5 October 2011. The Directors recommend the payment of a final ordinary dividend of 2.4c (2010: 4.5c) per share. Subject to shareholders' approval, this dividend is to be paid on 2 April 2012 to shareholders who are on the register of members at 5.00pm on 16 December 2011.

Share Capital
During the year 2,481,416 ordinary shares were issued under the Company's Scrip Dividend Scheme and 20,879 ordinary shares were issued under the Company's Share Option and Sharesave schemes.

On 12 July 2011, in order to part fund the acquisition of Uniq, the Group announced a Rights Issue of new ordinary shares in the Company which gave existing shareholders of the Company the right to acquire new Shares in preference to anyone else, so that they had the option of maintaining their percentage stake in the Company. Under the Rights Issue, 5 new shares were offered to existing shareholders for each 6 Shares they held, at a price of 0.46 cent per share. The offer closed on 23 August 2011.

The Directors are currently authorised to allot shares up to a maximum nominal amount equal to €43,628,940 under an authority that was conferred on them at the Extraordinary General Meeting held on 31 January 2011. This authority will expire at the conclusion of Greencore's next Annual General Meeting or on 31 July 2012, whichever is earlier.

Additionally, at the forthcoming Annual General Meeting, shareholders are being asked to approve, until the day following the Annual General Meeting to be held in 2013, the Directors' power to disapply the strict statutory pre-emption provisions relating to the issue of new equity for cash. The disapplication will be limited to the allotment of equity securities in connection with any rights issue or any open offer to shareholders and the allotment of shares in lieu of dividends, and the allotment of shares up to an aggregate nominal value equal to 5 per cent of the nominal value of the Company's issued share capital.

At the Annual General Meeting held in January 2011, shareholders passed a resolution to give the Company, or any of its subsidiaries, the authority to purchase up to 10 per cent of its own shares. At the forthcoming Annual General Meeting, shareholders will be asked to renew this authority until the date of the Annual General Meeting to be held in 2013 or 18 months thereafter, whichever is the earlier. The Directors do not have any current intention to exercise the power to purchase the Company's own shares.

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

The special share is owned by the Minister for the Department of Agriculture, Food & the Marine, on behalf of the Irish State. This gives the owner certain rights, inter alia, in relation to notice and attendance at meetings as well as a consent requirement in respect of certain limited amendments of the Company's Articles of Association and the issue of shares which have voting rights but which are not ordinary shares. It also confers certain rights which are now historic relating to the sugar quota and sugar producing assets formerly used by the Company.

Future Developments
The Group showed further growth and development during the year, in particular with the successful acquisition of Uniq plc during the year. 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 (Regulation 37 of the European

Communities (Companies: Group Accounts) Regulations 1992, as amended), the Group is required to give a description of the principal risks and uncertainties which it faces. These principal risks are set out on pages 24 and 25.

Further detail in relation to the Group's internal controls is included on pages 37 to 41 of this report. Details of the Group's financial risk management policies are set out in Note 22 of the Group Financial Statements. Details of the Group's key performance indicators are set out on page 15.

Directors

Mr. DA Sugden will have completed his third three year term as a Non-Executive Director at the conclusion of the forthcoming Annual General Meeting and has decided to retire from the Board at that point.

In accordance with provision B.7.1. of the 2010 UK Corporate Governance Code ('the Code') (and the Irish Corporate Governance Annex) ('the Annex') each of the Directors shall retire at each future Annual General Meeting and 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 30 September 2011

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

Significant Shareholdings

At 5 December 2011, the Company has been advised of the following notifiable interests in its ordinary share capital:

	No. of interests in ordinary shares	% of issued share capital
Polaris Capital Management	56,829,472	14.77
Letko Brosseau & Associates	48,038,027	12.48
Artemis Investment Management	30,703,460	7.98
Sheffield Asset Management	29,378,965	7.63

Apart from these holdings, the Company has not been notified at 5 December 2011 of any interest of 3 per cent or more in its ordinary share capital.

Corporate Governance

Statements by the Directors in relation to the Group's application of corporate governance principles, compliance with the provisions of the Code and the Annex, the Group's system of internal controls and the adoption of the going concern basis in the preparation of the Financial Statements are set out on pages 37 to 41.

The Report on Directors' Remuneration is set out on pages 42 to 45.

Corporate Responsibility

The Group views corporate responsibility as an integral part of the organisation's culture and always strives to ensure it is acting in the best interests of all related parties and stakeholders. Group policies and implementation systems are set out on pages 26 to 31.

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 17 and 18 and in Note 2 of the Group Financial Statements.

Taxation Status

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

Accounting Records

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

Directors' Report (continued)

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

Notice of Annual General Meeting and Special Business
Notice of the Annual General Meeting, together with details of special business to be considered at the meeting will follow shortly.

On behalf of the Board

EF Sullivan
Director

AR Williams
Director

Dublin
5 December 2011

Corporate Governance Report

Corporate governance is concerned with how companies are managed and controlled. The Directors are committed to the highest standards of corporate governance. This statement explains how the Group has applied the principles set out in the 2010 UK Corporate Governance Code ('the Code') as adopted by the Irish and London Stock Exchanges. In addition, the Irish Corporate Governance Annex ('the Annex') has come into effect for companies listed on the ISE whose financial periods commence on or after 17 December 2010, however, Greencore has chosen the early adoption of the Annex, which includes additional provisions to the Code. The Irish Annex implements the nine recommendations arising from a report on corporate governance which was commissioned by the Irish Stock Exchange and the Irish Association of Investment Managers in early 2010. The Board understands the importance of good corporate governance, the Code and the Annex and believes that the Group has complied fully with the Code and the relevant provisions of the Annex throughout the financial year ended 30 September 2011 where the requirements are of a continuing nature.

Board of Directors

The Board is responsible for the leadership and control of the Company. The Board currently comprises three Executive and seven Non-Executive Directors. Biographical details are set out on pages 32 and 33 and include their dates of appointment. The Board considers that, between them, the Directors bring the range of skills, knowledge and experience necessary to lead the Company, whilst each of the Non-Executive Directors have international strategic experience, both within the food industry and the broader commercial arena.

All the Directors bring independent judgement to bear on issues of strategy, performance, resources, key appointments and standards. The Board has determined that each of the Non-Executive Directors is independent. The independence of each Director is determined prior to appointment and annually thereafter. Each has no material interest or other relationship with the Group. It is intended that Mr. DA Sugden, who will have completed his third three year term as a Non-Executive Director, will retire from the Board at the forthcoming AGM and it is expected that his vacancy will not be replaced in the immediate term. The Board believes that the remaining members of the Board, which will compile of six Non-Executive Directors and three Executive Directors will continue to be of the correct size and structure and the balance between Non-Executive Directors and Executive Directors will continue to have the appropriate skills, expertise and experience necessary to fulfil its role effectively without undue reliance on the individual Non-Executive Directors, while remaining responsive to the needs of the Company. Such continuing responsiveness is necessary to address any challenges and opportunities which have been identified post integration of the Uniq business.

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 their views on any items to be raised through the Chairman in advance of the meeting. A list of Director attendances at scheduled meetings throughout the year can be found on page 39.

There is an agreed list of matters which the Board has formally reserved to itself for consideration and decision, such as Board membership, major acquisitions and disposals, major capital expenditure, risk management, treasury policies and approval of the financial statements and other formal announcements. The list of matters reserved for Board decision is reviewed regularly by the Board and is updated where necessary. The matters and agenda reserved for Board consideration are planned in order to best harness 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, both individually and collectively, for the proper stewardship of the Group's affairs.

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

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

The Board has a formal process whereby each Director and the Group Company Secretary individually meet with the Chairman annually to review individual Director performance, the conduct of Board meetings, the performance of the Board as a whole and its committees and the general corporate governance of the Group. The evaluation of each individual Director focuses on the contribution of the Director to the Board and how they met their expectations during the year. In addition, the Chairman meets at least once annually with the Non-Executive Directors without the Executive Directors being present. The Chairman of the Board reports the findings of such a board effectiveness review to the Board and raises any issues which have been identified during the year and addresses any key areas for focus in the forthcoming year. The Senior Independent Director meets with each Director to review the Chairman's performance on an annual basis. This forms part of the broader board effectiveness review and ensures a robust, independent and effective Board.

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

Corporate Governance Report (continued)

Board of Directors (continued)

It is expected that the Non-Executive Directors will constructively challenge the management proposals where appropriate and will contribute their expertise and knowledge concerning the development of the Group. To ensure that all Non-Executive Directors are capable of dedicating sufficient time to the Board, prior to their election to the Board and relevant committees, they are made aware of the scheduled calendar of meetings and are required to confirm that they will be able to meet the time commitments required as part of their role.

The Board has acknowledged that there should be a recognised senior member of the Board, known as the 'Senior Independent Director', and that the position should be rotated among the Non-Executive Directors, all of whom are independent. Mr. PA McCann is currently the Senior Independent Director and was appointed to this role on 11 February 2010. Mr. McCann is available to shareholders who have concerns that cannot be addressed through the Chairman, Chief Executive or Chief Financial Officer. He also acts as a confidential sounding board and intermediary for the other Directors, if necessary. As part of the performance evaluation process, the Non-Executive Directors, led by the Senior Independent Director, meet annually without the Chairman present to appraise the Chairman's performance and take the views of the Executive Directors and the Company Secretary into account.

During the year, the Board meets with key executives within the Group and site visits are arranged at least once a year in order to ensure that the Board are fully familiar with the operations. 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 it is deemed appropriate.

The Board is currently undertaking an assessment of external advisors who will be engaged to undertake an evaluation of the Board, on a triennial basis. Any such evaluations will be carried out parallel to the work carried out by the Senior Independent Director and the Chairman. The formal engagement of an external advisor is envisaged to take place within the current financial year.

Board Committees

The Board has established an effective committee structure to assist in the discharge of its responsibilities. The committees and their members are listed on page 33 of this report. All committees of the Board have written Terms of Reference dealing with their authority and duties delegated by the Board. The Terms of Reference are updated as appropriate and are available on the Group's website at www.greencore.com, and can be accessed through the Corporate Governance section. Membership of the Audit and the Option and Remuneration Committees are comprised exclusively of Non-Executive Directors. The Company Secretary acts as secretary to each of these committees.

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

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

The Chief Financial Officer and the Head of the Risk Management Group, along with representatives from the external auditor are invited by the committee to attend meetings on a regular basis. In addition, the Chief Executive, along with other executives from within the Group, attend meetings from time to time. The external auditor and the Head of the Risk Management Group have the opportunity to meet with the members of the committee alone at least once a year. The Group has a policy governing the conduct of non-audit work by the auditor. The engagement of the external auditor to provide any non-audit services must be pre-approved by the committee where the fee exceeds 20 per cent of the audit fee. During the financial year to 30 September 2011, fees paid in relation to non-audit related services totalled £593,000 (2010: £856,000) in respect of KPMG in Ireland, the external auditor, and £1,311,000 (2010: £1,616,000) in respect of KPMG in other countries.

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

The committee has determined that Mr. JT Herlihy, Mr. PG Kennedy, Mr. EL Nicoli and Mr. DM Simons have recent and relevant financial experience as can be seen from their biographies on page 33 and, therefore, satisfy the requirements of the Code. The Board has determined that Mr. Simons is independent and has the relevant financial expertise to act as Chairman of the Audit Committee.

During the financial year under review, the Audit Committee held an additional four unscheduled meetings, in respect of the aborted transaction with Northern Foods plc and also to review the financial due diligence, together with the tax and synergy benefits relating to the Uniq acquisition on behalf of the Board. In addition the committee has undertaken that it will review the working capital requirements of the combined Group for an 18 month period following the release of the Prospectus in July, 2011 and will report its findings to the Board.

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

In the past, all newly appointed Directors have been subject to election by shareholders at the Annual General Meeting following their appointment. Going forward, in compliance with the relevant provision of the Code, all Directors shall retire at each Annual General Meeting and submit themselves for re-election where it has been deemed appropriate.

During the year under review, the Nomination Committee met to discuss the appointment of a Chief Financial Officer and Executive Director following on from the resignation of Mr. GP Doherty from his role as Chief Financial Officer and Executive Director which took effect in December 2010. The key attributes that the new individual should have were discussed at length and included extensive commercial experience. An external consultant was engaged to seek suitable candidates for interview. Following on from an extensive process, the Nomination Committee recommended Mr. AR Williams for co-option to the Board, based on his skills, key personal attributes and past experience.

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

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

The Option and Remuneration Committee operates the Group's Deferred Bonus Scheme, Share Option Schemes, Sharesave Schemes and Long-Term Incentive Schemes. It is responsible for determining the remuneration packages of the Executive Directors and senior management and for making recommendations in regard to the Chairman's and Directors' fees which are fixed by the Board on the authority of the shareholders. Where necessary, the Committee consults with remuneration consultants. The Group's remuneration policy for Executive Directors and details of Directors' remuneration are contained in the Report on Directors' Remuneration on pages 42 to 45.

Mr. PG Kennedy is Chairman of the Option and Remuneration Committee and is joined by Mr. JT Herlihy, Mr. DA Sugden and Mr. EF Sullivan, all of whom, the Board feel, have extensive international and varied business experience, as detailed in their biographies, which provides them with the relevant skills necessary to ensure that all elements of executive remuneration is aligned with those of the shareholders.

During the year, in addition to the scheduled meetings, the committee met to discuss a number of issues resulting from the Rights Issue which took place in August 2011 as part of the Uniq acquisition. Such issues included the rebasing of executive options and share option schemes. The committee also discussed and authorised a more comprehensive marketing strategy for the sharesave schemes which are operated in Ireland and the UK.

Attendance at scheduled Board and Board committee meetings during the year ended 30 September 2011 was as follows:

	Board		Audit		Nomination		Option and Remuneration	
	A	B	A	B	A	B	A	B
PF Coveney	9	9	–	–	1	1	–	–
GP Doherty*	2	2	–	–	–	–	–	–
JT Herlihy	9	8	4	2	–	–	3	2
AM Hynes**	1	1	–	–	–	–	–	–
PG Kennedy	9	9	4	4	–	–	3	3
PA McCann	9	8	–	–	1	1	–	–
EL Nicoli	9	8	4	4	–	–	–	–
DM Simons	9	9	4	4	1	1	–	–
DA Sugden	9	9	–	–	–	–	3	2
EF Sullivan	9	9	–	–	1	1	3	3
DS Walker	9	9	–	–	–	–	–	–
AR Williams***	6	6	–	–	–	–	–	–

* Resigned 31 December 2010. ** Resigned 3 December 2010. *** Appointed 7 March 2011.

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

Corporate Governance Report (continued)

Board Committees (continued)

In addition, 15 unscheduled Board meetings were held during the year together with four unscheduled Audit Committee meetings, largely in respect of actual and potential corporate initiatives.

In addition, where appropriate the Board will establish sub-committees on an ad hoc basis to deal with matters which arise throughout the year. The sub-committees will comprise members of the Board who are deemed to have the skills and expertise necessary for the purpose for which the committee was established. For example, in recognition of a very tight timetable associated with the Uniq acquisition, a sub-committee of the Board, comprising the Chairman, the Senior Independent Director, the Chief Executive and the Chief Financial Officer was constituted on 11 July 2011 in order to approve and execute the various documents associated with the transaction. The Company Secretary was instructed to ensure the Board was fully appraised of developments as they arose to ensure that Appendix 3 of the Code was duly complied with.

Communication with Shareholders

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

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

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

All Board members attend the Annual General Meeting and are available to answer questions. Separate resolutions are proposed on substantially different issues, and the agenda of business to be conducted at the Annual General Meeting includes a resolution to receive and consider the Annual Report and Financial Statements. The chairmen of the Board's committees are available at the Annual General Meeting. The notice of the Annual General Meeting, together with the Annual Report and Financial Statements, is sent to shareholders at least twenty 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 an Annual General Meeting and two Extraordinary General Meetings, wherein all shareholders were given the opportunity to verbalise any concerns.

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

Going Concern

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

Internal Control

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

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

The systems involve the Board considering the following:

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

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

The key elements of the system are as follows:

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

The preparation and issue of financial reports are managed by the Group finance department. The Group financial reporting process is controlled using the Group accounting policies and reporting systems. The Group finance department supports all reporting entities with guidance in the preparation of financial information. This process is supported by the Finance Manager for Convenience Foods and the Finance Manager for Ingredients & Property. Each Group entity has a Finance Director or Controller who have responsibility and accountability to provide information in keeping with agreed policies.

The financial information for each entity is subject to a review at reporting entity and Group level by the Chief Executive, the Chief Financial Officer, and the CEO, Convenience Foods UK along with the entity Managing Directors. The annual accounts are reviewed by the Audit Committee in advance of same being presented to the Board for their review and approval.

In order to ensure the necessary focus on the control environment, the Group has determined that it will incentivise the continuous improvement of the internal control environment so as to embed it within the organisation. Accordingly, these improvements form part of the performance review of individuals. This includes Managing Directors as well as finance teams.

In addition, to ensure compliance with the Code requirements on Risk Management, the Audit Committee has appointed a team which is comprised of the Head of the Risk Management Group, Head of Technical, the Company Secretary and the Head of Legal, whose task it is to undertake a broad ranging review on the creation of a corporate risk register.

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

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

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

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

Compliance

The Board is committed to maintaining high standards of corporate governance and supports the principles advocated by the Code and the Annex as adopted by the Irish and London Stock Exchanges and in the period under review the Company complied with the Code and Annex provisions.

Report on Directors' Remuneration

The Option and Remuneration Committee

The Option and Remuneration Committee of the Board consists of Non-Executive Directors of the Company. The terms of reference of the Option and Remuneration Committee include the determination of the remuneration packages for Executive Directors and senior management and recommendations on Non-Executive Directors' fees. Further details are set out below and membership of the Committee is set out on page 33.

Remuneration Policy

The main aim of the Group's remuneration policy is to pay the Executive Directors competitively taking into consideration the remuneration practices of other international companies of similar size and scope, the current economic climate and the need to ensure that Directors are appropriately remunerated and motivated to perform in the best interests of shareholders.

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

The main elements of the remuneration package for Executive Directors are basic salary and benefits, a performance related annual bonus, a deferred bonus plan, pension benefits and participation in a share option plan.

Deloitte was appointed during the 2009/2010 financial year to undertake a review of executive remuneration arrangements, to ensure that such arrangements are effectively structured to retain key management. They continued during the year under review to assist the Option and Remuneration Committee in its evaluation and appraisal of the introduction of a new Long Term Incentive Plan ('LTIP'), which is still under assessment. Deloitte separately provide tax services to the Group and the Option and Remuneration Committee do not consider there to be any conflict of interest in this regard.

Basic Salary

The salaries of Executive Directors are reviewed annually having regard to the job size, responsibility levels, personal and Group performance and competitive market practice.

Performance Related Annual Bonus and Deferred Bonus Plan

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

- to support the business strategy;
- to align the financial interests of executives and shareholders;
- to provide market competitive reward opportunities for performance in line with expectations; and
- to have competitive compensation packages to attract and retain managers of the highest calibre.

The annual performance related bonus scheme ensures that:

- budgeted performance targets are clearly defined and stretching;
- the maximum annual performance-related bonuses are competitive with peer Group companies of the Group; and
- 75% of performance targets are weighted towards financial targets with a 25% weighting for personal and strategic goals.

The current incentive plan for senior executives operates by deferring half the annual bonus earned into Company shares calculated at market value, to be held by a trustee for the benefit of individual participants for three years without any additional performance requirements or matching. The shares vest after three years but will be forfeited should an executive voluntarily leave the Group within the three year time period subject to normal 'good leaver' provisions.

The rationale for implementing this type of plan includes the retention of key executives, aligning pay with long-term performance, simplifying arrangements and aligning executives' interests with shareholders' interests through deferral of part of the bonus into shares. Not all eligible executives will necessarily receive an award in any single year and no executive will receive awards from the option plan in the same year as they receive the benefit of a deferred bonus.
The incentive plan for senior executives was adopted by the Board for the financial year ended 26 September 2008 and subsequent financial years.

Performance Share Plan

At the Annual General Meeting in 2004, shareholders approved the introduction of a new long-term incentive scheme for senior executives described as a Performance Share Plan ('the Plan'). The Plan is for senior executives who are best placed to maximise shareholder value and operates on the basis of the making of conditional share awards using Greencore shares as the underlying unit of value. Since the introduction of this plan, no awards have been made to any executive.

Share Option Schemes

The Group operates share option and sharesave schemes that are based on approvals by shareholders in 1991, 1994 and 2001. It is Group policy to grant options under the Share Option Scheme to key executives across the Group to encourage identification with shareholders' interests. Options have been granted to approximately 260 executives to date. Non-Executive Directors do not participate in the scheme.

Under the 1991 and 1994 schemes, basic 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 Consumer Price Index (CPI) over the same period.

Under the 2001 scheme, basic options can only be exercised where there has been an increase in the earnings per share of the Company of at least the increase in the CPI over a three year period plus 5 per cent compounded per annum.

The Group encourages eligible employees to save in order to buy shares in the Company. The sharesave schemes provide a means of saving and give employees the opportunity to become shareholders. To date, approximately 3,000 employees have been granted options under the sharesave schemes.

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 30 September 2011 in the share capital of the Company were as follows:

	Ordinary Shares	
Directors	**At 30/09/2011***	At 24/09/2010 (Or date of appointment if later)
PF Coveney	**942,043**	404,500
JT Herlihy	**–**	–
PG Kennedy	**33,213**	17,701
PA McCann	**77,000**	42,000
EL Nicoli	**17,000**	–
DM Simons	**87,856**	50,000
DA Sugden	**32,083**	17,500
EF Sullivan	**41,002**	22,365
DS Walker	**105,750**	56,623
AR Williams	**–**	–
Group Company Secretary		
C O'Leary	**–**	–

* In August, 2011 following the Extraordinary General Meeting of the Company, each of the Directors of the Company who held shares participated in the Rights Issue, either in part or in full.

There were no changes in the interests of the Directors or the Company Secretary from 30 September 2011 to 5 December 2011.

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

Deferred Bonus Plan Awards

Executive Directors	Initial allocation of shares	Post adjustment for Rights Issue**	Market price on award date €	Holding period
PF Coveney	382,096	481,004	0.916	03/12/2008 – 03/12/2011
	491,522	618,755	1.38	01/12/2009 – 01/12/2012
	687,988	866,078	1.30	01/12/2010 – 01/12/2013
DS Walker	125,257	157,680	0.85	09/12/2008 – 09/12/2011
	170,525	214,666	1.38	01/12/2009 – 01/12/2012
	273,661	344,500	1.30	01/12/2010 – 01/12/2013
Group Company Secretary				
C O'Leary	63,462	79,889	1.30	01/12/2010 – 01/12/2013

** Following the Rights Issue in August (as detailed on page 34) the Option and Remuneration Committee approved the rebasing of the awards 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.

Report on Directors' Remuneration (continued)

Deferred Bonus Plan Awards (continued)

In respect of the year ended 30 September 2011, the value of the Deferred Bonus Award that will be allocated as Deferred Share Awards to the Executive Directors and Company Secretary is:

	£'000
PF Coveney	501
AR Williams	170
DS Walker	175
C O'Leary	67

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

Directors' and Company Secretary's Share Options

Details of movements on outstanding options over the Company's ordinary share capital and those granted during the year are set out below. Outstanding options are exercisable on dates between 2011 and 2019.

In addition to the adjustment of the deferred awards, the Option and Remuneration Committee approved the rebasing of shares under option to reflect the effect of the Rights Issue on the options as the inherent value of the executive share options and options held under the sharesave schemes was also reduced. To take account of the impact of the Rights Issue on the options, the Company has adjusted the options to increase the number of shares subject to them and reduce the option price at which each share may be bought on exercise of options so that the total amount payable to exercise options in full remains unchanged.

No. of options	At start of year	Exercised during year	Lapsed during year	Effect of rights issue	At end of year post rights issue	Weighted average exercise price at 30.09.11
PF Coveney						
Basic	420,000	–	–	108,719	528,719	€2.71
Sharesave	20,880	–	–	5,298	26,178	€0.70
DS Walker						
Basic	150,000	–	–	38,828	188,828	€3.88
Sharesave	10,431	–	–	2,647	13,078	£0.69
C O'Leary						
Basic	150,000	–	(20,000)	33,651	163,651	€1.19
Sharesave	14,616	–	–	3,709	18,325	€0.70

Alan Williams has not been included as he did not have share options during the year and therefore rebasing was not applicable. There were no changes in the interests of the Directors and the Group Company Secretary between 30 September 2011 and 5 December 2011.

Share Options

Options outstanding under the Company's share option and sharesave schemes at 30 September 2011 amounted to 9,222,548 ordinary shares (taking into account the Rights Issue adjustment) (2010: 8,835,902) made up as follows:

		No. of ordinary shares	Price range	Normal dates exercisable
Share option schemes	Basic tier	5,469,726	€0.64 – €3.88	2011 – 2019
Sharesave scheme	Ireland	301,462	€0.67 – €3.14	2011 – 2015
	UK	3,451,360	£0.63 – £2.39	2011 – 2020
		9,222,548		

Pension Benefits

Mr. Coveney and Ms. Walker are deferred members of the Group's Defined Benefit Pension Schemes which were frozen to future accrual from 31 December 2009. Each Executive Director is provided with a defined contribution payment in respect of future service. During the year, Mr. Hynes' deferred benefit was enhanced by the company to the value of £346,000, reflecting early access by him to his benefits.

Directors' Service Contracts

No Executive Director has a service contract extending beyond 12 months. Each Executive Director is entitled to terminate his/her employment with 30 prior days notice at any time within six months after a change in control of the Company if the Executive has reasonable grounds to contend that such change in control has resulted or will result in the diminution of his/her powers, duties or functions in relation to the Company. If the Executive's contract is terminated in those circumstances the executive can seek a payment from the Company in settlement of all and any claims arising in those circumstances. The amount of the payment (subject to deduction of income tax) will be equal to the sum total of the basic salary and the bonus paid to the Executive in the calendar year immediately preceding such termination. The Non-Executive Directors do not have service contracts but have letters of appointment.

Directors' Remuneration for the Year Ended 30 September 2011

Executive Directors	Fees ordinary £'000	Fees special £'000	Basic salary £'000	Pension contri-butions £'000	Other benefits* £'000	Per-formance bonus £'000	2011 Total £'000	2010 Total £'000
PF Coveney	–	–	647	242	42	501	1,432	1,365
GP Doherty**	–	–	95	39	9	–	143	898
AM Hynes***	–	–	56	346	6	–	408	711
DS Walker	–	–	400	100	47	312	859	970
AR Williams****	–	–	220	55	18	170	463	–
	–	–	1,418	782	122	983	3,305	3,944
Non-Executive Directors							2011	2010
EF Sullivan	47	144	–	–	–	–	191	174
JT Herlihy	46	3	–	–	–	–	49	47
PG Kennedy	46	10	–	–	–	–	56	47
PA McCann	46	10	–	–	–	–	56	52
EL Nicoli	46	3	–	–	–	–	49	19
DM Simons	46	10	–	–	–	–	56	52
DA Sugden	46	–	–	–	–	–	46	46
	323	180	–	–	–	–	503	437
Total remuneration	323	180	1,418	782	122	983	3,808	4,381

* Other benefits refer to health insurance, benefit in kind or car allowances.
** Mr. Doherty resigned on 31 December 2010.
*** Mr. Hynes resigned on 3 December 2010.
**** Mr. Williams was appointed on 7 March 2011.

Share-Based Payments

In addition to the above, the Executive Directors receive share options and Deferred Bonus Share awards. Full details of Directors' share options are outlined on pages 43 and 44 of this Report. The related credit recognised in the Income Statement in the year, calculated in accordance with IFRS 2 Share-Based Payment in respect of options issued to Executive Directors under the Group Share Option Schemes and Sharesave Schemes, totalled £0.129 million (2010: charge of £0.033 million). Full details of Deferred Bonus Plan Awards are outlined on pages 42 and 43 of this Report. The related expense recognised in the Income Statement in the year totalled £1.182 million (2010: £1.04 million).

Average Number of Directors

	2011	2010
Average number of Executive Directors	**3**	4
Average number of Non-Executive Directors	**7**	7
	10	11

Statement of Directors' Responsibilities

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

Irish company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. The Directors have prepared the Group Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union. The Directors have elected to prepare the Company Financial Statements in accordance with Generally Accepted Accounting Practice in Ireland (Irish GAAP), comprising the financial reporting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland together with the Companies Acts, 1963 to 2009.

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

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

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

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

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the Financial Statements of the Group are prepared in accordance with applicable International Financial Reporting Standards as adopted by the European Union and comply with the provisions of the Companies Acts, 1963 to 2009, and Article 4 of the European Communities (International Financial Reporting Standards and Miscellaneous Amendments) Regulations 2005 (the 'IAS Regulation'). They are also responsible for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

For the purpose of Regulation 21 of SI 255/2006 'EC (Takeover Directive) Regulations 2006', the information given under the following headings on pages 34 (Share Capital), 35 (Directors), 35 (Significant Shareholdings), 42 (Performance Related Annual Bonus and Deferred Bonus Plan), 42 (Performance Share Plan), 42 (Share Option Schemes), 43 (Directors' and Company Secretary's Share Interests), 44 (Share Options), 45 (Directors' Service Contracts) and 45 (Share-Based Payments) are deemed to be incorporated in this part of the Directors' Report.

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

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

1. The Chairman's Statement on pages 10 and 11.
2. Operating Review on pages 17 and 18 which includes a review of the external environment, key strategic aims and performance measures.
3. Financial Review on pages 20 to 22.
4. Principal risks and uncertainties on pages 24 and 25.
5. Directors' Corporate Governance Report on pages 37 to 41.
6. Corporate Responsibility Review on pages 26 to 31.
7. Directors' Report on research and development on page 35.
8. Details of Earnings per Ordinary Share on page 60 and pages 80 to 82.
9. Details of shares re-purchased by the Company on page 105.
10. Details of Derivative Financial Instruments on pages 90 to 96.

The Directors confirm that to the best of their knowledge, the Annual Report and the Group Financial Statements, prepared in accordance with applicable law and International Financial Reporting Standards as adopted by the EU, as at 30 September 2011:

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

On behalf of the Board

EF Sullivan
Director

AR Williams
Director

Dublin
5 December 2011

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

We have audited the Group and Company financial statements (the 'Financial Statements') of Greencore Group plc for the financial year ended 30 September 2011 which comprise the Group Income Statement, the Group Statement of Recognised Income and Expense, the Group and Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Changes in Equity, the Group and Company Statements of Accounting Policies and the related notes. These Financial Statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

The Directors' responsibilities for preparing the Annual Report and the Group Financial Statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU, and for preparing the Company Financial Statements in accordance with applicable Irish law and the accounting standards issued by the Accounting Standards Board and promulgated by Chartered Accountants Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Directors' Responsibilities on pages 46 and 47.

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

We report to you our opinion as to whether the Group Financial Statements give a true and fair view in accordance with IFRSs as adopted by the EU, and have been properly prepared in accordance with the Companies Acts 1963 to 2009 and Article 4 of the IAS Regulation and whether, in addition, the Company Financial Statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland and have been properly prepared in accordance with the Companies Acts 1963 to 2009. We also report to you our opinion as to whether proper books of account have been kept by the Company; whether at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the Company; and whether the information given in the Directors' Report is consistent with the Financial Statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the Company Balance Sheet is in agreement with the books of account.

We are required by law to report to you our opinion as to whether the description of the main features of the internal control and risk management systems in relation to the process for preparing the Group Financial Statements set out in the annual Corporate Governance Report is consistent with the Group Financial Statements. In addition, we also report to you if, in our opinion, any information specified by law or the Listing Rules of the Irish Stock Exchange regarding Directors' remuneration and Directors' transactions is not disclosed and, where practicable, include such information in our report.

We review whether the Corporate Governance Report and the Report on Directors' Remuneration reflect the Company's compliance with the nine provisions of the 2010 FRC UK Corporate Governance Code specified for our review by the Listing Rules of the Irish Stock Exchange, and also, at the request of the Board of Directors, the two provisions of the Irish Corporate Governance Annex that will be within the scope or our review as specified by the Irish Stock Exchange in the next reporting period, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

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

Basis of Audit Opinion

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

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

Opinion

In our opinion:

- the Group Financial Statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 30 September 2011 and of its profit for the financial 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 30 September 2011;
- the Group Financial Statements have been properly prepared in accordance with the Companies Acts 1963 to 2009 and Article 4 of the IAS Regulation; and
- the Company Financial Statements have been properly prepared in accordance with the Companies Acts 1963 to 2009.

Other Matters

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

In our opinion the information given in the Directors' Report and the description in the annual 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 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 30 September 2011 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the Company.

David Meagher

David Meagher
For and on behalf of
KPMG

Chartered Accountants, Statutory Audit Firm
5 December 2011
Dublin, Ireland

Group Statement of Accounting Policies
year ended 30 September 2011

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 2009, 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 30 September 2011 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 30 September 2011.

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.

Following the acquisition of Uniq plc, the Group changed its reporting currency from euro to sterling. This change aligns the Group's external financial reporting with the currency profile of the Group. At the same time, Greencore Group plc has changed its functional currency from euro to sterling. This change reflects the increased concentration of the Group's activities in sterling. The change in functional currency has been accounted for prospectively from completion of the acquisition while the change in presentation currency has been applied retrospectively.

In restating the Group Financial Statements for 2010 and 2009, the reported information was converted to sterling from euro using the following procedures:

- Assets, liabilities and equity were translated to sterling at the closing rates of exchange at each respective balance sheet date.
- Income and expenses were translated to sterling at actual rates of exchange for the transactions (or average where this was a reasonable approximation).
- Differences resulting from the retranslation were taken to reserves.

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 53 week period ended 30 September 2011. Comparatives are for the 52 week period ended 24 September 2010. The Balance Sheets for 2011, 2010 and 2009 have been prepared as at 30 September 2011, 24 September 2011 and 25 September 2009 respectively.

The profit attributable to equity shareholders dealt with in the Financial Statements of the Company was £6.6 million (2010: £5.6 million). In accordance with section 148(8) of the Companies Act 1963 and section 7(1A) of the Companies (Amendment) Act 1986, the Company is availing of the exemption from presenting its individual profit and loss account, which forms part of the approved Financial Statements, to the Annual General Meeting and from filing it with the Registrar of Companies.

New Standards and Interpretations

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

New/Revised International Financial Reporting Standards		Effective Date – periods beginning on or after
IFRS 2	Share-Based Payments – Amendments relating to group cash-settled share-based payment transactions	1 January 2010
IFRS 3	Business Combinations – Amendments resulting from 2010 Annual Improvements to IFRSs	1 July 2010
IFRS 5	Non-Current Assets Held for Sale and Discontinued Operations – Amendments resulting from 2009 Annual Improvements to IFRSs	1 January 2010
IFRS 8	Operating Segments – Amendments resulting from 2009 Annual Improvements to IFRSs	1 January 2010

New/Revised International Financial Reporting Standards		Effective Date – periods beginning on or after
IAS 1	Presentation of Financial Statements – Amendments resulting from 2009 Annual Improvements to IFRSs	1 January 2010
IAS 7	Statement of Cash Flows –Amendments resulting from 2009 Annual Improvements to IFRSs	1 January 2010
IAS 17	Leases –Amendments resulting from 2009 Annual Improvements to IFRSs	1 January 2010
IAS 27	Consolidated and Separate Financial Statements – Amendments resulting from 2010 Annual Improvements to IFRSs	1 July 2010
IAS 32	Financial Instruments: Presentation – amendments –Amendments relating to classification of rights issues	1 February 2010
IAS 36	Impairment of Assets –Amendments resulting from 2009 Annual Improvements to IFRSs	1 January 2010
IAS 39	Financial Instruments: Recognition and Measurement – amendments –Amendments resulting from 2009 Annual Improvements to IFRSs	1 January 2010

New/Revised International Financial Reporting Interpretations Committee (IFRIC)		
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

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

New/Revised International Financial Reporting Standards		Effective Date – periods beginning on or after
IFRS 7	Financial Instruments: Disclosures – Amendments resulting from 2010 Annual Improvements to IFRSs – Amendments enhancing disclosures about transfers of financial assets	 1 January 2011 1 July 2011
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 2013
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 2013
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 2013
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 2013
IFRS 13	Fair Value Measurement – Replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard	1 January 2013
IAS 1	Presentation of Financial Statements – Amendments resulting from 2010 Annual Improvements to IFRSs	1 January 2011

Group Statement of Accounting Policies
year ended 30 September 2011
(continued)

New Standards and Interpretations (continued)

New/Revised International Financial Reporting Standards		Effective Date – periods beginning on or after
IAS 12	Income Taxes – Amendment to provide a presumption that recovery of the carrying amount of an asset measured using the fair value model in IAS 40 Investment Property will, normally, be through sale	1 January 2012
IAS 19	Employee Benefits (2011) – Revised requirements for pensions and other post retirement benefits, termination benefits and other changes	1 January 2013
IAS 24	Related Party Disclosures (EU endorsed) – Revised definition of related parties	1 January 2011
IAS 34	Interim Financial Reporting – Amendments resulting from 2010 Annual Improvements to IFRSs	1 January 2011

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

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.

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 prospectively 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.

Group Statement of Accounting Policies year ended 30 September 2011 (continued)

Business Combinations (continued)

Acquisitions on or after 26 September 2009 (continued)

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.

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 15 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.

Group Statement of Accounting Policies
year ended 30 September 2011
(continued)

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.

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 not designated as effective hedging instruments (i.e. trading derivatives) are classified as a current asset or liability regardless of maturity. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than twelve months and as a current asset or liability if the maturity of the hedged item is less than 12 months.

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

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

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

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

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

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

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

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

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

Net Investment Hedge
Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised directly in equity in the foreign currency translation reserve, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in 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.

Group Statement of Accounting Policies
year ended 30 September 2011
(continued)

Retirement Benefit Obligations (continued)

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

To the extent that the Group receives a tax deduction relating to services paid for by means of share awards or options, deferred tax is provided on the basis of the difference between the market price of the underlying equity as at the date of the Financial Statements and the exercise price of the option. As a result, the deferred tax impact of share options will not directly correlate with the expense reported in the Income Statement. 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 disposed of, 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. On adoption of IFRS 8, the Group identified three reportable segments: (i) Convenience Foods, (ii) Ingredients & Property and (iii) Malt. 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 and transaction costs related to acquisition and disposal activity. Group management exercises judgement in assessing each particular item which, by virtue of their 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 30 September 2011

	Notes	2011 Pre-exceptional £'000	2011 Exceptional (Note 6) £'000	2011 Total £'000	2010 As re-presented* Pre-exceptional £'000	2010 As re-presented* Exceptional (Note 6) £'000	2010 As re-presented* Total £'000
Continuing operations							
Revenue	1	**804,210**	**–**	**804,210**	739,863	–	739,863
Cost of sales		**(559,069)**	**–**	**(559,069)**	(491,996)	–	(491,996)
Gross profit		**245,141**	**–**	**245,141**	247,867	–	247,867
Operating costs, net	2	**(193,647)**	**(24,305)**	**(217,952)**	(196,274)	–	(196,274)
Group operating profit/(loss) before acquisition related amortisation		**51,494**	**(24,305)**	**27,189**	51,593	–	51,593
Amortisation of acquisition related intangibles	13	**(2,638)**	**–**	**(2,638)**	(2,043)	–	(2,043)
Group operating profit/(loss)		**48,856**	**(24,305)**	**24,551**	49,550	–	49,550
Finance income	7	**19,710**	**–**	**19,710**	22,606	–	22,606
Finance costs	7	**(33,583)**	**–**	**(33,583)**	(46,387)	–	(46,387)
Share of profit of associates after tax	8	**492**	**–**	**492**	443	–	443
Profit/(loss) before taxation		**35,475**	**(24,305)**	**11,170**	26,212	–	26,212
Taxation	9	**(3,951)**	**12,632**	**8,681**	(4,680)	–	(4,680)
Profit/(loss) for the period from continuing operations		**31,524**	**(11,673)**	**19,851**	21,532	–	21,532
Discontinued operations							
Result from discontinued operations	10	**–**	**–**	**–**	6,307	2,321	8,628
Profit/(loss) for the financial period	3	**31,524**	**(11,673)**	**19,851**	27,839	2,321	30,160
Attributable to:							
Equity shareholders		**30,822**	**(11,673)**	**19,149**	27,329	2,321	29,650
Non-controlling interests	29	**702**	**–**	**702**	510	–	510
		31,524	**(11,673)**	**19,851**	27,839	2,321	30,160
Basic earnings per share (pence)							
Continuing operations				**7.0**			8.1
Discontinued operations				**–**			3.3
	11			**7.0**			11.4
Diluted earnings per share (pence)							
Continuing operations				**6.9**			8.0
Discontinued operations				**–**			3.3
	11			**6.9**			11.3

* As re-presented to reflect the change in reporting currency as set out in Note 38.

EF Sullivan
Director

AR Williams
Director

Financial Statements

Group Statement of Recognised Income and Expense
year ended 30 September 2011

	Notes	2011 £'000	2010 As re-presented £'000
Items of income and expense taken directly within equity			
Currency translation adjustment		**(300)**	(8,872)
Current tax on currency translation adjustment	9	**265**	(1,314)
Currency translation adjustment recycled to Income Statement on disposal	34	**–**	6,424
Hedge of net investment in foreign currency subsidiaries		**593**	247
Actuarial loss on Group defined benefit pension schemes	27	**(36,942)**	(24,886)
Deferred tax on Group defined benefit pension schemes	9	**1,193**	3,650
Cash flow hedges:			
Gain taken to equity		**–**	53
Transferred to Income Statement for the period		**–**	1,526
Deferred tax on cash flow hedges	9	**–**	(430)
Cash flow hedge losses recycled to Income Statement on disposal	34	**–**	96
Net expense recognised directly within equity		**(35,191)**	(23,506)
Group result for the financial period		**19,851**	30,160
Total recognised income and expense for the financial year		**(15,340)**	6,654
Attributable to:			
Equity shareholders		**(16,077)**	6,366
Non-controlling interests		**737**	288
Total recognised income and expense for the financial year		**(15,340)**	6,654

Group Balance Sheet
at 30 September 2011

	Notes	2011 £'000	2010 As re-presented £'000	2009 As re-presented £'000
ASSETS				
Non-current assets				
Intangible assets	13	**472,172**	343,184	369,252
Property, plant and equipment	14	**214,847**	184,532	291,555
Investment property	15	**34,087**	32,164	648
Investments in associates	19	**582**	579	583
Other receivables	17	**2,818**	5,353	–
Derivative financial instruments	22	**16,364**	16,304	14,940
Deferred tax assets	25	**56,474**	39,263	39,266
Total non-current assets		**797,344**	621,379	716,244
Current assets				
Inventories	16	**51,910**	33,549	75,228
Trade and other receivables	17	**99,333**	54,747	87,277
Derivative financial instruments	22	**–**	2,109	–
Cash and cash equivalents	20	**81,564**	9,931	40,124
Total current assets		**232,807**	100,336	202,629
Total assets		**1,030,151**	721,715	918,873
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	28	**117,004**	112,536	119,871
Share premium		**171,010**	102,782	109,252
Reserves		**(96,376)**	(66,015)	(75,033)
		191,638	149,303	154,090
Non-controlling interests	29	**2,962**	2,444	3,280
Total equity		**194,600**	151,747	157,370
LIABILITIES				
Non-current liabilities				
Borrowings	21	**222,216**	157,288	313,964
Retirement benefit obligations	27	**130,167**	100,474	91,201
Other payables	18	**3,538**	4,405	6,324
Provisions for liabilities	24	**10,815**	3,351	5,652
Deferred tax liabilities	25	**34,098**	37,191	43,517
Government grants	26	**83**	97	1,001
Total non-current liabilities		**400,917**	302,806	461,659
Current liabilities				
Borrowings	21	**15,500**	35,120	19
Derivative financial instruments	22	**9,442**	16,028	24,876
Trade and other payables	18	**253,045**	185,036	240,056
Consideration payable on acquisitions		**113,344**	–	–
Provisions for liabilities	24	**16,274**	7,038	10,309
Current taxes payable		**27,029**	23,940	24,584
Total current liabilities		**434,634**	267,162	299,844
Total liabilities		**835,551**	569,968	761,503
Total equity and liabilities		**1,030,151**	721,715	918,873

EF Sullivan
Director

AR Williams
Director

Financial Statements

Group Cash Flow Statement
year ended 30 September 2011

	Notes	2011 £'000	2010 As re-presented £'000
Profit before taxation		**11,170**	26,212
Finance income		**(19,710)**	(22,606)
Finance costs		**33,583**	46,387
Share of profit of associates (after tax)		**(492)**	(443)
Exceptional items – continuing		**24,305**	–
Operating profit – continuing (pre-exceptional)		**48,856**	49,550
Depreciation		**17,096**	16,785
Amortisation of intangible assets		**3,899**	3,383
Employee share option expense		**1,744**	1,496
Amortisation of government grants		**(13)**	(33)
Difference between pension charge and cash contributions		**(11,633)**	(8,853)
Working capital movement	30	**(1,552)**	21,300
Other movements		**(109)**	161
Net cash inflow from operating activities before exceptional items		**58,288**	83,789
Cash outflow related to exceptional items	30	**(24,385)**	(5,620)
Interest paid		**(19,876)**	(24,948)
Tax paid		**(2,407)**	(1,112)
Operating cash flows from discontinued operations	10	**–**	(11,783)
Net cash inflow from operating activities		**11,620**	40,326
Cash flow from investing activities			
Dividends received from associates	19	**485**	464
Purchase of property, plant and equipment		**(20,036)**	(20,315)
Purchase of investment property		**(2,354)**	(991)
Purchase of intangible assets		**(618)**	–
Acquisition of undertakings		**(3,246)**	(2,522)
Disposal of undertakings		**904**	92,640
Interest received		**44**	864
Investing cash flows from discontinued operations	10	**–**	(2,448)
Net cash (outflow)/inflow from investing activities		**(24,821)**	67,692
Cash flow from financing activities			
Proceeds from issue of shares		**68,449**	–
Ordinary shares purchased – own shares		**(1,470)**	(1,729)
Drawdown of new bank facilities	23	**287,565**	98,459
Repayment of bank borrowings	23	**(220,598)**	(169,682)
Repayment of Private Placement Notes	23	**(33,013)**	(43,321)
Decrease in finance lease liabilities	23	**–**	(16)
Cash outflow arising on settlement of derivative financial instruments		**(4,255)**	(8,294)
Dividends paid to equity holders of the Company		**(10,847)**	(10,754)
Dividends paid to non-controlling interests	29	**(219)**	(1,124)
Net cash inflow/(outflow) from financing activities		**85,612**	(136,461)
Net increase/(decrease) in cash and cash equivalents		**72,411**	(28,443)
Reconciliation of opening to closing cash and cash equivalents			
Cash and cash equivalents at beginning of year	20	**9,931**	40,124
Translation adjustment	23	**(778)**	(1,750)
Increase/(decrease) in cash and cash equivalents	23	**72,411**	(28,443)
Cash and cash equivalents at end of year	23	**81,564**	9,931

Group Statement of Changes in Equity
year ended 30 September 2011

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

	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 25 September 2009	**119,871**	**109,252**	**(29,129)**	**(45,904)**	**154,090**	**3,280**	**157,370**
Items of income and expense taken directly within equity							
Currency translation adjustment	–	–	(8,650)	–	(8,650)	(222)	(8,872)
Current tax on currency translation adjustment	–	–	–	(1,314)	(1,314)	–	(1,314)
Tax on translation of cashflow hedge reserve	–	–	12	–	12	–	12
Currency translation adjustment recycled to Income Statement on disposal of foreign operations	–	–	6,424	–	6,424	–	6,424
Net investment hedge	–	–	247	–	247	–	247
Actuarial loss on Group defined benefit pension scheme	–	–	–	(24,886)	(24,886)	–	(24,886)
Deferred tax asset on Group defined benefit pension scheme	–	–	–	3,650	3,650	–	3,650
Cash flow hedges:							
fair value gains in period	–	–	53	–	53	–	53
tax on fair value gains	–	–	(15)	–	(15)	–	(15)
transfers to Income Statement	–	–	1,526	–	1,526	–	1,526
tax on transfers to Income Statement	–	–	(427)	–	(427)	–	(427)
recycled to Income Statement on disposal of operations–	–	96	–	96	–	96	
Profit for the financial period	–	–	–	29,650	29,650	510	30,160
Total recognised income and expense for the financial year	**–**	**–**	**(734)**	**7,100**	**6,366**	**288**	**6,654**
Currency translation adjustment	(8,555)	(7,800)	16,355	–	–	–	–
Employee share option expense	–	–	1,496	–	1,496	–	1,496
Settlement of grant	–	–	(110)	–	(110)	–	(110)
Exercise, lapse or forefit of share options	–	–	(258)	258	–	–	–
Shares acquired by Deferred Share Awards Trust (a)	–	–	(1,729)	–	(1,729)	–	(1,729)
Dividends	1,220	1,330	–	(13,360)	(10,810)	(1,124)	(11,934)
At 24 September 2010	**112,536**	**102,782**	**(14,109)**	**(51,906)**	**149,303**	**2,444**	**151,747**

Other Reserves

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

	Share options £'000	Own shares £'000	Capital conversion reserve fund £'000	Hedging reserve £'000	Foreign currency translation reserve £'000	Total As re-presented £'000
At 25 September 2009	**1,605**	**(19,584)**	**853**	**(1,265)**	**(10,738)**	**(29,129)**
Items of income and expense taken directly within equity						
Currency translation adjustment	–	–	–	–	(8,650)	(8,650)
Tax on translation of cashflow hedge reserve	–	–	–	12	–	12
Currency translation adjustment recycled to Income Statement on disposal of foreign operations	–	–	–	–	6,424	6,424
Net investment hedge	–	–	–	–	247	247
Cash flow hedges:						
fair value gains in period	–	–	–	53	–	53
tax on fair value losses	–	–	–	(15)	–	(15)
transfers to Income Statement	–	–	–	1,526	–	1,526
tax on transfers to Income Statement	–	–	–	(427)	–	(427)
recycled to Income Statement on disposal of operation	–	–	–	96	–	96
Total recognised income and expense for the financial year	**–**	**–**	**–**	**1,245**	**(1,979)**	**(734)**
Currency translation differences	(135)	1,426	(61)	20	15,105	16,355
Employee share option expense	1,496	–	–	–	–	1,496
Exercise, lapse or forefit of share options	(258)	–	–	–	–	(258)
Settlement of grant	(110)	–	–	–	–	(110)
Shares acquired by Deferred Share Awards Trust (a)	–	(1,729)	–	–	–	(1,729)
At 24 September 2010	**2,598**	**(19,887)**	**792**	**–**	**2,388**	**(14,109)**

(a) Pursuant to the terms of the Deferred Bonus Plan, 2,250,752 shares (2010: 1,425,832) were purchased during the financial year ended 30 September 2011 at a cost of £1.47 million (2010: £1.729 million). The nominal value of these shares, on which dividends have not been waived by the Trustees of the Plan was £0.02 million (2010: £0.777 million) at the date of purchase.

The Trustees of the Deferred Bonus Plan have, to date, availed of the scrip dividend scheme and utilised dividend income with a combined value of £0.168 million to acquire 143,420 shares in the Group with a nominal value of £0.107 million at the date of purchase.

(b) In the period, 989,582 shares with a nominal value of £0.547 million at the date of transfer were transferred to beneficiaries of the Deferred Bonus Plan.

Notes to the Group Financial Statements
year ended 30 September 2011

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 property assets.

The Greencore Malt reportable segment represented the manufacture and sale of malt. This business was discontinued last year.

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.

During the year ended 24 September 2010, the Group completed the disposal of its Malt business (Greencore Malt), its bottled water business (Greencore Water) and its Dutch based Convenience Foods business (Greencore Continental). In accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, the operations of Greencore Malt, Greencore Water and Greencore Continental were classified as discontinued in the year ended 24 September 2010.

	Convenience Foods		Ingredients & Property		Malt (discontinued)		Total	
	2011 £'000	2010 £'000	**2011 £'000**	2010 £'000	**2011 £'000**	2010 £'000	**2011 £'000**	2010 As re-presented £'000
Total revenue	**732,176**	725,852	**72,034**	61,785	**–**	78,296	**804,210**	865,933
Less: Revenue from discontinued operations (Note 10)	**–**	(47,774)	**–**	–	**–**	(78,296)	**–**	(126,070)
Revenue – continuing operations	**732,176**	678,078	**72,034**	61,785	**–**	–	**804,210**	739,863
Total operating profit before exceptional items and acquisition related amortisation	**49,272**	46,676	**2,222**	4,810	**–**	7,390	**51,494**	58,876
Less: Operating loss/(profit) from discontinued operations	**–**	107	**–**	–	**–**	(7,390)	**–**	(7,283)
Group operating profit before exceptional items and acquisition related amortisation – continuing operations	**49,272**	46,783	**2,222**	4,810	**–**	–	**51,494**	51,593
Amortisation of acquisition related intangible assets	**(2,638)**	(2,043)	**–**	–	**–**	–	**(2,638)**	(2,043)
Exceptional items							**(24,305)**	–
Group operating profit	**46,634**	44,740	**2,222**	4,810	**–**	–	**24,551**	49,550
Finance income							**19,710**	22,606
Finance costs							**(33,583)**	(46,387)
Share of profit of associates after tax	**–**	–	**492**	443	**–**	–	**492**	443
Profit before taxation							**11,170**	26,212

	Convenience Foods		Ingredients & Property		Malt (discontinued)		Total	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000	2011 £'000	2010 £'000	2011 £'000	2010 As re-presented £'000
Segment assets								
Assets	**824,225**	606,234	**50,942**	47,295	**–**	–	**875,167**	653,529
Investments in associates	**–**	–	**582**	579	**–**	–	**582**	579
Total assets	**824,225**	606,234	**51,524**	47,874	**–**	–	**875,749**	654,108
Reconciliation to Total Assets as Reported in the Group Balance Sheet								
Deferred tax assets							**56,474**	39,263
Cash and cash equivalents							**81,564**	9,931
Derivative financial instruments							**16,364**	18,413
Total assets as reported in the Group Balance Sheet							**1,030,151**	721,715

	Convenience Foods		Ingredients & Property		Malt (discontinued)		Total	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000	2011 £'000	2010 £'000	2011 £'000	2010 As re-presented £'000
Segment liabilities								
Liabilities	**368,715**	165,761	**18,491**	23,450	**–**	–	**387,206**	189,211
Reconciliation to Total Liabilities as reported in the Group Balance Sheet								
Borrowings (current and non-current)							**237,716**	192,408
Derivative financial instruments (current and non-current)							**9,442**	16,028
Government grants							**83**	97
Declared interim dividend							**5,407**	5,258
Interest payable							**4,403**	5,361
Retirement benefit obligations*							**130,167**	100,474
Income tax liabilities (current and deferred)							**61,127**	61,131
Total liabilities as reported in the Group Balance Sheet							**835,551**	569,968

* Retirement benefit obligations have been reclassified as corporate liabilities in the current year. In the prior year they had been allocated to segments.

Other Segment Information

	Convenience Foods		Ingredients & Property		Total	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000	2011 £'000	2010 As re-presented £'000
Continuing operations						
Capital expenditure	**17,130**	24,997	**3,538**	2,233	**20,668**	27,230
Depreciation included in segment result	**16,868**	16,549	**228**	236	**17,096**	16,785
Amortisation of intangible assets	**3,899**	3,383	**–**	–	**3,899**	3,383

Notes to the Group Financial Statements
year ended 30 September 2011
(continued)

1. Segment Information (continued)

Other Segment Information (continued)

	Convenience Foods		Ingredients & Property		Malt (discontinued)		Total	
	2011 £'000	2010 £'000	**2011 £'000**	2010 £'000	**2011 £'000**	2010 £'000	**2011 £'000**	2010 As re-presented £'000
Discontinued operations								
Capital expenditure	**–**	695	**–**	–	**–**	1,405	**–**	2,100
Depreciation included in segment result	**–**	1,395	**–**	–	**–**	2,077	**–**	3,472
Amortisation of intangible assets	**–**	51	**–**	–	**–**	35	**–**	86

Geographical Analysis

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

	Ireland		UK		Rest of World		Total	
	2011 £'000	2010 £'000	**2011 £'000**	2010 £'000	**2011 £'000**	2010 £'000	**2011 £'000**	2010 As re-presented £'000
Total revenue	**75,082**	83,155	**676,951**	676,119	**52,177**	106,659	**804,210**	865,933
Capital expenditure (continuing operations)	**2,849**	1,954	**15,883**	23,885	**1,936**	3,491	**20,668**	29,330
Segment assets	**28,717**	25,972	**791,034**	584,800	**55,998**	43,336	**875,749**	654,108

2. Operating Costs, Net

	2011 £'000	2010 As re-presented £'000
Distribution costs	**34,483**	33,170
Administrative expenses	**153,574**	160,307
Research and development	**3,841**	4,023
Other operating costs	**2,669**	1,413
Other operating income	**(920)**	(2,639)
Total operating costs, net	**193,647**	196,274
Exceptional charge (Note 6)	**24,305**	–
Total operating costs, net	**217,952**	196,274

3. Result for the Financial Period

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

	2011 £'000	2010 As re-presented £'000
Depreciation:		
Owned assets	**17,096**	20,216
Assets held under finance lease	**–**	41
	17,096	20,257
Amortisation of intangible assets	**3,899**	3,469
Operating lease rentals:		
Premises, plant and equipment	**12,741**	13,024
Auditor's remuneration		
Fees paid to the lead audit firm:		
Audit of the Group Financial Statements	**503**	527
Other assurance services	**483**	212
Tax advisory services	**110**	644
Other non-audit services	**–**	–
	1,096	1,383
Fees paid to other firms in the lead audit firm's network:		
Audit of the Group Financial Statements	**180**	–
Other assurance services	**339**	–
Tax advisory services	**679**	622
Other non-audit services	**293**	994
	1,491	1,616
	2,587	2,999
Government grants released	**(13)**	(73)
Rental income from investment properties	**(243)**	(308)

Directors' remuneration is shown in the Report on Directors' Remuneration and in Note 36.

Notes to the Group Financial Statements
year ended 30 September 2011
(continued)

4. Employment

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

	2011 Number	2010 Number
Production	**5,462**	5,936
Distribution	**612**	633
Administration	**629**	875
	6,703	7,444

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

	2011 £'000	2010 As re-presented £'000
Wages and salaries	**132,252**	154,983
Social welfare costs	**11,321**	14,055
Employee share option expense (Note 5)	**1,744**	1,496
Pension costs – defined contribution plans (Note 27)	**2,546**	2,119
Pension costs – settlement on disposal of defined benefit plan (Note 27)	**–**	(5,946)
Pension costs – defined benefit plans (Note 27)	**352**	1,138
	148,215	167,845
Defined benefit interest cost (Note 27)	**21,090**	22,188
Defined benefit expected return on plan assets (Note 27)	**(19,310)**	(21,902)
	149,995	168,131

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

	2011 £'000	2010 As re-presented £'000
Actual return less expected return on pension scheme assets (Note 27)	**(21,884)**	18,405
Actuarial losses arising on the scheme liabilities (Note 27)	**(15,058)**	(43,291)
Total included in the Statement of Recognised Income and Expense	**(36,942)**	(24,886)

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 credit recognised in the Income Statement was £0.253 million (2010: £0.081 million charge). Grant date fair value was arrived at through applying a trinomial model, which is a lattice option-pricing model. To the extent that any options vest, they will ordinarily remain exercisable at any time up to ten years from the date of grant and are settled in equity through the issue of shares once exercised.

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

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

Options were granted over 1,035,000 ordinary shares on 30 November 2009. These awards will be exercisable, subject to the performance measurement targets being attained between 30 November 2012 and 30 November 2019, at an exercise price of €1.11. Options were granted over 780,000 ordinary shares on 3 June 2010. These awards will be exercisable, subject to the performance measurement targets being attained between 3 June 2013 and 3 June 2020, at an exercise price of €1.01. The weighted average fair value of share options granted during the year ended 24 September 2010 was €0.28.

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

	2011 Number outstanding	**2011** Weighted average exercise price €	2010 Number outstanding	2010 Weighted average exercise price €
At beginning of year	**6,070,000**	**2.25**	5,340,000	2.64
Granted	**80,000**	**1.33**	1,815,000	1.34
Expired	**(540,000)**	**2.45**	(395,000)	2.84
Forfeit	**(1,265,000)**	**2.71**	(690,000)	2.53
Adjustment in respect of Rights Issue*	**1,124,726**	**1.65**	–	–
At end of year	**5,469,726**	**1.65**	6,070,000	2.25
Exercisable at end of year	**–**	**–**	–	–

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

Range of Exercise Prices for the Share Option Plan

	Number outstanding	**Weighted average contract life years**	**Weighted average exercise price €**	**Number exercisable**
At 30 September 2011				
€0.01 – €1.00	**1,479,156**	**7.19**	**0.65**	**–**
€1.01 – €2.00	**2,058,228**	**8.32**	**1.07**	**–**
€2.01 – €3.00	**1,208,500**	**3.04**	**2.54**	**–**
€3.01 – €4.00	**723,842**	**5.84**	**3.88**	**–**
	5,469,726	**6.52**	**1.65**	**–**
At 24 September 2010				
€0.01 – €1.00	1,355,000	8.19	0.80	–
€1.01 – €2.00	1,735,000	9.31	1.34	–
€2.01 – €3.00	1,265,000	1.20	2.68	–
€3.01 – €4.00	1,015,000	5.56	3.41	–
€4.01 – €5.00	700,000	6.86	4.89	–
	6,070,000	6.46	2.25	–

Sharesave Schemes

The Group operates savings-related share option schemes in both Ireland and the UK. Options are granted at a discount of between 15 per cent and 25 per cent of the market price at the date of invitation over three, five and seven year savings contracts and options are exercisable during the six month period following completion of the savings contract. The charge recognised in the Income Statement was £0.319 million (2010: £0.258 million). Grant date fair value was arrived at through applying a trinomial model, which is a lattice option-pricing model.

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

During the year ended 24 September 2010, sharesave scheme options were granted over 9,864 shares and 793,471 shares, which will ordinarily be exercisable at an exercise price of €0.75 and £0.71 respectively per share, during the period 1 July 2013 to 1 January 2014 for the three year scheme, 1 July 2015 to 1 January 2016 for the five year scheme and 1 July 2017 to 1 January 2018 for the seven year scheme. The weighted average fair value of share options granted during the year ended 24 September 2010 was €0.38.

Notes to the Group Financial Statements
year ended 30 September 2011
(continued)

5. Share Based Payments (continued)

Sharesave Schemes (continued)

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

	2011 Number outstanding	2011 Weighted average exercise price €	2010 Number outstanding	2010 Weighted average exercise price €
At beginning of year	**256,055**	**0.90**	319,067	1.09
Granted	**45,224**	**0.84**	9,864	0.95
Forfeit	**(61,806)**	**0.96**	(72,876)	1.72
Adjustment in respect of Rights Issue*	**61,988**	**0.69**	–	–
At end of year	**301,461**	**0.69**	256,055	0.90
Exercisable at end of year	**–**	**–**	2,451	2.88

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

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

	Number outstanding	Weighted average contract life years	Weighted average exercise price €	Number exercisable	Weighted average price exercise €
At 30 September 2011					
€0.01 – €1.00	**301,461**	**1.96**	**0.69**	**–**	**–**
	301,461	**1.96**	**0.69**	**–**	**–**
At 24 September 2010					
€0.01 – €1.00	253,604	2.71	0.88	–	–
€2.01 – €3.00	1,505	0.33	2.20	1,505	2.20
€3.01 – €4.00	946	0.30	3.95	946	3.95
	256,055	2.69	0.90	2,451	2.88

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

	2011 Number outstanding	2011 Weighted average exercise price £	2010 Number outstanding	2010 Weighted average exercise price £
At beginning of year	**2,509,847**	**1.02**	2,555,366	1.22
Granted	**896,145**	**0.79**	793,471	0.90
Exercised	**(20,879)**	**0.87**	(31,733)	0.87
Forfeit	**(657,103)**	**1.21**	(807,257)	1.55
Adjustment in respect of Rights Issue*	**723,350**	**0.73**	–	–
At end of year	**3,451,360**	**0.72**	2,509,847	1.02
Exercisable at end of year	**43,189**	**1.76**	39,824	2.08

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

Range of Exercise Prices for the Uk Sharesave Scheme (expressed in sterling)

	Number outstanding	Weighted average contract life years	Weighted average exercise price £	Number exercisable	Weighted average price exercise £
At 30 September 2011					
£0.01 – £1.00	**3,334,576**	**2.72**	**0.68**	**–**	**–**
£1.01 – £2.00	**96,352**	**1.62**	**1.74**	**–**	**–**
£2.01 – £3.00	**18,701**	**1.85**	**2.39**	**43,189**	**1.76**
	3,449,629	**2.68**	**0.72**	**43,189**	**1.76**
At 24 September 2010					
£0.01 – £1.00	2,268,333	3.47	0.88	15,116	0.87
£1.01 – £2.00	29,956	1.42	1.77	4,131	1.85
£2.01 – £3.00	166,953	1.94	2.20	–	–
£3.01 – £4.00	44,605	1.87	3.01	20,577	3.01
	2,509,847	3.32	1.02	39,824	2.08

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 £1.678 million (2010: £1.157 million). Grant date fair value was arrived at through applying a trinomial model, which is a lattice option-pricing model.

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

On 1 December 2009, 1,866,065 awards were granted to senior executives of the Group under the Deferred Bonus Plan. A cumulative charge of £0.389 million was recognised in the Income Statement in FY10. A charge amounting to £0.13 million was included in the Group Financial Statements in FY09 in respect of the estimated 2009 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:

	2011 Number outstanding	**2011** Weighted average exercise price €	2010 Number outstanding	2010 Weighted average exercise price €
At beginning of year	**3,208,456**	**–**	1,765,398	–
Granted	**2,033,121**	**–**	1,866,065	–
Exercised	**(917,949)**	**–**	–	–
Forfeit	**(666,257)**	**–**	(423,007)	–
Adjustment in respect of Rights Issue*	**1,069,127**	**–**	–	–
At end of year	**4,726,498**	**–**	3,208,456	–
Exercisable at end of year	**–**	**–**	–	–

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

Awards will be granted to senior executives of the Group under the Deferred Bonus Plan in respect of the year ended 30 September 2011. A charge amounting to £0.140 million relating to Executive Directors and £0.125 million relating to other awards has been included in the Group Financial Statements in respect of the estimated 2011 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.

Notes to the Group Financial Statements year ended 30 September 2011 (continued)

5. Share Based Payments (continued)

Deferred Bonus Plan (continued)

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

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

	2010				
	Executive Share Option Scheme	Sharesave 3 year	Sharesave 5 year	Sharesave 7 year	Deferred Bonus Plan
Dividend yield (%)	5.60%	5.93%	5.93%	5.93%	5.43%
Expected volatility (%)	37%	56%	47%	41%	52%
Risk-free interest rate (%)	3.01%	0.76%	1.48%	2.08%	2.04%
Expected life of option (years)	10.00	3.50	5.50	7.50	3.00
Share price at grant (€)	1.35	1.27	1.27	1.27	1.38
Exercise price (€)	1.34	1.10	1.10	1.10	–

The average share price during the year was €0.87 (2010: €1.34).

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 €0.55 to €1.47. This reflects the effect of the Rights Issue during the year.

6. Exceptional Items

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

The Group reports the following exceptional items:

	Notes	**2011 £'000**	2010 As re-presented £'000
Continuing operations			
Transaction costs	(a)	**(19,366)**	–
Legal settlement	(b)	**(3,593)**	–
Restructuring	(c)	**(1,346)**	–
		(24,305)	–
Tax on exceptional charges	(d)	**944**	
Exceptional tax credit	(d)	**11,688**	–
Total continuing operations		**(11,673)**	–
Discontinued operations (net of tax)			
Greencore Malt	(e)	**–**	11,047
Greencore Water	(f)	**–**	(5,040)
Greencore Continental	(g)	**–**	(3,686)
Total discontinued operations		**–**	2,321
Total exceptional (expense)/income		**(11,673)**	2,321

(a) Transaction Costs
On 17 November 2010, the Boards of Greencore and of Northern Foods plc ('Northern') announced that they had reached agreement on the terms of a recommended merger of equals to create Essenta Foods. The Greencore Board believes that the merger would have been a compelling prospect for both companies, creating a business which would offer substantial benefits for shareholders, customers and employees and it was anticipated that the merger would complete in the second quarter of 2011.

Subsequent to the announcement of the proposed merger, Greencore and Northern commenced planning for the integration of the two businesses, however, in late December 2010, a third party emerged as a potential bidder for the acquisition of Northern. On 21 January 2011, the Board of Northern changed its recommendation in favour of the merger to a recommendation in favour of an alternative cash offer from this third party.

Following this announcement, the Group performed an assessment of an acquisition of Northern and worked with a partner in order to agree a simultaneous sale of certain branded businesses of Northern. This approach was intended to provide significant funding and allow Greencore to acquire only the parts of the Northern business with the greatest synergy potential. This relatively complex structure required a range of stakeholders to reach agreement. However, after substantial investigation, the Board determined that an improved offer could not be concluded on terms which would deliver sufficiently strong returns to Greencore shareholders and on 9 March 2011, the Board of Greencore announced that it did not intend to make a revised offer for Northern. The Group also incurred modest costs associated with the assessment of another proposed transaction with which the Directors ultimately decided not to proceed.

The total cost incurred on the above aborted transactions amounted to £12.3 million, the more significant portion being comprised of professional advisory costs and costs incurred to satisfy the provisions relating to conditionality in making an announcement in accordance with Rule 2.5 of the Takeover Code in relation to the proposed Essenta merger.

On 12 July 2011, the Group announced that it had reached agreement with the board of Uniq plc ('Uniq') on the terms of a recommended cash offer to acquire the entire issued, and to be issued, share capital of Uniq plc ('the Acquisition'). The offer valued each Uniq share at 96 pence and the entire issued share capital of Uniq at approximately £113 million. The Offer Document containing the full terms and conditions of the Offer was posted to Uniq Shareholders on 26 July 2011.

The Group also announced that it intended to raise approximately €80.2 million by way of a fully underwritten rights issue (the 'Rights Issue') to fund part of the consideration for this acquisition. The Offer was declared unconditional as to acceptances on 29 July 2011. On 8 August 2011, the proposed Acquisition and Rights Issue were approved by Greencore Shareholders and on 24 August 2011, the proposed Acquisition received clearance from the Irish Competition Authority.

On 23 September 2011, the UK Office of Fair Trading indicated that it did not intend to refer the Acquisition to the Competition Commission and accordingly, each of the conditions to the Offer, as set out in the Offer Document, were satisfied or waived and the Offer was declared unconditional in all respects.

On 7 December 2010, the Group announced the acquisition of On a Roll Sales ('On a Roll'), a convenience foods business based in Brockton, Massachusetts as set out in Note 35. The transaction costs incurred on the Uniq acquisition amounted to £6.6 million, the more significant portion being comprised of professional advisory costs, and the costs incurred on the On a Roll acquisition amounted to £0.4 million.

(b) Legal Settlement
The Group settled an outstanding claim relating to its former activities and recognised an exceptional charge of £3.6 million in respect of both the settlement and the related legal costs.

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

(d) Tax
During the year, the Group resolved a number of outstanding tax positions which has led to a one off credit to the Income Statement amounting to £11.7 million. A tax credit of £0.9 million was recognised in respect of exceptional charges in the period.

(e) Greencore Malt
The Group completed the disposal of the Malt businesses on 26 March 2010 and a profit on disposal of £11.0 million was recognised in the Income Statement in the prior period. The net impact of the disposal on the Group's equity was an increase of £14.9 million.

(f) Greencore Water
The Group completed the disposal of its bottled water business on 26 March 2010 and a loss on disposal of £5.0 million was recognised in the Income Statement in the prior year. The net impact of the disposal on the Group's equity was a decrease of £2.3 million.

(g) Greencore Continental
The Group completed the disposal of its Dutch-based convenience foods business on 20 August 2010 and a loss on disposal of £3.7 million was recognised in the Income Statement in the prior year.

Notes to the Group Financial Statements
year ended 30 September 2011
(continued)

7. Finance Costs and Finance Income

	2011 £'000	2010 As re-presented £'000
Finance Costs		
Bank overdrafts and loans	**12,313**	13,362
Other borrowings	**4,646**	9,385
Interest on obligations under finance leases	**–**	3
Interest on defined benefit pension scheme liabilities	**21,090**	21,871
Unwind of discount on liabilities	**118**	238
Fair value movement on hedged financial liabilities (Note 23)	**1,127**	5,426
Fair value movement on fair value hedges (Note 23)	**(58)**	(5,512)
Fair value movement on interest rate swaps not designated as hedges	**(2,132)**	3,312
Fair value movement on forward foreign exchange contracts not designated as hedges	**(2,105)**	(1)
Foreign exchange on inter-company and external balances where hedge accounting is not applied	**(1,416)**	(1,697)
	33,583	46,387
Finance Income		
Interest income on bank deposits	**(44)**	(864)
Expected return on defined benefit pension scheme assets	**(19,310)**	(21,649)
Unwind of discount on assets	**(356)**	(93)
	(19,710)	(22,606)
Net finance expense recognised in the income statement	**13,873**	23,781
Recognised Directly in Equity		
Currency translation effects on foreign currency net investment	**(300)**	(8,872)
Currency translation effect on foreign currency borrowings designated as net investment hedges	**593**	247
Effective portion of changes in fair value of cash flow hedges	**–**	53
Net change in fair value of cash flow hedges transferred to Income Statement recognised in discontinued operations	**–**	1,526
	293	(7,046)

8. 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. The Group's share of net assets of associates is shown in Note 19.

	2011 £'000	2010 As re-presented £'000
Group share of:		
Revenue	**3,171**	3,303
Profit before finance costs	**681**	688
Finance income/costs (net)	**(3)**	(48)
Profit before taxation	**678**	640
Taxation	**(186)**	(197)
Profit after taxation (Note 19)	**492**	443

9. Taxation

	2011 £'000	2010 As re-presented £'000
Continuing operations		
Current tax		
Corporation tax charge	**124**	182
Overseas tax charge	**3,181**	2,103
Total current tax (pre-exceptional)	**3,305**	2,285
Deferred tax		
Origination and reversal of temporary differences	**1,195**	2,162
Defined benefit pension obligations	**877**	882
Effect of tax rate change	**(1,339)**	(574)
Employee share options	**(87)**	(75)
Total deferred tax	**646**	2,395
Income tax expense (pre-exceptional)	**3,951**	4,680
Tax on exceptional items		
Current tax	**(3,044)**	–
Deferred tax	**(9,588)**	–
Exceptional tax credit	**(12,632)**	–
Total tax (credit)/charge from continuing operations (pre-associates)	**(8,681)**	4,680
Discontinued operations		
Current tax	**–**	2,693
Deferred tax	**–**	(1,461)
Total tax charge from discontinued operations	**–**	1,232
Total tax (credit)/charge for the year	**(8,681)**	5,912
Current tax relating to items charged/credited to equity		
Income tax relating to foreign exchange	**(265)**	1,314
Deferred tax relating to items charged/credited to equity		
Actuarial loss on pension liability	**(1,193)**	(3,650)
Cash flow hedges fair value adjustments	**–**	430
	(1,193)	(3,220)

Notes to the Group Financial Statements
year ended 30 September 2011
(continued)

9. Taxation (continued)

Reconciliation of Total Tax Expense

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

	2011 £'000	2010 As re-presented £'000
Profit for the year	**19,851**	30,160
Total tax (credit)/charge for the year	**(8,681)**	5,912
Less: Share of profit of associates after tax	**(492)**	(443)
	10,678	35,629
Tax expense at Irish corporation tax rate of 12.5%	**1,335**	4,454
Effects of:		
Expenses not deductible for tax purposes	**5,946**	2,763
Differences in effective tax rates on overseas earnings	**869**	1,870
Utilisation of tax losses	**(136)**	79
Tax exempted earnings and earnings at reduced Irish rates	**(987)**	(668)
Effect of rate change on deferred tax balance	**(1,339)**	(574)
Exceptional items	**(11,688)**	–
Other	**(2,681)**	(2,012)
Total tax (credit)/charge for the year	**(8,681)**	5,912

Factors That May Impact Future Tax Charges and Other Disclosures

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. No provision has been recognised in respect of deferred tax relating to unremitted earnings of subsidiaries as there is no commitment to remit earnings.

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 Act (No. 2) 2010 included a reduction in the rate of corporate income tax from 28% to 26% (rather than 27% as previously enacted in July 2010). This change was substantively enacted on 5 July 2011. The rate reduction applied from 1 April 2011. Furthermore, the Finance Act 2011 promulgated and substantively enacted on 5 July 2011 a further reduction in the corporate income tax to 25% from 1 April 2012. Deferred tax balances must be recognised at the future tax rate applicable when the balance is expected to unwind. As such, the rate reduction to 25% is reflected in the closing deferred tax balance. Further annual reductions in the corporate tax rate of 1% annually reaching 23% on 1 April 2014 have been announced. The Finance Act 2011 did not include these additional rate reductions so they are not substantively enacted and therefore not reflected in the closing deferred tax balance.

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

10. Discontinued Operations

The Group disposed of its interest in its malt, bottled water and Dutch-based convenience foods businesses in 2010. In accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued operations, these business disposals are considered to be discontinued. The respective profit and losses on the disposal of these businesses were recognised in the Group Income Statement within discontinued operations. The details of the profits/losses are set out in Note 6. Further details on the net assets of the businesses disposed of and on consideration received are set out in Note 34.

The revenue, results and cash flows of the Group's discontinued operations (malt, bottled water and Dutch-based convenience foods businesses) in the prior year were as follows:

	2010		
	Pre-exceptional £'000	Exceptional (Note 6) £'000	Total As re-presented £'000
Revenue	126,070	–	126,070
Cost of sales	(92,600)	–	(92,600)
Operating costs, net	(26,187)	–	(26,187)
Operating profit	7,283	–	7,283
Finance income and costs (net)	256	–	256
Profit before taxation	7,539	–	7,539
Taxation	(1,232)	–	(1,232)
Profit from operations before gain on disposal	6,307	–	6,307
Gain on disposal (Note 6)	–	2,321	2,321
Gain from discontinued operations	6,307	2,321	8,628

	2010 As re-presented £'000
Profit before taxation	7,539
Net Finance Costs	(256)
Operating profit – discontinued (pre-exceptional)	7,283
Depreciation	3,472
Amortisation of intangible assets	86
Amortisation of government grants	(41)
Difference between pension charge and cash contributions	(89)
Working capital movement	(26,597)
Other movements	33
Net cash outflow from operating activities before exceptional items	(15,853)
Cash inflow related to exceptional items	4,836
Tax paid	(766)
Net cash outflow from operating activities	(11,783)
Cash flow from investing activities	
Purchase of property, plant and equipment	(2,448)
Net cash outflow from investing activities	(2,448)
Net decrease in cash and cash equivalents	(14,231)

Notes to the Group Financial Statements
year ended 30 September 2011
(continued)

11. 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 period, excluding ordinary shares purchased by the Company and held as treasury shares and shares held in trust in respect of the Deferred Bonus Awards Scheme and after adjusting the weighted average number of shares for the effect of the Rights Issue and related bonus issue on the average number of shares in issue during the year and the prior year. 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 balances and external loans where hedge accounting is not applied, the movement in the fair value of all derivative financial instruments and related debt adjustments, the amortisation of acquisition related intangible assets and the effect of pension financing.

	2011 £'000	2010 As re-presented £'000
Profit attributable to equity holders of the Company	**19,149**	29,650
Exceptional items (post-tax)	**11,673**	(2,321)
Fair value of derivative financial instruments and related debt adjustments where hedge accounting is not applied	**(3,168)**	3,225
FX on inter-company and external balances where hedge accounting is not applied	**(1,416)**	(1,697)
Amortisation of acquisition related intangible assets (net of tax)	**1,859**	1,368
Pension financing (net of tax)	**700**	(384)
Fair value of derivative financial instruments and related debt adjustments and pension financing included in discontinued operations	–	(298)
Numerator for adjusted earnings per share calculation	**28,797**	29,543
Result from discontinued operations – pre-exceptional	**–**	(6,307)
Fair value of derivative financial instruments and related debt adjustments and pension financing included in discontinued operations	**–**	298
Numerator for continuing adjusted earnings per share calculation	**28,797**	23,534
Numerator for discontinued basic earnings per share		
Discontinued profit for the year	**–**	8,628
Profit for the year from discontinued operations (pre-exceptional)	**–**	6,307
Fair value of derivative financial instruments and related debt adjustments and pension financing included in discontinued operations	**–**	(298)
Numerator for discontinued adjusted EPS	**–**	6,009

	2011 pence	2010* pence
Basic earnings per ordinary share		
Continuing operations	**7.0**	8.1
Discontinued operations	**–**	3.3
	7.0	11.4
Adjusted basic earnings per ordinary share		
Continuing operations	**10.5**	9.1
Discontinued operations	**–**	2.3
	10.5	11.4

Denominator for Earnings per Share Calculation

	2011	2010*
Shares in issue at the beginning of the year (thousands)	**210,574**	208,333
Treasury shares (thousands)	**(3,905)**	(3,905)
Shares held by Trust (thousands)	**(1,765)**	(1,641)
Effect of bonus issue related to Rights Issue	**49,003**	54,760
Effect of shares issued in period (thousands)	**20,030**	1,715
Weighted average number of ordinary shares in issue during the year (thousands)	**273,937**	259,262

* Restated to include the effect of the bonus issue of shares incorporated in the Rights Issue in 2011.

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 6,899,179 (2010: 7,101,345) 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.

	2011 pence	2010* pence
Diluted earnings per ordinary share		
Continuing operations	**6.9**	8.0
Discontinued operations	**–**	3.3
	6.9	11.3
Adjusted diluted earnings per ordinary share		
Continuing operations	**10.4**	9.0
Discontinued operations	**–**	2.3
	10.4	11.3

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

Denominator for Diluted Earnings per Share Calculation

	2011	2010*
Weighted average number of ordinary shares in issue during the year (thousands)	**273,937**	259,262
Dilutive effect of share options (thousands)	**2,392**	3,210
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**276,329**	262,472

* Restated to include the effect of the bonus issue of shares incorporated in the Rights Issue in 2011.

Notes to the Group Financial Statements
year ended 30 September 2011
(continued)

11. Earnings per Ordinary Share (continued)

Non-GAAP Performance Measure

In the current year, an additional non-GAAP measure for earnings per share is reported, in order to show a metric excluding the effect of the Rights Issue. The purpose of the Rights Issue, which occurred on 18 August 2011, was to part-fund the acquisition of Uniq plc, which completed post-year end, with all conditions precedent being achieved on 23 September 2011. Given the timing mismatch above, the directors believe it is useful to shareholders to provide an additional non-GAAP measure for earnings per share. IAS 33 Earnings per Share requires the inclusion of the impact of the Rights Issue on the weighted average number of shares in the period, with an adjustment to the prior period for the bonus element of the Rights Issue. Basic and adjusted earnings per share have been computed on this basis. The directors believe that, in order to provide shareholders with an additional meaningful metric for earnings per share, which is comparable with the prior year, an additional non-GAAP measure, not prepared in accordance with IAS 33, is appropriate. This measure has been calculated using the same numerator as adjusted earnings per share described above while the denominator has been calculated by excluding the effects of the Rights Issue and related bonus issue on the weighted average number of shares in issue during the year and the prior year.

	2011 pence	2010 pence
Adjusted earnings per share excluding the effect of the Rights Issue		
Continuing operations	**13.9**	11.5
Discontinued operations	**–**	2.9
	13.9	14.4
Diluted adjusted earnings per share excluding the effect of the Rights Issue		
Continuing operations	**13.8**	11.4
Discontinued operations	**–**	2.9
	13.8	14.3

Denominator for adjusted earnings per share excluding the effect of the Rights Issue calculation

	2011	2010
Shares in issue at the beginning of the year (thousands)	**210,574**	208,333
Treasury shares (thousands)	**(3,905)**	(3,905)
Shares held by Trust (thousands) (excluding the effect of the Rights Issue)	**(1,635)**	(1,641)
Effect of shares issued in period (thousands) (excluding the effect of the Rights Issue)	**1,754**	1,715
Weighted average number of ordinary shares in issue during the year (thousands)	**206,788**	204,502

Denominator for diluted adjusted earnings per share excluding the effect of the Rights Issue calculation

	2011	2010
Weighted average number of ordinary shares in issue during the year (thousands)	**206,788**	204,502
Dilutive effect of share options (thousands)	**2,137**	2,548
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**208,925**	207,050

12. Dividends Paid and Proposed

	2011 £'000	2010 As re-presented £'000
Amounts recognised as distributions to equity holders in the year:		
Equity dividends on ordinary shares:		
Final dividend of 4.50c for the year ended 24 September 2010 (2009: 4.50c)	**7,814**	8,002
Interim dividend of 3.00c for the year ended 30 September 2011 (2010: 3.00c)	**5,422**	5,358
Total	**13,236**	13,360
Proposed for approval at AGM:		
Equity dividends on ordinary shares:		
Final dividend of 2.40c for the year ended 30 September 2011 (2010: 4.50c)	**7,948**	8,039

The final dividend for the year ended 30 September 2011 is based on an enlarged equity base subsequent to the Rights Issue.

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 30 September 2011, in accordance with IAS 10 Events After the Balance Sheet Date.

The proposed final dividend for the year ended 30 September 2011 will be payable on 2 April 2012 to shareholders on the Register of Members at 16 December 2011.

13. 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 30 September 2011					
Opening net book amount	**328,671**	**3,564**	**7,483**	**3,466**	**343,184**
Acquisitions through business combinations (Note 35)	**83,114**	**–**	**43,251**	**1,953**	**128,318**
Additions	**–**	**618**	**–**	**–**	**618**
Adjustments	**(217)**	**–**	**–**	**–**	**(217)**
Currency translation adjustment	**4,238**	**(1)**	**(66)**	**(3)**	**4,168**
Amortisation charge	**–**	**(1,261)**	**(1,313)**	**(1,325)**	**(3,899)**
Closing net book amount	**415,806**	**2,920**	**49,355**	**4,091**	**472,172**
At 30 September 2011					
Cost	**415,806**	**8,579**	**52,683**	**7,708**	**484,776**
Accumulated amortisation	**–**	**(5,659)**	**(3,328)**	**(3,617)**	**(12,604)**
Net book amount	**415,806**	**2,920**	**49,355**	**4,091**	**472,172**
Year ended 24 September 2010 (As re-presented)					
Opening net book amount	350,082	5,236	8,129	5,805	369,252
Disposals	–	(309)	–	(1,084)	(1,393)
Adjustments	84	–	–	–	84
Currency translation adjustment	(21,495)	63	172	(30)	(21,290)
Amortisation charge	–	(1,426)	(818)	(1,225)	(3,469)
Closing net book amount	328,671	3,564	7,483	3,466	343,184
At 24 September 2010					
Cost	328,671	8,053	9,450	5,754	351,928
Accumulated amortisation	–	(4,489)	(1,967)	(2,288)	(8,744)
Net book amount	328,671	3,564	7,483	3,466	343,184

* 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:

	2011 £'000	2010 As re-presented £'000	2009 As re-presented £'000
Convenience Foods	**413,774**	326,407	347,603
Ingredients & Property	**2,032**	2,264	2,479
	415,806	328,671	350,082

Notes to the Group Financial Statements
year ended 30 September 2011
(continued)

13. Goodwill and Intangible Assets (continued)

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 2012 budget document formally approved by the Board of Directors, and specifically exclude incremental profits and other cash flows stemming from any potential future acquisitions. The 2012 forecast cash flows are projected forward for five years using the same assumptions. A terminal value reflecting inflation of 2% (but no other growth) is applied to the Year Five cash flows. A present value of the future cash flows is calculated using a discount rate of 8% (2010: 8%). Applying these techniques, no impairment arose in either 2011 or 2010.

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

The goodwill arising on the acquisition of Uniq and On A Roll during the year was allocated to the Convenience Foods segment. Further information in respect of the acquisitions and the intangibles acquired is set out in Note 35.

Adjustments to the goodwill allocated to Convenience Foods in relation to the acquisition of Sushi San in 2007 and Ministry of Cake in 2008 were recorded in 2010 and 2011. These adjustments arose due to the revision of the estimate of deferred contingent consideration payable to the former owners of these businesses.

An adjustment to the goodwill allocated to Ingredients & Property in relation to the acquisition of the non-controlling interest in Trilby Trading in 2009 was recorded in 2010 and 2011. The adjustment arose due to the revision of the estimate of deferred contingent consideration payable to the former owners of these businesses.

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 on the Group to recognise an impairment against goodwill.

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

14. 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 30 September 2011					
Opening net book amount	**88,075**	**89,199**	**3,930**	**3,328**	**184,532**
Additions	**712**	**10,314**	**1,561**	**5,109**	**17,696**
Acquisitions through business combinations (Note 35)	**13,780**	**12,773**	**25**	**3,409**	**29,987**
Disposals	**(182)**	**(199)**	**(4)**	**–**	**(385)**
Reclassifications	**2,308**	**3,488**	**99**	**(5,895)**	**–**
Currency translation adjustment	**84**	**28**	**19**	**(18)**	**113**
Depreciation charge	**(2,913)**	**(13,026)**	**(1,157)**	**–**	**(17,096)**
Closing net book amount	**101,864**	**102,577**	**4,473**	**5,933**	**214,847**
At 30 September 2011					
Cost	**127,972**	**231,085**	**12,354**	**5,933**	**377,344**
Accumulated depreciation	**(26,108)**	**(128,508)**	**(7,881)**	**–**	**(162,497)**
Net book amount	**101,864**	**102,577**	**4,473**	**5,933**	**214,847**
Year ended 24 September 2010 (As re-presented)					
Opening net book amount	128,187	146,202	8,569	8,597	291,555
Additions	7,881	10,772	1,698	7,989	28,340
Disposals	(19,417)	(57,156)	(188)	(2,617)	(79,378)
Reclassifications	1,853	7,788	(4,490)**	(5,151)	–
Currency translation adjustment	(2,386)	(2,329)	(458)	(342)	(5,515)
Transfers to investment property*	(25,000)	(65)	–	(5,148)	(30,213)
Depreciation charge	(3,043)	(16,013)	(1,201)	–	(20,257)
Closing net book amount	88,075	89,199	3,930	3,328	184,532
At 24 September 2010					
Cost	111,464	205,253	10,542	3,328	330,587
Accumulated depreciation	(23,389)	(116,054)	(6,612)	–	(146,055)
Net book amount	88,075	89,199	3,930	3,328	184,532

* Transfers of assets under remediation to investment property on adoption of the amendments to IAS 40 Investment Property resulting from the 2008 Annual Improvements to IFRSs.
** Reclassification of items of plant and machinery previously presented as fixtures and fittings.

Assets Held Under Finance Leases
The net book value was zero in the current and the prior year. A depreciation charge of £0.04 million was recognised in the prior year in respect of assets held under finance leases and capitalised in property, plant and machinery.

Notes to the Group Financial Statements
year ended 30 September 2011
(continued)

15. Investment Property

	2011 £'000	2010 As re-presented £'000
Opening net book amount	**32,164**	648
Additions	**2,354**	991
Disposals	**(561)**	(614)
Transfers from property, plant and equipment*	**–**	30,213
Currency translation adjustment	**130**	926
Closing net book amount	**34,087**	32,164
Analysed as:		
Cost	**34,087**	32,164
Accumulated depreciation	**–**	–
Net book amount	**34,087**	32,164

* Transfers of assets under remediation to investment property on adoption of the amendments to IAS 40 Investment Property resulting from the 2008 Annual Improvements to IFRSs.

The fair value of the Group's investment properties at 30 September 2011 was £37.5 million (2010: £43.6 million). The valuation was carried out by the Group Property Director and was arrived at by reference to location, market conditions and status of planning applications.

Profit on disposal of property in the Ingredients & Property segment amounted to £0.3 million (2010: £1.7 million).

Investment property at 30 September 2011 represents the Group's land subject to remediation, upon which no depreciation is provided.

16. Inventories

	2011 £'000	2010 As re-presented £'000	2009 As re-presented £'000
Raw materials and consumables	**28,351**	15,276	37,683
Work in progress	**812**	673	2,559
Finished goods and goods for resale	**22,747**	17,600	34,986
	51,910	33,549	75,228

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 continuing and discontinued)	**415,838**	471,991

17. Trade and Other Receivables

	2011 £'000	2010 As re-presented £'000	2009 As re-presented £'000
Current			
Trade receivables	**72,477**	34,696	61,744
Amounts receivable from associates	**–**	–	11
Prepayments	**5,832**	3,349	11,089
VAT	**7,242**	4,339	3,929
Other receivables	**13,782**	12,363	10,504
Subtotal – current	**99,333**	54,747	87,277
Non-current			
Other receivables	**2,818**	5,353	–
Total	**102,151**	60,100	87,277

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

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

The Group's exposure to credit and currency risk and impairment losses related to trade and other receivables is disclosed in Note 22.

18. Trade and Other Payables

	2011 £'000	2010 As re-presented £'000	2009 As re-presented £'000
Current			
Trade payables	**153,645**	106,204	157,340
Employment related taxes	**6,595**	2,753	4,653
Other payables and accrued expenses	**87,354**	70,816	71,110
VAT	**44**	5	1,352
Declared interim dividend	**5,407**	5,258	5,601
Subtotal – current	**253,045**	185,036	240,056
Non-current			
Other payables	**3,538**	4,405	6,324
Total	**256,583**	189,441	246,380

The Group's exposure to liquidity and currency risk is disclosed in Note 22.

Notes to the Group Financial Statements
year ended 30 September 2011
(continued)

19. Investments in Associates

	2011 £'000	2010 As re-presented £'000	2009 As re-presented £'000
Share of associates' balance sheet			
Current assets	**1,488**	1,215	1,695
Non-current assets	**137**	161	185
Current liabilities	**(851)**	(523)	(1,091)
Non-current liabilities	**(192)**	(274)	(206)
Net assets	**582**	579	583
Carrying amount of associates			
At beginning of year	**579**	583	985
Share of profit after tax of associates (Note 8)	**492**	443	385
Dividends received	**(485)**	(464)	(794)
Currency translation adjustment	**(4)**	17	7
At end of year	**582**	579	583

Details of the Group's principal associates, all of which are unlisted, are shown in Note 37.

20. Cash and Cash Equivalents

	2011 £'000	2010 As re-presented £'000	2009 As re-presented £'000
Cash at bank and in hand	**81,564**	9,931	40,124

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 23 includes details of the Group's net debt at 30 September 2011.

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

21. Borrowings

	2011 £'000	2010 As re-presented £'000	2009 As re-presented £'000
Non-current			
Bank borrowings	**102,109**	38,308	116,566
Private Placement Notes	**120,107**	118,980	195,723
Finance leases	**–**	–	1,675
Subtotal – non-current	**222,216**	157,288	313,964
Current			
Bank Borrowings	**15,500**	–	–
Private Placement Notes	**–**	35,120	–
Finance leases	**–**	–	19
Subtotal – current	**15,500**	35,120	19
Total borrowings	**237,716**	192,408	313,983

The maturity of non-current borrowings is as follows:

	2011 £'000	2010 As re-presented £'000	2009 As re-presented £'000
Between 1 and 2 years	**–**	38,308	128,220
Between 2 and 5 years	**222,216**	46,064	116,069
Over 5 years	**–**	72,916	69,675
	222,216	157,288	313,964

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

	2011 £'000	2010 As re-presented £'000	2009 As re-presented £'000
6 months or less	**117,609**	73,428	134,567
1 – 5 years	**120,107**	46,064	109,722
Over 5 years	**–**	72,916	69,694
	237,716	192,408	313,983

Bank Borrowings
The Group's bank borrowings are denominated in euro, sterling and US dollar and bear floating rate interest, set at commercial rates based on a spread over EURIBOR, sterling LIBOR and US dollar LIBOR, for periods ranging from one week to six months. At 30 September 2011, the Group's borrowings comprised of €65.0 million and $75.0 million with a final maturity in May 2016, and £15.5 million with a final maturity in October 2011.

At 30 September 2011, the Group had available £247.4 million (2010: £246.7 million) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. Uncommitted facilities undrawn at 30 September 2011 amounted to £16.8 million (2010: £8.7 million).

Finance Leases
The Group had finance leases for various items of property, plant and equipment. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are set out in Note 31.

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 fixed rate debt of £25 million (the Stg£ Notes).

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

Notes to the Group Financial Statements
year ended 30 September 2011
(continued)

21. Borrowings (continued)

Private Placement Notes (continued)
The £25 million fixed rate note has a rate of 6.19% and matures in October 2013.

The average spread the Group paid on its bank borrowings and Private Placement Notes in the year ended 30 September 2011 was 1.85 per cent.

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.

22. 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 managed by the Group under policies approved by the Board of Directors. The Group uses derivative financial instruments, in particular foreign currency forward contracts, currency swaps and interest rate swaps, to manage certain of the financial risks associated with the underlying business activities of the Group and the financing of those activities. The principal financial risks are actively managed by the Group's Treasury department. This department operates within strict Board approved policies and guidelines. On an ongoing basis, the 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.

Financial Assets and Liabilities

	2011						
	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	**94,291**	**–**	**–**	**–**	**–**	**94,291**	**94,291**
Cash and cash equivalents	**81,564**	**–**	**–**	**–**	**–**	**81,564**	**81,564**
Derivative financial instruments	**–**	**6,922**	**–**	**–**	**–**	**6,922**	**6,922**
Bank borrowings	**–**	**–**	**–**	**(117,609)**	**–**	**(117,609)**	**(116,720)**
Private Placement Notes	**–**	**–**	**–**	**(25,000)**	**(95,107)**	**(120,107)**	**(120,773)**
Trade and other payables	**–**	**–**	**–**	**(252,402)**	**–**	**(252,402)**	**(252,402)**
Consideration payable	**–**	**–**	**–**	**(113,344)**	**–**	**(113,344)**	**(113,344)**
Provisions for liabilities	**–**	**–**	**–**	**(8,989)**	**–**	**(8,989)**	**(8,989)**

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.

	2010						
	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 As re-presented £'000	Fair value As re-presented £'000
Trade and other receivables	56,751	–	–	–	–	56,751	56,751
Cash and cash equivalents	9,931	–	–	–	–	9,931	9,931
Derivative financial instruments	–	2,385	–	–	–	2,385	2,385
Bank borrowings	–	–	–	(38,308)	–	(38,308)	(38,071)
Private Placement Notes	–	–	–	(25,000)	(129,100)	(154,100)	(153,109)
Trade and other payables	–	–	–	(185,056)	–	(185,056)	(185,056)

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 (unoberservable inputs)

	2011 Level 2 £'000	2010 Level 2 £'000
Assets carried at fair value		
Cross currency swaps – fair value hedges	**16,364**	18,413
	16,364	18,413
Liabilities carried at fair value		
Interest rate swaps – not designated as fair value hedges	**(9,416)**	(15,803)
Forward foreign exchange contracts – not designated as cash flow hedges	**(26)**	(225)
	(9,442)	(16,028)

During the period, there were no transfers between the different levels.

Interest Rate Risk

The Group's exposure to market risk for changes in interest rates arises from it's 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.

Cash Flow 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**	
	2011 £'000	2010 As re-presented £'000	**2011 £'000**	2010 As re-presented £'000
Effect of a downward movement of 100 basis points (cost)	**(1,349)**	(4,985)	**(1,349)**	(4,892)
Effect of an upward movement of 100 basis points (gain)	**1,201**	4,572	**1,201**	4,487

Foreign Currency Risk

The Group is exposed to currency risk as follows:

- Sales and purchases in certain businesses
- Dividends
- Financing

Sales and Purchases in Certain Businesses

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

Notes to the Group Financial Statements
year ended 30 September 2011 (continued)

22. Financial Risk Management and Financial Instruments (continued)

Foreign Currency Risk (continued)

Sales and Purchases in Certain Businesses (continued)

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):

Denominated in:	2011 Euro £'000	2011 US dollars £'000	2011 Sterling £'000	2010 As re-presented Euro £'000	2010 As re-presented US dollars £'000	2010 As re-presented Sterling £'000
Trade receivables and other receivables	**217**	**634**	**847**	168	660	765
Trade payables and other payables	**(6,094)**	**(2,001)**	**(928)**	(817)	(853)	(494)
Cash and cash equivalents	**(94)**	**1,108**	**610**	(5)	370	3,156
Gross balance sheet exposure	**(5,971)**	**(259)**	**529**	(654)	177	3,427

Dividends

Following the change to the functional currency of Greencore Group plc, the Group is exposed to currency risk on dividend payments to the equity holders of the Group. The share capital of Greencore Group plc is denominated in euro and declares its dividend in euro. The Directors intend to redenominate the share capital of the Company to sterling, following which the Group will declare its dividends in sterling. At 30 September 2011, the Group had dividends payable in euro of £5.404 million. The Group made dividend cash payments of £4.068 million to the equity holders of the Company with the equivalent of £1.333 million taken in shares as scrip dividend post year end.

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 £0.593 million (2010: £0.243 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.

At 30 September 2011, the Group was exposed to foreign currency risk on borrowings denominated in euro of £55.9 million. Following the year end, these euro borrowings were redenominated in sterling.

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 of the relevant entities would increase profit after tax and equity by the amount shown below. This assumes that all other variables remain constant. A 10% weakening of the sterling exchange rate against the euro or US dollar exchange rates would have an equal and opposite effect.

	On Profit after tax 2011 £'000	On Profit after tax 2010 As re-presented £'000	On Equity 2011 £'000	On Equity 2010 As re-presented £'000
Impact of 10% strengthening of sterling vs euro gain	**5,525**	450	**6,066**	442
Impact of 10% strengthening of sterling vs dollar gain/(loss)	**26**	(201)	**4,708**	3,285

The effect on profit after tax and equity of a movement between sterling and the euro includes a gain of £4.6 million on the borrowings denominated in euro at year end. These borrowings were redenominated in sterling post year-end resulting in no significant gain or loss being recorded in profit and loss. 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 over peak budget requirements. The Group also operates a prudent approach to liquidity risk management by spreading the maturities of its debt to long-term financing. The Treasury Department actively monitor the funding requirements of the business. Cash requirements are managed centrally and reviewed on a daily basis. Excess funds are placed on short-term (less than one month) deposits while 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):

30 September 2011	**Carrying amount £'000**	**Contractual amount £'000**	**Period 1-6 months £'000**	**Period 6-12 months £'000**	**Period 1-5 years £'000**	**Period > 5 years £'000**
Non-Derivative Financial Instruments						
Bank borrowings	**(117,609)**	**(139,664)**	**(17,430)**	**(1,870)**	**(120,364)**	**–**
Private Placement Notes	**(120,107)**	**(132,025)**	**(3,210)**	**(3,210)**	**(125,605)**	**–**
Trade and other payables	**(252,402)**	**(252,402)**	**(252,012)**	**–**	**(390)**	**–**
Consideration payable	**(113,344)**	**(113,344)**	**(113,344)**	**–**	**–**	**–**
Provisions for liabilities	**(8,989)**	**(10,530)**	**(969)**	**(992)**	**(7,565)**	**(1,004)**
Derivative Financial Instruments						
Interest rate swaps – not designated as fair value hedges	**(9,416)**					
Inflow/(outflow)		**(11,986)**	**(2,005)**	**(1,887)**	**(8,094)**	**–**
Cross currency swaps – fair value hedges	**16,364**					
Inflow		**(103,156)**	**(2,436)**	**(2,436)**	**(98,284)**	**–**
Outflow		**86,691**	**958**	**1,073**	**84,660**	**–**
Foreign currency forward contracts	**(26)**					
Inflow		**6,668**	**6,395**	**273**	**–**	**–**
Outflow		**(6,566)**	**(6,298)**	**(268)**	**–**	**–**

24 September 2010 (As re-presented)	Carrying amount £'000	Contractual amount £'000	Period 1-6 months £'000	Period 6-12 months £'000	Period 1-5 years £'000	Period > 5 years £'000
Non-Derivative Financial Instruments						
Bank borrowings	(38,308)	(41,143)	(536)	(539)	(40,068)	–
Private Placement Notes	(154,100)	(173,907)	(39,187)	(3,198)	(131,522)	–
Trade and other payables	(185,056)	(185,056)	(184,323)	(339)	(394)	–
Derivative Financial Instruments						
Interest rate swaps – not designated as fair value hedges	(15,803)					
Outflow		(17,707)	(3,286)	(2,398)	(11,848)	(175)
Cross currency swaps – fair value hedges	18,413					
Inflow		143,492	38,414	2,424	36,926	65,728
Outflow		(125,555)	(34,450)	(1,205)	(28,361)	(61,539)
Foreign currency forward contracts	(225)					
Inflow		5,911	1,595	3,635	681	–
Outflow		(6,463)	(1,925)	(4,470)	(68)	–

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 managements assessment and knowledge of the counterparty. The amount was neither past due nor impaired at 30 September 2011.

Notes to the Group Financial Statements
year ended 30 September 2011
(continued)

22. Financial Risk Management and Financial Instruments (continued)

Credit Risk (continued)

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

	Carrying Amount	
	2011 £'000	2010 As re-presented £'000
Trade receivables	**72,477**	34,696
Other receivables	**14,572**	17,715
Cash and cash equivalents	**81,564**	9,931
Derivative financial instruments	**16,364**	18,413

Trade Receivables

75% of revenue in the convenience foods segment are to the top five UK retailers. Revenue earned individually from four of these customers, £156.9 million, £131.9 million, £114.7 million and £96.6 million resepectively, represent 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 £10.1 million (2010: £13.1 million) has been derecognised at year end.

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

	Carrying Amount	
	2011 £'000	2010 As re-presented £'000
Ireland	**7,850**	6,231
United Kingdom	**60,803**	25,370
Other Europe	**301**	70
Rest of World	**3,523**	3,025
	72,477	34,696

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 30 September 2011 and 24 September 2010 were as follows:

	2011 £'000	2010 £'000
Neither past due nor impaired:		
Receivable within 3 months of the balance sheet date	**58,120**	28,380
Past due but not impaired:		
Receivable between 1 and 6 months of the balance sheet date	**14,357**	6,316
Impaired		
Not receivable	**–**	–
Total	**72,477**	34,696

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:

	2011 £'000	2010 As re-presented £'000
At beginning of year	**799**	1,242
Provided during year	**2,193**	816
Acquisition through business combinations	**21**	–
Eliminated on disposal of subsidiary	**–**	(476)
Written-off during year	**(358)**	(710)
Recovered during year	**(171)**	(40)
Translation adjustment	**2**	(33)
At end of year	**2,486**	799

Cash and cash equivalents
Exposure to credit risk on cash and derivative financial instruments is monitored by Group Treasury. It is Group policy that cash is only placed on deposit with institutions with a minimum short-term credit rating of A-1 with Standard & Poor's or P-1 with Moody's.

The maximum exposure to credit risk for cash and cash equivalents by geographic location of financial institution was:

	Carrying Amount	
	2011 £'000	2010 As re-presented £'000
Europe	**98**	297
UK	**76,688**	6,648
Ireland and other	**4,778**	2,986
	81,564	9,931

Included in cash at bank and in hand is £68.9 million received in respect of the proceeds of the Rights Issue prior to year end. This cash was held in one institution at year end in order to fund part of the payment of the Uniq consideration post-year end.

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 through the Group purchasing function. It is Group policy to minimise its exposure to volatility by adopting an appropriate forward purchase strategy.

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

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

Notes to the Group Financial Statements
year ended 30 September 2011
(continued)

22. Financial Risk Management and Financial Instruments (continued)

Derivative Financial Instruments (continued)

	2010 Assets £'000	2010 Liabilities £'000	2010 Net As re-presented £'000
Current			
Interest rate swaps – not designated as hedges	–	(15,803)	(15,803)
Forward foreign exchange contracts – not designated as cash flow hedges	–	(225)	(225)
Cross currency interest rate swaps – fair value hedges	2,109	–	2,109
	2,109	(16,028)	(13,919)
Non-current			
Cross currency interest rate swaps – fair value hedges	16,304	–	16,304
	16,304	–	16,304
Total	18,413	(16,028)	2,385

Derivative instruments which are not designated as effective hedging instruments (i.e. trading derivatives) are classified as a current asset or liability regardless of maturity. 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.

Cross Currency Interest Rate Swaps

The Group utilises cross-currency interest rate swaps to swap fixed rate US$ denominated debt of US$130 million into floating rate sterling debt of Stg£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, not designated as hedges under IAS 39 Financial Instruments: Recognition and Measurement, to swap floating rate sterling and US$ liabilities into fixed rate sterling and US$ liabilities respectively. The principal amounts of the Group's borrowings which are swapped at 30 September 2011 total Stg£75 million and US$30 million (2010: total €50 million, Stg£90 million and US$45 million). At 30 September 2011, the fixed interest rates vary from 4.30% to 5.70% (2010: 3.04% to 5.70%) and the floating rates are based on sterling LIBOR and US Dollar LIBOR. At 30 September 2011, the maturity profile of the interest rate swaps ranged from 28 October 2013 to 28 October 2015.

Forward Foreign Exchange Contracts

The notional principal amounts of outstanding forward foreign exchange contracts at 30 September 2011 total £6.7 million (2010: £24.5 million). A net gain of £nil (2010: £1.533 million) was recognised in the cash flow reserve in equity at 30 September 2011 on foreign exchange forward contracts designated as cash flow hedges under IAS 39 Financial Instruments: Recognition and Measurement. A gain of £nil (2010: £0.511 million) was recognised in the Income Statement, presented as part of discontinued operations, in respect of ineffective cash flow hedges in the period. No outstanding forward foreign exchange contracts are designated in cash flow hedges at 30 September 2011.

23. Analysis of Net Debt

Reconciliation of Opening to Closing Net Debt

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

The reconciliation of opening to closing net debt for the year ended 30 September 2011 is as follows:

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

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

	At 25 September 2009 £'000	Disposals £'000	Cash flow £'000	Hedge adjustment £'000	Translation and non-cash adjustments £'000	At 24 September 2010 As re-presented £'000
Cash and cash equivalents	40,124	(2,474)	(25,969)	–	(1,750)	9,931
Bank borrowings	(116,566)	–	71,223*	–	7,035	(38,308)
Finance leases	(1,694)	1,629	16	–	49	–
Private Placement Notes	(195,723)	–	45,399	(5,426)	1,650	(154,100)
Cross-currency interest rate swaps– fair value hedges	14,940	–	(2,078)	5,512	39	18,413
Total	(258,919)	(845)	88,591	86	7,023	(164,064)

* During the prior year, the Group used its bank borrowing facilities to drawdown £98.5 million. The Group used £95.1 million of this drawdown to restructure its debt currency profile. The Group also repaid £169.7 million of its bank borrowing facilities during the prior year.

Comparable Net Debt

Comparable net debt is a non-IFRS performance measure used by the Group as a key performance indicator. Comparable net debt comprises net debt excluding the impact of derivative financial instruments and fair value of the Private Placement Notes. The reconciliation of comparable net debt for the year ended 30 September 2011 is set out in the following table.

	At 24 September 2010 £'000	Acquisitions £'000	Cash flow £'000	Translation and non-cash adjustments £'000	At 30 September 2011 £'000
Cash and cash equivalents	**9,931**	**8,364**	**64,047**	**(778)**	**81,564**
Bank borrowings	**(38,308)**	**(15,500)**	**(66,967)***	**3,166**	**(117,609)**
Private Placement Notes	**(136,044)**	**–**	**33,013**	**–**	**(103,031)**
Total	**(164,421)**	**(7,136)**	**30,093**	**2,388**	**(139,076)**

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

Notes to the Group Financial Statements
year ended 30 September 2011
(continued)

23. Analysis of Net Debt (continued)

Comparable Net Debt (continued)

	At 25 September 2009 £'000	Disposals £'000	Cash flow £'000	Translation and non-cash adjustments £'000	At 24 September 2010 As re-presented £'000
Cash and cash equivalents	40,124	(2,474)	(25,969)	(1,750)	9,931
Bank borrowings	(116,566)	–	71,223*	7,035	(38,308)
Finance leases	(1,694)	1,629	16	49	–
Private Placement Notes	(181,054)	–	43,321	1,689	(136,044)
Total	(259,190)	(845)	88,591	7,023	(164,421)

* During the year, the Group used its bank borrowing facilities to drawdown £96.6 million. The Group used £93.3 million of this drawdown to restructure its debt currency profile. The Group also repaid £166.5 million of its bank borrowing facilities during the year.

Currency Profile

The currency profile of net debt and derivative financial instruments at 30 September 2011 was as follows:

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

The currency profile of net debt and derivative financial instruments at 24 September 2010 was as follows:

	US dollar £'000	Euro £'000	Sterling £'000	Total As re-presented £'000
Cash and cash equivalents	3,542	5,327	1,062	9,931
Borrowings	(38,308)	–	(154,100)	(192,408)
Derivative financial instruments	(2,182)	8,512	(3,945)	2,385
	(36,948)	13,839	(156,983)	(180,092)

Interest Rate Profile

The interest rate profile of net debt at 30 September 2011 was as follows:

	Floating rate net debt £'000	**Fixed rate net debt £'000**	**Total £'000**
EUR	**(53,018)**	**–**	**(53,018)**
STG	**42,376**	**(100,000)**	**(57,624)**
USD	**(26,055)**	**(19,314)**	**(45,369)**
	(36,697)	**(119,314)**	**(156,011)**

The interest rate profile of net debt at 24 September 2010 was as follows:

	Floating rate net debt £'000	Fixed rate net debt £'000	Total As re-presented £'000
EUR	5,327	–	5,327
STG	(19,624)	(115,000)	(134,624)
USD	13,118	(47,885)	(34,767)
	(1,179)	(162,885)	(164,064)

24. Provisions for Liabilities

	Deferred contingent consideration £'000	Leases £'000	Remediation and closure £'000	Other £'000	Total £'000
At beginning of year	134	4,633	5,622	–	10,389
Acquisitions through business combinations (Note 35)	–	5,661	11,948	2,001	19,610
Utilised in year	(134)	(242)	(2,764)	–	(3,140)
Unwind of discount to present value in the year	–	117	–	–	117
Currency translation adjustment	–	8	105	–	113
At end of year	–	10,177	14,911	2,001	27,089

Analysed as:

	2011 £'000	2010 As re-presented £'000	2009 As re-presented £'000
Non-current liabilities	10,815	3,351	5,652
Current liabilities	16,274	7,038	10,309
	27,089	10,389	15,961

Deferred Contingent Consideration
Deferred contingent consideration at 24 September 2010 represented the estimated amount payable in respect of the acquisition of the non-controlling interest in Trilby Trading Limited which was paid in December 2010.

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 seven 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.

On 20 January 2011, the board of Uniq plc announced that its Minsterley facility had been given notice of the loss of approximately £10 million of annualised sales as from April 2011 and that the board had commenced a comprehensive review of its desserts business. On 12 July 2011, the board of Uniq plc announced its decision to withdraw from yoghurt production in April 2012 due to a reduction in the margins achievable in this sector. On 22 August 2011, the board of Uniq plc announced the results of the review of its desserts business. They decided to focus on their premium desserts and Muller/Cadbury desserts businesses and to exit their loss making everyday desserts business. The restructuring provision has been established to cover the cost of this restructuring.

The estimation of remediation and closure provisions is a key judgement in the preparation of the financial statements. A portion of the balance provided is not contracted and accordingly the timing of payments is subject to a degree of uncertainty. A significant amount of the costs will be incurred by September 2012.

Other
Other provisions primarily consist of provisions for litigation and warranty claims arising from the sale and closure of businesses. It is anticipated that these will be payable within five years.

Notes to the Group Financial Statements
year ended 30 September 2011
(continued)

25. 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	Tax losses £'000	Employee share options £'000	Other £'000	2011 Total £'000
At beginning of year	**(16,652)**	**(2,864)**	**23,450**	**–**	**116**	**(1,978)**	**2,072**
Income Statement charge (Note 9)	**5,886**	**647**	**(145)**	**–**	**87**	**2,467**	**8,942**
Tax charged to equity (Note 9)	**–**	**–**	**1,193**	**–**	**–**	**–**	**1,193**
Arising on acquisition (Note 35)	**12,244**	**(9,574)**	**–**	**7,500**	**–**	**–**	**10,170**
Currency translation adjustment and other	**(2)**	**1**	**–**	**–**	**–**	**–**	**(1)**
At end of year	**1,476**	**(11,790)**	**24,498**	**7,500**	**203**	**489**	**22,376**
Deferred tax assets (deductible temporary differences)	**23,631**	**148**	**24,498**	**7,500**	**203**	**494**	**56,474**
Deferred tax liabilities (taxable temporary differences)	**(22,155)**	**(11,938)**	**–**	**–**	**–**	**(5)**	**(34,098)**
Net deferred tax asset/(liability)	**1,476**	**(11,790)**	**24,498**	**7,500**	**203**	**489**	**22,376**

	Property, plant and equipment £'000	Acquisition related intangibles £'000	Retirement benefit obligations £'000	Derivative financial instruments £'000	Employee share options £'000	Other £'000	2010 As re-presented Total £'000
At beginning of year	(22,198)	(3,225)	22,204	491	46	(1,569)	(4,251)
Income Statement charge (Note 9)	(2,123)	113	(882)	–	75	422	(2,395)
Tax charged to equity (Note 9)	–	–	3,650	(430)	–	–	3,220
Discontinued tax credit (Note 9)	1,461	–	–	–	–	–	1,461
Disposals (Note 34)	5,756	–	(1,500)	(35)	–	(260)	3,961
Currency translation adjustment and other	452	248	(22)	(26)	(5)	(571)	76
At end of year	(16,652)	(2,864)	23,450	–	116	(1,978)	2,072
Deferred tax assets (deductible temporary differences)	14,271	–	23,450	–	116	1,426	39,263
Deferred tax liabilities (taxable temporary differences)	(30,923)	(2,864)	–	–	–	(3,404)	(37,191)
Net deferred tax (liability)/asset	(16,652)	(2,864)	23,450	–	116	(1,978)	2,072

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 30 September 2011 was £113.0 million (2010: £15.4 million) of which £92.8 million arose on the acquisition of Uniq plc.

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 30 September 2011 was £12.7 million (2010: £3.8 million) of which £1.5 million arose on the acquisition of Uniq plc.

26. Government Grants

	2011 £'000	2010 As re-presented £'000	2009 As re-presented £'000
At beginning of year	**97**	1,001	829
Received in year	**–**	–	146
Amortised in year	**(13)**	(73)	(102)
Disposals	**–**	(785)	–
Repaid in year	**–**	–	(6)
Currency translation adjustment	**(1)**	(46)	134
At end of year	**83**	97	1,001

27. 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 £2.546 million (2010: £2.119 million) represents employer contributions payable to these schemes at rates specified in the rules of the schemes. At year-end, £0.256 million (2010: £0.327 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 and three defined benefit schemes in the UK (the UK schemes). In addition, the Group acquired one defined benefit scheme and two benefit commitments as part of the Uniq acquisition (the Uniq 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.

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

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

Full actuarial valuations were carried out between 1 April 2007 and 1 April 2010. 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:

	2011	2010
Rate of increase in pension payment	**0%-3.10%**	0%-3.00%
Discount rate	**5.20%-5.25%**	4.90%-5.20%
Inflation rate	**1.90%-3.10%**	1.80%-3.00%

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

	2011	2010
Equities	**7.28%-8.00%**	7.94%-8.50%
Bonds	**3.28%-5.25%**	3.10%-5.07%
Property	**7.00%**	7.50%
Cash/Other	**2.00%**	1.00%

The expected long-term rate of return on scheme assets is calculated taking account of the available yield on fixed interest stock and allows for additional returns on the growth assets.

Assumptions regarding future mortality experience are set based on information from published statistics and experience in all geographic regions and are selected to reflect the characteristics and experience of the membership of the relevant plans. In relation to the UK, this has been done by adjusting standard mortality tables to reflect recent research into mortality experience in the UK (S1N (YoB) MC tables combined with an underpin for improvements factors). The average life expectancy, in years, of a pensioner retiring at 65 is as follows:

	2011 years	2010 years
Male	**22-26**	20-26
Female	**24-28**	23-28

Notes to the Group Financial Statements
year ended 30 September 2011
(continued)

27. Retirement Benefit Obligations (continued)

Sensitivity of Pension Liability to Judgmental Assumptions

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.5%	Decrease/increase by 7.2%
Rate of inflation	Increase/decrease by 0.5%	Increase/decrease by 4.6%
Rate of mortality	Members assumed to live 1 year longer	Increase by 2.6%

Market Value of the Assets of the Schemes

	2011 £'000	2010 As re-presented £'000	2009 As re-presented £'000
Equities	**137,881**	179,654	191,192
Bonds	**98,139**	118,539	104,803
Property	**18,297**	14,268	18,197
Cash/Other	**60,375**	11,060	2,856
Total market value at end of year	**314,692**	323,521	317,048
Present value of scheme liabilities	**(444,859)**	(423,995)	(408,249)
Deficit in schemes	**(130,167)**	(100,474)	(91,201)
Deferred tax asset (Note 25)	**24,498**	23,450	22,204
Net liability at end of year	**(105,669)**	(77,024)	(68,997)

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

	2011 £'000	2010 £'000	2009 £'000
Non-current liabilities	**(130,167)**	(100,474)	(91,201)

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

	2011 £'000	2010 As re-presented £'000
Current service costs (included in operating costs)	**–**	1,138
Past service costs	**352**	–
Total included in staff costs (Note 4)	**352**	1,138

	2011 £'000	2010 As re-presented £'000
Interest cost	**21,090**	22,188
Expected return on plan assets	**(19,310)**	(21,902)
Total included in finance costs (continuing and discontinued)	**1,780**	286

The total return on plan assets for the year was a loss of £4.097 million (2010: £40.307 million gain).

Actuarial Losses Recognised in the Statement of Recognised Income and Expense

	2011 £'000	2010 As re-presented £'000
Actual return less expected return on pension scheme assets	**(21,884)**	18,405
Actuarial losses arising on the scheme liabilities	**(15,058)**	(43,291)
Total included in the Statement of Recognised Income and Expense	**(36,942)**	(24,886)

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

	2011 £'000	2010 As re-presented £'000
At beginning of year, as previously reported		(115,932)
Effect of change in presentation currency		8,713
At beginning of year	**(132,105)**	(107,219)
Actuarial loss for the year	**(36,942)**	(24,886)
At end of year	**(169,047)**	(132,105)

Movement in the Fair Value of Plan Assets

	2011 £'000	2010 As re-presented £'000
At beginning of year	**323,521**	317,048
Expected return on plan assets	**19,310**	21,902
Actuarial (losses)/gains on plan assets	**(21,884)**	18,405
Settlement on disposal of operations	**–**	(7,469)
Acquisitions through business combinations	**967**	–
Contributions by employers	**11,985**	10,079
Contributions by members	**3**	508
Benefits paid	**(22,126)**	(22,486)
Currency translation adjustment	**2,916**	(14,466)
At end of year	**314,692**	323,521

Movement in the Present Value of Defined Benefit Obligations

	2011 £'000	2010 As re-presented £'000
At beginning of year	**423,995**	408,249
Current service costs	**–**	1,138
Past service cost	**352**	–
Interest cost	**21,090**	22,188
Settlement on disposal of operations	**–**	(13,415)
Acquisitions through business combinations	**3,413**	–
Actuarial loss	**15,058**	43,291
Contributions by members	**3**	508
Benefits paid	**(22,126)**	(22,486)
Currency translation adjustment	**3,074**	(15,478)
At end of year	**444,859**	423,995

Notes to the Group Financial Statements
year ended 30 September 2011
(continued)

27. Retirement Benefit Obligations (continued)

History of Experience Adjustments

	2011 £'000	2010 As re-presented £'000	2009 As re-presented £'000	2008 As re-presented £'000	2007 As re-presented £'000
Present value of defined benefit obligations	**(444,859)**	(423,995)	(408,249)	(360,169)	(399,334)
Fair value of scheme assets	**314,692**	323,521	317,048	306,925	381,368
Deficit in the schemes	**(130,167)**	(100,474)	(91,201)	(53,244)	(17,966)

	2011	2010 As re-presented	2009 As re-presented	2008 As re-presented	2007 As re-presented
Difference between the expected and actual return on scheme assets (£'000)	**(21,884)**	18,405	(33,129)	(115,228)	(8,077)
As a percentage of scheme assets	**7.0%**	5.7%	10.4%	37.5%	2.1%
Actuarial (losses)/gains on scheme liabilities (£'000)	**(15,058)**	(43,291)	(10,417)	65,779	12,641
As a percentage of the present value of scheme liabilities	**3.4%**	10.2%	2.6%	18.3%	3.2%
Total recognised in Statement of Recognised Income and Expenses (£'000)	**(36,942)**	(24,886)	(43,546)	(49,448)	4,564
As a percentage of the present value of the scheme liabilities	**8.3%**	5.9%	10.7%	13.7%	1.1%

The expected contributions payable to Group defined benefit schemes in 2012 are £11.0 million.

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 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.

28. Equity Share Capital

Authorised	2011 £'000	2010 As re-presented £'000	2009 As re-presented £'000
500,000,000 (2010: 300,000,000) ordinary shares of €0.01 (2010: €0.63) each	**4,303**	160,329	172,614
300,000,000 (2010: nil) deferred shares of €0.62 each	**160,072**	–	–
1 special rights preference share of €1.26 (a)	**–**	–	–
	164,375	160,329	172,614

Issued and fully paid	2011 £'000	2010 As re-presented £'000	2009 As re-presented £'000
383,407,228 (2010: 206,668,944) ordinary shares of €0.01 (2010: €0.63) each	**3,300**	110,449	117,624
209,131,215 (2010: nil) deferred shares of €0.62 each	**111,587**	–	–
3,904,716 ordinary shares of €0.63 each held as treasury shares (e)	**2,117**	2,087	2,247
1 special rights preference share of €1.26 (a)	**–**	–	–
	117,004	112,536	119,871

(a) The special share is owned by the Minister for Agriculture, Food and the Marine, on behalf of the Irish State. This gives the owner certain rights, inter alia, in relation to the shares, sugar quota and sugar producing assets of Irish Sugar Limited.

(b) Details of share options granted under the Company's Executive Share Option Scheme, savings-related share option schemes and the Deferred Bonus Plan and the terms attaching thereto are provided in Note 5 to the Group Financial Statements and in the Report on Directors Remuneration.

(c) During the year 2,441,392 (2010: 2,208,982) shares were issued in respect of the scrip dividend scheme.

(d) The Company issued 174,276,013 ordinary shares of €0.01 each by way of a 5 for 6 rights issue on 24 August 2011 for cash at €0.46 each.

(e) In 1998, the company re-purchased 4,906,250 ordinary shares. During the current year and the prior year none of these shares were re-issued. The remaining 3,904,716 shares are held as treasury shares and are not eligible for dividends or voting.

Renominalisation of Ordinary Share Capital

As part of the Rights Issue for the acquisition of Uniq plc, the Company's ordinary shares were renominalised by the equity holders of the Company at the Extraordinary General Meeting held on 8 August 2011. This resulted in the nominal value of each ordinary share being reduced from €0.63 per share to €0.01 per share.

Each existing ordinary share at the date of renominalisation was subdivided into one ordinary share of €0.01 and one deferred share of €0.62. The purpose of the issue of the deferred shares was to ensure that the reduction in the nominal value of the ordinary shares did not result in a reduction in the capital of the Company. Each ordinary shareholder's proportionate interest in the issued ordinary shares of the Company remained unchanged as a result of the renominalisation.

Except for the change in nominal value and the deferred rights of the deferred shares on a winding up, the rights attaching to the ordinary shares of €0.01 each (including voting and dividend rights and rights on a return of capital) are identical to those of the previous ordinary shares of €0.63 each. The deferred shares created on the renominalisation have no voting or dividend rights and, on a return of capital on a winding up of the Company, will have the right to receive the amount paid up thereon only after ordinary shareholders have received, in aggregate, any amounts paid up thereon plus €100 million per ordinary share of €0.01, the purpose of which is to ensure that the deferred shares have no economic value.

The deferred shares are not transferable at any time, other than with the prior written consent of the Directors. At the appropriate time, the Company may redeem or repurchase the deferred shares, make an application to the High Court of Ireland for the deferred shares to be cancelled, or acquire or cancel or seek the surrender of the deferred shares (in each case for no consideration) using such other lawful means as the Directors may determine.

At the Extraordinary General Meeting held on 8 August 2011, the authorised share capital of the Company was increased so that it now consists of 500,000,000 ordinary shares of €0.01 each, 300,000,000 deferred shares of €0.62 each and one special rights preference share of €1.26.

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. Capital is defined as the sum of the book value of shareholders' equity plus net debt but excluding land subject to remediation and pension scheme assets or deficits. The Group's return on capital employed (ROCE) is calculated by dividing Group operating profit (pre-exceptional charges and amortisation of acquisition related intangibles) plus pre-tax profit from associates by capital for ROCE purposes as shown below. The Group monitors the return on capital of the Group as a key performance indicator.

	2011 £'000	2010 As re-presented £'000	2009 As re-presented £'000
Book value of shareholders' equity	**194,600**	151,747	157,370
Less: Issue of shares – Rights Issue (net of associated costs)	**(68,434)**	–	–
Net debt (Note 23)	**139,788**	164,064	258,919
Add: Rights Issue proceeds held in cash and cash equivalents (Note 20)	**68,856**	–	–
Less: Uniq net debt on acquisition (Note 35)	**(7,377)**	–	–
Retirement benefit obligation (net of deferred tax asset) (Note 27)	**105,669**	77,024	68,997
Less: Uniq retirement benefit obligations on acquisition (Note 35)	**(2,446)**	–	–
Capital	**430,656**	392,835	485,286
Investment Property – land subject to remediation (Note 15)	**(34,087)**	(32,164)	(32,327)
Capital for ROCE purposes	**396,569**	360,671	452,959

Reconciliation of movements on Equity Share Capital

	2011 £'000	2010 £'000	2009 £'000
Share capital, at beginning of year	**112,536**	119,871	102,689
Shares issued during the year	**2,877**	1,220	1,417
Currency translation adjustment	**1,591**	(8,555)	15,765
Share capital, at end of year	**117,004**	112,536	119,871

Notes to the Group Financial Statements
year ended 30 September 2011
(continued)

29. Non-Controlling Interests

	2011 £'000	2010 As re-presented £'000	2009 As re-presented £'000
At beginning of year	**2,444**	3,280	3,815
Profit after tax	**702**	510	1,312
Dividends paid to non-controlling interests	**(219)**	(1,124)	(1,348)
Acquisitions	**–**	–	(1,043)
Currency translation adjustment	**35**	(222)	544
At end of year	**2,962**	2,444	3,280

During 2009, the Group acquired the non-controlling interests shareholdings in two of its subsidiaries, Trilby Trading Limited and Encore Knockmore Limited. The total cash consideration for the shares was £1.0 million with an additional deferred contingent element payable depending on future business performance. The difference between the book value of the share of net assets acquired at acquisition and the consideration and related costs was recorded as an adjustment to goodwill.

30. Working Capital Movement

The following represents the Group's working capital movement for continuting activities:

	2011 £'000	2010 As re-presented £'000
Inventories	**(7,145)**	5,163
Trade and other receivables	**(13,892)**	(3,980)
Trade and other payables	**19,485**	20,117
	(1,552)	21,300

The total cash outflow in the year in respect of prior years exceptional charges was £6.3 million.

31. Commitments under Operating and Finance Leases

Operating Leases

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

	2011 £'000	2010 As re-presented £'000	2009 As re-presented £'000
Within one year	**9,394**	7,912	10,865
After one year but not more than five years	**25,796**	20,383	26,247
More than five years	**31,893**	28,509	39,962
	67,083	56,804	77,074

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

Finance Leases
The Group had no finance leases at 30 September 2011 or 24 September 2010. The future minimum lease payments under finance leases at 25 September 2009, together with the present value of the net minimum lease payments were as follows:

	2009 As re-presented Minimum payments £'000	2009 As re-presented Present value of payments £'000
Within one year	107	19
After one year but not more than five years	354	5
More than five years	5,745	1,670
Total minimum lease payments	6,206	1,694
Less: Amounts allocated to future finance costs	(4,512)	–
Present value of minimum lease payments	1,694	1,694

32. Capital Expenditure Commitments

	2011 £'000	2010 As re-presented £'000	2009 As re-presented £'000
Capital expenditure that has been contracted but not been provided for	**1,511**	2,922	1,652
Capital expenditure that has been authorised by the Directors but not yet been contracted	**1,832**	3,513	386
	3,343	6,435	2,038

33. 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 24 September 2010 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 security to the Government of Ireland for the purpose of facilitating the receipt of restructuring aid as provided for in Commission Regulation (EC) No 968/2006. The security was in the form of a bank guarantee which was released during the year. In the prior year, the guarantee amounted to £8.1 million.

As part of the agreement to dispose of Greencore Malt, the Group provided a bank guarantee to Axéréal Union de Coopératives Agricoles for an amount of £8.6 million to guarantee the performance by the Group of its payment obligations in respect of any breach of warranty, indemnity or covenant under the disposal agreement in respect of any claim made by Axéréal Union de Coopératives Agricoles up to 26 March 2014.

Notes to the Group Financial Statements
year ended 30 September 2011 (continued)

34. Disposal of Undertakings

The Group disposed of its interest in its malt, bottled water and Dutch-based convenience foods businesses during the year ended 24 September 2010. The respective profit and losses on the disposal of these businesses were recognised in the Group Income Statement within discontinued operations. The details of the disposals are set out in Note 6.

The net assets of the businesses disposed of, the total consideration received and the portion of consideration consisting of cash and cash equivalents and the amount of cash and cash equivalents over which control was lost are as follows:

	2010 As re-presented £'000
Assets	
Intangible assets	1,438
Property, plant and equipment	78,338
Deferred tax assets	1,578
Inventories	27,580
Trade and other receivables	33,454
Cash and cash equivalents	2,474
Total assets	144,862
Liabilities	
Borrowings	(1,629)
Trade and other payables	(48,544)
Derivative financial liabilities	(140)
Government grants	(807)
Deferred tax liabilities	(5,539)
Total liabilities	(56,659)
Total enterprise value	88,203
Profit on disposal	2,321
Recycle of losses recorded in equity on foreign exchange and cash flow hedges	6,520
Working capital adjustments	14,229
Disposal related costs*	14,236
Total consideration	125,509
Reconciliation of consideration received to cash received	
Total consideration	125,509
Deferred consideration	(6,255)
Working capital adjustments received on completion	(15,308)
Net consideration received on completion	103,946
Disposal related costs paid	(11,306)
Net cash inflow arising on disposal	92,640
Satisfied by:	
Cash payments	93,485
Cash and cash equivalents disposed of**	(845)
Net cash inflow arising on disposal	92,640

* Disposal related costs consists of pension curtailment gains and transaction costs.

** Cash and cash equivalents disposed of consist of both cash and cash equivalents and borrowings.

Deferred consideration of £0.9 million was received during the year ended 30 September 2011. Future deferred consideration is receivable in March 2012 and August 2013.

35. Acquisition of Undertakings

On 23 September 2011, the Group's acquisition of Uniq plc ('Uniq') was declared unconditional in all respects. The acquisition provides further critical mass in the Food to Go market and exposure to the premium chilled desserts market, in both cases with a major retail customer with which the Group previously had little trade.

On 6 December 2010, the Group acquired a 100% interest in On A Roll Sales ('On A Roll'), a manufacturer of fresh sandwiches based in Brockton, south of Boston, Massachusetts. The Group obtained control of On A Roll by way of asset purchase. The acquisition provides an additional revenue stream to Greencore USA's Food to Go category and complements our existing businesses in Newburyport and Cincinnati.

The fair value of the assets acquired, determined in accordance with IFRS, were as follows:

	On A Roll £'000	Uniq £'000	**Total £'000**
Assets			
Intangible assets	6,907	38,297	**45,204**
Property, plant and equipment	404	29,583	**29,987**
Deferred tax assets	–	19,744	**19,744**
Inventory	342	10,780	**11,122**
Trade and other receivables	746	28,418	**29,164**
Total assets	8,399	126,822	**135,221**
Liabilities			
Borrowings	–	(15,500)	**(15,500)**
Trade and other payables	(1,198)	(48,072)	**(49,270)**
Provisions for liabilities	–	(19,610)	**(19,610)**
Current taxes payable	–	(5,833)	**(5,833)**
Retirement benefit obligations	–	(2,446)	**(2,446)**
Deferred tax liabilities	–	(9,574)	**(9,574)**
Total liabilities	(1,198)	(101,035)	**(102,233)**
Net assets acquired	7,201	25,787	**32,988**
Goodwill	4,322	78,792	**83,114**
Total enterprise value	11,523	104,579	**116,102**
Satisfied by:			
Cash payments	11,116	–	**11,116**
Cash acquired	(241)	(8,123)	**(8,364)**
Net cash outflow	10,875	(8,123)	**2,752**
Consideration payable	648	112,702	**113,350**
Total consideration	11,523	104,579	**116,102**

The fair values of the acquired net assets of Uniq have been determined provisionally as at 30 September 2011 and are subject to change, as the Group has yet to finalise the fair value of all the net identifiable assets acquired due to the timing of the completion of the acquisition.

On A Roll

The principal factors contributing to the recognition of goodwill on the acquisition of On A Roll is the expected realisation of cost savings and operational synergies through the combination of the activities of On A Roll with existing operations in the Group. The total amount of goodwill recognised of £4.3 million is expected to be deductible for tax purposes.

The principal intangible assets acquired were customer related intangible assets amounting to £6.8 million.

The deferred consideration is revenue related and payable one year following the acquisition date and is contingent on the performance of On a Roll for the year ended 30 September 2011. The maximum amount payable under the acquisition agreement has been provided for based on the performance of On a Roll for this period. There is no minimum amount payable.

Notes to the Group Financial Statements
year ended 30 September 2011
(continued)

35. Acquisition of Undertakings (continued)

On A Roll (continued)
As part of the acquisition, the Group acquired trade receivables with a fair value of £0.713 million. The gross contractual amount receivable was £0.716 million and management's estimate of the contractual cash flows not expected to be collected was £0.003 million.

Transaction costs of £0.4 million associated with the acquisition of On A Roll are presented as an exceptional charge within operating costs as set out in Note 6.

The post acquisition impact of On A Roll was to increase Group revenue for the financial period by £16.5 million. The post acquisition impact of the business combination on Group profit for the financial period was not material.

If the acquisition date of On A Roll was at the beginning of the period, Group revenue and profit for the financial period would not have been materially different.

Uniq
The principal factors contributing to the recognition of goodwill on the acquisition of Uniq is the expected realisation of cost savings and operational synergies through the combination of the activities of Uniq with existing operations in the Group, together with the assembled workforce and knowledge and experience of the Uniq employees. The total amount of goodwill recognised of £78.8 million is not expected to be deductible for tax purposes.

The principal intangible assets acquired were customer related intangible assets amounting to £36.5 million.

The consideration payable at 30 September 2011 was paid in full on various dates during October and November 2011.

As part of the acquisition, the Group acquired trade receivables with a fair value of £24.13 million. The gross contractual amount receivable was £24.15 million and management's estimate of the contractual cash flows not expected to be collected was £0.02 million.

Transaction costs of £6.6 million associated with the acquisition of Uniq are presented as an exceptional charge within operating costs as set out in Note 6.

The post acquisition impact of the business combination on Group revenue and profit for the financial period was not material.

If the acquisition date of Uniq was at the beginning of the period, Group revenue for the financial period would have been £1.1 billion. In addition, the profit of the Group for the financial period would have been £42.1 million. This profit for the period includes a curtailment gain of £73.7 million in respect of the Uniq pension deficit following the settlement agreed with the pension fund and charges of £54.8 million in respect of restructuring and asset impairments of the Uniq desserts division.

36. 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 37 of the Group Financial Statements.

Sales to and purchases from, together with outstanding payables and receivables to and from, subsidiaries, are eliminated in the preparation of the Group Financial Statements in accordance with IAS 27 Consolidated and Separate Financial Statements. Amounts receivable from and payable to associates as at the balance sheet date are included as separate line items in the notes to the Group Financial Statements.

Terms and Conditions of Transactions with Associates
In general, sales to and purchases from associates are on terms equivalent to those that prevail in arm's length transactions. The outstanding balances included in receivables and payables at the balance sheet date in respect of transactions with associates are unsecured, interest free and settlement arises in cash. No guarantees have been either requested or provided in relation to the associates company receivables and payables.

Key Management Personnel
For the purposes of the disclosure requirements of IAS 24 Related Party Disclosures, the term 'key management personnel' (i.e. those persons having the authority and responsibility for planning, directing and controlling the activities of the Company), comprise the Board of Directors which manages the business and affairs of the Company. As identified in the Report on Directors' Remuneration, the Directors, other than the Non-Executive Directors, serve as executive officers of the Company.

Key management personnel compensation was as follows:

	2011 £'000	2010 As re-presented £'000
Salaries and other short-term employee benefits	**3,026**	3,966
Post-employment benefits	**782**	437
Share based payments	**1,054**	1,073
	4,862	5,476

37. Principal Subsidiaries and Associated Undertakings

Name of subsidiary	Nature of business	Percentage share	Registered office
Breadwinner Foods Limited*	Food Processors	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Greencore Advances Limited	Finance Company	100	No. 2 Northwood Avenue Northwood Business Park, Santry Dublin 9
Greencore 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 Funding Limited**	Finance Company	100	P.O. Box 87, 22 Grenville Street St. Helier, Jersey JE4 8PX
Greencore USA, Inc***	Food Processors	100	The Corporation Service Company 1209 Orange Street City of Willmington County of Newcastle Delaware USA
Greencore UK Holdings plc*	Holding Company	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Hazelwood (Blackditch) Limited*	Property Company	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA

All the above companies are incorporated in the Republic of Ireland except those marked with * which are incorporated within the United Kingdom, that marked with ** which is incorporated in Jersey, and that marked with *** which is incorporated in the U.S.A. The principal country of operation of each company is the country in which it is incorporated.

Notes to the Group Financial Statements
year ended 30 September 2011 (continued)

37. Principal Subsidiaries and Associated Undertakings (continued)

Name of subsidiary	Nature of business	Percentage share	Registered office
Hazlewood Convenience Food Group Limited*	Food Processors	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Hazlewood Convenience Group 1 Limited*	Food Processors	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Hazlewood Foods Limited*	Holding Company	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Hazlewood Grocery Limited*	Food Processors	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
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
Oldfields Limited*	Food Processors	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Premier Molasses Company Limited	Molasses Trading	50	Harbour Road Foynes, Co. Limerick

All the above companies are incorporated in the Republic of Ireland except those marked with * which are incorporated within the United Kingdom, that marked with ** which is incorporated in Jersey, and that marked with *** which is incorporated in the U.S.A. The principal country of operation of each company is the country in which it is incorporated.

Name of subsidiary	Nature of business	Percentage share	Registered office
Sushi San Limited*	Food Processors	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Trilby Trading Limited	Food Industry Suppliers	100	No. 2 Northwood Avenue Northwood Business Park, Santry Dublin 9
Uniq Prepared Foods Limited*	Food Processors	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
United Molasses (Ireland) Limited*	Molasses Trading	50	Duncrue Street Belfast BT3 9AQ

All the above companies are incorporated in the Republic of Ireland except those marked with * which are incorporated within the United Kingdom, that marked with ** which is incorporated in Jersey, and that marked with *** which is incorporated in the U.S.A. The principal country of operation of each company is the country in which it is incorporated.

Notes to the Group Financial Statements
year ended 30 September 2011
(continued)

38. Prior Year Adjustment – Change in Presentation Currency

Following the acquisition of Uniq plc, the Group changed its reporting currency from euro to sterling. This change aligns the Group's external financial reporting with the currency profile of the Group. The change in presentation currency has been applied retrospectively.

In restating the Group Financial Statements for 2010 and 2009, the reported information was converted to sterling from euro using the following procedures:

- Assets, liabilities and equity were translated to sterling at the closing rates of exchange at each respective balance sheet date (2010: 0.8483; 2009: 0.9133).
- Income and expenses were translated to sterling at actual rates of exchange for the transactions (or the average rate of 0.8644 where this was a reasonable approximation).
- Differences resulting from the retranslation were taken to reserves.

The impact on the prior year results, closing balance sheet and the numerator for earnings per share as originally reported is set out below:

Income Statement

	2010	
	As originally reported €'000	**As re-presented £'000**
Continuing operations		
Revenue	855,952	**739,863**
Cost of sales	(569,193)	**(491,996)**
Gross profit	286,759	**247,867**
Operating costs, net	(227,071)	**(196,274)**
Group operating profit/(loss) before acquisition related amortisation	59,688	**51,593**
Amortisation of acquisition related intangibles	(2,364)	**(2,043)**
Group operating profit	57,324	**49,550**
Finance income	26,153	**22,606**
Finance costs	(53,665)	**(46,387)**
Share of profit of associates after tax	513	**443**
Profit before taxation	30,325	**26,212**
Taxation	(5,415)	**(4,680)**
Profit for the period from continuing operations	24,910	**21,532**
Discontinued operations		
Result from discontinued operations	9,550	**8,628**
Profit for the financial period	34,460	**30,160**
Attributable to:		
Equity shareholders	33,870	**29,650**
Non-controlling interests	590	**510**
	34,460	**30,160**

Balance Sheet

	2010 As originally reported €'000	2010 **As re-presented £'000**	2009 As originally reported €'000	2009 **As re-presented £'000**
ASSETS				
Non-current assets				
Intangible assets	404,555	**343,184**	404,305	**369,252**
Property, plant and equipment	217,532	**184,532**	319,233	**291,555**
Investment property	37,916	**32,164**	710	**648**
Investments in associates	682	**579**	638	**583**
Other receivables	6,310	**5,353**	–	**–**
Derivative financial instruments	19,220	**16,304**	16,358	**14,940**
Deferred tax assets	46,284	**39,263**	42,993	**39,266**
Total non-current assets	732,499	**621,379**	784,237	**716,244**
Current assets				
Inventories	39,549	**33,549**	82,369	**75,228**
Trade and other receivables	64,537	**54,747**	95,562	**87,277**
Derivative financial instruments	2,486	**2,109**	–	**–**
Cash and cash equivalents	11,707	**9,931**	43,933	**40,124**
Total current assets	118,279	**100,336**	221,864	**202,629**
Total assets	850,778	**721,715**	1,006,101	**918,873**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	132,661	**112,536**	131,250	**119,871**
Share premium	121,162	**102,782**	119,623	**109,252**
Reserves	(77,820)	**(66,015)**	(82,156)	**(75,033)**
	176,003	**149,303**	168,717	**154,090**
Non-controlling interests	2,881	**2,444**	3,591	**3,280**
Total equity	178,884	**151,747**	172,308	**157,370**
LIABILITIES				
Non-current liabilities				
Borrowings	185,415	**157,288**	343,769	**313,964**
Retirement benefit obligations	118,442	**100,474**	99,859	**91,201**
Other payables	5,193	**4,405**	6,924	**6,324**
Provisions for liabilities	3,950	**3,351**	6,188	**5,652**
Deferred tax liabilities	43,842	**37,191**	47,648	**43,517**
Government grants	114	**97**	1,096	**1,001**
Total non-current liabilities	356,956	**302,806**	505,484	**461,659**
Current liabilities				
Borrowings	41,401	**35,120**	21	**19**
Derivative financial instruments	18,894	**16,028**	27,237	**24,876**
Trade and other payables	218,126	**185,036**	262,845	**240,056**
Provisions for liabilities	8,297	**7,038**	11,288	**10,309**
Current taxes payable	28,220	**23,940**	26,918	**24,584**
Total current liabilities	314,938	**267,162**	328,309	**299,844**
Total liabilities	671,894	**569,968**	833,793	**761,503**
Total equity and liabilities	850,778	**721,715**	1,006,101	**918,873**

Notes to the Group Financial Statements
year ended 30 September 2011 (continued)

38. Prior Year Adjustment – Change in Presentation Currency (continued)

Numerator for Adjusted Earnings per Share Calculation

	2010 As originally reported €'000	2010 As restated £'000
Profit attributable to equity holders of the Company	33,870	**29,650**
Exceptional items (post-tax)	(2,253)	**(2,321)**
Fair value of derivative financial instruments and related debt adjustments where hedge accounting is not applied	3,731	**3,225**
FX on inter-company and external balances where hedge accounting is not applied	(1,965)	**(1,698)**
Amortisation of acquisition related intangible assets (net of tax)	1,584	**1,368**
Pension financing (net of tax)	(443)	**(383)**
Fair value of derivative financial instruments and related debt adjustments and pension financing included in discontinued operations	(345)	**(298)**
Numerator for adjusted earnings per share calculation	34,179	**29,543**
Result from discontinued operations – pre-exceptional	(7,297)	**(6,307)**
Fair value of derivative financial instruments and related debt adjustments and pension financing included in discontinued operations	345	**298**
Numerator for continuing adjusted earnings per share calculation	27,227	**23,534**

39. Subsequent Events

There were no significant subsequent events after the balance sheet date.

40. Board Approval

The Group Financial Statements, together with the Company Financial Statements, for the year ended 30 September 2011 were approved by the Board of Directors and authorised for issue on 5 December 2011.

Company Statement of Accounting Policies
year ended 30 September 2011

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 2009, and with the financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland.

Following the acquisition of Uniq plc, the Group changed its reporting currency from euro to sterling. This change aligns the Group's external financial reporting with the currency profile of the Group. At the same time, the Company has changed its functional currency from euro to sterling. This change reflects the increased concentration of the Group's activities in sterling.

In order to present the position and results as at and for the year ended 30 September 2011, in accordance with Statement of Standard Accounting Practice Number 20 Foreign Currency Translation (SSAP 20), the Company has restated the profit and loss account, balance sheet and all related notes at the applicable euro/sterling exchange rate – refer to Note 1 for further details.

Profit and Loss
The profit attributable to equity shareholders dealt with in the Financial Statements of the Parent Company was £6.6 million (2010: £5.6 million). In accordance with section 148(8) of the Companies Act 1963 and section 7(1A) of the Companies (Amendment) Act 1986, the Company is availing of the exemption from presenting its individual Profit and Loss Account to the Annual General Meeting and from filing it with the Registrar of Companies.

Foreign Currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. The resulting monetary assets and liabilities are translated at the balance sheet rate. The resulting profits or losses are dealt with in the profit and loss account.

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

Depreciation
Depreciation is calculated so as to write off the cost or valuation, less estimated residual value, of each fixed asset during its expected useful life using the straight line or reducing balance methods over the following periods:

Plant, machinery, fixtures and fittings	3-25 years

No depreciation is provided on freehold land.

Employee Share Options
The Company grants equity settled share based payments and share awards to employees (through Executive Share Option and Share Award Schemes and employee Sharesave Schemes). In the case of these options, the fair value is determined using a trinomial valuation model, as measured at the date of grant. The fair value is expensed to the Profit and Loss Account on a straight-line basis over the vesting period, based on an estimate of the number of shares that will eventually vest.

The proceeds received when options are exercised, net of any directly attributable transaction costs are credited to share capital and share premium.

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

Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profit as computed for taxation purposes and profit as stated in the Financial Statements which arise because certain items of income and expenditure in the Financial Statements are dealt with in different periods for taxation purposes.

Deferred tax assets are recognised to the extent which they are regarded as recoverable. Recoverability is assessed on the basis that more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Company Statement of Accounting Policies
year ended 30 September 2011
(continued)

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 30 September 2011

	Notes	2011 £'000	2010 £'000
Fixed assets			
Tangible assets	2	**1,092**	1,152
Financial assets	3	**84,074**	82,710
		85,166	83,862
Current assets			
Debtors	4	**839,391**	738,335
Cash at bank and in hand		**69,314**	3,241
		908,705	741,576
Creditors (amounts due within one year)			
Creditors	5	**527,565**	427,844
		527,565	427,844
Net current assets		**381,140**	313,732
Net assets		**466,306**	397,594
Capital and reserves			
Share capital	6	**117,004**	112,536
Capital conversion reserve fund	7	**804**	792
Share premium account	7	**171,010**	102,782
Other reserves	7	**(17,157)**	(17,289)
Profit and loss account	7	**194,645**	198,773
Shareholders' funds		**466,306**	397,594

EF Sullivan
Director

AR Williams
Director

Notes to the Company Financial Statements
year ended 30 September 2011

1. Prior Year Adjustment – Change in Functional Currency

Following the acquisition of Uniq plc, the Group changed its reporting currency from euro to sterling. This change aligns the Group's external financial reporting with the currency profile of the Group. At the same time, the Company changed its functional currency from euro to sterling. This change reflects the increased concentration of the Group's activities in sterling.

In order to present the position and results as at and for the year ended 30 September 2011, in accordance with SSAP20 Foreign Currency Translation, the Company has restated the profit and loss account, balance sheet and all related notes at the applicable euro/sterling exchange rate as follows:

- Assets, liabilities and equity were translated to sterling at the closing rate of exchange at the balance sheet date (0.8483).
- Income and expenses were translated to sterling at actual rates of exchange for the transactions (or the average rate of 0.8644 where this was a reasonable approximation).
- Differences resulting from the retranslation were taken to reserves.

The impact on the prior year results and closing balance sheet as originally reported is set out below:

	As originally reported €'000	**As restated £'000**
Retained profit for the financial year	6,441	**5,568**
Fixed assets		
Tangible assets	1,358	**1,152**
Financial assets	97,501	**82,710**
	98,859	**83,862**
Current assets		
Debtors	870,370	**738,335**
Cash at bank and in hand	3,821	**3,241**
	874,191	**741,576**
Creditors (amounts due within one year)		
Creditors	504,355	**427,844**
	504,355	**427,844**
Net current assets	369,836	**313,732**
Net assets	468,695	**397,594**
Capital and reserves		
Share capital	132,661	**112,536**
Capital conversion reserve fund	934	**792**
Share premium account	121,162	**102,782**
Other reserves	(20,380)	**(17,289)**
Profit and loss account	234,318	**198,773**
Shareholders' funds	468,695	**397,594**

2. Tangible Assets

	Computer software £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 24 September 2010	**6**	**1,249**	**1,255**
Additions	**–**	**3**	**3**
Currency translation adjustment	**–**	**18**	**18**
At 30 September 2011	**6**	**1,270**	**1,276**
Depreciation			
At 24 September 2010	**–**	**103**	**103**
Charge for the year	**2**	**78**	**80**
Currency translation adjustment	**–**	**1**	**1**
At 30 September 2011	**2**	**182**	**184**
Net book value			
At 30 September 2011	**4**	**1,088**	**1,092**
At 24 September 2010	6	1,146	1,152

3. Financial Assets

Interest in subsidiary undertakings	**2011 £'000**	2010 £'000
At beginning of year	**82,710**	102,782
Movement in year	**166**	(7,020)
Currency translation adjustment	**1,198**	(13,052)
At end of year	**84,074**	82,710

The principal trading subsidiary and associated undertakings are set out in Note 37 to the Group Financial Statements.

4. Debtors

Amounts falling due within one year	**2011 £'000**	2010 £'000
Amounts owed by subsidiary undertakings*	**838,718**	738,241
Other debtors	**151**	52
Prepayments and accrued income	**475**	42
	839,344	738,335

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

5. Creditors

Amounts falling due within one year	**2011 £'000**	2010 £'000
Amounts owed to subsidiary undertakings*	**516,071**	417,263
Declared interim dividend	**5,407**	5,259
Trade and other creditors	**1,218**	1,852
Accruals	**2,991**	3,470
	525,687	427,844

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

Notes to the Company Financial Statements
year ended 30 September 2011
(continued)

6. Share Capital
Details in respect of called-up share capital are presented in Note 28 of the Group Financial Statements.

7. Equity Reserves

	2011					
	Share capital £'000	Share premium £'000	Share option reserve £'000	Own shares reserve £'000	Capital conversion reserve fund £'000	Profit and loss account £'000
At beginning of year	112,536	102,782	2,598	(19,887)	792	198,773
Currency translation adjustment	1,591	(269)	32	(281)	12	2,625
Profit for the financial year attributable to equity holders of the Company	–	–	–	–	–	6,584
Employee share options expense	–	–	1,744	–	–	–
Exercise, forfeit or lapse of share options	11	4	(1,144)	–	–	1,144
Shares acquired by Deferred Share Awards Trust (a)	–	–	–	(1,638)	–	168
Shares granted to beneficiaries of the Deferred Share Awards Trust (b)–	–	–	1,419	–	(1,419)	
Issue of shares – Rights Issue	1,500	69,255	–	–	–	–
Costs associated with the issue of shares	–	(2,321)	–	–	–	–
Dividends	1,366	1,559	–	–	–	(13,236)
At end of year	117,004	171,010	3,230	(20,387)	804	194,645

(a) Pursuant to the terms of the Deferred Bonus Plan, 2,250,752 shares (2010: 1,425,832) were purchased during the financial year ended 30 September 2011 at a cost of £1.47 million (2010: £1.729 million). The nominal value of these shares, on which dividends have not been waived by the Trustees of the Plan was £0.02 million (2010: £0.777 million) at the date of purchase.

The Trustees of the Deferred Bonus Plan have, to date, availed of the scrip dividend scheme and utilised dividend income with a combined value of £0.168 million to acquire 143,420 shares in the Group with a nominal value of £0.107 million at the date of purchase.

(b) In the period, 989,582 shares with a nominal value of £0.547 million at the date of transfer were transferred to beneficiaries of the Deferred Bonus Plan.

8. 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 £3.012 million (2010: £2.033 million) in respect of defined benefit schemes and £0.605 million (2010: £0.229 million) in respect of defined contribution schemes. At year-end, £0.028 million (2010: £0.034 million) was included in other accruals in respect of pension cost accruals.

Disclosures in relation to this and all other Group defined benefit pension schemes are given in Note 27 to the Group Financial Statements.

9. Share Based Payments
The Company grants share options under various share option plans as detailed in the Report of the Directors. A charge of £0.82 million (2010: £1.06 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.

10. 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 30 September 2011. 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.

11. Statutory Information

During the period the average number of persons employed by the Company (excluding Non-Executive Directors) was 30 (2010: 29).

Directors' remuneration is disclosed in the Report on Directors' Remuneration and in Note 36 to the Group Financial Statements.

Auditor's remuneration for the year was as follows:

	2011 £'000	2010 As re-presented £'000
Audit of Company Financial Statements	**26**	43
Other assurance services	**242**	151
Tax advisory services	**90**	644
	358	838

The Company has annual commitments under operating leases expiring after five years of £0.724 million.

Notes

Shareholder and Other Information

Greencore Group plc is an Irish registered company. Its ordinary shares are quoted on the Irish Stock Exchange and the London Stock Exchange. Greencore has a Level 1 American Depositary Receipts (ADR) programme for which BNY Mellon acts as depositary (Symbol: GNCGY). Each ADR share represents four Greencore ordinary shares.

Shareholding Statistics as at 30 November 2011

Range of units	Total holders	Units	% of Issued Capital
0 – 1,000	5,085	1,862,917	0.48
1,000 – 5,000	3,999	9,330,909	2.42
5,000 – 10,000	818	5,722,082	1.49
10,000 – 25,000	519	7,843,601	2.04
25,000 – 100,000	212	9,971,994	2.59
100,000 – 250,000	52	7,794,488	2.03
250,000 – 500,000	25	8,575,104	2.23
Over 500,000	79	333,714,752	86.72
Rounding			**0.00**
Total	**10,789**	**384,815,847**	**100.0**

Financial Calendar

Record date for 2011 final dividend	16 December 2011
Annual General Meeting	9 February 2012
Payment date for 2011 final dividend	2 April 2012
Half yearly financial report	May 2012
Financial year end	28 September 2012
Interim Management Statement	August 2012
Interim dividend payment	October 2012
Announcement of results	December 2012

Advisors and Registered Office

Company Secretary
Conor O'Leary ACIS

Registered Office
No. 2 Northwood Avenue
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
Dublin 2

Eversheds
Bridgewater Place
Water Lane
Leeds LS11 5DR
UK

Slaughter and May
One Bunhill Row
London EC1Y 8YY
UK

Stockbrokers
Goodbody Stockbrokers
Ballsbridge Business Park
Ballsbridge
Dublin 4

Investec Securities
2 Gresham Street
London EC2V 7QP
UK

American Depositary Receipts
BNY Mellon
101 Barclay Street
22nd Floor – West
New York NY 10286
USA

Website
www.greencore.com

Follow Greencore on Twitter
@GreencoreGroup

FSC www.fsc.org MIX Paper from responsible sources FSC® C023105

You can also view this report online at http://ar2011.greencore.com/

Designed and produced by **Emperor Design Consultants Ltd**
Tel **+44 (0)131 220 7990 www.emperordesign.co.uk**

greencore.com

Greencore Group plc
No. 2 Northwood Avenue
Northwood Business Park
Santry
Dublin 9

Tel: +353 1 605 1000
Fax: +353 1 605 1099