ANNUAL REPORT & FINANCIAL STATEMENTS 2015

GREENCORE GROUP PLC

Greencore Group plc is a leading international manufacturer of convenience foods. We are proud to supply a wide range of chilled, frozen and ambient foods to some of the most successful retail and food service businesses in the UK and the US.

THE GREENCORE WAY

The Greencore Way describes who we are and how we succeed. It is a simple model that brings together the key elements of how we operate at Greencore.

It is organised around four core principles:

People at the Core

Our people are central to everything we do, from our manufacturing operations to our latest recipes and products and our relationships with customers. We believe that we ultimately differentiate ourselves through our people.

Great Food

We have a passion for food and invest every day to provide our customers with great, tasty and nutritious products.

Business Effectiveness

We are committed to continuously improving our business to make it more effective at delivering for our customers.

Cost Efficiency

We instill a strong culture of cost efficiency that helps us succeed as a leading private label manufacturer in the world's most demanding retail markets.

These principles guide our decision making. They also help us deliver against the needs of our key stakeholders.

22 Read more about
The Greencore Way on page 22

OVERVIEW

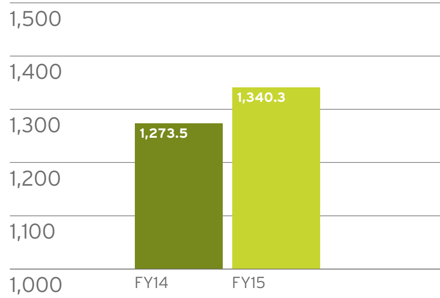
HIGHLIGHTS OF THE YEAR*

Greencore has had a strong year, delivering revenue growth of 5.2%, 10.6% growth in operating profit and 13.2% growth in adjusted earnings per share.

Revenue

£1,340.3m

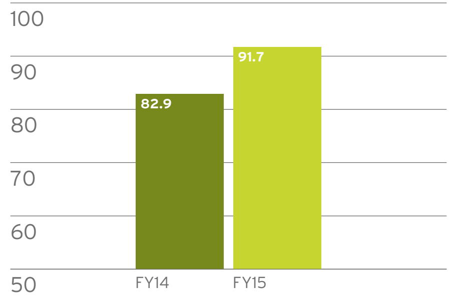
+5.2%



Operating Profit

£91.7m

+10.6%



Fast Facts:

10,000+

Employees across the UK, the US and Ireland

15

UK convenience foods facilities

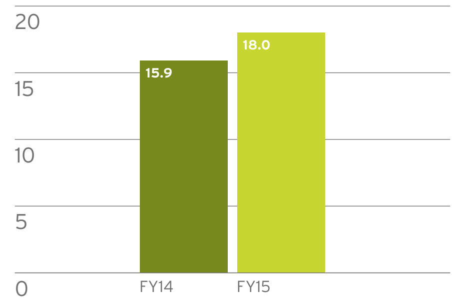
6

US convenience foods facilities

Adjusted EPS

18.0p

+13.2%



This Annual Report contains 'forward-looking statements' that are based on management's beliefs and assumptions and on information currently available to management. Such forward-looking statements may include, but are not limited to, information concerning the Company's possible or assumed future results of operations, business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, the effects of competition and the effects of future legislation or regulations. Forward-looking statements include all statements that are not historical facts. These may often be identified by the use of words such as 'will,' 'may,' 'could,' 'should,' 'would,' 'project,' 'believe,' 'anticipate,' 'expect,' 'plan,' 'estimate,' 'forecast,' 'potential,' 'intend,' 'continue,' 'target' or the negative of these terms or similar expressions. Because forward-looking statements inherently involve risks and uncertainties, actual future results may differ materially from those expressed or implied by such forward-looking statements including, but not limited to, as a result of the risk factors set out on pages 12 to 17 of this Annual Report. In addition, there may be other risks and uncertainties that the Company is unable to predict at this time or that the Company currently does not expect to have a material adverse effect on its business.

These statements are made as of the date of this Annual Report. The Company expressly disclaims any obligation to update these forward-looking statements other than as required by law.

* Definitions of financial key performance indicators are provided on page 10. These are non-IFRS measures. IFRS measures are provided within the Financial Statements from page 78 onwards.

STRATEGIC REPORT

Overview
Highlights of the Year 1
Our Business at a Glance 2
Chairman's Statement 4
Our Strategy
Business Environment 5
Business Model and Strategy 6
Strategy in Action 8
Financial Key Performance Indicators 10
Non-Financial Key Performance Indicators 11
Risks and Risk Management 12
Chief Executive's Review 18
Corporate Social Responsibility Report 2015 22
Performance Review
Operating and Financial Review 30
Group Executive Board 33

DIRECTORS' REPORT

Board of Directors 34
Directors' Report 36
Corporate Governance Report 39
Report on Directors' Remuneration 45
Report of the Audit Committee 65
Report of the Nomination Committee 70
Statement of Directors' Responsibilities 72

FINANCIAL STATEMENTS

Independent Auditor's Report 74
Group Income Statement 78
Group Statement of Recognised Income and Expense 79
Group Balance Sheet 80
Group Cash Flow Statement 81
Group Statement of Changes in Equity 82
Notes to the Group Financial Statements 84
Company Balance Sheet 134
Notes to the Company Financial Statements 135
Shareholder and Other Information 141

OUR BUSINESS AT A GLANCE

Food to Go

Greencore's Food to Go division is one of the world's largest manufacturers of pre-packed sandwiches, producing in excess of 500m food to go products each year for large retailers. Our range includes sandwiches, baguettes, wraps and other food to go items such as salads and sushi. The business operates out of six facilities in Bow, Crosby, Manton Wood, Northampton, Park Royal and Spalding. It also operates a distribution network covering the length and breadth of Britain.

Fast Fact:

529m

Greencore produced 529m food to go products in the UK in FY15

Fast Fact:

221m

Greencore produced 221m prepared meals, quiches and packs of chilled sauces and soup in FY15

Prepared Meals

Greencore's Prepared Meals division produces chilled ready meals, chilled sauces, chilled soup and quiche for major retailers in the UK. The business is largely private label, although Greencore also produces under license for the Weight Watchers and Little Dish brands. The division operates out of five facilities in Bristol, Consett, Kiveton, Warrington and Wisbech.

Grocery

The Grocery division manufactures ambient cooking sauces and dips, table sauces, pickles and Yorkshire Puddings, as well as cakes and desserts for most of the major retailers in the UK. The division operates out of four facilities in Evercreech, Hull, Leeds and Selby.

Fast Fact:

215m

Greencore produced 215m jars of cooking sauces, pickles and condiments in FY15

Fast Fact:

175m

Greencore produced 175m food to go products in the US in FY15

US

The US division has built a leading position in the US food to go market. We produce sandwiches, salads, entrees and desserts that are sold through coffee shops, grocery stores and convenience chains across the country. The division operates out of six manufacturing facilities in Chicago, Fredericksburg, Jacksonville, Minneapolis, Rhode Island and Salt Lake City.

CHAIRMAN'S STATEMENT

Greencore has a clear strategy, strong positions in the growing food to go market and a clear pipeline of future opportunities.

DEAR SHAREHOLDER,

FY15 has proved to be another year of strong business and financial performance culminating in double digit earnings progression. We continue to make significant strategic progress towards our vision of a fast growing, international convenience food leader and have supported this with significant capital investment enabling future growth.

FINANCIAL PERFORMANCE*

In the UK, the grocery retail environment continues to be difficult with profound changes taking place in the industry and amongst our customers. Our business has continued to trade well given its focus on convenience offerings which continue to exhibit volume growth. In the US, customer specific initiatives continue to drive strong revenue growth. Reported Group revenue increased by 5.2% to £1,340.3m with like for like revenue growth in Convenience Foods of 6.0%. Operating profit at the Group level grew by 10.6% to £91.7m leading to a 30 basis points increase in operating margin. Adjusted earnings per share were 13.2% higher, driven principally by the growth in operating profit.

As planned, the Group has significantly increased capital expenditure recently in capacity enhancement and capability building initiatives. While net debt increased by £53.4m to £265.5m, tight cash management and strong growth in EBITDA resulted in leverage of 2.0 times as measured under our financing agreements.

STRATEGIC DEVELOPMENT – A FOOD TO GO FOCUS

From 2010 to early 2014, our footprint in food to go broadened through strong market growth supplemented by acquisition. By contrast the last 18 months have seen us materially increase capital expenditure to support capacity expansion in both the US and the UK. Having significantly expanded the Jacksonville facility in the US in the summer of 2014, the Group completed the construction of a greenfield facility in Rhode Island in March 2015 which enabled the closure of the Newburyport and Brockton facilities, whilst at the same time providing significant capacity enhancement. The Group has also started the construction of its first west coast facility in Seattle which is due to open in 2016.

In the UK, an extension of the sandwich facility in Northampton was successfully commissioned in H1 FY15 and the construction of a new production facility ('Unit D') adjacent to the existing site is well advanced. Transfers into Unit D will begin in Q3 FY16. Current sandwich volumes and growth trends at Northampton are strong. This positive trajectory, together with the recent award of specific incremental new business, has taken the projected future volumes at Northampton above the levels anticipated in our May 2014 announcement. Accordingly, we have decided to commission an additional manufacturing unit at our Northampton campus. This unit will bring new, technically distinct, food to go competencies and products to our campus, will require an additional £12m of capital and enter production in Q2 FY17. The overall economic impact of this enhanced production footprint at Northampton is positive but it will lead to a modest delay in the transfer of certain products relative to the timetable anticipated in May 2014. However, the growth trajectory in core sandwich volumes at Northampton, alongside good commercial momentum across other parts of our Food to Go division, will fully compensate for this delay in FY16.

In the US, we have embarked on a large and complex capacity expansion programme, most notably in Jacksonville and Rhode Island. In H1 FY15, the scale and ramp up of production volumes in Jacksonville resulted in supply chain disruption. These issues have since been addressed and the site is now performing in line with plan. In H2 FY15, we commissioned our new greenfield site in Rhode Island and began the phased transfer of production from our facilities in Newburyport and Brockton. Those transfers were completed subsequent to year end, and we have now fully exited both Newburyport and Brockton. In ramping up production capability in Rhode Island, we have experienced greater levels of labour turnover, materials waste and related operating cost than anticipated. As a consequence of the disruption associated with this expansion programme, we made a modest operating loss in FY15. However, we expect to bring the US business up to Group average operating margins in due course.

DIVIDENDS

The Board of Directors is recommending a final dividend of 3.75 pence per share. This will result in a total dividend for the year of 6.15 pence per share representing an increase in dividend per share of 12.8%, broadly in line with the growth in adjusted earnings per share.

BOARD DEVELOPMENT

Mr John Herlihy will retire from the Board at the conclusion of the forthcoming Annual General Meeting. John has served on the Board for almost seven years and has made an enormous contribution during that time. On behalf of my colleagues on the Board I would like to thank John for his insight and dedication during his tenure and wish him every success for the future.

MANAGEMENT AND EMPLOYEES

This year I had the pleasure of visiting many of our sites and meeting with colleagues throughout the Group. Once again the dedication and enthusiasm shown by employees stood out and on behalf of the Board, I would like to take this opportunity to thank all employees for their continued support and hard work.

OUTLOOK

Greencore has a clear strategy, strong positions in the growing food to go market and a clear pipeline of future opportunities. The business is investing heavily in capacity and capability enhancement to meet growing consumer and customer demand for the years ahead. While the outlook for the UK grocery retail market remains uncertain, we are well placed to deliver further progress in FY16 and beyond.

GARY KENNEDY
Chairman
23 November 2015

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OUR STRATEGY

BUSINESS ENVIRONMENT

MARKET TRENDS

Underlying consumer trends support growth in our categories across both of our geographies.

Value for Money

Consumers continue to seek value for money and this remains a key factor in buying behaviour. Our portfolio is largely private label with products that offer exceptional value to our consumers.

Convenience

Consumers are seeking more convenient solutions to suit busier lifestyles. This has led to a blurring of channels as consumers increase their out of home consumption.

Fresh and Healthy

Consumers are choosing healthier options, with freshness top of their list to deliver both health and taste.

Snacking

There is a significant increase in the number of meal occasions through the day. We have adapted parts of our portfolio to meet these new snacking occasions.

BUSINESS MODEL AND STRATEGY

Greencore is a leading manufacturer of convenience food with an annual turnover in excess of £1.3 billion. We employ over 10,000 employees across 21 convenience food sites in the UK and the US.

OUR VISION

Our vision is to be a fast-growing, international convenience food leader.

OUR STRATEGY

01 Deepen food to go leadership

We will deepen our leadership in food to go by investing for growth with our existing customers and by expanding our offering to serve new customers, new channels and in adjacent food to go categories.

02 Build market leading positions in complementary convenience food categories

We will develop market leading positions in other convenience food categories that are complementary to food to go, such as ready meals, soups, sauces, cakes and desserts.

THE STRUCTURE OF OUR ORGANISATION

To deliver this strategy we need a strong and capable organisation underpinned by a shared approach to doing business – we call this The Greencore Way.

ORGANISATIONAL INVESTMENT

This year saw the continued roll-out of The Greencore Way which describes who we are and how we succeed. This is outlined in more detail on page 22. To uphold these principles and strengthen our organisation, we have invested in our people, processes and culture.

We have also embarked on a significant programme to improve our IT infrastructure and capability to support the growth agenda of our business.

03 Build distinctive, enduring customer partnerships

We will develop strategic relationships with our customers to achieve the best outcome for them, their consumers and Greencore. Through these relationships we will move beyond food manufacturing to provide distribution, innovation, new product development and category management solutions.

04 Win in the UK and US markets now and other geographies in the years ahead

We will invest to grow our position in the UK and US markets. Over time we will identify new opportunities in high growth food to go markets and expand internationally.

STRATEGY IN ACTION

UK STRATEGY DEVELOPMENT

Our UK business continues to perform well, despite significant turmoil in the UK retail market.

This performance is underpinned by our continued **leadership of the food to go category.** Despite growth in the overall UK grocery market of only 0.7%[1], food to go has grown by 4.9%[2], supported by expansion in the convenience channel and underlying consumer trends. Our business is at the forefront of this category.

Going forward, we will continue to **build distinctive, enduring customer partnerships** and invest in additional capacity to support our customers' growth. To support the development of these relationships, we are moving to multi-year supply arrangements with our customers which will help us invest for the long-term.

We have also built **market leading positions in complementary convenience food categories** through our Prepared Meals and Grocery divisions. Over the years these businesses have benefitted from good performance and private label growth which has outpaced brands in their categories.

UK sandwich market size

£6.5bn[3]

UK food to go market growth

+4.9%[2]

UK private label growth

+1.4%[4]

Source:
1 Nielsen 52 weeks to 7 November 2015.
2 Nielsen 52 weeks to 26 September 2015.
3 Greencore estimates.
4 Kantar 12 weeks to 13 September 2015.

STRATEGY IN ACTION IN THE UK IN FY15

EXPANDING OUR FOOD TO GO FACILITY IN NORTHAMPTON

We have continued to invest in our food to go business this year. We have a significant capacity expansion under way in Northampton. The first phase of the build is now fully operational. The second phase is under way with production scheduled to begin in spring 2016.

INCREASING OUR DISTRIBUTION CAPACITY AND CAPABILITY

We have also invested in building a new distribution hub beside our Manton Wood sandwich facility. The facility will add to our distribution capacity in the UK and support the continued development of a complete supply solution for our customers. We anticipate this will be fully operational in March 2016.

US STRATEGY DEVELOPMENT

Our US business is focused on supplying food to go products to small store customers.

The US food to go market is large ($28 billion) and is experiencing strong growth (+7.2% in 2015). Our business has benefitted from **excellent relationships with customers that are growing rapidly,** supplemented by further new business wins.

We have **a growing geographic footprint in the US with a combination of fresh and frozen capabilities.** Our chilled manufacturing capabilities are suitable for fresh products which require daily delivery to customers. As a result, these sites are located close to larger consumer markets and we strive to balance the benefits of scale with geographical reach. Frozen solutions offer wider reach and are particularly suitable for hot eating products which are generally heated at the point of purchase. Our sites in Salt Lake City, Jacksonville and Minneapolis have frozen capabilities.

Market size of food in convenience stores

$28bn

Convenience foodservice growth

+7.2%

Sandwich market growth rate

+6.0%

Source: Greencore commissioned research.

STRATEGY IN ACTION IN THE US IN FY15

BUILDING A MANUFACTURING FACILITY IN RHODE ISLAND

We have built a new chilled manufacturing facility in Rhode Island which is located to cater for our existing customers in New England and develop future opportunities closer to New York. This site was Greencore's first new build on a greenfield site and there was a significant learning curve associated with the ramp up. The site is now fully operational and volume has transitioned from our sites in Newburyport and Brockton.

DEVELOPING OUR FIRST WEST COAST FACILITY IN SEATTLE

We have started construction of our new chilled site in Seattle, Washington, incorporating a product development centre. We anticipate this will be fully operational in 2016 and will give us our first capabilities on the West Coast of the US. This will support the acquisition of a contract with a key customer from H2 2016.

FINANCIAL KEY PERFORMANCE INDICATORS*

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

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

#01.

Sales Growth

Group revenue increased by 5.2% in FY15.

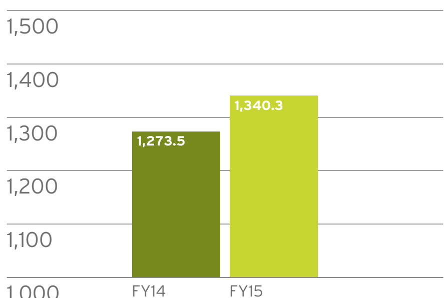
In our Convenience Foods business, the Group measures weekly sales growth. In FY15, revenue growth was 6.3%. A more accurate guide to underlying revenue performance is provided by like for like measures which exclude the impact of acquisitions or disposals in the year and are in local currency. In the UK in FY15, we recorded like for like revenue growth of 4.7%. In the US in FY15, we recorded like for like revenue growth of 15.4%.

In the Ingredients & Property division, we track monthly sales, although this is not the primary measure of performance for this division. In FY15, the division recorded a 7.5% decline in revenue on a constant currency basis.

Revenue

£1,340.3m

+5.2%



#02.

Operating Margin

The Group's operating margin in FY15 was 6.8% compared to 6.5% in FY14.

In Convenience Foods, the operating margin was 6.9% compared to 6.7% in FY14. This was driven by the growth in revenue and good operational performance. Operating margin is calculated using operating profit before exceptional items and acquisition related amortisation divided by reported revenue.

Group Operating Margin

6.8%

Convenience Foods Operating Margin

6.9%

#03.

Return on Invested Capital

The Group's return on invested capital in FY15 was 14.1% (FY14: 13.7%).

The return is calculated as net operating profit after tax ('NOPAT') divided by average invested capital. NOPAT is calculated as operating profit, including share of associates, less tax at the effective rate in the Income Statement of 1% (unchanged from FY14). Invested capital is the sum of all current and non-current assets (including intangibles), less current and non-current liabilities with the exception of net debt items, derivatives and retirement benefit obligations. The average is calculated by adding together the invested capital from the opening and closing balance sheets and dividing by two.

Return on Invested Capital

14.1%

#04.

Cash Flow

Net cash inflow from operating activities was £78.8m compared to £84.7m in FY14. The decrease was predominantly driven by an increase in net working capital partly mitigated by growth in operating profit.

Net Cash Inflow from operating activities

£78.8m

#05.

Adjusted Earnings per Share

Adjusted earnings per share were 18.0 pence compared to 15.9 pence in FY14, an increase of 13.2%.

Adjusted earnings per share is stated before exceptional items, pension finance items, acquisition related amortisation, FX on inter-company and certain external balances and the movement in the fair value of all derivative financial instruments and related debt adjustments.

Adjusted EPS

18.0p

* EBITDA, operating profit and operating margin are stated before exceptional items and acquisition related amortisation.

NON-FINANCIAL KEY PERFORMANCE INDICATORS

The Group measures progress against a number of non-financial key performance indicators. Monitoring these non-financial key performance areas is relevant to our strategy and is important to our long term success.

#01.

Product Development

The Group was manufacturing approximately 3,900 different products at the end of FY15.

It is Greencore's aim to put great tasting food at the heart of our culture and to continuously innovate food recipes and technologies. The Group's innovation rate in FY15 was 38%, which means that, of our 3,900 current products, nearly 1,500 of them had undergone some form of product or packaging development during the course of the year.

#02.

Accident Rates

We aim to provide employees with a healthy and safe environment to work and the Group Accident Incident Rate is continually benchmarked.

All divisions have maintained an excellent health and safety performance for 2015. The Accident Incident Rate further reduced during the year, and reportable accidents continue to decrease year on year by 10%. A health and safety roadmap was introduced in 2015 and its implementation will ensure uniformity of our standards across all sites.

#03.

Group Technical Training

People are at the core of The Greencore Way and the Group prides itself in enabling staff to develop the skills they need to reach their career goals.

Over the last year, over 1,000 Greencore colleagues in the UK took part in technical training courses. In 2014 we introduced accredited training in Lean Six Sigma skills for colleagues in all areas of the business to build on previous development programmes in improvement techniques.

#04.

Supplier Audit

As Great Food is a key component of The Greencore Way, we require rigorous quality standards from our suppliers.

The Group auditing procedure observes the new British Retail Consortium ('BRC') standards. Over the year, our UK auditing team completed 218 physical audits of suppliers, 687 paperwork approvals and assessed the food manufacturers behind 62 agents supplying the business. Going forward, the Group will be introducing a requirement for BRC certification across our agents and storage and distribution suppliers.

#05.

Waste to Landfill

For the second consecutive year, Greencore delivered its target of eliminating landfill waste (directly or indirectly) in 2015.

Traceability studies were undertaken across all of our UK waste streams to ensure our zero waste direct to landfill target is constantly met. Our focus for 2016 is to deliver advanced improvements in recycling.

#06.

Carbon Disclosure Project

The Group maintains an ongoing commitment to carbon reporting and reducing our impact on the environment.

For the sixth consecutive year the Group responded to the Carbon Disclosure Project Climate Change Program and 2015 marked our highest disclosure score of 90. The Group is dedicated to sustainability and last year detailed energy surveys were undertaken and a number of projects have been planned for the next two to three years which will enable further improvement.

#07.

The Greencore Way Awards

2015 saw the launch of the Group wide employee recognition scheme, The Greencore Way Awards.

The awards acknowledge the hard work and achievements of our people who are nominated by their managers and peers. In FY15 more than 1,000 colleagues have received a Greencore Way award.

RISKS AND RISK MANAGEMENT

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

GREENCORE APPROACH TO RISK MANAGEMENT

The Board recognises the need for a robust system of internal control and risk management in accordance with the 2012 UK Corporate Governance Code. There is a clear link between risk and risk management and the Company's ability to continue as a viable entity. This is set out in further detail on pages 43 and 44.

Risk management is the responsibility of the Board and is integral to the ability of the Group to deliver on its strategic objectives. The Board establishes the culture of effective risk management throughout the business by identifying and monitoring the material risks, setting risk appetite and determining the risk tolerance of the Group.

The Board is responsible for establishing and maintaining appropriate systems and controls to manage risk within the Group and to ensure compliance with regulation.

The Group's risk management systems are regularly monitored by the Audit Committee under delegation from the Board. The Audit Committee is responsible for overseeing the effectiveness of the internal control environment of the Group. Details of the activities of the Audit Committee for the year under review can be found in the Report of the Audit Committee set out on pages 65 to 69.

The Group has a well-established internal audit function, known as the 'Risk Management Group' whose role it is to provide independent assurance that the Group's risk management, governance and internal control processes remain appropriate and continue to operate effectively. The Risk Management Group has recently undergone an independent external assessment in order to evaluate its effectiveness. The Audit Committee received the results of the assessment following the financial year end and it is intended that the findings will be taken into account in the Audit Committee's approach in FY16.

IDENTIFYING AND MONITORING PRINCIPAL RISKS

Principal risks are identified through a well-established business wide risk assessment process, which is known as a 'bottom up approach', along with an evaluation of the strategy and operating environment of the Group, which is known as a 'top down approach'.

The bottom up review encompasses the identification, management and monitoring of risks in each area of the business and ensures risk management controls are embedded within the business' operations.

This process includes an assessment of the risks to determine the likelihood of occurrence, potential impact and the adequacy of the mitigation or control in place.

A full review is then undertaken by operational management, who evaluate the material risks of the Group with reference to its strategy and the operating environment. The Audit Committee monitors these processes, reviewing the Risk Register and reporting material risks to the Board.

The Directors consider the following matters to be the principal risks and uncertainties affecting the Group;

BUSINESS RISK MANAGEMENT TABLE

RISKS AND RISK MANAGEMENT continued

Risk Area	Description of Risk	Mitigation	Change from Last Year
STRATEGIC			
Competitor Activity	The Group operates in highly competitive markets, particularly within the Convenience Foods division. Significant product innovations, technical advances or the intensification of price competition by competitors could adversely affect the Group's results.	The Group invests in research and development and ensures that the introduction of both new products and improved production processes places the Group at the forefront of customer needs in its chosen markets. The Group also continually works to streamline its cost base to ensure it remains competitive.	The Board sees the level of risk to be broadly the same as last year.
Growth	In line with its strategy, the Group is pursuing growth opportunities and has won significant customer contracts recently. This strategy necessitates both major capital investments and new corporate and customer development opportunities. The level of change is particularly high in the US business and could result in significant management stretch and planned improvements in sales and profit performance not being delivered within the timescales originally anticipated. Major capital projects and corporate development opportunities are often high cost, may involve significant change and may result in the addition of material numbers of new employees.	The Board and senior management engage in a robust, formal and thorough process for identifying, measuring and deciding on the suitability of such investment projects. In the case of acquisitions, an integration team reporting to senior Group management and the Board is established to ensure a successful integration. Resources are put in place as deemed necessary to manage the business change. Post project reviews are carried out on all major capital investment projects to monitor the effectiveness of execution. The Group's US business is fast growing with significant capital investment during FY15. In order to manage the project execution risk and level of change, the US business leadership has been reinforced by the addition of senior business transformation and HR professionals. US business performance and strategy delivery is a major focus area for the Board and executive management – regular reviews of progress are held both in market and at Board meetings.	The level of risk has increased over the past 12 months as the Group has won new business which has, in turn, necessitated further expansion projects.
COMMERCIAL			
Changes in Consumer Behaviour and Demand	In common with other food manufacturers, unforeseen changes in food consumption patterns or in weather patterns may impact the Group. In addition, demand for a number of the Group's products can be adversely affected by fluctuations in the economy.	The Group works closely with its customers to adapt to changing consumer trends and invests in market research, innovation and new product development to ensure regulatory, customer and consumer requirements are addressed. In FY15, 38% of all of the products that Greencore manufactured across the UK and the US were new to market.	The Board sees the level of risk to be broadly the same as last year.
Key Customer Relationships and Grocery Industry Structure	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. In addition, changes to the grocery industry structure may also adversely affect performance. For example, the grocery market is undergoing significant change with the growth of limited assortment discounters, small stores and online sales.	The Group invests significant resources to maintain deep, multi-level relationships which drive value and minimise risk for both itself and its key customers. The Group continues to focus on a broad range of customers across all formats and the exploration of other geographic markets, such as the US, where the Group has continued to expand its service offering during the year.	The Board sees the level of risk to be broadly the same as last year.

RISK TREND

- Increasing
- Unchanged
- Decreasing

Risk Area	Description of Risk	Mitigation	Change from Last Year
COMMERCIAL (CONTINUED)			
Input Cost Inflation	The Group's cost base and margin can be affected by fluctuations in the cost of raw materials, packaging and energy. In addition, labour costs are a significant component of the overall cost base and labour inflation, including the impact of government policies, can have a material effect.	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. Over the last few years the Group successfully recovered the impact of input cost inflation.	The Board sees the level of risk to be broadly the same as last year.
OPERATIONAL			
Food Industry Regulations	As a producer of convenience foods and ingredients, Greencore is subject to rigorous and constantly evolving regulations and legislation particularly in the areas of food safety and environmental protection.	The Group maintains a strong technical function which sets high standards for food safety and environmental controls which strive for best practice above and beyond the minimum compliance requirements. In addition, Greencore closely monitors emerging issues in an ever-changing regulatory environment to address increasing compliance requirements.	The Board sees the level of risk to be broadly the same as last year.
Product Contamination	The Group produces a large volume of food annually and there are risks of product contamination through either accidental or deliberate means. This may lead to products being recalled as well as being a significant draw on resources and could therefore result in both a financial and/or reputational impact on the Group.	The Group maintains industry leading food safety and traceability processes and procedures. Each facility in the UK and the US has a team dedicated to ensuring compliance with Group and industry standards in this area and the Group constantly monitors performance against a detailed set of metrics and measures. They are subject to a number of audits by internal teams, customers and independent bodies auditing against recognised global food safety standards. The Group also operates stringent controls across its supply chain including audits and strict approval of its suppliers supported by rigorous quality checking of all ingredients. In FY15, 1,106 internal audits and 359 external audits were carried out at our facilities and 218 audits were carried out on Group suppliers.	The Board sees the level of risk to be broadly the same as last year.
Health and Safety	In addition to the obvious human cost, a serious workplace injury or fatality could inevitably carry serious financial, reputational and legal risk.	The Group has in place strong processes and procedures in health and safety supported by an established review programme across all sites. We also have a culture of engagement throughout the business from executive management through to the shop floor.	The Board sees the level of risk to be broadly the same as last year.

RISKS AND RISK MANAGEMENT
continued

Risk Area	Description of Risk	Mitigation	Change from Last Year
OPERATIONAL (CONTINUED)			
Disruption to Day to Day Group Operations	The Group is at risk of disruption to its day to day operations from poor operational management, the breakdown of individual facilities or the loss of a significant manufacturing plant.	The Group maintains industry leading operational processes and procedures to ensure effective operational management at each facility. The Group significantly invests in high calibre on-site teams with responsibility across engineering and maintenance, supply chain, planning and operational excellence. The Group also maintains robust security and the development of 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.	The risk has increased due to the significant capital project work, including the closure of two smaller US facilities and the building of a large purpose built facility in the US.
Recruitment and Retention of Key Personnel	The ongoing success of the Group is dependent on attracting and retaining high quality senior management and colleagues at all levels in our business who can effectively implement the Group's strategy.	The Group mitigates this risk through robust succession planning, strong recruitment processes, long-term management incentives, retention initiatives, a deep commitment to on-the-job training and specific programmes to enhance communication and colleague engagement. In addition, the Group has also established the Group Executive Board which supports succession planning at the senior management level. In order to meet strong growth and the establishment of new production facilities, the Group has undertaken extensive recruitment in FY15 in the UK and the US at all levels. Following higher than anticipated turnover, the Group has further refined its direct labour recruitment and retention processes and this will remain an area of focus in FY16.	The Board sees the level of risk to be broadly the same as last year.
IT Systems and Cyber Risk	The Group relies heavily on information technology and systems to support our business. In common with most large global companies, the Group is susceptible to cyber attacks with the threat to the confidentiality, integrity and availability of data in such systems. Whilst no material losses related to cyber security breaches have been suffered, given the increasing sophistication and evolving nature of this threat, we cannot rule out the possibility of them occurring in the future. An extended failure of our core systems, caused by accidental or malicious actions, including those resulting from a cyber-security attack, could result in a significant impact on the business.	Greencore maintains a programme of controls to protect the confidentiality, integrity and availability of information across the Group. In addition the Group has recently taken out Cyber Insurance to transfer part of the risk of any deliberate attack over to our insurer. Recent Group Business wins have highlighted that the Group will increasingly be required to show compliance with accepted Information Security Standards and the Group plans to review the full set of control documents against the requirements of ISO27001. Management have transferred some of the Group's exposure on resilience by partnering with a third party in the operation of the Group's data centres.	The risk profile has increased on last year to a sufficient level to indicate it is now a principal risk for the Group.

RISK TREND
- Increasing
- Unchanged
- Decreasing

Risk Area	Description of Risk	Mitigation	Change from Last Year
FINANCIAL AND OTHER			
Interest Rates, Foreign Exchange Rates, Liquidity and Credit	In the multi-currency and multi-national trading environment in which the Group operates, there are inherent risks associated with fluctuations in both foreign exchange rates and interest rates. In addition, in the current economic climate, the Group's credit rating and its related ability to obtain funding for future development and expansion are specific risks.	These risks are actively managed by the Group's Treasury Department. The Treasury function operates within the framework of strict Board-approved policies and procedures which are explained further in Note 21 to the Group Financial Statements. During the year, the Group refinanced its £280m Revolving Credit Facility which was due to mature in May 2016 with a new £300m five year Revolving Credit Facility. As a result, the Group is well financed with committed facilities at 25 September 2015 of £505m with a weighted average maturity of four years.	The Board sees the level of risk to be broadly the same as last year.
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 worldwide equity markets and decline in bond yields has brought the risk of employee retirement obligations to the fore.	These risks are mitigated by paying appropriate contributions into the funds and through balanced investment strategies which are designed to avoid a material worsening of the current surplus or deficit in each fund. The Group has closed all defined benefit pension schemes to future accrual. Where relevant, the Group also uses specific arrangements with schemes to improve the security of scheme benefits while maintaining contributions. The Group maintains strong relations with the independent trustees and work together to consider and adopt de-risking policies for the principal UK and Irish schemes.	The Board sees the level of risk to be broadly the same as last year.

CHIEF EXECUTIVE'S REVIEW

FY15 has seen a high level of external and internal change.

Patrick Coveney became Group Chief Executive Officer ('CEO') in March 2008, following two and a half years as Chief Financial Officer. Greencore has changed enormously in terms of its strategy, organisation, culture and performance during his time as CEO.

FY15 has seen a high level of external and internal change. Here, Patrick talks about these changes, how they have influenced performance, and the implications for the year ahead.

Q: HOW HAVE CONSUMER PREFERENCES AND BEHAVIOURS CHANGED IN 2015 AND WHAT IMPACT HAS THIS HAD ON YOUR PRODUCT AND CATEGORY STRATEGY IN FY15?

A number of consumer trends have underpinned our strategy for many years – the search for value; a desire for convenience in food shopping, preparation and consumption; greater focus on nutrition, health and freshness; the fragmentation of shopping and consumption occasions across channels and day-parts; and the increased role that food preparation and consumption plays as an affordable consumer indulgence or even an entertainment experience.

The decisions we made in 2010 to concentrate on 'convenience foods', and in 2013 to prioritise 'food to go', represented a conscious move on our part to position Greencore to capitalise on these trends. In the last year, we have been particularly struck by: a) the blurring of food to go channels, and b) the continued importance of value, notwithstanding the improving economic environment.

For me, the best way to illustrate the impact of 'channel blurring' is to consider how consumers think about their food to go options. If you leave the office to get lunch in the centre of Manchester, Leeds, London or Birmingham (or for that matter, in New York, Chicago, Jacksonville or Boston) you don't think about your options in grocery or supermarket terms; nor do you confine your choice to quick service restaurants ('QSRs') or coffee shops. You consider the full set – all channels, all formats, all brands. You then make your choice based on some amalgam of convenience, value, taste and service.

Our customers are responding to this 'blurred world' with new formats and ranges. The combination of the enduring consumer demand for convenience and the format response of our customers creates big opportunities for Greencore. We target the food to go occasion, innovate for multiple consumer and shopper requirements across the day, tailor ranges and distribution solutions for all formats, work with our customers to bring their brands to life and deliver great value to consumers given our breadth and scale.

During the recession, and facilitated by digital channels and the growing presence of limited assortment discounters, consumers became much more astute at finding value. Those habits are now embedded, with consumers pushing back at propositions, formats or campaigns that seek to complicate or compromise simple value. Of course, value does not just equate to price – although price is indeed important. Interestingly, it is the retailers with the highest proportion of own brand sales, at both ends of the price spectrum, that are performing most strongly.

Our strategy plays well in a world that values value! We don't complicate by developing our own brands. Instead we align with our customers to deliver Great Food to consumers under their growing brands, a proposition that favours simplicity in terms of the offering and pricing to consumers. Our investment goes into product, not into marketing. We leverage our scale for both business effectiveness and cost efficiency and, by focusing on a relatively narrow set of food occasions and product categories, we continue to build capability and expertise.

Q: THE UK GROCERY MARKET HAS HAD A TUMULTUOUS YEAR. WHAT HAS THIS MEANT FOR GREENCORE'S PERFORMANCE AND HOW HAVE YOU CHANGED YOUR MODEL TO TAKE ACCOUNT OF THIS NEW RETAIL ENVIRONMENT?

Certainly the business, organisational and economic models of our customers have profoundly changed. Almost all of our customers have new leadership teams, revised strategies and changing models for supplier engagement. However, perhaps the biggest change has been the collapse in grocery industry profitability – our sense is that annual profits have halved in less than two years.

Suppliers, particularly fresh and chilled suppliers, many of whom have traditionally seen themselves as the 'poor relation' in the industry supply chain, are still working through how to react to the scale and implications of this profit reset. At Greencore we believe that we cannot prosper over time unless our customers also prosper. Our growth and performance requires their growth and performance.

"Almost all of our customers have new leadership teams, revised strategies, and changing models for supplier engagement."

CHIEF EXECUTIVE'S REVIEW
continued

Importantly, the longstanding industry model of engagement will not work. To win in this new environment, we are collaborating more to take inefficiencies out of respective supply chains; removing duplication in a world where nobody can afford it; building and leveraging respective scale at category and manufacturing level; jointly revitalising customer brands; developing category plans that excite consumers rather than filling shelves to meet the short-term financial needs of retailers or manufacturers; and embracing and developing Great Food that we can both be proud of.

We are running very hard with this agenda. It has resulted in deeper, longer term supply agreements across our key customers. Of course, it helps that we are focused on consumer needs and occasions that are underpinned by positive long-term trends and that we have the people, the resources and the passion to work with our customers for the long term.

Q: YOUR LEVEL OF CAPITAL EXPENDITURE JUMPED SIGNIFICANTLY IN FY15. WHY WAS THAT AND DOES IT SIGNAL A CHANGE IN STRATEGY GOING FORWARD?

Our strategy has been to build scale, leadership, capability, relationships and returns in attractive food categories. Initially, that was in 'convenience foods' but three years ago we chose to prioritise 'food to go.' From 2008 to 2014, we delivered this strategy through market growth, market share gains and importantly through 'on-strategy' acquisitions – Uniq and MarketFare Foods are particularly strong examples.

During that period, we did not build new manufacturing facilities from scratch. However, as our category scale, our capability and our customer relationships deepened, we looked harder at large-scale new factory builds. A big catalyst for this was the changing model of customer engagement that I described earlier. On the basis of confirmed, long-term new business awards with key customers in the UK and the US, we were able to commit to significant capital expenditure projects in Northampton, Jacksonville, Rhode Island and Seattle. While delivering these projects has placed new and demanding pressures on our business, we are excited about adding high-quality new capacity without having to make the sort of goodwill payment that traditionally represents part of the consideration for acquisitions.

The second factor that underpins our step-up in capital expenditure has been our investments in infrastructure and functional capability. Greencore has become a much stronger business – doubling revenues, while growing operating margins in five years. Throughout this journey we have tried to remain a hungry, dynamic, outward looking, new business. Such elements of our culture are part of who we are. However, to sustain our trajectory and underpin our vision and growth we need to strengthen our IT infrastructure and our functional practices (in HR, Quality, Operations, Finance and Strategy). Some of the step-up in capital expenditure in FY15 reflects such investments, a trend that will continue in FY16 and FY17.

Q: LAST YEAR YOU LAUNCHED THE GREENCORE WAY. HOW HAS IT BEEN EMBEDDED, WHAT HAVE YOU LEARNT AND WHERE DO YOU PLAN TO TAKE IT FROM HERE?

The Greencore Way is one of the very best things that we have done. The concept is remarkably simple. Now that we have a strong, consistent, on-strategy portfolio, we need a common approach, language and framework to unite our business. The Greencore Way describes WHO we are and HOW we succeed. It brings together all the key elements of how we operate at Greencore. It is based on four principles that underpin our vision and strategy:

- People at the Core
- Great Food
- Business Effectiveness
- Cost Efficiency

You cannot create or impose a culture from scratch; it has to be grounded in who you are and what you value. The magic of The Greencore Way deployment was that so many of our colleagues recognised much of our organisation in it. They may not have used exactly the same language or approach but, in substance, it resonated with them. Onto those foundations we layered a communications approach, a performance management system, thoughtful ways of sharing best practice and a consistent approach to divisional and functional deployment. Throughout, we have concentrated as much on 'looking out' as on 'looking in'. We also added hundreds of 'personal touches' – discrete individual leadership commitments made by senior and middle management to bring The Greencore Way into their everyday behaviour.

For example, I committed to write a fortnightly blog for the organisation (sharing openly my perspectives, completely unfiltered, on the marketplace, business and CEO issues of the day/week). In addition, I also committed to enhance my own Great Food credibility by regularly cooking for my family.

We have made an excellent start and there are heroes and advocates right across our organisation in this regard. However, I would particularly like to acknowledge the leadership and skills of Eoin Tonge and Michael Evans in delivering The Greencore Way to this level – a platform for the future growth of our organisation and culture.

Finally, I wanted to thank the Group Executive Board, other senior leaders in our Group, my Board colleagues, the thousands of colleagues who deliver Great Food every day and especially our customers and shareholders for your continued support. It is a privilege to lead this organisation and, notwithstanding what we have done together already, it feels like we are just getting started.

PATRICK COVENEY
Chief Executive Officer
23 November 2015

CORPORATE SOCIAL RESPONSIBILITY REPORT 2015

THE GREENCORE WAY

The Greencore Way describes both who we are and how we succeed. It is a simple model that brings together all the key elements of how we operate at Greencore. It is based on four core principles that are central to our vision.

OUR PRINCIPLES

people at the core

- Keep people healthy and safe
- Respect, recognise and reward everyone's contribution
- Ensure responsibility is owned by the right people
- Support one another to fulfil each person's potential
- Build a sense of excitement and fun into the work environment

great food

- Deliver industry leading food safety standards every day
- Put great tasting food at the heart of our culture
- Continuously innovate food recipes and technologies
- Establish industry recognised food expertise and credibility

business effectiveness

- Drive growth and performance with and for our customers
- Operate as a lean enterprise - right across the supply chain
- Align our resources to our strategy
- Maintain control and discipline across the business

cost efficiency

- Embed the importance of cost efficiency
- Develop a constant pipeline of cost initiatives across all parts of our business
- Challenge the status quo to deliver substantial value for all stakeholders
- Share a strong sense of personal responsibility and care for all Group resources

OUR STAKEHOLDERS

Shareholders
Delivering industry leading economic performance

Customers
Delivering excitement, intimacy, growth and trust

Suppliers
Building effective and transparent supply chains

Communities
Doing the right thing for our industry and our communities

Environment
Efficiently using and respecting all resources

VISION AND STRATEGY

Our vision is to be a fast growing, international convenience food leader. Our strategy is to be a food to go leader in the UK, the US and other markets supported by leading positions in complementary convenience food categories.

THE GREENCORE WAY

Since its launch, The Greencore Way has strengthened our organisation and culture. It is a simple model that describes both who we are and how we succeed. Central to The Greencore Way are our core principles:

- **PEOPLE AT THE CORE**
- **GREAT FOOD**
- **BUSINESS EFFECTIVENESS**
- **COST EFFICIENCY**

Over the last year, these principles have become our common language and all activities are centred on one or more core principles. This focus is helping us to deliver benefits for our stakeholders – our customers, suppliers, shareholders, communities and environment.

PEOPLE AT THE CORE

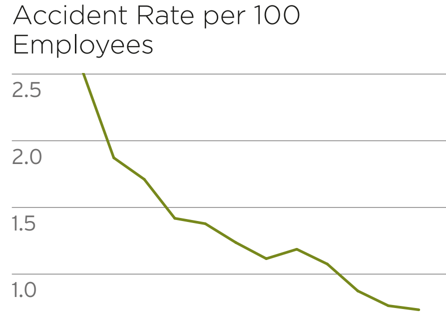
KEEP PEOPLE HEALTHY AND SAFE

Greencore aims for industry leading health and safety standards across all its operations. The safety and wellbeing of all people at our sites whether they are permanent or temporary employees, contractors or visitors will continue to be of great importance to our business objectives, and the core principles behind The Greencore Way.

The introduction of a common health and safety roadmap this year has enabled all sites to align opportunities for improvements in a strategic way – allowing us to focus on areas of improvement in all health and safety disciplines.

We continue to benchmark the Group Accident Incident Rate. During the period 2013/14 to 2014/15, the Accident Incident Rate has been reduced from 0.76 to 0.73 accidents per 100 employees. Reportable accidents have decreased by 10% and two UK sites, Bristol and Consett, have had zero RIDDORs (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) this year.

Each manufacturing site undergoes a thorough Occupational Health and Safety risk management and compliance audit annually. The Group continues to strive for a year on year improvement in the risk



scoring and this year was no exception, with a 24% improvement in audit scores. In recognition of this, and the continuing need to improve, the audit programme and process have been reviewed and audits now take place on an unannounced basis. The audit questions have been reviewed with an increased focus on leadership, proactive measures such as behavioural observations and near miss close out to name a few.

In the US, we continue to develop and implement a comprehensive Environmental, Health and Safety programme including an overall Management System to govern all Environmental, Health and Safety actions. As part of this, eight distinct programmes have been developed and implemented to control risks and maintain compliance.

These actions led to a 3% reduction in total OSHA (Occupational Safety and Health Administration) recordable injuries, 55% reduction in lost work days and two sites, Salt Lake City and Minneapolis, surpassed the 1,000 day milestone with no lost time injuries. Minneapolis also celebrated three years of no lost time accidents.

There are now eight sites across the Greencore Group who are independently audited against OHSAS18001 Occupational Health and Safety Management system. Greencore Grocery in Selby gained accreditation in September this year.

Our Food to Go business in Northampton continues its strong association with the Royal Society for the Prevention of Accidents ('RoSPA'). It received the President's award by gaining 11 consecutive gold awards. This is a great achievement for all the employees at the Northampton site. RoSPA was also selected by the Group to provide training to our colleagues in occupational road risk.

Greencore supports the UK Health and Safety Executive food manufacturing forum and is helping to shape the strategy for health and safety in the food manufacturing sector in the UK over the coming years. Greencore also holds a place on the IOSH (Institute of Occupational Safety and Health) Food and Drink Manufacturing Committee.

A colleague induction to The Greencore Way

CORPORATE SOCIAL RESPONSIBILITY REPORT 2015 continued

Greencore is recognised as a significant contributor to the National Health and Safety Strategy Paper, which will cover the next five years. The paper will be published jointly by the HSE, trade forums and trade unions.

The successful roll out of a compliance based software system, HSE Greencore, was a new undertaking this year. This cloud based system was introduced to provide a tool to manage legislative compliance effectively and allows the sites to strengthen their safety management systems. A behavioural based safety observation programme will also be included in the programme.

This year, Greencore was recognised for two of the three top awards at the IOSH Food and Drink manufacturing conference. The IOSH Awards are given in recognition of projects which have made a significant improvement to the health and safety of employees. This year Greencore won first and third prize. Greencore Food to Go Park Royal was awarded first place for a dispatch end of line packing improvement which made a significant improvement to the reduction of musculoskeletal disorders. Greencore Grocery Hull was awarded third place for a manual handling improvement in the way that Eurobins are transported around the factory. This too reduced back pain as the improvement allows for employees to maintain better posture.

RESPECT, RECOGNISE AND REWARD EVERYONE'S CONTRIBUTION

At the start of the year, we launched The Greencore Way Awards as a means of recognising and rewarding colleagues' achievements against each of our four Greencore Way principles.

The awards have been embraced by all of our sites. They are based on the belief that everyone has a role to play in achieving our vision through The Greencore Way principles, and that outstanding examples of this should be recognised and celebrated.

Throughout the year there have been more than 3,000 nominations for The Greencore Way awards across the Group, recognising over 1,000 winners.

The launch of the Greencore intranet this year has provided colleagues with a way to share news, innovations and examples of best practice, supporting better communication across the Group.

Something we particularly like to celebrate at Greencore is long service. We have many employees across the business who have spent all or a large part of their working lives with us. Greencore Grocery in Hull held their first Long Service Award lunch for 37 employees this year, while in Ireland, we congratulated on their retirement, three senior colleagues who between them had spent a cumulative total of 129 years with Greencore.

SUPPORT ONE ANOTHER TO FULFIL EACH PERSON'S POTENTIAL

At Greencore we are a highly people-intensive business which is why people are at the core of The Greencore Way. We aim to recruit and retain talented people and this means enabling everyone to develop the skills they need to reach their career goals.

IOSH Food & Drink Manufacturing Award winners

This year managers in our Food to Go team took part in a new two day 'First Time Leading' course designed to equip them with the skills to enable them to do their job to the best of their ability. They looked at how their behaviours can make a positive impact on their teams, allowing them to be more effective at work. After very positive feedback, the course will now become the basis for the Management Induction programme.

In 2013, Group technical began a graduate programme which seeks to develop science graduates to become the Greencore technical leaders of the future. This year we saw the first recruits to the programme enter permanent roles within the business. Over the past two years they have learned about all aspects of the technical function at Greencore, embedding their new skills while working on specific projects thereby delivering further efficiencies.

As part of their training, our Group technical graduates participate in a number of internal and external training courses, along with other members of the technical function. Over the last year Greencore colleagues in the UK took advantage of 1,010 places on technical training courses.

This year's courses included a series of sessions on Threat Assessment and Critical Control Point ('TACCP') brought in to give colleagues across a number of functions, including purchasing, human resources, health and safety and technical, the skills to meet the new BRC Food Safety standard ('BRC7').

Business Effectiveness is one of the four principles of The Greencore Way and, amongst other things, this means operating as a lean enterprise. Last year we introduced accredited training in Lean Six Sigma skills for colleagues in all areas of the business to build on previous development programmes in improvement techniques. Over 120 people have completed Yellow Belt training which equips them to implement sustainable improvements using a common toolkit. A further 20 colleagues have completed Green Belt training which includes statistical techniques to resolve more complex problems.

Staff at Greencore Food to Go in Bow also helped a customer to fulfill the potential of their graduate trainees by delivering bespoke training in the manufacturing facility. Colleagues staged fundamental, critical and major issues to allow the graduates to experience real life situations as auditors.

The trainees were each given four hours to open, audit, assess and close a staged site visit according to rigorous standards. The session was regarded as highly successful by both the customer and the team at Bow who enjoyed the opportunity to work with the graduates and develop their own skills in training.

BUILD A SENSE OF EXCITEMENT AND FUN INTO THE WORK ENVIRONMENT

Showcasing our commitment to product quality is a part of daily life at Greencore and we enjoy finding new ways to engage with customer teams. Greencore Food to Go at Manton Wood held a 'Seaside Special' event to promote the importance of consistently producing high quality products and to raise awareness of the impact of customer complaints. The event featured traditional, as well as more innovative products, prepared by the site teams. Feedback from the customer representatives attending was excellent and the event created a buzz across the site.

GREAT FOOD

DELIVER INDUSTRY LEADING FOOD SAFETY STANDARDS EVERY DAY

Our Great Food principle starts with food safety as our priority. Across the business we carried out 1,106 internal inspections over the year in order to ensure that our standards are maintained. In addition, we have had 359 audits and visits by external bodies. All of our UK sites are BRC certified and our US operations are BRC or SQF accredited.

This year has seen the launch of version seven of the BRC standard in food safety. The BRC7 standard includes a new element on product authenticity, claims and chain of custody. Across our UK sites we have adopted the TACCP process outlined in the Publicly Available Specification ('PAS') 96 to meet the requirements of the standard. Use of TACCP, together with our horizon scanning process, has enabled us to focus on those parts of our supply chains assessed as more vulnerable and to implement additional control measures. These have included increased sampling and analyses to ensure the provenance and authenticity of our raw materials.

Throughout implementation of both our horizon scanning process and TACCP, we have kept our customers informed of our activities with regular briefings and updates. Our technical team has received recognition from customers for the work in this area.

PUT GREAT TASTING FOOD AT THE HEART OF OUR CULTURE

At Greencore we love opportunities to bring people together with food. Great Food events are enjoyed across the business as a way to celebrate food but also to inform and educate.

The UK Centre at Barlborough hosted a Great Food event for National Picnic week and were lucky to be joined by some of the extremely talented chefs from around the Group. The chefs gave a talk on new product development processes, their sources of inspiration and working with suppliers and customers to deliver excellent products – with samples to try. This and many similar events held across the business help colleagues to keep in touch with the huge amount of innovation and continuous development of great tasting new products that characterise Greencore.

CONTINUOUSLY INNOVATE FOOD RECIPES AND TECHNOLOGIES

The innovative products designed by our award-winning chefs and development teams continue to draw recognition across categories.

Cakes and desserts from both our Hull and Evercreech sites have featured in customer TV commercials, delivering a strong "wow!" factor. Our Food to Go division was awarded 'Best Own Brand Product Launch – Fresh' by a customer for a range that is innovative in both food and packaging design. Another customer award went to our Grocery division who accepted the prize of 'Most Innovative Product' for a unique celebration cake.

The team at Greencore Grocery at Evercreech received a customer innovation award for their desserts which featured first to market use of a spherification technique in a retail product. The process enables small spheres of fruit or caramel to retain a liquid centre making the perfect finish for delicate desserts.

In the last 12 months 38% of all products manufactured in the UK and the US are new to the market. This year our development teams have been to the US, Japan, Singapore and Myanmar on research visits, looking at what convenience food means in these markets. These visits provide a source of inspiration and enable us to continue to produce new and exciting products for our customers.

ESTABLISH INDUSTRY RECOGNISED FOOD EXPERTISE AND CREDIBILITY

We are proud of the expertise of our technical and development teams and it is rewarding when this expertise is recognised by the wider food industry.

We were pleased to congratulate one of our Food to Go chefs on being awarded Sandwich Designer of the Year by the British Sandwich Association, while a Development Chef in our Prepared Meals division is one of three finalists in the GroceryAid Cook of the Year competition.

A total of 11 Greencore products were among those short-listed for the Quality Food Awards this year and Greencore Grocery was a double winner at The Grocer Own Label Food and Drink awards.

The technical team received a 'Strive for Excellence' award from a retailer customer for their work across a number of areas including STEM (Science Technology Engineering and Maths) Ambassadors, raw material integrity, best practice and shared learning.

STAKEHOLDERS

CUSTOMERS

Delivering Excitement, Intimacy, Growth and Trust

Working closely with our customers means understanding and anticipating what they need for winning products.

Nutrition is an important focus for Greencore and our customers. We have been a partner to the UK Public Health Responsibility Deal since its introduction, and have signed up to the 2017 salt targets. Greencore committed to and met the Public Health Responsibility Deal target to remove artificial trans fats from UK products early on. We do not use partially hydrogenated vegetable oils as ingredients in our products or oils and fats containing trans fats.

Addressing nutrients of public health concern requires continuous innovation. To help understand the issues and potential technical solutions, 60 colleagues from Greencore's UK sites participated in our Nutrition conference held at the University of Nottingham.

Speakers from the British Nutrition Foundation, Campden BRI and the University of Nottingham's Food Science department outlined the challenges, while presentations from suppliers gave examples of potential solutions.

CORPORATE SOCIAL RESPONSIBILITY REPORT 2015 continued

Delegates most enjoyed hearing case studies from around the business where development teams have successfully reduced the salt, fat and saturated fat content of a number of products and ranges.

This year Greencore has launched ranges with reduced salt in both its Grocery and Food to Go divisions, and reformulated desserts with reduced saturated fat.

SUPPLIERS

Building Effective and Transparent Supply Chains

The food producers and businesses we work with, and the supply chains behind them, provide us with the raw materials we need in order to deliver great food to our customers. Food safety is a given and we require rigorous standards of quality.

Supplier approval is managed by our Group technical team working closely with colleagues in the purchasing department. We have updated our auditing procedure in line with the new BRC standard, and we are introducing a requirement for BRC certification across our agents and storage and distribution suppliers.

This year the UK auditing team completed 218 physical audits of suppliers. Additional visits have been made by raw materials technical specialists in collaboration with the Group purchasing team. These include walking the supply chains of some of our fish suppliers from Thailand and Indonesia to ensure that they meet our standards.

Our audit team has also completed 687 paperwork approvals and assessed the food manufacturers behind 62 agents supplying the business.

This year has seen the start of implementation of a Product Life Management ('PLM') system as part of a series of business improvement projects. Implementation of the PLM system is managed through the Group technical and purchasing teams. The initial phase is focused on migration of technical specifications from across the business to a single centralised version. The project, which will deliver a step change in management of our raw materials, has involved a number of our suppliers to pilot the system and has been welcomed for its efficiency improvements.

The PLM system enables improved oversight of assured standards across our raw materials. A number of our UK manufacturing sites are included in multi-site supply chain certification to the Round Table on Sustainable Palm Oil standard.

We have continued to participate in the GreenPalm book and claim system while we convert palm oil and its derivatives in our raw materials to segregated and mass balance supply chain models.

Chain of custody certification for Marine Stewardship Council fish is also held as a Group scheme across our UK Food to Go sites and Greencore Grocery in Selby for ambient products.

Greencore is a member of Supplier Ethical Data Exchange ('SEDEX') and we have been building SEDEX membership progressively across our supply base. We now require any new raw material suppliers to our business to be SEDEX registered.

Using SEDEX tools is one of the ways in which Greencore will meet the requirements of the UK Modern Slavery Act 2015 ('Act') recently passed by Parliament. This will require businesses to disclose publicly the steps they are taking to ensure slavery and human trafficking are not taking place within their businesses or supply chains. As the detailed requirements of the Act become clear, we will ensure that Greencore's ethical policy and HR procedures are aligned to enable us to meet the provisions of the Act within our own operations and our supply base.

ENVIRONMENT

EFFICIENTLY USING AND RESPECTING ALL RESOURCES

Being effective at managing and using our resources and reducing waste is entirely consistent with our economic and business aims. Every site and individual has a responsibility to conserve precious resources and reduce our impact on the environment.

In 2015 we responded to the Carbon Disclosure Project Climate Change module for the sixth consecutive year, and also completed submissions for the Forest and Supply Chain modules.

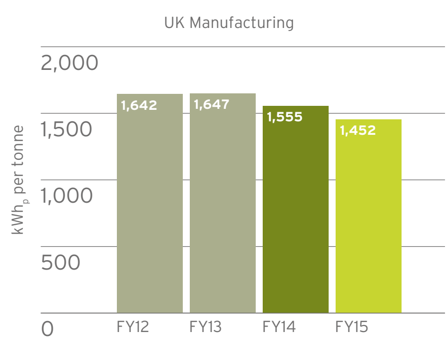
This year we achieved our highest ever disclosure score of 90, up from 81 in 2014.

The last year has seen a strong focus on energy efficiency and carbon reduction across our UK manufacturing sites. Detailed energy surveys have been completed and a range of projects are completed, ongoing and planned for the next two to three years to deliver on the opportunities identified. Greencore Grocery at Hull have led the way and provided the blueprint for the remaining sites by achieving a massive 34% reduction in carbon emissions from energy efficiency measures against a 2013 baseline, and receiving 'highly commended' in a major customer sustainability awards programme.

During 2015 we also delivered our first renewable energy project with the commissioning of a CHP plant at Greencore Grocery in Selby, utilising biogas from the onsite Anaerobic Digester.

The impact of this focus on energy can already be seen in our energy performance, with our primary energy per tonne of product (UK manufacturing sites) continuing to improve, a further 6.6% reduction this year to give an 11.8% reduction in the past two years.

Primary Energy Consumption per Tonne of Product



Global GHG emissions data for period 27 September 2014 to 25 September 2015

	Tonnes of CO_2e	
	Comparison year 2013/14	Reporting year 2014/15
Emissions from:		
Combustion of fuel and operation of facilities (Scope 1)	77,850	68,530
Electricity, heat, steam and cooling purchased for own use (Scope 2)	71,875	70,707
Total emissions (Scope 1 & 2)	149,725	139,237
Ratio (Kg CO_2e per £1 sales revenue)	0.118	0.104

Details of our carbon footprint are shown on page 26. This is produced following the guidelines and principles of the WBCSD/WRI Greenhouse Gas Protocol, and covers our Scope 1 emissions (fossil fuels, transport fuel & refrigerant losses) and Scope 2 (electricity), using emission factors from UK Government's GHG Conversion Factors for Company Reporting. The footprint includes all Greencore operating companies for our financial year 2014/15.

In line with best practice and to increase transparency, we have voluntarily reported on all of the emission sources outlined in the UK Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

The most significant reduction relates to our Scope 1 emissions. The two largest impacts come from energy efficiency improvements and from the replacement of R22 refrigeration systems with new more efficient systems running on ammonia with zero GWP. This has delivered a reduction in Scope 1 emissions of around 7,000 tonnes CO_2e.

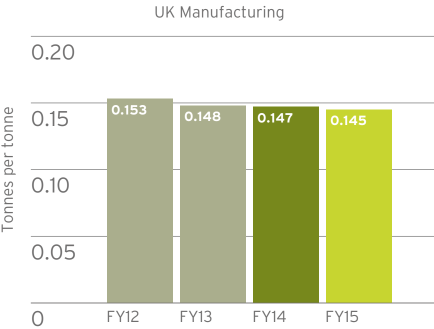
Our Scope 2 emissions saw a significant reduction in the UK due in equal measures to energy efficiency improvements and the overall reduction in the UK grid emissions factors for 2015 by around 6.5%. This reduction was partially offset by an increase in US Scope 2 emissions, directly linked to increased production in our chilled business.

MANAGING OUR WASTE

Our priority for waste remains to reduce and eliminate at source. During the year we have successfully rolled out our enhanced Lean Environment programme to three further sites and are continuing to refine the model further with our Prepared Meals division. This has engaged employees with Greencore's sustainability agenda, helped deliver reductions in waste in all forms and tackled issues at source rather than the 'end of pipe' solution. We have continued to develop our relationship with The Company Shop to enable the diversion of residual stock for human consumption rather than sending it for recovery.

For the fourth year running we have continued to deliver a steady reduction in our waste generated per tonne of production.

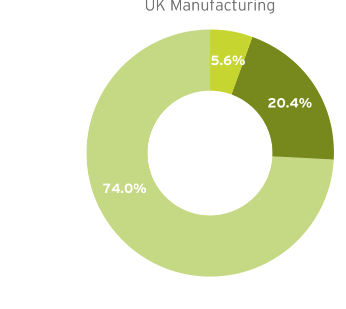
Waste Generated per Tonne of Product



During the year we participated in three research projects looking to add value or recover useful materials from unavoidable waste streams that we produce such as bread crusts from sandwich manufacturing or beetroot peelings from our Grocery division.

Having delivered our target of zero waste to landfill (directly or indirectly) at the end of FY14, this year we have consolidated our waste management position to ensure that we retained zero waste to landfill across all of our UK operations. We continue to undertake full traceability studies of all of our waste streams to ensure that we understand the final destination of all elements, in order to confirm our zero to landfill claim. Our focus in 2016 will be to deliver further improvements in recycling and to move more waste up the hierarchy.

Total Solid Waste

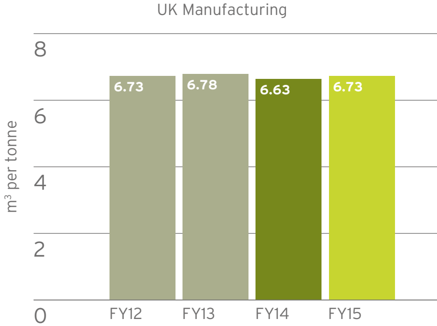


- Reuse
- Recycling
- Recovery
- Disposal 0.0%

WATER CONSERVATION

As a food manufacturer with exacting hygiene standards, we are inevitably a significant water user. In recent years our water consumption per tonne of product has been relatively steady, with 2014/15 showing a slight increase on the previous year. Having focused more on energy and carbon in 2014/15, we will be concentrating on water conservation in 2015/16, with our Lean Environment programme spearheading a targeted improvement programme to reduce overall water consumption.

Water Consumption per Tonne of Product



Following a successful launch in 2014, in June this year we undertook another Group wide engagement initiative through supporting the UN's World Environment Day. Starting with a poster competition for our colleagues' children to publicise the event, we ran a range of activities at all sites, ranging from a litter pick with school children in a local park in Hull to a 'pledge tree' at Greencore Grocery in Selby. The day focused on fun ways of helping employees understand how they can make a positive impact on the environment both at home and at work.

Greencore Food to Go in Northampton successfully achieved certification to ISO14001 rounding off a successful year that saw them reach gold standard on their major customer's sustainability framework and receive the supplier of the year award. Greencore Grocery at Evercreech successfully attained Silver standard and an award shortlisting with the same customer during the year.

CORPORATE SOCIAL RESPONSIBILITY REPORT 2015 continued

COMMUNITIES

DOING THE RIGHT THING FOR OUR INDUSTRY AND OUR COMMUNITIES

Communities include those within and local to our sites, and the wider industry community in which we play an active role.

Together with a major UK retailer, Greencore has led development of the Food Industry Intelligence Network ('FIIN'). This group of 23 food business founder members has formed to meet the recommendations of the Elliot report to the UK Government on the prevention of food crime. Launched in October 2015, the FIIN will collect and anonymise data from its members and report back on where the industry is focusing efforts to prevent crime in its supply chains. It is anticipated that this shared intelligence will enable businesses to take a more informed approach to development of their surveillance strategies.

Greencore Northampton hosted a visit by the Food Standards Agency, the body responsible for food safety and the newly formed Food Crime Unit in England, to enable them to see how raw materials are managed through a busy production site. The group also learned about Greencore's horizon scanning process and raw materials integrity programme.

We recognise the importance of training and development in helping Greencore colleagues to realise their potential. We also support the wider industry in encouraging science students to consider careers in food. A number of colleagues are Science Technology Engineering and Maths ('STEM') Ambassadors who visit schools to talk about the opportunities available in the industry. We also provide sponsorship to Food Science Summer Schools at the Universities of Nottingham, Reading, Newcastle and Leeds, directly and through organisations of which we are members.

Greencore Prepared Meals at Kiveton hosted a visit by 24 first year undergraduates from the BSc Food Science and Food Science and Nutrition courses at the University of Nottingham accompanied by their academic staff. The visit enabled the students to put knowledge gained from lectures into context and see how food is safely processed from raw materials through to finished product.

We continue to support the IGD Feeding Britain's Future programme across our UK facilities and it has proved particularly successful this year for some participants. Of the five candidates that took part in the day at Greencore Food to Go in Crosby, four came back to attend induction sessions as new starters later that week.

This year Feeding Britain's Future has included visits to schools to talk about career opportunities in the food industry and colleagues from our sites have made a number of visits to schools helping to raise the profile of the food industry. In addition, a number of our facilities have hosted school visits involving active participation by children in developing and cooking products. Children from Colston Girls' School visited Greencore Prepared Meals in Bristol for a day which included a competition to design and produce a sauce in under an hour.

Students from Colston Girls' School visit Greencore Prepared Meals in Bristol

Local school children learn how to make quiche at Greencore Prepared Meals in Kiveton

Our sites aim to make a positive contribution to their local communities. Greencore Grocery at Evercreech helped to restore the village Millennium Gardens, clearing away debris, pruning trees and shrubs and providing an environment for wildlife.

Greencore sites and colleagues individually do a huge amount to support local and national charities, through active participation in events and by providing products to assist with catering. Greencore Food to Go in Manton Wood donated 1,000 sandwiches as part of a fundraising effort to help raise £25,000 for Macmillan Cancer Care at a cream tea event. Greencore Fredericksberg provided lunch for the 125 volunteers at the Girls and Boys Club of America Build a Bike event in Suffolk, Virginia who helped to build bicycles for 75 children. Staff at our Danvers facility collected hundreds of pounds of non-perishable food for the Greater Boston Food Bank which also hosted a visit by the site finance team during which they helped sort food.

Many more examples of the work that we do in our communities can be found on our website www.greencore.com

DIVERSITY

At Greencore, we strive to create a culture that values and respects diversity and inclusion, not only gender diversity but also cultural and age diversity. Our goal is to build a diverse workforce and shape a culture of inclusion. We endeavour to create an ethos of recruiting, promoting and developing women across the Group.

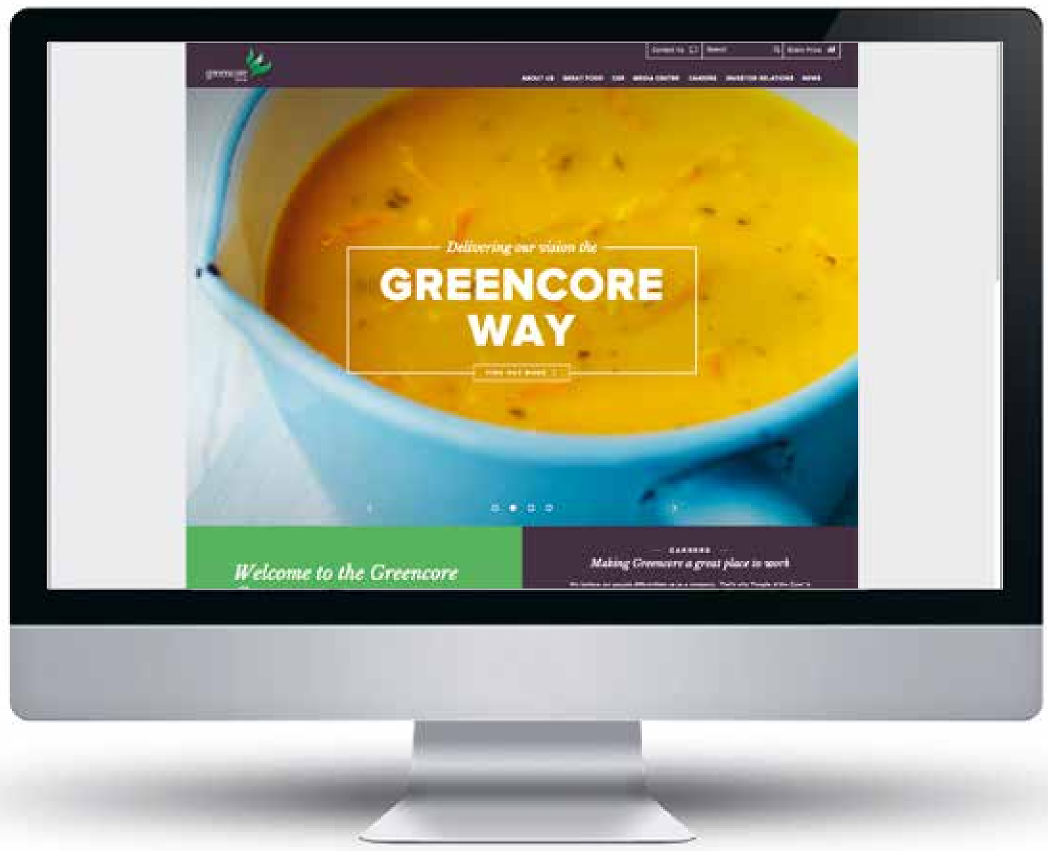
RATIO OF MEN AND WOMEN

Women currently make up approximately 39% of our Group wide employees. In Ireland, 49% of the workforce is female. In the UK approximately 38% of our employees are female whilst in the US 47% of employees are female.

All Employee Gender Breakdown

Country	Ireland	UK	US
No. of Employees	45	9,968	1,458
Male	23	6,225	768
Female	22	3,743	690

Female representation on the Greencore Group plc Board is 22%; further details are set out on pages 34 and 35. Female representation on our subsidiary company boards is currently at 23% and 20% of our senior managers are female.



OPERATING AND FINANCIAL REVIEW*

On a like for like basis revenue in convenience foods was 6% higher than in FY14, whilst operating profit grew by 11%.

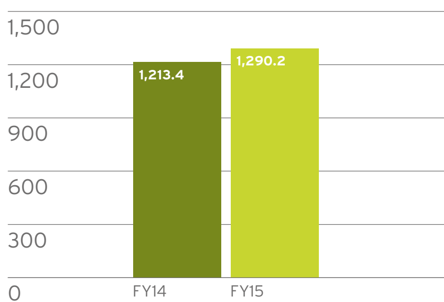
OPERATING REVIEW CONVENIENCE FOODS**

Revenue and Operating Profit	FY15 £'m	FY14 £'m	Change (As reported)	Change (Like for like)
Revenue	**1,290.2**	1,213.4	+6.3%	+6.0%
Operating profit	**89.6**	80.7	+11.0%	
Operating margin	**6.9%**	6.7%	+20 bps	

Convenience Foods Revenue

£1,290.2m

+6.3%



Reported revenue in the Convenience Foods division increased by 6.3% to £1,290.2m. On a like for like basis, revenue was 6.0% ahead with the UK up by 4.7% and the US (even after product exits) up by 15.4%. Growth in both the UK and US was driven by food to go performance with the UK business outperforming the market due to customer business wins and the US performance driven by the continued roll out of new products with a key customer. Operating profit increased by 11.0% to £89.6m driven by good like for like growth, strong operational performance and tight cost control.

UK CONVENIENCE FOODS

FOOD TO GO

The UK Food to Go division represents more than 40% of Group revenue and comprises sandwiches, sushi and salads.

The sandwich category and the broader chilled food to go market (sandwiches, snack salads and sushi) exhibited good growth in FY15 with the sandwich market 4.1% ahead and chilled food to go ahead by 4.9%. This was noteworthy given the particularly strong market in FY14 (when chilled food to go grew by 9.5%).

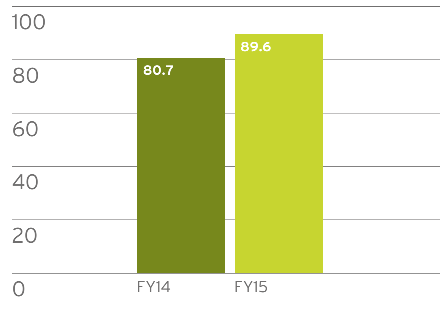
Unit volume growth in sandwiches was modestly higher than value growth at 4.6% given overall net price deflation in food and as mainstream products exhibited stronger growth than premium lines.

The Food to Go division outperformed the market with revenue growth of 8.9%. This was driven principally by net business wins and the associated roll out of new product lines. Following the announcement in May 2014 of a significant business win for the Northampton facility, the business completed the extension of an existing production unit in autumn 2014 enabling the first phase of product transfers. The construction of a new facility on adjacent land is now well advanced and will commence production as planned in spring 2016. Projected volumes are stronger than initially envisaged and, accordingly, we have decided to commission an additional manufacturing unit at our Northampton campus which will bring new, technically distinct, food to go competencies and products to our campus. This will require an additional £12m of capital. The overall economic impact of this enhanced production footprint at Northampton is positive but it will lead to a modest delay in the transfer of certain products relative to the timetable anticipated in May 2014.

Convenience Foods Operating Profit

£89.6m

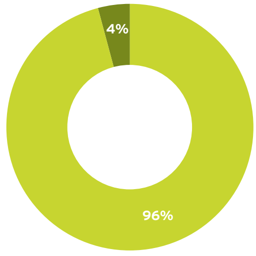
+11.0%



* Definitions of financial key performance indicators are provided on page 10. These are non-IFRS measures. IFRS measures are provided within the Financial Statements from page 78 onwards.

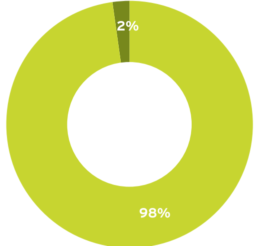
** Market Growth Rate are based on Nielsen data for 52 weeks to 26 September 2015.

Revenue by Division



■ Convenience Foods
■ Ingredients & Property

Operating Profit by Division



■ Convenience Foods
■ Ingredients & Property

The impact of this delay will be compensated in FY16 by the growth trajectory in core sandwich volumes at Northampton, alongside good commercial momentum across other parts of the Food to Go division.

PREPARED MEALS

The Prepared Meals division comprises chilled ready meals, quiche, chilled soup and chilled sauces and represents approximately 20% of Group revenue.

The chilled ready meals market experienced growth in FY15 of 2.0%, while the Italian chilled ready meals category grew by 9.4%. The quiche market declined by 1.8% in the year while chilled soup grew by 2.5%. Revenue in the Prepared Meals division was 1.8% higher than in FY14. The business delivered a good performance in chilled ready meals. Overall performance was held back by a decline in quiche sales following a customer's decision to move production in house. Soup lines performed well following the launch of several additional products with a key customer.

GROCERY

The Grocery division provides meal components such as cooking sauces, table sauces, pickles and Yorkshire Puddings as well as cakes and chilled desserts. It operates from four facilities and represents approximately 20% of Group revenue.

The own label cooking sauces market declined by 3.1% in value terms whilst volumes grew by 4.3% reflecting pronounced price deflation. The Yorkshire Puddings market was 0.5% lower, the ambient cakes market grew by 2.6% and the chilled desserts category grew by 0.9%.

Like for like revenue (excluding the Ministry of Cake foodservice desserts business which was sold in May 2014) in the Grocery division declined by 1.0%. The decline was driven by lower year on year cake revenue following the exit of some less profitable seasonal lines. The cooking sauce business outperformed its market as did the chilled desserts activity while Yorkshire Puddings were in line with market performance.

US CONVENIENCE FOODS

The US division is focused on food to go products supplied predominantly to the faster growing convenience and small store channels, including the coffee shop market. The division represents approximately 15% of Group revenue.

Reported revenue grew by 28.0% versus the prior year. On a like for like basis (excluding Lettieri's for the period from October 2014 to February 2015 and expressed in constant currency), revenue was 15.4% higher than in FY14. Product exits, principally in potato salads and sushi, are estimated to have reduced the like for like sales growth rate by around eight percentage points. Underlying growth was driven by the continued roll out of new products with key customers and the base business growth rate in both coffee shops and the convenience market.

FY15 was another year of significant investment and change in the US business. Following an extension of the Jacksonville facility in H2 FY14, the business began the roll out of breakfast sandwich products for a key customer in autumn 2014. Initial demand was significantly higher than anticipated resulting in supply chain disruption. This was stabilised by the late spring and orders and shipments are now in line with plan.

The business completed the construction of a new production facility in Quonset, Rhode Island, in March. In April, production was transferred from the Newburyport facility to Rhode Island and in Q4 FY15, the business commenced a phased transition of production from the Brockton facility to Rhode Island. In ramping up production capability in Rhode Island, the business experienced greater levels of labour turnover, materials waste and related operating cost than anticipated. The Newburyport facility closed in April and the Brockton facility was closed subsequent to the year end. The business incurred a previously announced exceptional charge of £3.4m in relation to this project as described in the Financial Review.

In November 2014, the Group announced that it was acquiring the rights to a supply contract with a key customer in Washington state. Construction of a new facility in the Seattle area has now commenced with the site due to open in H2 FY16.

INGREDIENTS & PROPERTY

The Ingredients and Property division represents less than 5% of Group revenue and a smaller proportion of Group profits. The revenue decline in the year was predominantly driven by lower commodity prices in edible oils. Operating profit was modestly behind prior year principally due to the weakening of the euro against sterling.

Ingredients & Property

	FY15 £'m	FY14 £'m	Change Actual Currency	Change Constant Currency
Revenue	**50.1**	60.1	-16.6%	-7.5%
Operating profit	**2.1**	2.2	-4.5%	

OPERATING AND FINANCIAL REVIEW
continued

FINANCIAL REVIEW

REVENUE AND OPERATING PROFIT

Reported revenue in the year was £1,340.3m, an increase of 5.2% versus FY14. Group operating profit of £91.7m was £8.8m or 10.6% higher than in FY14. Group operating margin was 6.8%, 30 basis points ahead of the prior year. The improvement in operating profit and operating margin was driven by the growth in revenue and good operational performance in the UK business.

INTEREST PAYABLE

The Group's bank interest payable in FY15 was £15.1m, an increase of £0.2m. This increase was due to higher average net debt as a result of the Group's capital investment programme, partly offset by interest capitalised of £0.9m. The composition of the charge was £13.5m of interest payable, commitment fees for undrawn facilities of £0.9m and an amortisation charge in respect of facility fees of £0.7m.

NON-CASH FINANCE CHARGE

The Group's non-cash finance charge in FY15 was £5.8m (£0.5m charge in FY14). The non-cash pension financing charge of £4.9m was £0.9m lower than the FY14 charge of £5.8m. The change in the fair value of derivatives and related debt adjustments was a non-cash charge of £1.4m (£5.5m credit in FY14) reflecting the mark to market of the Group's interest rate swap portfolio. The Group recorded a £0.5m credit in respect of the increase in the present value of assets and liabilities compared to a £0.2m charge in FY14.

TAXATION

The Group's effective tax rate in FY15 was unchanged at 1%. This rate continues to benefit from historic tax losses.

EXCEPTIONAL ITEMS

The Group recognised an exceptional charge of £3.4m in FY15 (FY14: net charge of £11.4m). This related to the start-up of production at the new facility in Quonset, Rhode Island and the related exit from the Newburyport and Brockton facilities.

EARNINGS PER SHARE

Adjusted earnings of £72.8m were 14.3% or £9.1m above prior year. Adjusted earnings per share of 18.0 pence were 13.2% ahead of FY14.

CASH FLOW AND NET DEBT

A net cash inflow from operating activities of £78.8m was recorded compared to an inflow of £84.7m in FY14. There was an outflow of net working capital of £7.6m in FY15 as compared to an inflow of £9.8m in FY14.

Capital expenditure of £93.1m was incurred in the year compared to £51.3m in FY14, an increase of £41.8m. The increase was driven principally by the major capacity investment projects in Northampton and Rhode Island. Capital expenditure in FY16 is expected to be approximately £100m as the Group continues to invest in capacity and capability enhancements.

Interest costs of £16.6m were paid in the year (FY14: £15.8m) with cash dividends to equity holders of £17.2m (FY14: £11.6m).

The Group's net debt at 25 September 2015, a seasonal low point, was £265.5m, an increase of £53.4m from 26 September 2014. The increase was driven primarily by the increase in capital expenditure.

During the year, the Group refinanced its £280m Revolving Credit Facility which was due to mature in May 2016 with a new £300m Revolving Credit Facility. The Group remains well financed with committed facilities at 25 September 2015 of £505m with a weighted average maturity of 4.0 years. Subsequent to the year end, the Group repaid USD100m of private placement notes upon maturity funded from existing facilities.

The net debt at year end of £265.5m resulted in leverage as measured by the Group's financing providers of 2.0 times (FY14: 1.75 times).

PENSIONS

The net pension deficit (before related deferred tax) reduced to £112.7m at 25 September 2015 from £129.5m at 26 September 2014. The net pension deficit after related deferred tax was £89.4m, a decrease of £16.2m from 26 September 2014.

The fair value of total plan assets relating to the Group's defined benefit pension schemes decreased to £393.2m at 25 September 2015 from £395.4m at 26 September 2014. The present value of the total pension liabilities for these schemes also decreased to £505.9m from £524.9m over the same period.

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

SUMMARY

Greencore has a clear strategy, strong positions in the growing food to go market and a clear pipeline of future opportunities. The business is investing heavily in capacity and capability enhancement to meet growing consumer and customer demand for the years ahead. While the outlook for the UK grocery retail market remains uncertain, we are well placed to deliver further progress in FY16 and beyond.

ALAN WILLIAMS
Chief Financial Officer
23 November 2015

GROUP EXECUTIVE BOARD

The Group Executive Board is responsible for delivering the strategy as set by the Greencore Group plc Board along with leading the organisational and capability performance of the Group. It reports into the Greencore Group plc Board through the CEO.

PATRICK COVENEY*

CEO, Greencore Group

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

ALAN WILLIAMS*

CFO, Greencore Group

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

PETER HADEN

CDO, Greencore Group

Peter is the Group's Chief Development Officer. Peter joined Greencore in January 2015 and works both with the individual business units to develop their growth plans, and with the Group Executive Board and the plc Board on the strategy for the Group as a whole. Prior to joining Greencore, Peter was a Partner with McKinsey & Company, where most recently he led the UK Consumer Practice. Before McKinsey, he was a brand manager with Procter & Gamble.

CHRIS KIRKE

CEO, Greencore USA

Chris is responsible for our fast-growing business in the US, which is becoming a leading manufacturer of fresh food to go products. Appointed in 2015, Chris took over the US operation following his seven year role as Managing Director of Greencore's UK Food to Go division. Prior to joining Greencore, Chris worked for ten years in a number of senior management roles within the food industry.

KEVIN MOORE

MD, Greencore Food to Go

Kevin is the Managing Director of Greencore Food to Go, the leading manufacturer of sandwiches, salads and sushi for major retailers in the UK. Kevin joined the Group in 1999 and prior to this appointment in 2015 he was MD of Greencore's UK Prepared Meals division. Before joining the business, Kevin worked for more than a decade in senior roles in management consultancy and retail.

CLARE REES

MD, Greencore Prepared Meals

Clare is the Managing Director for Greencore Prepared Meals, which is a leading manufacturer of chilled ready meals, quiche, chilled soups and chilled sauces in the UK. Clare joined Greencore as a graduate in 1996 and has held a variety of senior roles in the Food to Go division over the last 19 years. Prior to her appointment in 2015 Clare was Business Unit MD of Greencore Food to Go Retail.

PHIL TAYLOR

HR Director, Greencore Group

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

EOIN TONGE

MD, Greencore Grocery

Eoin is Managing Director of Greencore Grocery with responsibility for our cooking sauces and pickles, Yorkshire Puddings and our cakes and desserts businesses. Eoin joined Greencore in 2006 and has held a number of senior roles in the Group, most recently as Group Chief Strategy Officer. Prior to joining Greencore, Eoin worked within the financial services area for 12 years in many locations around the world.

* Denotes Greencore Group plc Board Director.

BOARD OF DIRECTORS

PG KENNEDY, BA, FCA

Title

Non-Executive Director (Aged 57)

Biography

Gary joined the Board as Non-Executive Director on 20 November 2008 and was appointed Chairman in January 2013. He was appointed Non-Executive Director of Connect Group plc in March 2015 and became Chairman in May 2015. He is also Chairman of Green REIT plc having been appointed to the Board in June 2013. Gary also serves as a Director of Friends First Holdings Ltd and is chairman of a number of private companies. Previously Gary served on the Board of Elan plc and Allied Irish Bank plc, he was also a Government appointed Director of IBRC as well as having previously served on the Board of the IDA.

Committee membership

Nomination Committee
Option and Remuneration Committee

PF COVENEY, B Comm, M Phil, D Phil

Title

Chief Executive Officer (Aged 45)

Biography

Patrick was co-opted to the Board on 5 September 2005 and was appointed Chief Executive Officer in March 2008, prior to which he served as the Group's Chief Financial Officer. Before joining Greencore, Patrick was a partner with McKinsey & Company, serving as Managing Partner of McKinsey, Ireland. Patrick is a Non-Executive Director of Glanbia plc, having been appointed in May 2014.

AR WILLIAMS, BA Hons, ACMA, CGMA, AMCT

Title

Chief Financial Officer (Aged 46)

Biography

Alan was appointed Chief Financial Officer and joined the Board on 7 March 2011. Prior to joining the Group, Alan held a number of senior positions within Cadbury plc over an 18 year period, including the position of Global Corporate Finance Director, the Head of Finance for the US confectionery operations of Cadbury and the French beverages business.

JT HERLIHY, B Comm, FCA

Title

Non-Executive Director (Aged 48)

Biography

John was appointed to the Board on 13 March 2009. On 2 November 2015 John was appointed Vice President and Managing Director of LinkedIn Europe, Middle East and Africa. John holds a number of directorships with private companies and served as head of Google Ireland and also Vice President of International Sales at Google until April 2015. Previously he held senior management positions at global technology companies which included First Data, Epiphany and Oracle Corporation.

Committee membership

Audit Committee
Option and Remuneration Committee

HA MCSHARRY, B Comm, MBS

Title

Non-Executive Director (Aged 54)

Biography

Heather Ann joined the Board on 30 January 2013. She serves as a Non-Executive Director on the boards of CRH plc, Jazz Pharmaceuticals plc and Ergonomics Solutions International. Heather Ann is also Chairman of the Bank of Ireland Pension Fund Trustee Board and is a council member of the Institute of Directors. Heather Ann is a former Managing Director of Reckitt Benckiser and Boots Healthcare in Ireland and was previously a Director on the Board of Bank of Ireland plc.

Committee membership

Audit Committee
Option and Remuneration Committee

SG BAILEY

Non-Executive Director
(Aged 53)

Sly was appointed to the Board on 17 May 2013. Sly currently serves as a Non-Executive Director of Ladbrokes plc and the London Real Estate Exchange Ltd. Sly was previously Chief Executive Officer of Trinity Mirror plc, in addition to serving as Non-Executive Director and Chairman of the Remuneration Committee of the Press Association as well as Non-Executive Director of Littlewoods plc and EMI plc where she was also Senior Independent Director.

Audit Committee
Nomination Committee

JA WARREN,
BSc, FCA

Non-Executive Director
(Aged 62)

John joined the Board on 30 January 2013. John is a Non-Executive Director of Bloomsbury Publishing Plc, where he serves as Senior Independent Director. John is also a Non-Executive Director of 4imprint plc and Welsh Water. John is Chairman of the Audit Committee at all the companies where he is a Non-Executive Director. Previously John was Group Finance Director of United Biscuits Plc and WH Smith PLC. He also served as Chairman of Uniq Plc, and a Non-Executive Director of Bovis Homes Group PLC, Spectris plc, The Rank Group Plc, BPP Holdings plc, Arla Foods UK plc, RAC Plc and Rexam Plc.

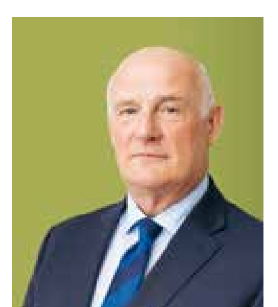
Audit Committee*

JJ MOLONEY,
B.Ag.Sc, MBA

Non-Executive Director
(Aged 61)

John was appointed to the Board on 8 February 2013. He is currently Chairman of DCC plc and is a Non-Executive Director of Smurfit Kappa Group plc. In addition, John serves as Chairman of Coillte Teoranta (the Irish State Forestry Company) and holds a number of directorships with private companies. John served as Group Managing Director of Glanbia plc until November 2013 having held a number of senior positions within the international nutritional solutions and cheese group, including Chief Executive of Food Ingredients and Agribusiness.

Nomination Committee*



EL NICOLI,
CBE, BSc

Non-Executive Director
Senior Independent Director
(Aged 65)

Eric joined the Board on 14 May 2010 and was appointed Senior Independent Director in January 2014. Eric served as Group Chief Executive of United Biscuits (Holdings) plc from 1991 to 1999 and was Chairman and Chief Executive of EMI Group plc until 2007. He is currently Chairman of Centtrip Card Ltd and Wentworth Media & Arts Ltd and a Director of R&R Music Ltd.

Option and Remuneration Committee*

C O'LEARY,
ACIS

Group Company Secretary
(Aged 46)

Conor was appointed Group Company Secretary on 4 June 2010. He joined the Group in 2001 and was appointed Deputy Group Secretary in 2005. Before joining Greencore, Conor held senior company secretarial positions in Glanbia plc and Cable & Wireless plc and trained with PricewaterhouseCoopers. Conor currently serves on the Board of the British and Irish Chamber of Commerce.

* Denotes Committee Chairman.

DIRECTORS' REPORT

INTRODUCTION

The Directors present their Report and Financial Statements for the year ended 25 September 2015. The Directors' Report is contained on pages 34 to 73.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

Greencore is a leading producer of convenience foods with strong market leading positions in the UK convenience food market across sandwiches, salads and sushi, chilled prepared meals, chilled soup and sauces, cooking sauces and pickles, cakes and desserts and Yorkshire Puddings as well as an extending presence in the US through its food to go business.

We are proud to supply a wide range of chilled, frozen and ambient foods to some of the most successful retail and food service businesses in the UK and the US.

Further details on the Group's development and performance for the year under review are contained in the Operating and Financial Review set out in pages 30 to 32.

The principal subsidiary and associate undertakings are listed in Note 33 to the Group Financial Statements and form part of this report.

RESULTS FOR THE YEAR

Group results for the year are set out in the Group Income Statement on page 78. The operating profit for the year before acquisition related amortisation and exceptional items was £91.7m (2014: £82.9m), whilst the profit after taxation and exceptional charges was £59.0m (2014: £48.6m).

DIVIDENDS

An interim ordinary dividend of 2.40 pence (2014: 2.20 pence) per share was paid on 2 October 2015. The Directors recommend the payment of a final ordinary dividend of 3.75 pence (2014: 3.25 pence) per share. Subject to shareholders' approval, this dividend is to be paid on 4 April 2016 to shareholders who are on the register of members at 5.00pm on 4 December 2015.

SHARE CAPITAL

During the year 1,706,734 (2014: 4,784,736) Ordinary Shares were issued under the Company's Scrip Dividend Scheme and 1,484,652 (2014: 955,852) Ordinary Shares were issued under the Company's ShareSave Schemes. Further details are set out in Note 25 to the Group Financial Statements.

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

At the Annual General Meeting ('AGM') of the Company held in January 2015, the shareholders gave the Directors the authority to allot shares up to a maximum nominal amount equal to £1,345,059.86. This authority will expire at the forthcoming AGM and therefore, shareholders will be asked to renew, until the date of the AGM to be held in 2017 or 26 April 2017, whichever is earlier, the authority of the Directors to allot new shares. This authority will be limited to the allotment of up to an aggregate nominal value of 33% of the nominal value of the Company's Issued Share Capital.

Shareholders will also be asked at the forthcoming AGM to approve until the date of the AGM to be held in 2017, or 26 April 2017, whichever is earlier, the Directors' power to disapply the strict statutory pre-emption provisions relating to the issue of new equity for cash. The disapplication will be limited to the allotment of equity securities in connection with any rights issue or any open offer to shareholders and the allotment of shares in lieu of dividends, and/or the allotment of shares up to an aggregate nominal value equal to 5% of the nominal value of the Company's Issued Share Capital.

At the AGM held in January 2015, the shareholders passed a resolution to give the Company, or any of its subsidiaries, the authority to make market purchases of up to 10% of its own shares. At the forthcoming AGM, shareholders will be asked to authorise the Directors, until the date of the AGM to be held in 2017 or 26 April 2017, whichever is earlier, to make market purchases or overseas market purchases of up to 10% of its own shares. Whilst the Directors do not have any current intention to exercise the power to purchase the Company's own shares, any purchases would be made only at price levels which the Directors consider to be in the best interests of the shareholders generally, taking into consideration the Group's overall financial position. In addition, the authority being sought from shareholders will provide that the minimum price which may be paid for such shares shall not be less than the nominal value of the shares and the maximum price will be the higher of 105% of the then average market price of such shares and the amount stipulated by Article 5(1) of the EU Market Abuse (Buyback and Stabilisation) Regulations.

It is also intended that at the 2016 AGM, shareholders will be asked to pass a resolution authorising the Company to re-allot shares purchased by it and not cancelled as treasury shares. If the resolution is passed, the authority will expire on the earlier of the date of the AGM in 2017 or 26 April 2017 and the minimum price at which treasury shares may be re-allotted shall be set at the nominal value of the share where such a share is required to satisfy an obligation under an employees' share scheme or, in all other cases, an amount equal to 95% of the then market price of such shares and the maximum price at which treasury shares may be re-allotted shall be set at 120% of the then market price of such shares.

Subject to the necessary approval from shareholders at the forthcoming AGM, the Directors intend to continue the Scrip Dividend Scheme so that eligible shareholders will be offered the opportunity to take all or part of the 2015 final dividend of 3.75 pence per Ordinary Share in the form of fully paid new Ordinary Shares.

FUTURE DEVELOPMENTS

Greencore has a clear strategy, strong positions in the growing food to go market and a clear pipeline of future opportunities. The business is investing heavily in capacity and capability enhancement to meet growing consumer and customer demand for the year ahead. While the outlook for the UK grocery retail market remains uncertain, we are well placed to deliver further progress in FY16 and beyond.

DIRECTORS

In accordance with provision B.7.1. of the 2012 UK Corporate Governance Code (the 'Code') and the Irish Corporate Governance Annex (the 'Annex'), the Directors individually retire at each AGM of the Company and submit themselves for re-election if appropriate. No re-appointment is automatic and all Directors who intend to submit themselves for re-election are subject to a full and rigorous evaluation. One of the main purposes of the evaluation is to assess each Director's suitability for re-election. The Board will not recommend a Director for re-election if the individual concerned is not considered effective in carrying out their required duties.

In the year under review, each Director has been subject to the evaluation process recommended by the Code. On this basis, the Chairman and the Board are pleased to recommend the re-election of those Directors who are seeking re-appointment at the forthcoming AGM as they continue to be effective and remain committed to their role on the Board.

DIRECTORS' INTERESTS IN SHARE CAPITAL AT 25 SEPTEMBER 2015

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

SIGNIFICANT SHAREHOLDINGS

At 25 September 2015, 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
Fidelity Mgt & Research	**40,211,491**	9.80
Wellington Mgt Company	**36,082,444**	8.79
Polaris Capital Mgt	**26,621,744**	6.49
SEB Asset Mgt	**18,131,339**	4.42
JP Morgan Asset Mgt	**13,822,371**	3.37

At 23 November 2015, 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
Wellington Mgt Company	**40,119,223**	9.76
Fidelity Mgt & Research	**38,968,499**	9.48
Polaris Capital Mgt	**27,194,572**	6.62
SEB Asset Mgt	**18,523,985**	4.51
JP Morgan Asset Mgt	**13,075,649**	3.18

Other than these holdings, the Company has not been notified as at 23 November 2015 of any interest of 3% or more in its Ordinary Share Capital.

DIRECTORS' REPORT
continued

CORPORATE GOVERNANCE
Statements by the Directors in relation to the Group's application of corporate governance principles, compliance with the provisions of the Code and the Annex, the Group's system of internal controls and the adoption of the going concern basis in the preparation of the Financial Statements are set out on pages 39 to 44, 65 to 69 and 72 and 73.

Greencore Group plc is an Irish registered company and as an Irish incorporated company is not subject to the UK executive remuneration requirements set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. Notwithstanding this, and in order to ensure transparency to all of our stakeholders, we have sought, to the extent possible under Irish law, to comply with these requirements on a voluntary basis.

The Report on Directors' Remuneration is set out on pages 45 to 64.

CORPORATE SOCIAL RESPONSIBILITY
As a Group, we are committed to maintaining integrity and sustainable corporate and social responsibility practices for the benefit of all of our stakeholders. More details in relation to our Corporate Social Responsibility agenda can be found on pages 22 to 29.

RESEARCH AND DEVELOPMENT
The Group continued its research and development programme in relation to its principal activities during the year. Further information is contained in Note 3 to the Group Financial Statements.

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

ACCOUNTING RECORDS
The Directors believe that they have complied with the requirements of Sections 281 to 286 of the Companies Act 2014 with regard to accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The accounting records of the Company are maintained at No. 2 Northwood Avenue, Northwood Business Park, Santry, Dublin 9, Ireland.

AUDITOR
The auditor, KPMG, Chartered Accountants, continues in office in accordance with Section 383 of the Companies Act 2014.

Under Irish legislation, the Company's external auditor is automatically re-appointed each year at the AGM unless the meeting passes a resolution to appoint a different auditor or provides that the existing external auditor shall not be re-appointed or, alternatively, if the auditor expresses its unwillingness to continue in office. Following feedback received from stakeholders during FY13, since the AGM held in January 2014, an advisory resolution is put before shareholders each year in respect of the continuation in office of KPMG as external auditor.

NOTICE OF ANNUAL GENERAL MEETING AND SPECIAL BUSINESS
Notice of the 2016 AGM, together with details of special business to be considered at the meeting, will be circulated to shareholders in December 2015.

On behalf of the Board

P.G. KENNEDY	**A.R. WILLIAMS**
Chairman	Director

Dublin
23 November 2015

CORPORATE GOVERNANCE REPORT

The Group remains committed to business integrity, high ethical standards and professionalism in all its activities and operations, in addition to maintaining the highest standards of corporate governance. Corporate governance is the system of rules, practices and processes by which a company is directed and controlled and involves balancing stakeholders' interests.

This statement explains how the Company has applied the principles set out in the UK Corporate Governance Code which is the benchmark used by UK and Irish listed companies for measuring corporate governance.

In addition, although Greencore is not listed on the Irish Stock Exchange, to ensure transparency, we have chosen to adopt voluntarily the provisions of the Irish Corporate Governance Annex (the 'Annex').

In September 2014, the Financial Reporting Council published an updated Corporate Governance Code (the '2014 Code') which applies to financial years commencing on or after 1 October 2014. The Company will report in accordance with the 2014 Code in its FY16 Annual Report.

The Board believes that the Group has complied fully with the 2012 Corporate Governance Code (the 'Code') and the relevant provisions of the Annex throughout the financial year ended 25 September 2015 where the requirements are of a continuing nature. The full text of the Code can be found on the Financial Reporting Council's website, www.frc.org.uk, whilst the Irish Annex can be found on the Irish Stock Exchange's website, www.ise.ie.

The Board ensures that corporate governance developments are kept under constant review as it is vital that the Group's governance structures evolve as necessary and remain appropriate for a Group of our size and complexity.

P.G. KENNEDY
Chairman
23 November 2015

CORPORATE GOVERNANCE REPORT
continued

BOARD OF DIRECTORS

The Board is responsible for the leadership, monitoring and control of the Group and promoting the long-term success of the Group. The Board consists of two Executive Directors and seven Non-Executive Directors. The biographical details of each of the Directors can be found on pages 34 and 35 along with their dates of appointment.

Both on an individual and collective basis, the Directors have the range of skills, knowledge, experience and expertise necessary to ensure effective leadership of the Group and to ensure corporate governance requirements are satisfied.

The Board is comprised of Directors from a diverse range of backgrounds, each of whom brings independent judgement to bear on a number of key issues for the Group such as risk, culture, health and safety, strategy, performance, resources, key appointments, ethics and standards. Under Provision B.1.2. of the 2012 Corporate Governance Code (the 'Code'), at least half of the Board, excluding the Chairman, must be independent. The independence of each Director is determined prior to his or her appointment and is reviewed annually thereafter. Following a review of each of the Non-Executive Directors for FY16, the Board can confirm that each of the Non-Executive Directors who are submitting themselves for re-election at the forthcoming Annual General Meeting ('AGM') remains independent. In addition, the Non-Executive Directors do not have any material interest or other relationship with the Group.

Following compositional changes to the Board in FY13 and FY14, the Nomination Committee undertook a further review of the Board and its Committees during FY15 and determined that the Board was of the correct size and structure with no one individual or small group having the ability to dominate the Board's decision making. Furthermore, given the current composition of the Board, no undue reliance is placed on any individual Non-Executive Director.

It is intended that Mr John Herlihy will retire from the Board at the conclusion of the forthcoming AGM. Mr Herlihy joined the Board on 13 March 2009 and is currently a member of both the Audit Committee and the Option and Remuneration Committee. Following notification of Mr Herlihy's upcoming retirement, the Board, in conjunction with the Nomination Committee, undertook a review of the balance of skills and experience on the Board and the committees of which Mr Herlihy is a member and it was agreed that the size and structure would remain fit for purpose, however, it was further agreed that this would be kept under review.

The Board continues to ensure that each of the Non-Executive Directors remain impartial and independent in order to meet the challenges of the role.

Each year, a schedule of regular meetings to be held in the following calendar year is agreed whilst additional Board meetings are held on an ad-hoc basis as required. A list of the Directors' attendance at scheduled meetings throughout the year can be found on page 42. Board meetings generally take place at the Group's head office in Dublin along with the offices of the Group's operating subsidiaries, wherein tours of the local facilities are incorporated into the Board agenda, along with store visits as appropriate. The Board's meeting in respect of Group strategy is held at an off-site location.

Prior to the appointment of any Non-Executive Director, he or she is provided with details of the time commitment required for the role. If a Director is unable to attend a Board meeting, either in person or remotely, he or she will receive meeting papers in advance and is encouraged to communicate his or her views on any particular topic to the Chairman, the Chief Executive Officer, the Senior Independent Director or the Group Company Secretary in advance of the meeting.

There is an agreed formal list of matters which is reserved for Board consideration and decision. The list includes, but is not limited to, approving the interim and full year Financial Statements, approving the interim dividend and recommending a final dividend to shareholders, Board membership, major acquisitions and disposals, major capital expenditure, risk management, internal controls, treasury policies and the approval of all circulars and listing particulars. The list of matters reserved for Board decision is available under the Corporate Governance section of the Group's website, www.greencore.com, and is reviewed regularly by the Board and updated as appropriate. The matters and agenda reserved for Board consideration are planned in order to best utilise the skills, expertise and experience of the Directors. In addition, the Board is responsible for the approval of the Group's commercial strategy, trading and capital budgets. The Directors acknowledge that they are responsible for the proper stewardship of the Group's affairs, both on an individual and collective basis and it is the Board alone which has the authority and responsibility for planning, directing and controlling the activities of the Group.

The Board meets with key executives in the Group on a regular basis to ensure that the Board remains fully aware of the business and how it is operating. Legislative changes along with any developments in accounting, governance and other standards are communicated to, and discussed with, the Board and the Board committees as appropriate.

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. In addition, the Directors are indemnified for any legal action taken against them in respect of matters pertaining to their duties as Directors, subject always to the limitations under Irish company law. The Group Company Secretary, whose appointment and removal is a matter for the Board as a whole, is responsible for ensuring that Board procedures are followed and is available to each of the Directors for any advice or additional services they may require.

Each month the Directors receive Group management accounts and reports. Full Board papers are sent to each Director in a timely manner in advance of the Board meetings. The Board papers include the minutes of all previous Board and committee meetings. Following the conclusion of a committee meeting, the Chairman of the relevant committee provides the Board with a verbal update on the meeting's proceedings.

In accordance with best practice and the Code, the Board acknowledges the importance of having a recognised senior member of the Board, known as the 'Senior Independent Director'. It is the role of the Senior Independent Director to be available to stakeholders who have concerns that cannot be addressed through the Chairman, Chief Executive Officer or Chief Financial Officer and also to meet with shareholders upon request. In addition, the Senior Independent Director leads the Chairman's evaluation on an annual basis and acts as a confidential sounding board to the Board. Mr EL Nicoli was appointed Senior Independent Director in January 2014 for a two year tenure and following a recent review of the role of the Senior Independent Director, it was agreed that given his skills and experience, Mr Nicoli would remain as Senior Independent Director for an additional two year term.

In line with best practice, the roles of the Chairman and Chief Executive Officer, are separate and distinct and there is a clear division of responsibilities between the two roles. The operational responsibility for the management of the Group has been delegated to the Chief Executive Officer who is accountable to the Board, whilst it is the role of the Chairman to ensure the effective running of the Board.

The key role of a Non-Executive Director is to challenge management proposals as appropriate in a clear and constructive manner. Non-Executive Directors are also expected to utilise their expertise and experience to contribute to the development of the Group. As outlined earlier, before a Non-Executive Director is appointed to the Board, or any of its committees, he or she is advised of the scheduled calendar of meetings and the time commitment involved in the role and is required to confirm that he or she is able to meet the time commitment required.

It is the belief of the Board that an effective evaluation process promotes effective leadership. Each year the Board conducts an annual self-evaluation, which is led by the Chairman. The evaluation focuses on individual Board members, Board effectiveness, the composition of the Board, the interaction between Board members, Board and committee meetings along with the performance of the Board as a whole in the year under review. In accordance with Code provision B.6.2., during the year, an externally facilitated review of the Directors, the Board and each of the committees was undertaken by the Institute of Chartered Secretaries and Administrators ('ICSA'), a body which does not have any other connection with the Group. The review took the form of interviews, meetings and questionnaires. In April 2015, following completion of the review, ICSA met with the Board to present and discuss the results of the evaluation and also to make recommendations for the Board going forward. The Board are currently reviewing the recommendations of ICSA (which included provisions for the Chairman of the Audit Committee to undertake an independent review of the Group's internal audit process, implementing a formal policy on social media and formalisation of certain areas of governance) and are implementing changes where appropriate.

Each year the Chairman meets with the Non-Executive Directors without the Executive Directors present. As part of the performance evaluation process, the Non-Executive Directors, led by the Senior Independent Director, meet annually without the Chairman present to appraise the Chairman's performance. The views of the Executive Directors and the Group Company Secretary are also taken into account. This forms part of the broader Board effectiveness review and ensures a robust, independent and effective Board.

BOARD COMMITTEES

In order to ensure that it discharges its role and responsibilities appropriately, the Board has established an effective committee structure (collectively the 'Committees') in order to assist the Board in the discharge of its responsibilities. Details of the various committee memberships, together with the relevant biographies are set out on pages 34 and 35 of this report. Further details on the role of the Committees and the work undertaken by each committee in the year under review can be found on pages 45 to 71.

	FY15	FY14
Average number of Executive Directors	**2**	2
Average number of Non-Executive Directors	**7**	7

CORPORATE GOVERNANCE REPORT
continued

BOARD COMMITTEES continued

Attendance at scheduled Board and committee meetings during the financial year under review was as follows:

	Board		Audit Committee		Nomination Committee		Option and Remuneration Committee	
	A	B	A	B	A	B	A	B
SG Bailey	8	8	4	4	1	1	–	–
PF Coveney	8	8	–	–	–	–	–	–
JT Herlihy	8	8	4	4	–	–	3	3
PG Kennedy	8	8	–	–	1	1	3	3
HA McSharry	8	8	4	4	–	–	3	3
JJ Moloney	8	8	–	–	1	1	–	–
EL Nicoli	8	8	–	–	–	–	3	3
JA Warren	8	8	4	4	–	–	–	–
AR Williams	8	8	–	–	–	–	–	–

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

Where appropriate, the Board also establishes sub-committees on an ad-hoc basis in order to deal with any additional items of business which arise throughout the year. The membership of the sub-committee will depend upon the purpose for which the committee was established and will take into account the skills and expertise necessary.

COMMUNICATION WITH SHAREHOLDERS

It is the role of the Board to promote the long-term success of the Company and to ensure that its obligations to its shareholders and other stakeholders are met, therefore the Group gives priority to communicating with shareholders and ensuring active shareholder engagement. Throughout the year, apart from when the Group is in a close period, the investor relations team meets with institutional and major shareholders.

The Group promotes communication with shareholders throughout the year and welcomes queries via telephone, post, email or fax. The Board also encourages shareholders to make use of their votes at all general meetings. In addition, the Group runs an active investor relations management programme which is led by the Chief Executive Officer and the Chief Financial Officer. Shareholder presentations are made at the time of the issue of the Group's half year and full year results, following which the Chief Financial Officer provides the Board with an update on feedback received. The Board receives regular updates on analyst coverage along with the details in relation to movement in the share price in addition to analysis of any major changes in the shareholder base.

Periodically, an investor seminar is held which provides the opportunity for institutional shareholders, equity analysts and brokers to learn more about the Group's vision, strategy, organisation and business model. The Chairman along with the Senior Independent Director and each of the Non-Executive Directors are available to meet with shareholders upon request.

Details of any major changes in the Group, including Board compositional changes, mergers and acquisitions, divestments and other significant strategic developments, are announced through a Regulatory News Service of the London Stock Exchange. 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, along with announcements released to London Stock Exchange.

Shareholders can elect to receive the Annual Report in paper form, or may elect to receive an email notification stating that the documents are also available on the Group's website. Shareholders can also elect to receive an email notification when new information concerning the Group is available on the Group's website.

The Board members attend the AGM and are available to shareholders to answer questions. Separate resolutions are proposed on substantially different issues. The agenda of business to be conducted at the AGM includes a resolution to receive and consider the Annual Report and Financial Statements. The Chairman of each committee is available at the AGM of the Company to address any queries shareholders may have. The notice of the AGM, along with the Annual Report and Financial Statements, is sent to shareholders at least 20 working days before the date of the meeting and details of the total number of votes cast, the number of votes for and against each resolution and the number of abstentions are announced at the meeting and are also available on the Group's website following the conclusion of the AGM. In the year under review, the Company held its AGM on 27 January 2015, wherein all shareholders were given the opportunity to voice any concerns and raise questions.

SHAREHOLDERS' MEETINGS

The Company operates under the Companies Act 2014 (the 'Act'). This Act provides for two types of shareholder meetings: the AGM with all other meetings being called Extraordinary General Meetings ('EGM').

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

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

Under the Act, ordinary resolutions may be passed by a majority of votes cast in favour, while special resolutions require a 75% majority of votes cast in favour. Any shareholder who is entitled to attend, speak and vote at a general meeting is entitled to appoint one or more proxies to attend, speak and vote on his or her behalf. A proxy need not be a member of the Company. All resolutions are determined by a poll.

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

The information required to be provided to shareholders in accordance with Sections 1099 to 1110 of the Companies Act 2014 is available on the Group's website.

PRINCIPAL RISKS AND UNCERTAINTIES

Similar to any large group, Greencore faces a number of risks and uncertainties. The key risks facing the Group include strategic risks, commercial risks, operational risks and financial risks. Under Irish company law (the Transparency (Directive 2004/109/EC) Regulations 2007, as amended), the Directors are required to give a description of the principal risks and uncertainties which the Group faces. The principal risks and uncertainties identified are set out on pages 12 to 17 and form part of this report.

Whilst the Board as a whole is responsible for the Group's system of internal control, each of the individual business unit management teams drive the process through which individual business unit risks and uncertainties are identified. The Board understands that the individual business unit management teams are in the best position to identify the significant and emerging risks and uncertainties associated with their business. Risks and mitigating controls common across business categories are managed and reviewed at Group level. Risks identified and associated mitigating controls are subject to review by the Board and the Audit Committee on a regular basis and form part of the Group's health and safety, technical compliance and operational/financial audit programmes.

Further details on risks and uncertainties are outlined on pages 12 to 17.

Further detail on how the Board and the Audit Committee have discharged their responsibilities along with the reviews undertaken by the Audit Committee in the financial year can be found on pages 65 to 69.

Details regarding the Group's internal controls are highlighted on page 44 of this report. Details of the Group's financial risk management and hedging policies are set out in Note 21 to the Group Financial Statements. Details of the Group's financial key performance indicators are set out on page 10. These disclosures form part of this report.

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.

VIABILITY STATEMENT

The Directors have assessed the prospects of the business and its ability to meet its liabilities as they fall due over the medium term. The Directors concluded that three years was an appropriate period for the assessment given that this is the key period of focus within the Group's strategic planning process and is a typical period for visibility of commercial arrangements with the Group's customers. The objectives of the strategic planning process are to consider the key strategic choices facing the Group and to build a consolidated financial model with various scenarios, taking into account the principal risks and uncertainties facing the company.

Assumptions are built for the income statement, balance sheet and cash flow at the divisional level. These are rigorously tested by management and the Directors and sensitivity analysis has been applied to reflect the potential impact of some of the principal strategic and commercial risks of the Company as described on pages 12 to 17. These risks could affect the level of sales and profitability of the Company and the amount of capital required to deliver them. A model of financing requirements is also built for the same time period taking into account the base plan and sensitivities against this together, with the likelihood of being able to refinance maturing committed facilities. Based on the results of this analysis, the Directors have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the three year period of their assessment.

CORPORATE GOVERNANCE REPORT
continued

INTERNAL CONTROL

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

The process for identifying, evaluating and managing the significant risks 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 process involves the Board considering the following:

- The nature and extent of the risks, including principal risks facing the Group;
- The extent and categories of risks it regards as desirable or acceptable for the Group to bear;
- The likelihood of the risk concerned materialising and the impact of associated risks materialising as a consequence;
- The Group's ability to reduce the incidence and impact on its business of risks that do materialise;
- The operation of the relevant controls and control processes;
- The costs of operating particular controls relative to the benefits thereby obtained in managing related risks; and
- The Group's risk culture.

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 present 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 the reports give a balanced assessment of the significant risks and the effectiveness of the system of internal control in managing those risks. The Terms of Reference are available under the Corporate Governance section of the Group's website, www.greencore.com.

The key elements of the system of internal control are as follows:

- Clearly defined organisation structures and lines of authority;
- Corporate policies for financial reporting, treasury and financial risk management, information technology and security, project appraisal and corporate governance;
- Annual budgets and strategic business plans for all operating units, identifying key risks and opportunities;
- Monitoring of performance against budgets and forecasts and reporting thereon to the Directors on a regular basis;
- A Risk Management Group which reviews key business processes and controls and their effectiveness; and
- The Audit Committee which approves audit plans and deals with significant control issues raised by the Risk Management Group or external audit.

The preparation and issue of financial reports is managed by the Group finance department, as delegated by the Board. 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 on the preparation of financial information. In the year under review, this process was supported by the Group financial control department and Group treasury function. Each division has a Finance Director or Controller who has responsibility and accountability for providing information which is in accordance with agreed policies.

The financial information for each entity is subject to a review at reporting entity and Group level by the Chief Executive Officer and the Chief Financial Officer, along with the divisional Managing Directors. The Annual Report is reviewed by the Audit Committee in advance of its presentation to the Board for approval.

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

The Group also maintains a Risk Register which sets out the nature and extent of the risks facing each division and the Group as a whole. Each of the risks are prioritised in terms of likelihood and impact and the register ensures that all significant risks within each business unit have been appropriately identified and also to ensure that all risk is mitigated or managed as appropriate. It is understood that regular and detailed assessment is vital due to the volatile and uncertain economic environment. Further detail on risk and risk management is set out on pages 12 to 17 and in Note 21 to the Group Financial Statements.

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

REPORT ON DIRECTORS' REMUNERATION

STATEMENT FROM THE OPTION AND REMUNERATION COMMITTEE CHAIRMAN

DEAR SHAREHOLDER,

On behalf of my colleagues on the Option and Remuneration Committee (the 'Committee') and the Board, I am pleased to present the Report on Directors' Remuneration for the year ended 25 September 2015.

The Report on Directors' Remuneration is separated into two sections: a section on the Group's Remuneration Policy Report for Directors and a section on the Annual Remuneration Report for the year ended 25 September 2015.

BUSINESS PERFORMANCE AND INCENTIVE PAYOUTS FOR FY15*

Greencore has had a strong year, delivering significant strategic and economic progress. In determining the annual bonus payout for FY15, the Committee took into account both financial delivery against the stretching goals in the business' budget and also progress against delivery of our vision to be a fast growing, international convenience food leader. Revenue growth was 5.2% and operating profit grew by 10.6% to £91.7m resulting in an operating margin of 6.8%, 30 basis points higher than in FY14. Adjusted Earnings per Share ('EPS') grew by 13.2% to 18.0 pence. This resulted in a payout on the Adjusted EPS measure of 35 out of 50. In addition, despite significant capital investment to lay down future capacity, Return on Invested Capital ('ROIC') grew by 40 basis points to 14.1% which resulted in a payout of 14 out of 25.

In terms of strategic delivery, the business has strong momentum in its food to go activity, delivering growth well ahead of its markets and with a pipeline of further opportunities. Significant investments are underway in both the UK and the US businesses to support these new business wins.

In this context, the Committee considered the contribution of the Executive Directors to the delivery of financial performance and progress against the strategy and it was agreed that based on financial metrics outlined above, in addition to the individual personal performance, a bonus payout of 73% of maximum to the Chief Executive Officer and 69% of maximum to the Chief Financial Officer was appropriate. In line with the remuneration policy for Executive Directors, 50% of the bonus is payable in cash with the remaining 50% payable in share awards deferred for three years subject to continued employment. Further details on these payouts versus budgeted expectations can be found on page 56.

FY16 REMUNERATION POLICY

SALARY

The Committee reviewed salaries in November and determined that the salary of both the Chief Executive Officer and Chief Financial Officer would be increased by 1% to €787,879 and £437,835 respectively, with effect from 1 October 2015. These increases are marginally below typical increases received elsewhere in the Group.

PERFORMANCE SHARE PLAN ('PSP')

The PSP was approved by shareholders at the AGM in January 2013 with the first awards granted in March 2013. These awards vest based on EPS and ROIC performance during the period FY12–FY15. Performance over the past three years has been very strong, with the Group delivering EPS growth of 12% per annum and improving ROIC significantly in FY15.

In determining the level of vesting for the awards granted in March 2013, the Committee also considered a number of factors including absolute Total Shareholder Return ('TSR') performance, relative TSR against a range of comparators and cash flow performance. The Committee concluded that performance against these metrics had been strong and therefore supported a level of vesting of 92.3% of the total award which is due to vest in March 2016.

REMUNERATION POLICY

The Committee are proposing no changes to the Directors Remuneration Policy this year. The Policy approved at the AGM in January 2015 continues to apply and is re-produced below for ease of reference.

ERIC NICOLI
On behalf of the Option and Remuneration Committee
23 November 2015

* Definitions of financial key performance indicators are provided on page 10. These are non-IFRS measures. IFRS measures are provided within the Financial Statements from page 78 onwards.

REPORT ON DIRECTORS' REMUNERATION
continued

DIRECTORS' REMUNERATION POLICY REPORT

The following section sets out our Directors' Remuneration Policy (the 'Policy'). This Policy was submitted as an advisory resolution and was supported by shareholders at the Annual General Meeting ('AGM') of the Company held on 27 January 2015. The Policy has been re-produced in the FY15 Annual Report to provide ease of reference for shareholders. No changes have been made to the Policy other than references to FY15 which have been updated to FY16 where relevant. The scenario charts have been updated to reflect FY16 salary, benefits and pension information.

As outlined in the FY14 Annual Report, as Greencore Group plc is an Irish incorporated company, it is not subject to the UK Directors' Remuneration Reporting Regulations. However, in line with best practice, we are committed to applying the requirements on a voluntary basis insofar as is possible under Irish legislation. As we are unable to rely on the statutory provisions applicable under the UK Directors' Remuneration Regulations, the resolution in respect of the Policy which was passed at the 2015 AGM was advisory in nature.

The Group intends to continue to comply with the Policy, however there may be circumstances under Irish legislation where a Director could be entitled to receive amounts other than as provided for in the Policy.

The Annual Remuneration Report, which will be put before shareholders as an advisory resolution at the forthcoming AGM and is set out on pages 56 to 64, includes further details on how this Policy will be operated for FY16.

REMUNERATION POLICY

The main aim of the Group's Policy is to align the interests of Executive Directors with the Group's strategic vision and the long-term creation of shareholder value. The Policy is intended to pay the Executive Directors competitively and appropriately, having regard to a number of other factors, including the remuneration practices of other international companies of similar size and scope, the current economic climate and the regulatory and governance framework. The Committee also takes into consideration remuneration practices throughout the Group when considering Executive Directors' pay and ensures that the Group pays its Executive Directors no more than is necessary.

REMUNERATION PRINCIPLES

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

- Promote value creation;
- Support the business strategy;
- Promote the long-term success of the Company;
- Promote sound risk management;
- Ensure that the interests of the Executive Directors are aligned with the long-term interests of shareholders;
- Deliver a competitive level of pay for the Executive Directors without paying more than is necessary to recruit and retain individuals;
- Ensure that the Executive Directors are rewarded for their contributions to the success of the Group; and
- Motivate the Executive Directors to deliver enhanced sustainable performance.

EXECUTIVE DIRECTORS' REMUNERATION POLICY

The table below sets out the element and purpose of Executive Directors' compensation and how each element operates, as well as the maximum opportunity of each element and any applicable performance measures.

Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Basic salary	To provide the basis of a market competitive overall remuneration package. Takes account of the role, skills and contribution of individuals.	Basic salaries are determined taking into account a number of factors, including: – individual responsibilities, performance and experience; – practice at other companies of a similar size and complexity; – the pay arrangements throughout the organisation; and – the Company's progress towards its objectives. Salaries are usually reviewed during November and any increases will normally be effective from the preceding 1 October. However, the Committee reserves the right to make salary increases effective from any other time where considered appropriate.	Whilst there is no maximum salary, increases will normally be in line with the average increase awarded to other employees in the Group. However, the Committee retains the discretion to make increases above this level in certain circumstances, including, but not limited to: – an increase in scope and/ or responsibility of a role; – a new Executive Director being moved to market competitive positioning over time; and – an existing Executive Director falling below market positioning.	None
Pension	To provide post-retirement remuneration to ensure that the overall remuneration package is competitive.	The Chief Executive Officer and the Chief Financial Officer receive a taxable non-pensionable cash allowance in lieu of participation in a Defined Contribution pension scheme. The Chief Executive Officer participated in the Defined Benefit Scheme until it was closed to future accrual in 2009. The Committee may determine that alternative pension provisions will operate for new appointments to the Board. When determining pension arrangements for new appointments, the Board will give regard to the cost of the arrangements, market practice and the pension arrangements received elsewhere in the Group.	The Company's maximum contribution/cash allowance for the Executive Directors is as follows: – CEO – 35% of pensionable salary; and – CFO – 25% of pensionable salary. The Chief Executive Officer is a deferred member of the Group's Defined Benefit Pension Scheme which closed to future accrual with effect from 31 December 2009. The value of the frozen scheme benefits for the Chief Executive Officer was £42,000 as at 25 September 2015.	None

REPORT ON DIRECTORS' REMUNERATION continued

DIRECTORS' REMUNERATION POLICY REPORT continued

EXECUTIVE DIRECTORS' REMUNERATION POLICY continued

Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Benefits	To provide market typical benefits to ensure that the overall remuneration package is competitive.	Executive Directors receive health insurance for the individual and his immediate family and a car allowance (or a company car and payment of related expenses). Other benefits may be provided at the discretion of the Committee based on individual circumstances and business requirements, such as appropriate relocation and expatriate allowances and support (either on a one-off or an ongoing basis). Executive Directors may also be eligible to participate in any all-employee schemes operated by the Company up to the relevant approved scheme limits.	The cost of benefit provision will depend on the cost to the Company of providing individual items and the individual's circumstances and therefore there is no maximum value.	None

Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Annual Bonus Plan	To support the business strategy by incentivising the delivery of annual financial targets as well as the achievement of personal and strategic objectives. The deferred element aligns the interests of Executives and shareholders and provides a strong retention mechanism.	Performance is assessed over the relevant financial year. The level of payment is determined by the Committee after the year end, based on performance against targets and any additional factors they deem significant. A proportion (normally 50% unless the Committee determines otherwise) of any bonus is paid in cash, with the remainder deferred into a share award. Cash bonuses are paid following the year-end. *Deferred share element* The Deferred Share awards will normally vest three years after the grant of an award (unless the Committee determines an alternative vesting period is appropriate). The vesting of Deferred Share awards will normally be subject to continued employment. The Committee has the discretion to reduce the number of Deferred Shares if, prior to vesting, the participant is in fundamental breach of their employment contract. Dividend equivalents may be awarded. See page 51 for further details.	The maximum annual bonus opportunity is 150% of salary. The award opportunity for bonus at threshold performance is nil with up to 50% of the award normally payable for target performance. 100% of the award is payable for maximum performance.	The bonus is determined based on performance against financial performance metrics and personal objectives. Currently, 75% of the award is based on financial targets (of which 50% is based on adjusted EPS and 25% is based on ROIC) and 25% is based on personal and strategic goals. The Committee may choose alternative performance measures or may adjust the weighting of measures in future years to ensure that Executive Directors are appropriately incentivised to deliver key strategic goals. In any year, the financial performance metrics will always account for the majority of the award. The Committee sets targets every year to ensure that they are appropriately stretching. For further details of metrics for the FY16 annual bonus please see page 62.

REPORT ON DIRECTORS' REMUNERATION continued

DIRECTORS' REMUNERATION POLICY REPORT continued

EXECUTIVE DIRECTORS' REMUNERATION POLICY continued

Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Performance Share Plan ('PSP')	To create alignment between the interests of Executive Directors and shareholders through the delivery of rewards in Company shares. To incentivise Executive Directors to deliver long-term shareholder value creation and the achievement of financial targets.	Awards normally vest based on performance measured over a period of three years or such other period as the Committee may determine. Awards may be granted in the form of performance share awards (a conditional award of shares, a nil-cost option or a forfeitable share award). The Committee determines the extent to which the performance measures have been met. The Committee will also consider the underlying financial performance of the business, as well as the value added to shareholders. The level of vesting may be adjusted where the Committee considers there is a material difference. In the event of a material misstatement of the Company's audited results, a material failure of risk management, a material breach of health and safety regulations, or serious reputational damage to any member or business unit of the Group, the Committee may scale back, or impose additional conditions on awards prior to vesting. Dividend equivalents may be awarded. See page 51 for further details.	The maximum award level is 100% of salary in respect of a financial year.	Current awards vest based on Earnings per Share and Return on Invested Capital measures. These measures will generally be equally weighted however the Committee may determine that an alternative weighting is appropriate. The Committee shall have the discretion to determine that alternative financial performance measures may apply to future awards. For threshold levels of performance, 25% of the award vests, increasing to 100% of the award for maximum performance. There is straight-line vesting of awards between these points. The Committee determines targets each year to ensure that targets are stretching and represent value creation for shareholders, whilst remaining motivational for management.

The Company also operates a shareholding guideline for Executive Directors, details of which can be found on page 59 of the Annual Remuneration Report.

The Committee reserves the right to make any remuneration payments and payments for loss of office (including the exercise of any discretion available to it in connection with such payments), notwithstanding that they may not be in line with the Policy where the terms of the payment were agreed either before the Policy came into effect or at a time when the relevant individual was not a Director of the Company and in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company.

From 2001 to 2011, the Company granted market value share options under the Greencore Group Executive Share Option Scheme. As the Scheme expired in 2011, no further options will be granted under this scheme. At the time when this Policy came into force, all options under the Executive Share Option Scheme had vested and, subject to the individual's continued employment and the rules of the scheme, the options may be exercised until the ten year anniversary of the date of the award.

The Committee may make minor amendments to the Policy (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for that amendment.

Awards granted under the Deferred Bonus Plan and the PSP:

(a) may be settled in cash;

(b) may incorporate the right to receive in cash or shares the value of dividends which would have been paid or allotted on the shares between grant and vesting. This may assume the reinvestment of those dividends in the Company's shares on a cumulative basis; and

(c) may be adjusted in the event of a variation of the Company's share capital or a demerger, delisting, special dividend, rights issue or other event, which may, in the Committee's opinion, affect the current or future value of awards.

The Committee may amend or substitute performance conditions applicable to a PSP award if an event (or events) occurs which causes the Committee to consider that an amended or substituted performance condition would be more appropriate and would not be materially less difficult to satisfy.

The terms of the deferred bonus plan and PSP may be amended in accordance with the relevant plan rules (which in the case of the PSP, were approved by shareholders on 29 January 2013).

INFORMATION SUPPORTING THE POLICY TABLE

SELECTION OF PERFORMANCE MEASURES

The annual bonus plan is based on financial performance, as well as personal and strategic goals. The financial element for FY16 will be based on Earnings Per Share and Return On Invested Capital. The Committee considers the performance measures and targets will be the most appropriate as the Executive Directors should be sufficiently able to influence outcomes through the effective financial management of the business and therefore the performance metrics will serve as a strong incentive to drive performance.

The Committee has selected these measures to ensure continued focus on the key financial objectives for the year ahead. The achievement of key personal and strategic goals is also considered important to drive the performance of the business over the longer term.

The PSP is also based on Earnings Per Share and Return On Invested Capital. The earnings measure incentivises Executive Directors to grow earnings for shareholders over the long term, whilst the return measure ensures that the growth is sustainable and in the long-term interests of the Company and its shareholders.

Targets are set taking into account a number of factors including internal and external forecasts, and market practice.

The Committee keeps the performance measures, weightings and targets of both the annual bonus and PSP under review and reserves the right to adjust these if they are no longer considered to be appropriate.

REMUNERATION ARRANGEMENTS THROUGHOUT THE GROUP

Remuneration arrangements throughout the Group are based on the same high level remuneration principles as for the Executive Directors. We believe that individuals should be rewarded based on their contribution to the Group and the success of the Group and that reward should be competitive in the market, without paying more than is necessary to recruit and retain individuals.

Reward packages will differ taking into account location, seniority and level of responsibility, however, remuneration packages are structured around common reward objectives and principles.

In addition to the Executive Directors, individuals across the Group participate in the annual bonus plan, whilst senior executives participate in the PSP and DBP on the same principles as the Executive Directors.

In addition eligible employees in Ireland and the UK are entitled to join the Group's ShareSave Schemes which provide a means of saving and gives employees the opportunity to become shareholders in the Company.

NON-EXECUTIVE DIRECTORS' REMUNERATION POLICY

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

REPORT ON DIRECTORS' REMUNERATION continued

DIRECTORS' REMUNERATION POLICY REPORT continued

INFORMATION SUPPORTING THE POLICY TABLE continued

NON-EXECUTIVE DIRECTORS' REMUNERATION POLICY continued

Details are set out in the table below:

Approach to setting fees	Basis of fees	Other items
– The fees of the Non-Executive Directors are agreed by the Board following recommendations by the Committee. – The fees for the Chairman are determined by the Committee. – Fees are normally reviewed every two years but may be reviewed more or less frequently if it is considered appropriate. – Fees are set taking into account the level of responsibility, relevant experience and specialist knowledge of each Non-Executive Director and fees at other companies of a similar size and complexity.	– Non-Executive Directors are paid a basic fee for membership of the Board with additional fees being paid for the role of the Senior Independent Director or Chairman of a Board committee, to take into account the additional responsibilities and workload required. – If a Non-Executive Director is a Chairman of more than one committee, the additional fee is capped at the higher committee fee. – If a Non-Executive Director is also the Senior Independent Director, the additional fee is capped at the additional Senior Independent Director fee. – Additional fees may also be paid for other Board responsibilities or roles if this is considered appropriate. – Fees are normally paid in cash.	– Neither the Chairman nor any of the Non-Executive Directors are eligible to participate in any of the Group's incentive arrangements. – Non-Executive Directors do not currently receive any benefits. However, benefits may be provided in the future if, in the view of the Board (for Non-Executive Directors or the Committee for the Chairman), this is considered appropriate. – Travel and other reasonable expenses (including fees incurred in obtaining professional advice in the furtherance of their duties) incurred in the course of performing their duties are reimbursed to Non-Executive Directors. – The Company may settle any tax due on benefits or taxable expenses.

REMUNERATION POLICY FOR NEW HIRES

The Group is committed to ensuring appropriate succession plans are in place, specifically in respect of senior management and Executive Directors. When considering the remuneration package of a potential new Executive Director, the Committee would seek to apply the following principles:

– The Committee will ensure that the package is sufficient to attract the appropriate individual, having regard to the skills, experience and dedication required whilst ensuring that the interests of the Group and its shareholders are aligned, whilst being cognisant of not paying more than is necessary.

– The structure of the ongoing remuneration package would normally include the components set out in the policy table for Executive Directors. However, the Committee has discretion to include any other remuneration component or award as it considers appropriate, taking into account the specific commercial circumstances, subject to the limit on variable remuneration set out below. Where any additional element is included, the key terms and rationale for such component would be appropriately disclosed.

– Where an individual forfeits outstanding incentive payments and/or contractual rights at a previous employer as a result of their appointment at the Group, the Committee may offer compensatory payments or awards in such form as it considers appropriate. In doing so, it will take into account all relevant factors including the form of awards, expected value and vesting timeframe of forfeited opportunities. When determining such 'buy-out' arrangements, the Committee's intention would be that awards would generally be on a 'like for like' basis as those forfeited.

– The maximum level of variable remuneration which may be awarded (excluding any compensatory payments or awards referred to above) in respect of recruitment is 250% of salary, in line with our policy for existing Executive Directors.

– Where an Executive Director is required to relocate from their home location to take up their role, the Committee may provide reasonable assistance with re-location (either via one-off or ongoing payments or benefits).

– In the event that an internal candidate is promoted to the Board, legacy terms and conditions will normally be honoured, including pension entitlements and any outstanding incentive awards.

– To facilitate any buy-out awards outlined above, in the event of recruitment, the Committee may grant awards to a new Executive Director relying on the exemption in the Listing Rules which allows for the grant of awards, to facilitate in unusual circumstances, the recruitment of an Executive Director, without seeking prior shareholder approval or under any other appropriate Company incentive plan.

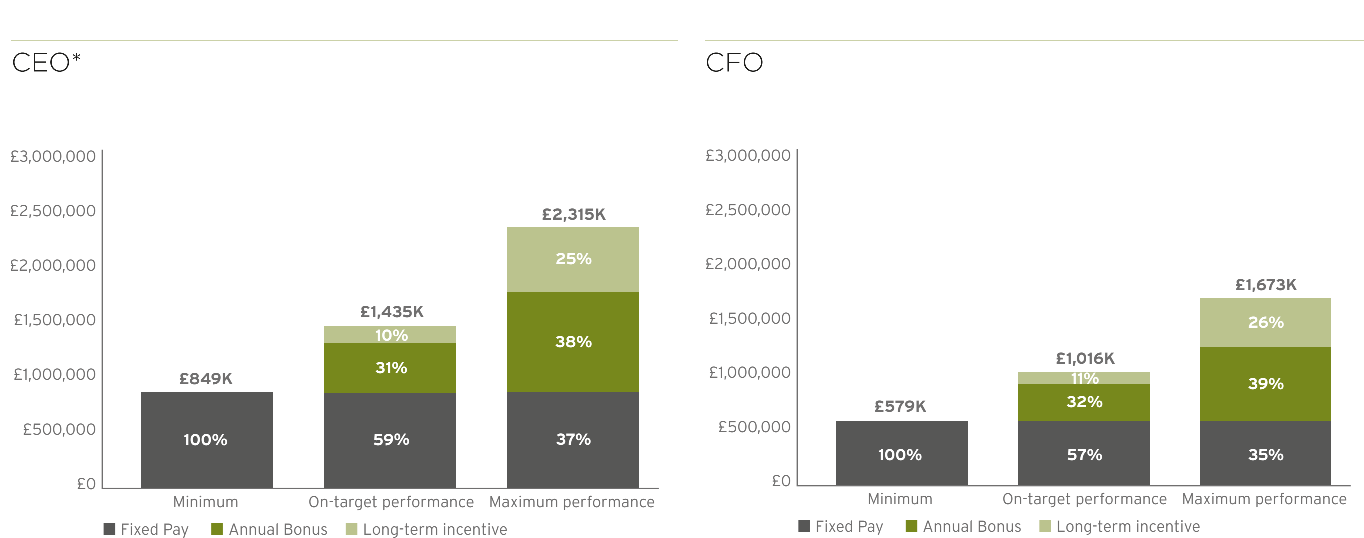
The remuneration package for a newly appointed Non-Executive Director will normally be in line with the structure set out in the Non-Executive Directors' policy table above.

REMUNERATION OPPORTUNITIES IN DIFFERENT PERFORMANCE SCENARIOS

The Committee believes that the current remuneration arrangements provide an appropriate balance between fixed and variable pay linked to short and long-term strategic objectives.

The charts below illustrate the current value and composition of the Executive Directors' remuneration opportunity in minimum, "in line with the Company's expectations", and maximum performance scenarios.

Minimum	No bonus payout No vesting under the PSP
On-target Performance	50% of maximum annual bonus payout (i.e. 75% of salary) 25% of maximum vesting under the PSP (i.e. 25% of salary)
Maximum	100% of maximum annual bonus payout (i.e. 150% of salary) 100% of maximum vesting under the PSP (i.e. 100% of salary)



* The scenario chart for the Chief Executive Officer is based on an exchange rate of €1: £0.7443 which was the average exchange rate for FY15.

The scenario charts have been updated to reflect FY16 salary, benefits and pension information. For the scenario charts which were included in the approved policy see page 49 of the FY14 Annual Report.

FIXED REMUNERATION FOR FY16

	Salary with effect from 1 October 2015 €/£'000	Benefits – actual paid in the year ending 25 September 2015 €/£'000	Pension with effect from 1 October 2015 €/£'000	Total fixed pay €/£'000
CEO (Patrick Coveney)	€788	€57	€296	€1,141
CFO (Alan Williams)	£438	£31	£110	£579

The above fixed remuneration for FY16 table has have been updated to reflect FY16 salary, benefits and pension information. For the fixed remuneration for FY15 which was included in the approved policy see page 49 of the FY14 Annual Report.

REPORT ON DIRECTORS' REMUNERATION
continued

DIRECTORS' REMUNERATION POLICY REPORT continued

FIXED REMUNERATION FOR FY16 continued

EXECUTIVE DIRECTOR SERVICE CONTRACTS AND POLICY ON PAYMENTS TO DIRECTORS LEAVING THE GROUP

When determining leaving arrangements for an Executive Director, the Committee takes into account any contractual agreements including the provisions of any incentive arrangements, typical market practice and the performance and conduct of the individual.

Notice period	Executive Directors have service contracts with the Company which can be terminated on 11 months' notice by the Company and on three months' notice by the individual. Mr Coveney's current contract was entered into on 31 March 2008 and Mr Williams' current contract was entered into on 7 March 2011.
Payment in lieu of notice	Salary and other emoluments in lieu of notice.
Annual bonus	The Committee may determine that an Executive Director remains eligible to receive a bonus for the financial year in respect of which he ceased to be a Director. The Committee will determine the level of bonus taking into account performance. Any unvested Deferred Share awards will vest in full or to such lesser extent as is determined by the Committee if the individual dies or ceases employment as a result of ill-health, injury, disability, redundancy, retirement, the sale or transfer of his employing entity out of the Group or if the Committee determines exceptional circumstances exist that warrant such treatment. If the employee leaves in other circumstances, his unvested Deferred Share awards lapse.
PSP	If a participant dies his PSP award will vest to the extent determined by the Committee, taking into account the extent to which the performance conditions have been met and if the Committee so determines the period of time elapsed since grant. If the participant ceases to be an officer or employee of the Group as a result of his ill-health, injury, disability, redundancy, retirement or the sale of his employing entity out of the Group, or for any other reason at the Committee's discretion, his award will vest on the original vesting date, or, if the Committee so determines, as soon as practicable after the date of cessation. The extent to which awards vest in these circumstances will be determined by the Committee, taking into account the extent to which the performance conditions have been satisfied, and, unless the Committee determines otherwise, the period of time from the date of grant up to the date of cessation. If a Director leaves in other circumstances, his awards lapse.

The Executive Directors' contracts are available for shareholders to view at the AGM and also from the Company Secretary upon request.

CHANGE OF CONTROL

In the event of a change of control of the Company, Executive Directors are entitled to terminate their employment with the Company with 30 days' prior notice at any time within six months after the change in control if the Executive Director has reasonable grounds to contend that the change in control has resulted, or will result, in the diminution of his/her powers, duties or functions in relation to the Group.

If the Executive Director's contract is terminated in the event of the change of control, the Executive Director 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 his or her basic salary, the bonus paid to the Executive Director in the calendar year immediately preceding such termination and any retained bonus approved but unpaid for the year immediately prior to the year in which the Executive Director's contract was terminated. These provisions reflect Irish employment law.

If the Company undergoes a change of control, PSP awards vest to the extent determined by the Committee. The extent to which awards vest in these circumstances will be determined by the Committee taking into account the extent to which the performance conditions have been met and, unless the Committee determines otherwise, the period of time between grant and the relevant event. Alternatively, the Committee may require that PSP awards are rolled over for equivalent awards in a different company.

Deferred share awards will vest in full in the event of a change of control or winding up of the Company.

In the event of a merger, demerger, delisting, special dividend or other event which may in the opinion of the Committee affect the current or future value of the Company's shares, the Committee may allow Deferred Share and PSP awards to vest on the same basis as set out above.

NON-EXECUTIVE DIRECTOR LETTERS OF APPOINTMENT

The Non-Executive Directors have Letters of Appointment, the terms of which recognise that their appointments are subject to the Company's Articles of Association and their services are at the direction of the shareholders.

All Non-Executive Directors submit themselves for election at the AGM following their appointment, and in line with provision B.7.1. of the Corporate Governance Code (the 'Code'), each director retires at each subsequent AGM and offers him or herself for re-election as appropriate.

Non-Executive Directors are not entitled to any payment in lieu of notice. The Letters of Appointment are available for shareholders to view at the AGM and also from the Company Secretary upon request.

The table below shows the appointment and expiry dates for the Non-Executive Directors:

Name	Effective date of appointment	Expiry of appointment*
PG Kennedy	20 November 2008	26 January 2016
SG Bailey	17 May 2013	26 January 2016
JT Herlihy	13 March 2009	26 January 2016
HA McSharry	30 January 2013	26 January 2016
JJ Moloney	8 February 2013	26 January 2016
EL Nicoli	14 May 2010	26 January 2016
JA Warren	30 January 2013	26 January 2016

* In line with the UK Corporate Governance Code, each year at the AGM of the Company, each Director retires, and where appropriate offers him or herself for re-election.

CONSIDERATION OF WIDER EMPLOYEE VIEWS

The Committee generally considers pay and employment conditions elsewhere in the Group when determining pay for Executive Directors.

When assessing any increases to base salary, the Committee reviews overall levels of base pay increases offered to other employees in the Group.

The Committee does not consider it appropriate to consult directly with employees regarding Executive Directors' remuneration. However, employees are encouraged to become shareholders under the Company's ShareSave Scheme and once an employee becomes a shareholder, he or she can vote on resolutions in respect of Directors' remuneration along with any other resolutions put before the AGM.

CONSULTING WITH OUR SHAREHOLDERS

The Committee is dedicated to ensuring open dialogue with shareholders in relation to remuneration. In advance of any proposal to amend the Policy, the Committee, led by the Chairman, will liaise with key shareholders and proxy advisory firms to discuss the proposed amendments and receive their feedback.

REPORT ON DIRECTORS' REMUNERATION
continued

ANNUAL REMUNERATION REPORT

The following sets out our Annual Remuneration Report, which outlines decisions made by the Committee in relation to Directors' remuneration in respect of FY15 and how the Committee intends to apply the Remuneration Policy for FY16. The Annual Remuneration Report will be subject to an advisory shareholder vote at the AGM to be held on 26 January 2016. Where information has been audited by KPMG, this has been stated. All other information in this report is unaudited.

SINGLE TOTAL FIGURE OF REMUNERATION (AUDITED)

The following table sets out the single figure for total remuneration for Executive Directors in FY15 and FY14.

				Annual Bonus* (£'000)				
		Salary (£'000)	Benefits (£'000)	Cash	Deferred Share Award	Long-term Incentive (£'000)	Pension (£'000)	Total (£'000)
Patrick Coveney**	FY15	581	42	318	318	1,852***	214	3,325
	FY14	625	45	462	462	302****	234	2,130
Alan Williams	FY15	434	31	224	224	1,073***	108	2,094
	FY14	403	31	313	313	–	103	1,163

* Half of the annual bonus is payable as a cash award and half as a Deferred Share award.

** The exchange rate used for the conversion of salary from euro to sterling for FY15 was €1: £0.7443 which was the average exchange rate for FY15. The exchange rate used for FY14 was €1: £0.8224.

*** The figures for the Long Term Incentive are in respect of awards granted under the PSP which are due to vest in March 2016 and are based on the average share price for the period 26 June 2015 to 25 September 2015.

**** The figure has been restated from FY14 to take into account the closing share price on the date the shares became exercisable.

NOTES TO THE TABLE (AUDITED)

BENEFITS

Benefits include a car allowance and private medical insurance.

ANNUAL BONUS

Bonus disclosure

The Group demonstrated strong financial and operational performance over the year in continuing challenging market conditions.

The maximum bonus opportunity for FY15 was 150% of salary for both Executive Directors. The bonus was based 75% on financial measures (adjusted EPS and ROIC), and 25% on personal performance against agreed strategic goals. EPS grew 13.2% from FY14 and ROIC improved 40bps resulting in 49% of the financial element paying out. Both Executive Directors had a strong year delivering strong progress against key strategic objectives for the Group. The Committee decided that the Chief Executive Officer should receive 24 out of 25 for the personal element of his bonus and the Chief Financial Officer should receive 20 out of 25 for the personal element of his bonus.

This resulted in a total bonus payout of 73% of maximum for the Chief Executive Officer and 69% of maximum for the Chief Financial Officer. The Committee considered that this level of bonus was appropriate in light of the Group's development, taking into account the strategic, organisational and economic progress made during the year.

The table below summarises performance achieved against target performance levels. The target achievement of 95% of budget EPS/ROIC metrics would result in a payout of 50% of the available bonus, whilst achievement of 105% of budget EPS/ROIC metrics would result in a payout of 100% of the available bonus.

	Weighting	Group budget	Actual performance for FY15	Pay-out for achieving target performance (% of salary)	Pay-out for achieving maximum performance (% of salary)	Actual pay-out (% of salary)
Financial measures						
EPS	50%	18.2p	18p	37.5%	75%	35%
ROIC	25%	14.65%	14.1%	18.75%	37.5%	14%
Personal measures						
Patrick Coveney	25%	*See page 57 for details of performance achieved*				24%
Alan Williams	25%					20%
Total – Patrick Coveney						**73%**
Total – Alan Williams						**69%**

Details of achievements against personal performance goals are set out below:

Personal measures	
Patrick Coveney	Patrick has been instrumental in the delivery of the business wins with our key Food to Go customers in the UK and the US. Notable projects in the year included the successful delivery of the first phase of the extension of the Northampton facility with the second phase well underway. In the US, the business rolled out a new product range with a principal customer from the extended Jacksonville facility. Patrick also continues to drive The Greencore Way programme throughout the Group and with our stakeholders.
Alan Williams	Alan continues to develop the Group's engagement with the investment and analyst communities with clear, balanced and precise communications. During FY15 the Group Treasury function, under Alan's leadership, successfully refinanced the Group's primary bank facility at lower cost and with improved terms and conditions. He has ensured successful delivery of an upgrade of our core IT infrastructure and continues to drive improvement of business processes.

LONG-TERM INCENTIVES

PSP awards

PSP awards granted in March 2013 were subject to performance targets measured over the period FY12–FY15 as follows:

	Portion of award	Target range	Actual performance FY12–FY15	Percentage vesting
EPS growth	50%	5% p.a. to 15% p.a.	13.4% p.a. growth	87.6%
ROIC	50%	12% to 14.5%	14.4%*	97.0%
Total				92.3%

* In determining the vesting of awards, the Committee considered the impact of the revised accounting standard on employee benefits, IAS 19 Revised. This standard was adopted by the Group in FY14 and resulted in a higher income statement charge related to legacy pension scheme administration costs of approximately £2.0m per annum or circa 0.5 pence of EPS. It also reduced ROIC in FY15 by circa 30 basis points. After discussion, the Committee determined that the vesting should be adjusted to take into account the impact of this change which was beyond management's control and had no economic impact on the Group.

25% of the award vests for delivering threshold levels of performance with 100% vesting for hitting maximum performance targets (straight-line vesting in-between).

The vesting of the awards is also subject to a performance underpin. When assessing the performance underpin, the Committee will take into consideration a number of factors including absolute TSR performance, relative TSR against a range of comparators and cash flow performance.

The Committee considered these factors along with the underlying performance of the business and determined that the level of vesting is appropriate. Awards will vest in March 2016.

Share options

The Group operated a Share Option Scheme between 2001 and 2011. The Chief Executive Officer was granted options under the 2001 Greencore Group Executive Share Option Scheme in 2005 and 2006. These awards were exercisable to the extent that Group EPS increased in excess of the Consumer Price Index plus 5% per annum, compounded over three years. This performance target was met in respect of the period FY12–FY14 and these awards vested on 25 November 2014. The gain in respect of these options is included in the single figure for FY14.

Pensions

The Chief Executive Officer receives a taxable non-pensionable cash allowance equivalent to 35% of his pensionable earnings in lieu of participation in a Defined Contribution pension scheme.

The Chief Financial Officer receives a taxable non-pensionable cash allowance equivalent to 25% of his pensionable earnings in lieu of participation in a Defined Contribution pension scheme.

The Chief Executive Officer is a deferred member of the Group's Irish Defined Benefit Pension Scheme which closed to future accrual with effect from 31 December 2009. The value of the frozen scheme benefits for the Chief Executive Officer was £42,000 as at 25 September 2015. His normal retirement age under the scheme is 60 and the Chief Executive Officer will not be entitled to any augmentation of benefit in the event that he retires early.

REPORT ON DIRECTORS' REMUNERATION continued

ANNUAL REMUNERATION REPORT continued

SHARE AWARDS GRANTED DURING THE YEAR (AUDITED)

PSP

The table below sets out details of the PSP awards made to Executive Directors during the year.

	Date of grant	Number of shares granted	Face value (£)*	Face value (% of salary)	Threshold vesting (% of salary)	Performance period
Patrick Coveney	2 December 2014	219,510	£618,432	100%	25%	27 September 2014–29 September 2017
Alan Williams	2 December 2014	153,869	£433,500	100%	25%	27 September 2014–29 September 2017

The allocation of the number of shares under the PSP for FY16 will be determined on 3 December 2015, the earliest practicable date following the release of the Group's FY15 financial results.

As noted above, the PSP awards made in the year are subject to performance conditions. The table below shows the performance targets applicable to each of the two performance measures:

Vesting	**EPS element** Compound annual growth in period FY17 versus FY14 base	**ROIC element** Assessed based on FY17 performance
100%	15% p.a.	15%
Straight line between 25% and 100%	Between 5%–15% p.a.	12.5%–15%
25%	5% p.a.	12.5%
Nil vesting	Below 5% p.a.	Below 12.5%

Prior to determining the level of vesting, the Committee will also consider the underlying financial performance of the business, as well as the value added to shareholders, and the level of vesting may be adjusted where it considers that there is a material difference (the 'performance underpin').

When assessing the performance underpin, the Committee will take into consideration a number of factors including absolute TSR performance, relative TSR against a range of comparators and cash flow performance. The Committee has set targets taking into account internal and external forecasts, as well as market practice for similar sized companies.

Deferred Bonus Plan ('DBP')

During the year, the following deferred bonus shares were awarded to Executive Directors. These awards were granted based on performance delivered during FY14.

	Date of grant	Number of shares granted	Face value (£)*	Face value (% of salary)
Patrick Coveney	2 December 2014	158,176	£445,634	73.5%
Alan Williams	2 December 2014	110,876	£312,375	73.5%

The allocation of the number of shares under the DBP for FY15 will be determined on 3 December 2015, the earliest practicable date following the release of the Group's FY15 financial results.

* Face value calculated using the average share price for the three days following 25 November 2014 which was £2.81733.

	Date of grant	Number of options/ awards at start of year	Granted/ awarded during the year	Vested/ exercised in the year	Lapsed during the year	Number of options/ awards at year-end	Market price at date of grant	Exercise price	Earliest date of exercise	Expiry date
Patrick Coveney										
Deferred Bonus Plan	09.12.11	909,375	–	1,040,547*	–	–	€0.64	–	09.12.14	09.12.14
	03.12.12	603,739	–	–	–	603,739	£0.92	–	03.12.15	03.12.15
	03.12.13	224,219	–	–	–	224,219	£1.85567	–	03.12.16	03.12.16
	02.12.14	–	158,176	–	–	158,176	£2.81733	–	02.12.17	02.12.17
Performance Share Plan**	05.03.13	658,417	–	–	–	658,417	£0.9825	–	05.03.16	05.03.16
	03.12.13	344,306	–	–	–	344,306	£1.85567	–	03.12.16	03.12.16
	02.12.14	–	219,510	–	–	219,510	£2.8173	–	02.12.17	02.12.17
Executive Share Option Scheme***	01.12.05	402,833	–	402,833	–	–	€2.66	€2.66	01.12.08	01.12.15
	22.06.06	125,885	–	125,885	–	–	€2.86	€2.86	22.06.09	22.06.16
ShareSave	02.07.12	26,217	–	26,217	–	–	£0.75	€0.69	01.09.15	29.02.16
Alan Williams										
Deferred Bonus Plan	09.12.11	309,375	–	332,094*	–	–	€0.64	–	09.12.14	09.12.14
	03.12.12	352,794	–	–	–	352,794	£0.92	–	03.12.15	03.12.15
	03.12.13	136,407	–	–	–	136,407	£1.85567	–	03.12.16	03.12.16
	02.12.14	–	110,876	–	–	110,876	£2.81733	–	02.12.17	02.12.17
Performance Share Plan**	05.03.13	381,639	–	–	–	381,639	£0.9825	–	05.03.16	05.03.16
	03.12.13	229,028	–	–	–	229,028	£1.85567	–	03.12.16	03.12.16
	02.12.14	–	153,869	–	–	153,869	£2.8173	–	02.12.17	02.12.17
ShareSave	02.07.12	15,000	–	15,000	–	–	£0.75	£0.60	01.09.15	29.02.16
	01.07.14	3,913	–	–	–	3,913	£2.77	£2.30	01.09.17	28.02.18
	23.07.15	–	3,557	–	–	3,557	£3.153	£2.53	01.09.18	28.02.19

* The difference between awards granted in 2011 and shares exercised in 2014 represents scrip dividend payments on the awards.

** The share price used to calculate the number of shares under the award is the average share price for the three dealing days after release of the Group's results.

*** The number of awards was recalculated following the rights issue in August 2011.

STATEMENT OF DIRECTORS' SHAREHOLDING AND SHARE INTERESTS (AUDITED)

The Company has adopted Director shareholding guidelines whereby the Chief Executive Officer and Chief Financial Officer shall acquire a holding of shares in the Company equal to 200% and 100% of base salary, respectively, over a five year period commencing on the date of their employment or from when the policy was introduced in November 2013, whichever is earlier. There are currently no shareholding guidelines in place for Non-Executive Directors, however all Non-Executive Directors are encouraged to hold shares in the Company.

				Shareholding requirement					
	Ordinary shares held at 26 September 2014	Ordinary shares held at 25 September 2015	Value of shares held at 25 September 2015*	% of salary required	% of salary held	Unvested performance shares subject to performance	Unvested share options subject to performance	Unvested awards not subject to performance	Vested options not exercised
Patrick Coveney	1,911,729	1,966,762	£5,993,707	200%	1,032%	1,222,233	–	986,134	–
Alan Williams	166,641	360,609	£1,098,956	100%	253%	764,536	–	600,077	–

* This shareholding is calculated based on the average share price between 26 June 2015 and 25 September 2015.

CHANGE IN REMUNERATION OF THE CHIEF EXECUTIVE OFFICER

In December 2014, the Chief Executive Officer received an increase of 2% in his euro denominated base salary, which was broadly in line with increases in the Group for FY15. He received a bonus decrease in respect of FY15 when compared with FY14 due to the Group performance element of his bonus which was 49/75 in FY15 and 75/75 in FY14. All Group employees with an element of their bonus linked to Group performance will receive a similar uplift. There were no changes to his benefits or Group employees' benefits in FY15.

REPORT ON DIRECTORS' REMUNERATION continued

ANNUAL REMUNERATION REPORT continued

SHARE AWARDS GRANTED DURING THE YEAR (AUDITED) continued

HISTORIC TSR PERFORMANCE AND THE REMUNERATION OUTCOMES FOR THE CHIEF EXECUTIVE OFFICER

The graph below compares the Company's TSR against the FTSE All-Share Index and the FTSE 250 for a six-year period. The FTSE 250 has been chosen as the company is a constituent of this index whilst the FTSE All-Share Index has been chosen to provide a more broad-based comparator group.

The table below illustrates the Chief Executive Officer's single figure of total remuneration over the same six year period.

GBP	Salary	Pension	Benefits	Bonus	LTI	Total
FY15*	£581k	£214k	£42k	£636k	£1,852k	£3,325k
FY14*	£625k	£234k	£45k	£924k	£302k**	£2,130k
FY13	£626k	£234k	£44k	£836k	N/A	£1,740k
FY12	£618k	£231k	£42k	£1,138k	N/A	£2,029k
FY11	£647k	£242k	£42k	£1,002k	N/A	£1,933k
FY10	£586k	£180k	£41k	£1,113k	N/A	£1,920k

* The exchange rate used for the conversion of salary from euro to sterling for FY15 was €1: £0.7443 which was the average exchange rate for FY15. The exchange rate used for FY14 was €1: £0.8224.

** The figure has been restated from FY14 to take into account the closing share price on the day the shares became exercisable.

RELATIVE IMPORTANCE OF SPEND ON PAY

The chart below illustrates the year on year change in total remuneration compared to distributions to shareholders for FY15 and FY14.

	Distributions to shareholders £'000	Total employee pay £'000
FY15	22,184	232,100
FY14	19,331	220,500
% change	14.8%	5.26%

REMUNERATION OF NON-EXECUTIVE DIRECTORS (AUDITED)

The following table sets out the single figure of remuneration for Non-Executive Directors for FY14 and FY15.

NON-EXECUTIVE DIRECTORS

	FY15* (£'000)	FY14 (£'000)
PG Kennedy	**182**	195
SG Bailey	**52**	50
JT Herlihy	**45**	48
HA McSharry	**45**	48
JJ Moloney	**48**	50
EL Nicoli	**66**	63
JA Warren	**66**	63
Total	**504**	**517**

* The exchange rate used for the conversation of fees from euro to sterling was €1: £0.7443, which was the average exchange rate for FY15.

SHARES HELD BY DIRECTORS AT 25 SEPTEMBER 2015 (AUDITED)

The beneficial interest of Non-Executive Directors on 25 September 2015 (including the benefits interest of their spouses, civil partners, children and step children) in the Ordinary Shares of the Company are shown below.

	As at 26.09.2014	As at 25.09.2015	As at 23.11.2015
Director			
SG Bailey	25,000	25,000	25,000
PF Coveney	1,911,729	1,966,762	1,978,171
JT Herlihy	10,000	10,088	10,088
PG Kennedy	46,882	47,684	48,034
HA McSharry	12,646	12,836	12,912
JJ Moloney	25,000	25,000	25,000
EL Nicoli	17,000	17,000	17,000
JA Warren	25,000	25,000	25,000
AR Williams	166,461	360,609	363,153
Group Company Secretary			
C O'Leary	39,233	72,975	72,975

The movement in shares between 25 September 2015 and 23 November 2015 reflects certain Directors increasing their shareholdings through the take up of the FY15 Interim Scrip Dividend.

None of the Directors had a material interest in any contract of significance, other than a service contract, with the Company or any of its subsidiaries at any time during the period.

Non-Executive Directors are not paid in shares nor do they have formal shareholding guidelines, however, as outlined earlier, all Non-Executive Directors are encouraged to hold shares in the Company.

IMPLEMENTATION OF REMUNERATION POLICY IN FY16

SALARY

In December 2015 the Chief Executive Officer's base salary will be increased by 1% to €787,879 and the Chief Financial Officer's base salary will be increased by 1% to £437,835, both with effect from 1 October 2015. These increases are marginally below increases received in the wider Group.

PENSION AND BENEFITS

Executive Directors will receive pension and benefits as set out in the remuneration policy table.

ANNUAL BONUS

The performance measures and award levels for the FY16 annual bonus remain unchanged from FY15. The maximum cash bonus opportunity for Executive Directors is 75% of basic salary. A Deferred Share award with an equal value to the cash award will also be awarded. The Deferred Share award vests after three years, subject to continued employment. Therefore the maximum total bonus is 150% of salary.

REPORT ON DIRECTORS' REMUNERATION continued

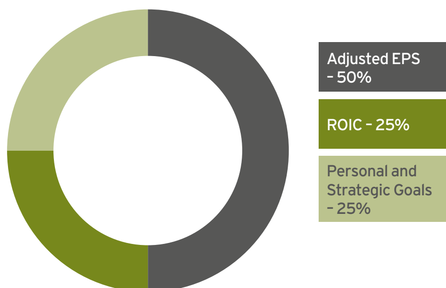
ANNUAL REMUNERATION REPORT continued

IMPLEMENTATION OF REMUNERATION POLICY IN FY16 continued

ANNUAL BONUS continued

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

The targets for the FY16 annual bonus are based around the Group's stretching budget and the Committee considers these targets to be appropriate. Target measures are set out on page 56. If maximum performance targets are achieved, the Committee considers that this would represent exceptional performance and add significant value for shareholders. The balance of measures is illustrated in the chart below.



PSP

Awards under the PSP will be made with a face value of 100% of salary. The targets that will apply to the awards for FY16 are as follows:

Vesting	Adjusted EPS element Compound annual growth in period FY18 versus FY15 base	ROIC element Assessed based on FY18 performance
100%	15% p.a.	15%
Straight line between 25% and 100%	Between 5%-15% p.a.	12.5%-15%
25%	5% p.a.	12.5%
Nil vesting	Below 5% p.a.	Below 12.5%

Prior to determining the level of vesting, the Committee will also consider the underlying financial performance of the business, as well as the value added to shareholders, and the level of vesting may be adjusted where it is considered that there is a material difference (the 'performance underpin'). When assessing the performance underpin, the Committee will take into consideration a number of factors including absolute TSR performance, relative TSR against a range of comparators and cash flow performance. The Committee has set targets taking into account internal and external forecasts, as well as market practice for similar sized companies.

The Committee is aware of evolving corporate governance and market practice in relation to the implementation of clawback and malus provisions. Shares awarded under the Performance Share Plan are already subject to malus provisions. See page 50 for more details. The Committee intends to review its policy in relation to clawback and malus during the year.

NON-EXECUTIVE DIRECTOR FEES

The table below sets out Non-Executive Director fees for FY16.

	€ Euro
Basic Fee	
Chairman	55,000
Non-Executive Directors	60,000
Additional Fees	
Chairman	189,000
Senior Independent Director	16,500
Audit Committee Chairman	16,500
Remuneration Committee Chairman	12,000
Nomination Committee Chairman	5,000

EXTERNAL APPOINTMENTS

We recognise the opportunities and benefits to both the Company and to our Executive Directors of serving as Non-Executive Directors of other companies. Executive Directors are permitted to take on a Non-Executive Directorship with another company with the approval of the Nomination Committee. Any fees arising from such appointments will generally be retained by the individual.

On 30 May 2014, the Chief Executive Officer was appointed as a Non-Executive Director of Glanbia plc. He receives an annual fee of €70,000 for this role.

FUNDING OF EQUITY AWARDS

Executive incentive arrangements are funded by a mix of newly issued shares and shares purchased in the market. Where shares are newly issued, the Company complies with the Investment Association guidelines in relation to issuing a maximum of 5% of share capital in respect of discretionary schemes and a maximum of 10% in respect of all share schemes in a rolling ten-year period.

At 25 September 2015, there were 2,966,258 shares in the Company's share ownership trust (2014: 4,378,688). Current shareholder dilution is circa 0.72%.

THE OPTION AND REMUNERATION COMMITTEE ROLE

The Option and Remuneration Committee currently consists of four Non-Executive Directors whose collective role is to ensure that the Group's remuneration arrangements are aligned with the Group's strategy and vision. The Terms of Reference of the Committee include the determination of the remuneration packages for Executive Directors, the Group Company Secretary and other members of the senior management team. The Committee also makes recommendations to the Board Chairman and the Executive Directors in relation to the Non-Executive Directors' fees.

The Terms of Reference for the Committee are updated as appropriate and are available under the Corporate Governance Section of the Group's website, www.greencore.com.

MEMBERS

The Option and Remuneration Committee comprises of the following Non-Executive Directors:

Name	Option and Remuneration Committee position
Eric Nicoli	Chairman (appointed to Committee on 29 January 2013)
Gary Kennedy	Member (appointed to Committee on 11 March 2010)
John Herlihy	Member (appointed to Committee on 22 April 2009)
Heather Ann McSharry	Member (appointed to Committee on 28 January 2014)

The biographical details for each of the Committee members are set out on pages 34 and 35.

ADVISORS

As with each of the Committees of the Board, the Group Company Secretary acts as Secretary to the Committee. The Chief Executive Officer and the Chief Financial Officer attend meetings on an ad-hoc basis at the invitation of the Committee and provide information and support as requested, however, neither Executive Director is present when his own remuneration is being discussed.

During the period the Committee has received advice from its independent remuneration advisors, Deloitte LLP ('Deloitte') who were appointed by the Committee and provided advice to management in relation to their work in supporting the Committee. The Committee considers that the advice provided by Deloitte is objective and independent.

Deloitte is a founding member of the Remuneration Consultants Group and adheres to its Code in relation to executive remuneration consulting in the UK. The Committee is satisfied that the Deloitte engagement partner and team which provide remuneration advice to the Committee do not have connections with Greencore that may impair their independence. The Committee reviewed the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts. Total fees for advice provided to the Committee during the year under review amounted to £32,250. Separate teams within Deloitte also provided the Group with advice on the Group's information systems environment and taxation matters.

REPORT ON DIRECTORS' REMUNERATION continued

ANNUAL REMUNERATION REPORT continued

IMPLEMENTATION OF REMUNERATION POLICY IN FY16 continued

ACTIVITIES DURING THE YEAR

During FY15, the Committee held three scheduled meetings. Details of the attendances at these meetings are set out on page 42. The key matters discussed at these meetings included:

- A full review of the Committee's Terms of Reference;
- A full review of the Executive Directors' and Senior Executives' remuneration for FY15 and awards in respect of FY14;
- A review of the Non-Executive Directors' fees;
- Director Shareholding Guidelines;
- PSP and DBP awards;
- Performance targets;
- Irish and UK ShareSave Schemes;
- The vesting of awards under the Executive Share Option Scheme; and
- A comprehensive review of the Report on Directors' Remuneration.

In discussing the above matters, the Committee considered the remuneration policies throughout the Group.

SHAREHOLDER VOTING

Each year at the AGM, shareholders are asked to receive and consider the Directors' Remuneration Report. The table below highlights the voting outcome of the resolution proposed at the 2015 AGM in relation to the 2014 Directors' Remuneration Report.

Total votes	For	Against	Votes withheld
289,479,230 c. 71% of issued share capital	287,002,914 (99.1%)	2,476,316 (0.9%)	33,158

Additionally, as outlined earlier, at the 2015 AGM, an additional advisory resolution in respect of the Remuneration Policy Report was put before shareholders. The table below highlights the voting outcome:

Total votes	For	Against	Votes withheld
288,690,925 c. 71% of issued share capital	285,109,983 (98.8%)	3,580,942 (1.2%)	863,552

The Committee is very pleased with the level of support received for both the FY14 Report on Directors' Remuneration and the Remuneration Policy Report. The Committee Chairman is available to answer any queries in relation to remuneration at the Company's AGM.

SHARE-BASED PAYMENTS

The Group operates a ShareSave Scheme in both Ireland and in the UK which encourages eligible employees to save in order to buy shares in the Company. The ShareSave Schemes provides a means of saving and gives employees the opportunity to become shareholders. Currently, there are approximately 1,400 participants in the schemes. The Group's Financial Statements recognise an Income Statement charge in accordance with IFRS 2 Share-based Payment in respect of options issued under the ShareSave Scheme, the DBP and the PSP. The related charge in respect of share-based payments issued to Executive Directors totalled £1.6m (2014: £1.3m). Full details of the DBP and PSP Awards are outlined on pages 49 and 50.

Options outstanding under the Company's Executive Share Option Scheme, the DBP, PSP and ShareSave Schemes at 25 September 2015 amounted to 13,340,085 Ordinary Shares (2014: 19,662,902) made up as follows:

		No. of Ordinary Shares	Price range	Normal exercise dates
Executive Share Option Scheme	Basic Tier	257,533	€0.64–€3.88	2015–2021
Deferred Bonus Plan		3,328,848	–	2015–2018
Performance Share Plan		5,931,276	–	2015–2018
ShareSave Scheme	Ireland	88,303	€0.69–€3.33	2015–2019
	UK	3,734,125	£0.60–£2.53	2015–2019

REPORT OF THE AUDIT COMMITTEE

DEAR SHAREHOLDER,

On behalf of my colleagues on the Audit Committee and the Board, I am pleased to present the report of the Audit Committee for the year ended 25 September 2015.

ROLE OF THE COMMITTEE

The Audit Committee's Terms of Reference, which can be found under the Corporate Governance section of our website, www.greencore.com, set out the role, authority, responsibilities and duties of the Audit Committee (the 'Committee'). The Terms of Reference, which were last reviewed in September 2015, are reviewed on an annual basis and are amended if appropriate.

The main responsibilities of the Committee include:

- Monitoring the financial reporting process, integrity of the Financial Statements and any formal announcements relating to the Group's financial performance;
- Reviewing significant financial reporting judgements;
- Reviewing the effectiveness of the Group's internal financial controls and the Group's internal control and risk management systems;
- Monitoring the effectiveness of the Group's risk management, internal audit and internal control arrangements;
- Monitoring the statutory audit of the annual Financial Statements;
- Overseeing the relationship with the external auditor, including its appointment, re-appointment and removal, and to approve its remuneration and terms of engagement, reviewing its performance, objectivity, effectiveness, qualification and independence and ensuring that the policy surrounding its engagement to provide non-audit services is appropriately applied;
- Reviewing the Group's 'whistleblowing' arrangements, analysing the number of referrals to the Group's external good faith reporting line, actions taken and outcomes;
- Assisting the Board in meeting its obligations under the Corporate Governance Code;
- Reviewing reports from specialist functions, including health and safety reports, environmental reports, legal, regulatory and compliance issues and advising the Board on the outcome of such reviews and making recommendations where appropriate;
- Reporting to the Board, on an annual basis, on the Committee's effectiveness and how it has discharged its responsibilities in the financial year under review; and
- Formally advising the Board on whether the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and whether it provides the information necessary for shareholders to assess the performance of the Group, along with its business model and strategy.

I can confirm that we, as a Committee, have fulfilled our role in accordance with our Terms of Reference.

MEMBERSHIP OF THE COMMITTEE

As set out on page 70, it is the role of the Nomination Committee to keep the size and structure of the Board and its Committees under review and to ensure that the Committees are made up of individuals with the appropriate skills and experience necessary. In that regard, the Nomination Committee recommends to the Board for appointment to the Audit Committee, those members it considers to have both the financial and commercial expertise and experience required to ensure an effective Committee.

In the year under review, there was no compositional change to the Committee, which consisted of four independent Non-Executive Directors, Ms SG Bailey, Mr JT Herlihy, Ms HA McSharry and myself, any two of whom shall be a quorum. On a personal note, I am honoured to have such knowledgeable, experienced and independent colleagues on the Committee. The Board has determined that I have the recent and relevant financial experience required under Provision C.3.1. of the 2012 Corporate Governance Code (the 'Code').

Under Code Principle C.3 and its associated provisions, the Board should ensure that there are formal and transparent arrangements in place for considering how corporate reporting is applied, along with monitoring risk management and internal control principles and maintaining a suitable relationship with the external auditor. Following a review, the Committee has determined that it meets the requirement of Code Principle C.3 and its associated provisions, along with the remainder of the Code Provisions and Principles within its remit.

REPORT OF THE AUDIT COMMITTEE
continued

MEMBERSHIP OF THE COMMITTEE continued

The varied backgrounds of the individual Committee members and their collective skills, experience and knowledge of the Company allow them to oversee the Company's auditor and to fulfil the Committee's remit effectively. Each Committee member is independent and financially literate and has a knowledge and understanding of the following key areas:

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

Further details of the Directors' experience and qualifications can be found in their biographies on pages 34 and 35.

The Committee meets at least three times in the financial year. In order to ensure that the Committee works efficiently, the meetings of the Committee are scheduled to take place in advance of Board meetings. A verbal report on the key items discussed at the Committee meetings is provided to the Board who also have access to the minutes of the Committee meetings, this is to ensure that all Directors are fully informed of the Committee's agenda.

The Group Company Secretary is Secretary to the Committee. Meetings of the Committee are attended by the Chief Executive Officer, Chief Financial Officer, Head of Risk Management and the Group Financial Controller upon invitation. Representatives of the external auditor also attend Committee meetings upon invitation. In addition, other individuals from within the Group will attend a Committee meeting at least annually and provide the Committee with an update on certain key areas such as health and safety, insurance, IT and legislation.

In my role as Committee Chairman, I am available to each of the Board members to discuss any particular issue they may have. On an annual basis, I also meet with the external auditor and Head of Risk Management absent of management to facilitate discussions surrounding any issues which may have arisen during the year under review. Under the Committee's Terms of Reference, the Head of Risk Management has direct access to both the Board Chairman and myself.

As outlined on page 38, under Irish legislation, the Company's external auditor is automatically re-appointed each year at the Annual General Meeting (the 'AGM'), however, since FY13, an advisory resolution is put before shareholders at each AGM of the Company in respect of the re-appointment of the external auditor.

HOW THE COMMITTEE HAS DISCHARGED ITS RESPONSIBILITIES IN FY15

During FY15, the Committee held four scheduled meetings. The Committee members' attendance is set out on page 42. The Committee's agenda is set based on the Group's financial calendar which allows the Committee to fulfil its role in an efficient manner. In the year under review, the Committee focused on the following key areas:

MONITORING THE INTEGRITY OF THE FINANCIAL STATEMENTS INCLUDING SIGNIFICANT JUDGEMENTS

- We reviewed the appropriateness of Group accounting principles, practices and policies and monitored changes to, and compliance with, accounting standards on an ongoing basis;
- We reviewed the half-year results for FY15, having discussed them with the external auditor and compared the results to management accounts and budgets, focusing on key areas of judgement before recommending their release to the Board; and
- We reviewed, prior to making any recommendations to the Board, the statement of annual results for the year ended 25 September 2015.

In undertaking this review, we discussed with management, and the external auditor the critical accounting policies and judgements that had been applied. These were:

GOODWILL AND INTANGIBLE ASSETS

The Group had goodwill of £452.3m and intangible assets amounting to £55.2m as at 25 September 2015 and as set out in Note 13 to the Group Financial Statements. The Committee considered the impairment reviews which had been carried out by management in order to satisfy itself that the balances were stated appropriately. These reviews involved the determination of the recoverable amounts which were calculated based on forecasting and discounting cashflows at each cash generating unit at the Group's cost of capital. These assumptions were then subjected to sensitivity analysis. KPMG also provided the Committee with their evaluation, which focused on the cashflow projections and the discount rates used, of the impairment review process and following a further review and detailed discussions, the Committee was satisfied that the assumptions used were appropriate and that there was significant headroom and therefore there was no need for any impairment.

PENSIONS ACCOUNTING

As set out in Note 24 to the Group Financial Statements, the Group operates a number of defined benefit schemes, all of which are closed to future accrual, some of which have significant deficits. These schemes are sensitive to changes in actuarial assumptions, whereby a modest change to the assumptions used may have a material impact on the Group. During the audit, KPMG evaluated the assumptions and methodologies used by the Group's actuarial advisors and assessed whether the assumptions made were appropriate and not materially different from external benchmarks. Following on from their review, KPMG advised the Committee that they were satisfied with the assumptions used and the methods by which the schemes had been accounted for.

TAXATION

Significant judgement is exercised by management, working with the Group's tax advisors, Deloitte, in arriving at the amounts to be provided for both current and deferred tax. The final tax determination of many transactions is uncertain and may not be known for some years. As part of their audit, KPMG reviewed the taxation risks which arise from the Group's operations and used sensitivity analysis to determine whether key judgements used were appropriate. The Group has significant deferred tax assets, largely as a result of the Uniq acquisition, along with accumulated start-up losses in the US and also in relation to the UK defined benefit pension scheme. Accounting standards define when it is appropriate to recognise such assets in the balance sheet. Following discussions, we were satisfied that the judgements made were prudent and appropriate and that the correct accounting treatment had been adopted. Note 10 to the Group Financial Statements sets out further detail in respect of taxation.

EXCEPTIONAL ITEMS

Exceptional items are those which are separately disclosed by virtue of their nature or amount in order to aid the user's understanding of underlying performance. Group management exercises judgement in assessing each particular item and whether this treatment is consistent with our accounting policies and practice. KPMG reviewed this treatment and were satisfied that the identification of items as exceptional was consistently applied. The Committee noted a significant year on year reduction in the quantum of exceptional items. We discussed these items with management and were satisfied with the treatment adopted, that it was consistent with our accounting policy and previous practice and that the individual description was clear. Further details are outlined in Note 7 to the Group Financial Statements.

FAIR, BALANCED AND UNDERSTANDABLE ASSESSMENT

In addition, in line with Code Provision C.3.4. and the Committee's Terms of Reference, the Committee undertook a review of the Annual Report and confirmed to the Board that it was the opinion of the Committee that, taken as a whole, the Annual Report and Financial Statements was fair, balanced and understandable and provided the information necessary for shareholders to assess the Group's performance, business model and strategy. In advance of providing such a confirmation to the Board, the Committee considered the adequacy of the systems and internal controls, the consistency of the various elements of the reports (taking into account reports received by the Board during the year), the narrative reporting and the language used.

RISK MANAGEMENT AND INTERNAL CONTROLS/RISK MANAGEMENT GROUP FUNCTION

The Board as a whole is responsible for the Group's system of internal control, however, following delegation from the Board, the Committee assists the Board in meeting its obligations in this regard. More information on the Group's internal control framework is set out on page 44.

In order to ensure that the Committee fulfils its supervisory role in relation to the adequacy and effectiveness of the Group's risk management and internal control system, at least twice a year, the Committee formally meets with the Head of Risk Management who provides the Committee with reports on the Risk Management Group's key business process and control reviews.

In May 2015, the Head of Risk Management provided the Committee with an update on progress against the FY15 Risk Management Plan which had been presented to, and approved by, the Committee in September 2014. A presentation on the reports completed to date together with updates on the risk management charter were also provided to the meeting.

In September 2015, we received the Risk Management Plan for FY16 which set out the proposed approach and planned activities for the function for the year ahead, along with staffing and resources. The Committee also received and reviewed the final comprehensive report on the activities of the Risk Management function for FY15. The report outlined how the function had delivered against the current year plan, together with an overview of the function's processes, key findings, the key control risks in addition to risk review reports on a site by site basis. The Committee also reviewed Risk Management's mission and objectives and measured how effectively it had performed during the year. Following the review, the Committee was satisfied that the Risk Management function had performed well against plan and through the deployment of its formalised audit approach, had ensured appropriate escalation and accountability processes were in place. In overall terms, the Committee continues to be satisfied that the Group control environment remains appropriate.

REPORT OF THE AUDIT COMMITTEE
continued

HOW THE COMMITTEE HAS DISCHARGED ITS RESPONSIBILITIES IN FY15 continued

RISK MANAGEMENT AND INTERNAL CONTROLS/RISK MANAGEMENT GROUP FUNCTION continued

The Committee also noted reports from the Head of Risk Management on good faith reporting ('whistleblowing') at the Committee meetings held in May and September. Under the Group's whistleblowing policy, arrangements are in place for individuals to raise any issue, in confidence, relating to accounting, risk issues, auditing issues or any other impropriety or area of concern. The reports included details of the nature of issues reported, an analysis of the issues raised by location, category and type together with the outcome of the investigation into any allegations. The Committee also received reports from Risk Management outlining the rationale behind the issues reported and the measures which have been implemented to eliminate the reoccurrence of any wrongdoing.

Furthermore in December 2014, an additional meeting of the Committee took place in Jacksonville, Florida. The purpose of the meeting was to meet with the US senior finance team to review the US internal control systems in place as the Group continued to extend its presence in the US.

In the year under review, arising from the Board's external review, an external assessment of the quality of the internal audit function of the Risk Management Group was undertaken. The Company engaged the services of the Chartered Institute of Internal Audit ('CIIA'). The purpose of the review was to evaluate the effectiveness of internal audit compared to industry and best practice standards. As part of the assessment process, the Committee members, along with the Board Chairman were each interviewed on a face to face basis, along with a number of members of the Group Executive Board and the external auditor. Other senior managers were invited to provide feedback on internal audit via an online questionnaire. The Committee received the results of the assessment following the end of the year under review and it is intended that the findings will be taken into account in the Committee's approach in FY16.

EXTERNAL AUDIT

One of the key roles of the Committee is to monitor the performance, objectivity and independence of the external auditor. Open, direct and honest communication between the Committee, the external auditor and the senior management team is essential and it is our belief that effective oversight of the activities undertaken by the external auditor assists in ensuring both an effective audit and audit independence.

In September 2015, we met with the external auditor to agree the FY15 audit plan. To ensure a quality audit, the external auditor needs to be aware of the business risks, therefore the Committee discussed and agreed the key business, Financial Statements and audit risks to ensure that the audit was appropriately focused. In addition, the external auditor's Letter of Engagement was reviewed by the Committee in advance of the commencement of the audit.

In November 2015, in advance of the finalisation of the Group's Financial Statements, we received a report from KPMG on their key audit findings, including the management letter and the key areas of risk and significant judgements, and discussed the issues with them in order for the Committee to form a judgement on the Financial Statements. In addition, we considered the Letter of Representation.

At least annually, the Committee meets with the external auditor without the presence of management to discuss any matters the auditor may wish to raise. The Committee continues to be fully satisfied with the performance of KPMG who remain effective, objective and independent. We have therefore recommended to the Board that KPMG should continue in office as the Group's auditor.

In advance of the commencement of the annual audit, the Committee reviewed a letter provided by the external auditor confirming their independence within the meaning of the regulations and professional standards.

In order to assist the Committee in evaluating the external audit process and to ensure continuous improvement, following the completion of the audit, on an annual basis each Committee member and the management team complete a questionnaire on the effectiveness of the external auditor and the external audit process generally.

The last external audit tender was conducted in 2008 and KPMG were formally appointed as the Group's auditor by shareholders at the AGM of the Company held in February 2009. The lead partner is rotated every five years to ensure continued independence and objectivity. During FY15, Tom McEvoy of KPMG succeeded David Meagher of KPMG as lead partner on the Group's audit. Under Provision C.3.7. of the Code, FTSE350 companies should put the external audit contract to tender at least every ten years, and the Group intends to comply with this provision. The Group also intends to comply with the new EU rules in respect of audit reform once applicable under Irish legislation. The rules aim to strengthen the quality of the statutory audit and include requirements on public interest entities to tender their audit after a period of ten years, to rotate the auditor after a maximum period of 20 years, and prohibit the external auditor from providing certain non-audit services.

As outlined above, we believe that it is important that the shareholders are provided with the opportunity to voice any concerns in relation to the appointment of the external auditor and therefore, an advisory resolution will be put before shareholders at the forthcoming AGM in respect of the continuation in office of KPMG as the Group's auditor.

NON-AUDIT FEES

In accordance with the Committee's Terms of Reference, it is the Committee's responsibility to develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance. The Committee has agreed that non-audit work may only be undertaken by the external auditor in limited circumstances and the Committee must give approval prior to engagement of any non-audit fees exceeding 20% of the total audit fee in any year. The Committee regularly reviews the nature of non-audit work performed by the auditor, the volume of that work and fees proposed for the non-audit services. In the year under review non-audit fees in the sum of £5,000 were incurred by the Group, whilst £10,000 was paid to other firms in the lead audit firms network.

Details of the amounts paid to the external auditor during the year for audit services are set out in Note 4 to the Group Financial Statements.

COMMITTEE EFFECTIVENESS

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

FURTHER QUESTIONS

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

Yours sincerely

JOHN WARREN
On behalf of the Audit Committee
23 November 2015

REPORT OF THE NOMINATION COMMITTEE

DEAR SHAREHOLDER,

As Chairman of the Nomination Committee, it is my pleasure to present the report of the Nomination Committee for the year ended 25 September 2015.

The role of the Nomination Committee (the 'Committee'), is set out in its written Terms of Reference which are available on our website, www.greencore.com, under the Corporate Governance section. The Terms of Reference are reviewed annually and were most recently appraised at the committee meeting held in January 2015.

The Committee keeps the composition of the Board, the Nomination Committee, the Option and Remuneration Committee and the Audit Committee (collectively the 'Committees') under review to ensure that both the Board and the individual Committees have the range of skills, experience, expertise and diversity required for the Board and the Committees to meet the demands of the business and fulfil their obligations to shareholders.

ROLE OF THE COMMITTEE

The primary purpose of the Nomination Committee is to:

- Regularly review and objectively evaluate the structure, size and composition (including the skills, knowledge and experience) required for the Board and the Committees and to make any recommendations to the Board with regard to any proposed changes;
- Give full consideration to succession planning taking into account the challenges and opportunities facing the Group, and what skills and expertise are therefore needed on the Board in the future; and
- To keep the leadership needs of the organisation under review.

MEMBERSHIP OF THE COMMITTEE

In accordance with Provision B.2.1. of the Corporate Governance Code (the 'Code'), all members of the Committee, including myself as Chairman, are independent Non-Executive Directors. The Committee is supported by the services of the Group Company Secretary who acts as Committee Secretary. Other than the Committee Secretary and Committee members, no other individual is entitled to attend the meetings of the Committee, however, other members of the Board and advisors may attend by invitation on an ad-hoc basis. In order to avoid any potential conflicts of interest, a Committee member will absent him or herself from any discussions concerning their role.

When appropriate, the Committee engages the services of an independent consultant to assist the Committee in its search for any new appointments to the Board. In advance of any appointment to the Board, the Committee will undertake a review of the size and structure of the Board along with the skills, experience and expertise required, whilst remaining cognisant of the need to ensure that any prospective Board appointees will be independent, both in mind and judgement, confident and commercially orientated. During FY15, there was no requirement for any recruitment consultancy services.

As outlined above, the Committee met in January 2015, and attendance at this meeting is outlined on page 42.

The Committee's role is to keep the size and structure of the Board and its Committees under review and to recommend any compositional changes. The Committee's role also includes enhancing the quality of nominees to the Board and ensuring that the recruitment and appointment process is conducted with rigour and integrity.

At the meeting of the Committee held on 27 January 2015, the Committee reviewed the Non-Executive Directors' skillset, both on an individual and collective basis, to ensure the appropriate mix and diversity of experience. Following a detailed discussion on the composition of the Board as a whole, the Committee was satisfied that the current conformation of two Executive Directors and seven Non-Executive Directors remained appropriate.

As outlined on page 40, it is intended that Mr John Herlihy will retire from the Board following the conclusion of the 2016 Annual General Meeting (the 'AGM'). John joined the Board in 2009 and has made an invaluable contribution to both the Board and the Group during his tenure and, on a personal note, I would like to echo the sentiment of the Chairman and wish him every success for the future. Following notification of Mr Herlihy's intention to retire from the Board, the Nomination Committee held an additional unscheduled meeting to review the anticipated size and structure of the Board and the Committees following his departure. Following further discussions with the Board it was agreed that whilst there were no immediate plans to appoint a Non-Executive Director, the Board and Committees' compositions would be kept under review.

During the year under review, the Committee also considered the tenure of a Non-Executive Director and agreed timelines within which tenure would not normally be extended. This is to ensure that the independence of the Non-Executive Directors is maintained. In compliance with Provision B.7.1. of the Code, since 2012, all Directors retire at the AGM of the Company and, if appropriate, submit themselves for re-election.

The Committee believes that the composition of the Committees remain suitably equipped to perform their duties effectively. Succession and diversity are key aspects of our agenda.

The Committee is also tasked with ensuring that succession plans are in place for the Directors and other key executives within the Group taking into consideration the current Board structure, the leadership requirements of the organisation and the commercial environment within which the Group operates, along with the wider market.

Our Non-Executive Directors' tenure on our Board as at the year end is as follows:

Board tenure	Number of Non-Executive Directors
1-3 years	4
4-6 years	1
6-7 years	2

The Letters of Appointment of each of the Non-Executive Directors are available for inspection at the Company's registered office during normal office hours and at the AGM of the Company.

The Committee, the Board and the Group each recognise the strong role a diversified Board, particularly a gender diversified Board, plays in ensuring a more effective Board through more efficient and effective decision making along with better utilisation of the talent pool.

As outlined in the FY14 Annual Report, the Nomination Committee always takes diversity into consideration when recommending potential candidates to the Board for appointment. Notwithstanding this, suitable candidates are selected on the basis of relevant experience, backgrounds, skills, knowledge and insights, having due regard for the benefits of diversity on the Board, including gender, in accordance with Principle B.2 of the Code.

I am pleased to advise that the Board has 22% female representation whilst, according to the 'Women on Board Davies Review Annual Report 2015', the average female representation on FTSE 250 companies currently stands at 18%, which in itself is a significant increase from 7.8% as reported by Lord Davies in 2011.

In addition to ensuring that both the Board and the Nomination Committee remain committed to ensuring diversity at Board level, across the Group we are dedicated to ensuring that all recruitment decisions are fair and non-discriminatory and in this context, I am pleased to advise that Group wide, females make up approximately 39% of our employed population. Further details on the breakdown of female and male employees can be found on page 29.

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

I will be available at the forthcoming AGM of the Company to answer any queries that shareholders may have in relation to my role, or indeed the role of the Committee generally.

JOHN MOLONEY
On behalf of the Nomination Committee
23 November 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable laws and regulations. Irish company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. The Directors have prepared the Group Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union ('EU'). The Directors have elected to prepare the Company Financial Statements in accordance with Generally Accepted Accounting Practice in Ireland (Irish GAAP), comprising the financial reporting standards issued by the Financial Reporting Council and published by the Institute of Chartered Accountants in Ireland, together with the Companies Act 2014.

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

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State that Group Financial Statements comply with IFRS as adopted by the EU and as regards the Company, comply with Irish GAAP, together with the requirements of the Companies Act 2014; 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 (as amended) and the Transparency Rules of the Central Bank to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group.

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

The Directors are responsible for keeping adequate accounting records which enable at any time the financial position of the Company to be determined with reasonable accuracy, and which enable them to ensure that the Financial Statements of the Group are prepared in accordance with applicable International Financial Reporting Standards as adopted by the EU and comply with the provisions of the Companies Act 2014, and Article 4 of the European Communities (International Financial Reporting Standards and Miscellaneous Amendments) Regulations 2005 (the 'IAS Regulation').

They are also responsible for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

REGULATION 21 OF SI 255/2006 'EC (TAKEOVER BIDS DIRECTIVE) REGULATIONS 2006'

For the purpose of Regulation 21 of SI 255/2006 'EC (Takeover Bids Directive) Regulations 2006', the information given under the following headings on page 36 (Share Capital), 34, 35 and 37 (Directors), 37 (Significant Shareholdings), 49 (Performance Related Annual Bonus and Deferred Bonus Plan), 50 (Performance Share Plan), 64 (Share Option Schemes), 61 (Directors' and Company Secretary's Share Interests), 59 and 64 (Share Options), 54 (Directors' Service Contracts), 64 (Share-Based Payments) and 56 and 61 (Remuneration and Fees Paid in respect of FY15) are deemed to be incorporated in this part of the Directors' Report. In addition, the Company's Memorandum and Articles of Association, which set out the rules that apply in relation to the appointment and replacement of Directors and the amendment of the Articles of Association which are available on the Greencore website, are deemed to be incorporated in this part of the Directors' Report.

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

RESPONSIBILITY STATEMENT IN REGARD TO ANNUAL REPORT

Each of the Directors, whose names and functions are listed on pages 34 and 35 of this Annual Report, confirm that, to the best of each person's knowledge and belief:

As required by the Transparency Regulations:

- The Group Financial Statements, prepared in accordance with IFRS as adopted by the EU and the Company Financial Statements prepared in accordance with Irish GAAP, give a true and fair view of the assets, liabilities, financial position of the Group and Company at 25 September 2015 and of the profit/loss of the Group and Company for the year then ended; and
- The Directors' Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risk and uncertainties that they face;

As required by the UK Corporate Governance Code:

- The Annual Report and Financial Statements, taken as a whole, provides the information necessary to assess the Group's performance, business model and strategy and is fair, balanced and understandable.

On behalf of the Board

P.G. KENNEDY
Director

A.R. WILLIAMS
Director

Dublin
23 November 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GREENCORE GROUP PLC

OPINIONS AND CONCLUSIONS ARISING FROM OUR AUDIT

1. OUR OPINION ON THE FINANCIAL STATEMENTS IS UNMODIFIED

We have audited the financial statements of Greencore Group plc for the year ended 25 September 2015 as set out on pages 78 to 138, which comprise the Group Income Statement, the Group Statement of Recognised Income and Expense, the Group Balance Sheet, the Group Cash Flow Statement, the Group Statement of Changes in Equity and the related Notes 1 to 35; and the Company Balance Sheet and the related Notes 1 to 11. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK and Ireland).

In our opinion:

- The Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 25 September 2015 and of its profit for the year then ended;
- The Company Balance Sheet gives a true and fair view of the assets, liabilities and financial position of the Company as at 25 September 2015;
- The Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- The Company Balance Sheet has been properly prepared in accordance with Generally Accepted Accounting Principles in Ireland (Irish GAAP) as applied in accordance with the provisions of the Companies Act 2014; and
- The Company Balance Sheet and Group financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

2. OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

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

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

RETIREMENT BENEFIT OBLIGATIONS (NET DEFICIT OF £112.7M)

Refer to page 67 (Report of the Audit Committee), pages 90 and 91 (accounting policy) and Note 24 to the Group financial statements.

The Risk

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

Our Response

Our audit procedures included, among others, involving a KPMG actuarial specialist to assist the Group audit team in evaluating the assumptions and methodologies used by the Group's actuarial advisors, in particular those relating to the discount rate, inflation and mortality assumptions.

We compared the Group's assumptions to externally derived data as well as our own assessments in relation to these and other key inputs in assessing whether the assumptions used by the Group are reasonable.

We also assessed whether the disclosures reflected the risks inherent in the accounting for the pension schemes.

TAXATION (CURRENT TAX LIABILITIES OF £15.9M; DEFERRED TAX ASSETS OF £65.0M AND DEFERRED TAX LIABILITIES OF £17.4M)

Refer to page 67 (Report of the Audit Committee), page 90 (accounting policy) and Note 10 to the Group financial statements.

The Risk

The Group is subject to income taxes in a number of jurisdictions and encounters challenges by tax authorities on a range of tax matters during the normal course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The calculation of these liabilities is underpinned by judgemental assumptions as the ultimate tax determination is uncertain.

Certain acquisitions made in recent years (particularly Uniq plc) have involved complex tax aspects. As a consequence, the Group's current and deferred tax balances are sensitive to assumptions used in determining the appropriate liabilities and assets.

Our Response
Our audit procedures included, among others, using KPMG international and domestic taxation specialists to assist the Group audit team in evaluating the assumptions and methodologies used by the Group and its taxation advisors, in particular those relating to provisions for uncertain tax positions and the recognition and recoverability of deferred tax assets.

We specifically considered the taxation risks arising from the Group's operations in assessing the accounting for taxation related balances and applied sensitivity analysis to determine the appropriateness of key judgements. We assessed the recoverability of deferred tax assets, which involved assessing the assumptions in relation to the utilisation of losses carried forward against projected taxable profits. We also considered whether the recognition of additional deferred tax assets would be appropriate.

We assessed the presentation and disclosure (in accordance with IAS 1 and IAS 12) in respect of taxation related balances and considered whether the Group's disclosures reflected the risks inherent in the accounting for the taxation balances.

GOODWILL AND INTANGIBLE ASSETS (£507.5M)
Refer to page 66 (Report of the Audit Committee), pages 86 and 87 (accounting policy) and Note 13 to the Group financial statements.

The Risk
The Group has significant goodwill and intangible assets which are reviewed periodically for impairment.

This review entails the determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use and requires judgement in identifying and valuing the relevant cash generating units (CGUs). Recoverable amounts are based on management's view of variables including future profitability growth, capital expenditure, working capital, inflation and the most appropriate discount rate.

Recoverability of these assets is based on forecasting and discounting future cash flows, which is inherently judgemental.

Our Response
Our audit procedures included, among others, evaluating the assumptions used by the Group in its impairment model for goodwill, specifically the cash flow projections and discount rates used.

We compared the Group's assumptions, where possible, to externally derived data and performed sensitivity analysis on the impact of changes in significant assumptions.

We also assessed whether the disclosures in relation to the sensitivity of the outcome of the impairment assessment to changes in key assumptions, by cash generating unit, were appropriate and in compliance with IAS 36.

3. OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT
The materiality for the Group financial statements as a whole was set at £3.0m (2014: £3.0m). This has been calculated using a benchmark of Group profit before taxation (of which it represents 5%), which we have determined, in our professional judgement, to be one of the principal benchmarks within the financial statements relevant to members of the Company in assessing financial performance.

We agreed with the Audit Committee to report to it all corrected and uncorrected misstatements we identified through our audit in excess of £100,000 (2014: £100,000), in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

The structure of the Group's finance function is such that certain transactions and balances are accounted for by central Group and divisional finance teams, with the remainder accounted for in the operating units. We performed comprehensive audit procedures, including those in relation to the significant risks above, on those transactions and balances accounted for at Group and divisional level.

In relation to the Group's operating units, audits for Group reporting purposes were performed at identified key reporting components in Ireland, the UK and the US, augmented by risk focused audit procedures which were performed for all other components.

These audits and risk focused procedures covered 99% of total Group revenue, 94% of Group profit before taxation and 90% of Group total assets.

The audits undertaken for Group reporting purposes at the key reporting components of the Group were all performed to materiality levels set by the Group audit team. These local materiality levels were set individually for each component and ranged from £1m to £2m.

Detailed audit instructions were sent to the auditors in all of these identified locations. These instructions covered the significant audit areas to be covered by these audits (which included the relevant risks of material misstatement detailed above) and set out the information required to be reported to the Group audit team. Senior members of the Group audit team, including the lead engagement partner, attended divisional closing meetings at which the results of component audits were discussed with divisional and Group management.

INDEPENDENT AUDITOR'S REPORT continued

TO THE MEMBERS OF GREENCORE GROUP PLC

OPINIONS AND CONCLUSIONS ARISING FROM OUR AUDIT continued

4. WE HAVE NOTHING TO REPORT IN RESPECT OF THE MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

ISAs (UK and Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

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

The Listing Rules of the UK Listing Authority require us to review:

- The Statement Of Directors' Responsibilities, set out on page 72, in relation to going concern;
- The part of the Corporate Governance Report on page 39 relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review; and
- Certain elements of disclosures to shareholders by the Board in the Report on Directors' Remuneration.

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

5. OUR CONCLUSIONS ON OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY THE COMPANIES ACT 2014 ARE SET OUT BELOW

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

The Company balance sheet is in agreement with the accounting records and, in our opinion, adequate accounting records have been kept by the Company.

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

In addition we report, in relation to information given in the Corporate Governance Report on pages 39 to 44, that:

- Based on knowledge and understanding of the Company and its environment obtained in the course of our audit, no material misstatements in the information identified above have come to our attention;
- Based on the work undertaken in the course of our audit, in our opinion:
  - 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, and information relating to voting rights and other matters required by the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 and specified by the Companies Act 2014 for our consideration, are consistent with the financial statements and have been prepared in accordance with the Companies Act 2014, and
  - The Corporate Governance Report contains the information required by the Companies Act 2014.

BASIS OF OUR REPORT, RESPONSIBILITIES AND RESTRICTIONS ON USE

As explained more fully in the Statement of Directors' Responsibilities set out on pages 72 and 73, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the Group and Company financial statements in accordance with applicable law and International Standards on Auditing (ISAs) (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

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

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

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

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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.

TOM MCEVOY
for and on behalf of KPMG

23 November 2015
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

GROUP INCOME STATEMENT

YEAR ENDED 25 SEPTEMBER 2015

	Notes	2015 Pre-exceptional £'m	2015 Exceptional (Note 7) £'m	2015 Total £'m	2014 Pre-exceptional £'m	2014 Exceptional (Note 7) £'m	2014 Total £'m
Revenue	2	**1,340.3**	**-**	**1,340.3**	1,273.5	-	1,273.5
Cost of sales		**(917.4)**	**-**	**(917.4)**	(879.0)	-	(879.0)
Gross profit		**422.9**	**-**	**422.9**	394.5	-	394.5
Operating costs, net	3	**(331.2)**	**(3.4)**	**(334.6)**	(311.6)	(16.1)	(327.7)
Group operating profit before acquisition related amortisation		**91.7**	**(3.4)**	**88.3**	82.9	(16.1)	66.8
Amortisation of acquisition related intangibles	13	**(8.7)**	**-**	**(8.7)**	(7.7)	-	(7.7)
Group operating profit		**83.0**	**(3.4)**	**79.6**	75.2	(16.1)	59.1
Finance income	8	**0.5**	**-**	**0.5**	-	-	-
Finance costs	8	**(21.4)**	**-**	**(21.4)**	(15.4)	-	(15.4)
Share of profit of associates after tax	9	**0.7**	**-**	**0.7**	0.7	-	0.7
Profit before taxation		**62.8**	**(3.4)**	**59.4**	60.5	(16.1)	44.4
Taxation	10	**(0.4)**	**-**	**(0.4)**	(0.5)	4.7	4.2
Profit for the financial year	4	**62.4**	**(3.4)**	**59.0**	60.0	(11.4)	48.6
Attributable to:							
Equity shareholders		**61.4**	**(3.4)**	**58.0**	58.9	(11.4)	47.5
Non-controlling interests	26	**1.0**	**-**	**1.0**	1.1	-	1.1
		62.4	**(3.4)**	**59.0**	60.0	(11.4)	48.6
Basic earnings per share (pence)	11			**14.3**			11.8
Diluted earnings per share (pence)	11			**14.0**			11.5

P.G. KENNEDY
Director

A.R. WILLIAMS
Director

GROUP STATEMENT OF RECOGNISED INCOME AND EXPENSE

YEAR ENDED 25 SEPTEMBER 2015

	Notes	2015 £'m	2014 £'m
Items of income and expense taken directly to equity			
Items that will not be reclassified to profit or loss:			
Actuarial gain/(loss) on Group defined benefit pension schemes	24	**9.2**	(2.0)
Deferred tax on Group defined benefit pension schemes	10	**-**	1.1
		9.2	(0.9)
Items that may subsequently be reclassified to profit or loss:			
Currency translation adjustment		**9.7**	1.0
Deferred tax on currency translation adjustment	10	**0.4**	-
Hedge of net investment in foreign operations		**(8.4)**	0.1
Cash flow hedges:			
fair value movement taken to equity		**(7.7)**	(8.7)
transfer to Income Statement for the year		**2.6**	2.7
Deferred tax on cashflow hedges	10	**0.1**	-
		(3.3)	(4.9)
Net income/(expense) recognised directly within equity		**5.9**	(5.8)
Group result for the financial year		**59.0**	48.6
Total recognised income and expense for the financial year		**64.9**	42.8
Attributable to:			
Equity shareholders		**64.1**	42.0
Non-controlling interests		**0.8**	0.8
Total recognised income and expense for the financial year		**64.9**	42.8

GROUP BALANCE SHEET

AT 25 SEPTEMBER 2015

	Notes	2015 £'m	2014 £'m
ASSETS			
Non-current assets			
Goodwill and intangible assets	13	**507.5**	499.2
Property, plant and equipment	14	**304.8**	247.0
Investment property	15	**6.5**	7.0
Investment in associates	9	**1.0**	0.9
Other receivables	17	**12.3**	3.3
Retirement benefit assets	24	**15.0**	–
Derivative financial instruments	21	**–**	5.3
Deferred tax assets	10	**65.0**	70.2
Total non-current assets		**912.1**	832.9
Current assets			
Inventories	16	**57.5**	53.6
Trade and other receivables	17	**144.0**	127.3
Derivative financial instruments	21	**7.3**	–
Cash and cash equivalents	19	**6.3**	12.2
Total current assets		**215.1**	193.1
Total assets		**1,127.2**	1,026.0
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	25	**4.1**	4.1
Share premium		**191.6**	185.7
Reserves		**123.9**	90.4
		319.6	280.2
Non-controlling interests	26	**3.4**	3.4
Total equity		**323.0**	283.6
LIABILITIES			
Non-current liabilities			
Borrowings	20	**211.2**	229.5
Derivative financial instruments	21	**16.8**	6.3
Retirement benefit obligations	24	**127.7**	129.5
Other payables	18	**2.0**	2.4
Provisions for liabilities	23	**2.7**	3.4
Deferred tax liabilities	10	**17.4**	19.5
Total non-current liabilities		**377.8**	390.6
Current liabilities			
Borrowings	20	**67.8**	0.1
Derivative financial instruments	21	**0.1**	0.3
Trade and other payables	18	**339.6**	323.6
Provisions for liabilities	23	**3.0**	7.2
Current tax payable		**15.9**	20.6
Total current liabilities		**426.4**	351.8
Total liabilities		**804.2**	742.4
Total equity and liabilities		**1,127.2**	1,026.0

P.G. KENNEDY
Director

A.R. WILLIAMS
Director

GROUP CASH FLOW STATEMENT

YEAR ENDED 25 SEPTEMBER 2015

	Notes	**2015 £'m**	2014 £'m
Profit before taxation		**59.4**	44.4
Finance income		**(0.5)**	-
Finance costs		**21.4**	15.4
Share of profit of associates after tax		**(0.7)**	(0.7)
Exceptional items		**3.4**	16.1
Operating profit (pre-exceptional)		**83.0**	75.2
Depreciation		**27.4**	24.8
Amortisation of intangible assets		**11.1**	9.5
Employee share-based payment expense		**4.3**	4.3
Contributions to defined benefit pension schemes		**(13.5)**	(13.7)
Working capital movement	27	**(7.6)**	9.8
Other movements		**0.2**	0.1
Net cash inflow from operating activities before exceptional items		**104.9**	110.0
Cash outflow related to exceptional items	7	**(9.2)**	(9.1)
Interest paid		**(16.6)**	(15.8)
Tax paid		**(0.3)**	(0.4)
Net cash inflow from operating activities		**78.8**	84.7
Cash flow from investing activities			
Dividends received from associates	9	**0.6**	0.6
Contract acquisition costs		**(8.8)**	-
Purchase of property, plant and equipment		**(79.1)**	(47.7)
Disposal of investment property		**-**	15.1
Purchase of intangible assets		**(14.0)**	(3.6)
Acquisition of undertakings		**-**	(21.5)
Disposal of undertakings		**0.4**	7.4
Net cash outflow from investing activities		**(100.9)**	(49.7)
Cash flow from financing activities			
Proceeds from issue of shares		**0.9**	0.2
Ordinary shares purchased - own shares		**(13.1)**	(4.8)
Drawdown of non-bank borrowings	22	**-**	57.1
Drawdown/(repayment) of bank borrowings	22	**47.6**	(61.1)
Repayment of private placement notes	22	**-**	(3.2)
(Decrease)/increase in finance lease liabilities	22	**(0.1)**	0.1
Dividends paid to equity holders of the Company		**(17.2)**	(11.6)
Dividends paid to non-controlling interests	26	**(0.8)**	(0.9)
Net cash inflow/(outflow) from financing activities		**17.3**	(24.2)
Net (decrease)/increase in cash and cash equivalents		**(4.8)**	10.8
Reconciliation of opening to closing cash and cash equivalents			
Cash and cash equivalents at beginning of year	19	**12.2**	1.8
Translation adjustment	22	**(1.1)**	(0.4)
(Decrease)/increase in cash and cash equivalents	22	**(4.8)**	10.8
Net cash and cash equivalents at end of year	19	**6.3**	12.2

GROUP STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 25 SEPTEMBER 2015

	Share capital £'m	Share premium £'m	Other reserves £'m	Retained earnings £'m	Total £'m	Non-controlling interests £'m	Total equity £'m
At 26 September 2014	**4.1**	**185.7**	**107.9**	**(17.5)**	**280.2**	**3.4**	**283.6**
Items of income and expense taken directly to equity							
Currency translation adjustment	**-**	**-**	**9.9**	**-**	**9.9**	**(0.2)**	**9.7**
Deferred tax on currency translation adjustment	**-**	**-**	**-**	**0.4**	**0.4**	**-**	**0.4**
Net investment hedge	**-**	**-**	**(8.4)**	**-**	**(8.4)**	**-**	**(8.4)**
Actuarial gain on Group defined benefit pension schemes	**-**	**-**	**-**	**9.2**	**9.2**	**-**	**9.2**
Cash flow hedge transferred to equity	**-**	**-**	**(7.7)**	**-**	**(7.7)**	**-**	**(7.7)**
Cash flow hedge transferred to Income Statement	**-**	**-**	**2.6**	**-**	**2.6**	**-**	**2.6**
Deferred tax on cash flow hedge	**-**	**-**	**0.1**	**-**	**0.1**	**-**	**0.1**
Profit for the financial period	**-**	**-**	**-**	**58.0**	**58.0**	**1.0**	**59.0**
Total recognised income and expense for the financial year	**-**	**-**	**(3.5)**	**67.6**	**64.1**	**0.8**	**64.9**
Currency translation adjustment	**-**	**-**	**(0.1)**	**-**	**(0.1)**	**-**	**(0.1)**
Employee share-based payments expense	**-**	**-**	**4.3**	**-**	**4.3**	**-**	**4.3**
Deferred tax on share-based payments	**-**	**-**	**-**	**1.4**	**1.4**	**-**	**1.4**
Exercise, lapse or forfeit of share-based payments*	**-**	**0.9**	**(2.6)**	**2.6**	**0.9**	**-**	**0.9**
Shares acquired by Employee Benefit Trust(A)	**-**	**-**	**(13.1)**	**-**	**(13.1)**	**-**	**(13.1)**
Shares granted to beneficiaries of the Employee Benefit Trust(B)	**-**	**-**	**9.4**	**(9.4)**	**-**	**-**	**-**
Transfer to retained earnings on grant of shares to beneficiaries of the Employee Benefit Trust**	**-**	**-**	**10.4**	**(10.4)**	**-**	**-**	**-**
Dividends	**-**	**5.0**	**-**	**(23.1)**	**(18.1)**	**(0.8)**	**(18.9)**
At 25 September 2015	**4.1**	**191.6**	**112.7**	**11.2**	**319.6**	**3.4**	**323.0**

	Share capital £'m	Share premium £'m	Other reserves £'m	Retained earnings £'m	Total £'m	Non-controlling interests £'m	Total equity £'m
At 27 September 2013	4.0	177.3	107.9	(40.7)	248.5	3.5	252.0
Items of income and expense taken directly to equity							
Currency translation adjustment	-	-	1.3	-	1.3	(0.3)	1.0
Net investment hedge	-	-	0.1	-	0.1	-	0.1
Actuarial loss on Group defined benefit pension schemes	-	-	-	(2.0)	(2.0)	-	(2.0)
Deferred tax asset on Group defined benefit pension schemes	-	-	-	1.1	1.1	-	1.1
Cash flow hedge transferred to equity	-	-	(8.7)	-	(8.7)	-	(8.7)
Cash flow hedge transferred to income statement	-	-	2.7	-	2.7	-	2.7
Profit for the financial period	-	-	-	47.5	47.5	1.1	48.6
Total recognised income and expense for the financial year	-	-	(4.6)	46.6	42.0	0.8	42.8
Employee share-based payments expense	-	-	4.3	-	4.3	-	4.3
Deferred tax on share-based payments	-	-		2.2	2.2	-	2.2
Exercise, lapse or forfeit of share-based payments*	0.1	0.6	(3.3)	3.3	0.7	-	0.7
Shares acquired by Employee Benefit Trust(A)	-	-	(4.8)	0.2	(4.6)	-	(4.6)
Shares granted to beneficiaries of the Employee Benefit Trust(B)	-	-	8.4	(8.4)	-	-	-
Dividends	-	7.8	-	(20.7)	(12.9)	(0.9)	(13.8)
At 26 September 2014	4.1	185.7	107.9	(17.5)	280.2	3.4	283.6

* See Note 25.

** In 2013, the Group converted 3,904,782 treasury shares into ordinary shares of £0.01 each and subsequently transferred these shares to the Employee Benefit Trust at nominal value. These shares were previously held in the own share reserve at a value of £17.8m, which represented the cost of acquisition of the shares on the open market at a price of £4.24 per share. As these shares are granted to the beneficiaries of the Employee Benefit Trust, the related residual amount in the own shares reserve is transferred to retained earnings.

OTHER RESERVES

	Share-based payments(C) £'m	Own shares(D) £'m	Capital redemption reserve(E) £'m	Capital conversion reserve fund(F) £'m	Hedging reserve(G) £'m	Foreign currency translation reserve(H) £'m	Total £'m
At 26 September 2014	**7.1**	**(15.2)**	**117.0**	**0.8**	**(6.0)**	**4.2**	**107.9**
Items of income and expense taken directly to equity							
Currency translation adjustment	**-**	**-**	**-**	**-**	**-**	**9.9**	**9.9**
Net investment hedge	**-**	**-**	**-**	**-**	**-**	**(8.4)**	**(8.4)**
Cash flow hedge taken to equity	**-**	**-**	**-**	**-**	**(7.7)**	**-**	**(7.7)**
Cash flow hedge transferred to Income Statement	**-**	**-**	**-**	**-**	**2.6**	**-**	**2.6**
Deferred tax on cash flow hedge	**-**	**-**	**-**	**-**	**0.1**	**-**	**0.1**
Total recognised income and expense for the financial year	**-**	**-**	**-**	**-**	**(5.0)**	**1.5**	**(3.5)**
Currency translation adjustment	**(0.1)**	**-**	**-**	**-**	**-**	**-**	**(0.1)**
Employee share-based payments expense	**4.3**	**-**	**-**	**-**	**-**	**-**	**4.3**
Exercise, lapse or forfeit of share options	**(2.6)**	**-**	**-**	**-**	**-**	**-**	**(2.6)**
Shares acquired by Deferred Share Awards Trust(A)	**-**	**(13.1)**	**-**	**-**	**-**	**-**	**(13.1)**
Shares granted to beneficiaries of the Employee Benefit Trust(B)	**-**	**9.4**	**-**	**-**	**-**	**-**	**9.4**
Transfer to retained earnings on grant of shares to beneficiaries of the Employee Benefit Trust	**-**	**10.4**	**-**	**-**	**-**	**-**	**10.4**
At 25 September 2015	**8.7**	**(8.5)**	**117.0**	**0.8**	**(11.0)**	**5.7**	**112.7**

	Share-based payments £'m	Own shares £'m	Capital redemption reserve £'m	Capital conversion reserve fund £'m	Hedging reserve £'m	Foreign currency translation reserve £'m	Total £'m
At 27 September 2013	6.2	(18.8)	117.0	0.8	-	2.7	107.9
Items of income and expense taken directly to equity							
Currency translation adjustment	-	-	-	-	-	1.3	1.3
Net investment hedge	-	-	-	-	-	0.1	0.1
Cash flow hedge taken to equity	-	-	-	-	(8.7)	-	(8.7)
Cash flow hedge transferred to Income Statement	-	-	-	-	2.7	-	2.7
Total recognised income and expense for the financial year	-	-	-	-	(6.0)	1.4	(4.6)
Currency translation adjustment	(0.1)	-	-	-	-	0.1	-
Employee share-based payments expense	4.3	-	-	-	-	-	4.3
Exercise, lapse or forfeit of share options	(3.3)	-	-	-	-	-	(3.3)
Shares acquired by Deferred Share Awards Trust(A)	-	(4.8)	-	-	-	-	(4.8)
Shares granted to beneficiaries of the Employee Benefit Trust(B)	-	8.4	-	-	-	-	8.4
At 26 September 2014	7.1	(15.2)	117.0	0.8	(6.0)	4.2	107.9

(A) The Employee Benefit Trust acquired 46,360 (2014: 96,142) shares in the Group with a combined value of £0.1m (2014: £0.18m) and a nominal value at the date of purchase of £0.0005m (2014: £0.001m) through the scrip dividend scheme and utilisation of dividend income. Pursuant to the terms of the Employee Benefit Trust, 4,274,037 (2014: 1,993,163) shares were purchased during the financial year ended 25 September 2015 at a cost of £13.1m (2014: £4.6m). The nominal value of these shares, on which dividends have not been waived by the Employee Benefit Trust was £0.04m (2014: £0.02m) at the date of purchase.

(B) During the year, 5,732,827 (2014: 3,046,238) shares with a nominal value at the date of transfer of £0.06m (2014: £0.03m) were transferred to beneficiaries of the Deferred Bonus Plan.

(C) The share-based payment reserve relates to equity settled share-based payments made to employees through the Performance Share Plan, the Deferred Bonus Plan, the Employee ShareSave Scheme and the Executive Share Option Scheme. Further information in relation to these share-based payment schemes is set out in Note 6.

(D) The amount included as own shares relates to Ordinary Shares in Greencore Group plc which are held in trust. The shares held in trust are granted to beneficiaries of the Group's share-based payment schemes when the relevant conditions of the schemes are satisfied.

(E) The capital redemption reserve represents the nominal cost of cancelled shares.

(F) The capital conversion reserve fund represents the amount transferred to reserves as a result of renominalising the share capital of Greencore Group plc on conversion to the euro.

(G) The hedging reserve represents the effective portion of gains and losses on hedging instruments from the application of cash flow hedge accounting for which the underlying hedged transaction is not impacting profit or loss. The cumulative deferred gain or loss on the hedging instrument is reclassified to profit or loss only when the hedged transaction affects the profit or loss.

(H) The currency reserve reflects the 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 which are taken to equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the Income Statement as part of the gain or loss on sale.

NOTES TO THE GROUP FINANCIAL STATEMENTS

YEAR ENDED 25 SEPTEMBER 2015

1. GROUP STATEMENT OF ACCOUNTING POLICIES

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 Act 2014, 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 25 September 2015 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 25 September 2015.

BASIS OF PREPARATION

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

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

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

The Financial Statements of the Group are prepared to the Friday nearest to 30 September. Accordingly these Financial Statements are prepared for the 52 week period ended 25 September 2015. Comparatives are for the 52 week period ended 26 September 2014. The balance sheets for 2015 and 2014 have been prepared as at 25 September 2015 and 26 September 2014 respectively.

The profit attributable to equity shareholders dealt with in the Financial Statements of the Company was £17.9m (2014: loss of £14.3m). In accordance with section 304 of the Companies Act 2014, 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 IASB and the International Financial Reporting Interpretations Committee ('IFRIC') are effective for the first time in the current financial period 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		EU Effective Date – periods beginning on or after
IFRS 10	Consolidated Financial Statements	1 January 2014
IFRS 11	Joint Arrangements	1 January 2014
IFRS 12	Disclosure of Interests in Other Entities	1 January 2014
IAS 27	Separate Financial Statements	1 January 2014
IAS 28	Investments in Associates and Joint Ventures	1 January 2014
IAS 32	Amendments:	
	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IAS 39	Amendments:	
	Novation of Derivatives and Contribution of Hedge Accounting	1 January 2014
IAS 36	Amendments:	
	Recoverable amount disclosures for non-financial assets	1 January 2014
IFRIC 21	Levies	1 January 2014

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 26 September 2014 and have not been applied in preparing these consolidated Financial Statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

IFRS 9 Financial Instruments addressed the classification, measurement and recognition of financial assets and liabilities. The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. The IASB completed its project to replace IAS 39 in phases, adding to the standard as it completed each phase. The Group is currently evaluating the impact that IFRS 9 will have on its financial statements. IFRS 9 is expected to be endorsed by the EU in 2016.

1. GROUP STATEMENT OF ACCOUNTING POLICIES continued

NEW STANDARDS AND INTERPRETATIONS continued

IFRS 15 Revenue from Contracts with Customers specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. The Group is currently evaluating the impact that IFRS 15 will have on its financial statements. IFRS 15 is expected to be endorsed by the EU in 2016.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

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. The Group controls an entity when it is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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. The Group provides trade discounts, primarily in the form of rebate arrangements or other incentive arrangements, to its customers. The arrangements can take the form of volume related rebates, marketing fund contributions, promotional fund contributions or lump sum incentives. The group recognises revenue net of such discounts over the period to which the arrangement applies.

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.

SUPPLIER REBATES

The Group enters into rebate arrangements with its suppliers. The arrangements are primarily volume related. This supplier rebates received are recognised primarily as a deduction from cost of sales, based on the entitlement that has been earned up to the balance sheet date, for each relevant supplier arrangement.

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	25–50 years
Plant, machinery, equipment, fixtures and fittings	3–25 years
Freehold land is not depreciated	

Useful lives and residual values are reassessed annually.

1. GROUP STATEMENT OF ACCOUNTING POLICIES continued

PROPERTY, PLANT AND EQUIPMENT continued

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 charge so as to achieve a constant interest charge on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in interest-bearing loans and borrowings, allocated between current and non-current as appropriate. The interest element of the finance cost is charged to the Income Statement over the lease period. Assets held under finance leases are depreciated over the shorter of their expected useful lives or the lease term, taking into account the time period over which benefits from the leased assets are expected to accrue to the Group.

Operating Leases

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

BUSINESS COMBINATIONS

The purchase method of accounting is used in accounting for the acquisition of businesses. In accordance with IFRS 3 Business Combinations, the fair value of the consideration for a business combination is measured as the aggregate of the fair values at the date of exchange of assets given and liabilities incurred or assumed in exchange for control. The assets, liabilities and contingent liabilities of the acquired entity are measured at their fair values at the date of acquisition. When the initial accounting for a business combination is determined provisionally, any adjustments to the provisional values allocated are made within 12 months of the acquisition date and are effected from the date of acquisition.

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

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

Transaction costs are expensed as incurred.

GOODWILL

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.

1. GROUP STATEMENT OF ACCOUNTING POLICIES continued

GOODWILL continued

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

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

ACQUISITION RELATED INTANGIBLE ASSETS

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

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

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

COMPUTER SOFTWARE

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

INVESTMENT PROPERTY

Investment property is shown at cost less depreciation and any impairment. The cost of investment property comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use. Investment property is depreciated so as to write off the cost, less residual value, on a straight-line basis over the expected life of each property. Freehold buildings held as investment property are depreciated over their expected useful life, normally assumed to be 40-50 years. Freehold land is not depreciated.

Rental income arising on investment property is accounted for on a straight-line basis over the lease term of the ongoing leases and is recognised within other income.

In relation to the recognition of income on the disposal of property, income is recognised when there is an unconditional exchange of contracts, or when all necessary terms and conditions have been fulfilled.

DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE

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

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

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

1. GROUP STATEMENT OF ACCOUNTING POLICIES continued

DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE continued

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

INVENTORIES

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

TRADE AND OTHER RECEIVABLES

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

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

CASH AND CASH EQUIVALENTS

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

TRADE AND OTHER PAYABLES

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

PROVISIONS

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

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

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

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

BORROWINGS

All loans and borrowings are initially recognised at fair value less any directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. 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 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 the net 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.

1. GROUP STATEMENT OF ACCOUNTING POLICIES continued

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

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

For those derivatives designated as hedges and for which hedge accounting is sought, 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 foreign currency differences between the functional currency of a foreign operation and the functional currency of the parent.

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.

1. GROUP STATEMENT OF ACCOUNTING POLICIES continued

DERIVATIVE FINANCIAL INSTRUMENTS continued

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.

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.

Once it has been concluded that a liability needs to be recognised, the liability is measured. We consider the range of possible outcomes and record a liability based on the most likely single outcome, rather than alternative approaches which could include a weighted average probability of outcomes or an 'all or nothing' approach.

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.

1. GROUP STATEMENT OF ACCOUNTING POLICIES 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).

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

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 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 the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is the present value of any economic benefit the Group reasonably expects to recover by way of refund of surplus from the plan at the end of the plan's life or reduction in future contributions to the plan.

EMPLOYEE SHARE-BASED PAYMENTS

The Group grants equity settled share-based payments to employees (through the Performance Share Plan, the Deferred Bonus Plan, the Employee ShareSave Scheme and the Executive Option Scheme). The fair value of these is determined at the date of grant and is expensed to the Income Statement with a corresponding increase in equity 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.

When the exercise of share options results in the issuance of shares, the proceeds received are credited to the share capital and share premium accounts, net of directly attributable transaction costs.

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.

NOTES TO THE GROUP FINANCIAL STATEMENTS continued

YEAR ENDED 25 SEPTEMBER 2015

1. GROUP STATEMENT OF ACCOUNTING POLICIES continued

FOREIGN CURRENCY continued

Foreign Operations

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

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

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

GOVERNMENT GRANTS

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

RESEARCH AND DEVELOPMENT

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

SEGMENTAL REPORTING

The Group reports segmental information by class of business and by geographical area. The Group's primary reporting segment, for which more detailed disclosures are made, is by class of business. The Group has identified two reportable segments: (i) Convenience Foods; and (ii) Ingredients & Property. Refer to Note 2 for further information.

EXCEPTIONAL ITEMS

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

NON-CONTROLLING INTERESTS

Non-controlling interests are stated at their proportion of the fair values of the identifiable assets and liabilities recognised. Subsequently, any losses applicable to non-controlling interests continue to be recognised and attributed to non-controlling interests unless the parent has undertaken to fund their losses.

SHARE CAPITAL

Ordinary Shares

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

Treasury Shares

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

DIVIDENDS

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

2. 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. The Convenience Foods US segment and the Convenience Foods UK segment have been aggregated as the segments have similar characteristics. The economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics include expected future financial performance; operating and competitive risks; return on invested capital and the ratio of capital expenditure (excluding the impact of one-off significant projects) to sales.

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 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 and therefore, these items are not allocated between operating segments for the purposes of the information presented to the Chief Operating Decision Maker and are accordingly omitted from the segmental information below. Intersegment revenue is not material.

	Convenience Foods		Ingredients & Property		Total	
	2015 £'m	2014 £'m	**2015 £'m**	2014 £'m	**2015 £'m**	2014 £'m
Revenue – continuing operations	**1,290.2**	1,213.4	**50.1**	60.1	**1,340.3**	1,273.5
Group operating profit before exceptional items and acquisition related amortisation – continuing operations	**89.6**	80.7	**2.1**	2.2	**91.7**	82.9
Amortisation of acquisition related intangible assets	**(8.7)**	(7.7)	**-**	-	**(8.7)**	(7.7)
Exceptional items					**(3.4)**	(16.1)
Group operating profit	**80.9**	73.0	**2.1**	2.2	**79.6**	59.1
Finance income					**0.5**	-
Finance costs					**(21.4)**	(15.4)
Share of profit of associates after tax					**0.7**	0.7
Profit before taxation					**59.4**	44.4

	Convenience Foods		Ingredients & Property		Total	
	2015 £'m	2014 £'m	**2015 £'m**	2014 £'m	**2015 £'m**	2014 £'m
Segment assets						
Assets	**1,008.7**	913.7	**23.9**	23.7	**1,032.6**	937.4
Investments in associates	**-**	-	**1.0**	0.9	**1.0**	0.9
Total assets	**1,008.7**	913.7	**24.9**	24.6	**1,033.6**	938.3
Reconciliation to Total Assets as reported in the Group Balance Sheet						
Deferred tax assets					**65.0**	70.2
Cash and cash equivalents					**6.3**	12.2
Derivative financial instruments					**7.3**	5.3
Retirement benefit asset					**15.0**	-
Total assets as reported in the Group Balance Sheet					**1,127.2**	1,026.0

NOTES TO THE GROUP FINANCIAL STATEMENTS continued

YEAR ENDED 25 SEPTEMBER 2015

2. SEGMENT INFORMATION continued

	Convenience Foods		Ingredients & Property		Total	
	2015 £'m	2014 £'m	**2015 £'m**	2014 £'m	**2015 £'m**	2014 £'m
Segment liabilities						
Liabilities	**320.0**	313.2	**8.0**	11.0	**328.0**	324.2
Reconciliation to Total Liabilities as reported in the Group Balance Sheet						
Borrowings (current and non-current)					**279.0**	229.6
Derivative financial instruments (current and non-current)					**16.9**	6.6
Provisions*					**5.7**	10.6
Declared interim dividend					**9.9**	8.9
Interest payable					**3.7**	3.5
Retirement benefit obligations					**127.7**	129.5
Income tax liabilities (current and deferred)					**33.3**	40.1
Total liabilities as reported in the Group Balance Sheet					**804.2**	753.0

* Prior year comparative has been re-presented to ensure consistency with the current period.

OTHER SEGMENT INFORMATION

	Convenience Foods		Ingredients & Property		Total	
	2015 £'m	2014 £'m	**2015 £'m**	2014 £'m	**2015 £'m**	2014 £'m
Continuing operations						
Capital expenditure	**97.4**	53.7	**0.7**	1.2	**98.1**	54.9
Depreciation	**27.2**	24.6	**0.2**	0.2	**27.4**	24.8
Amortisation of intangible assets	**11.1**	9.5	**-**	-	**11.1**	9.5

GEOGRAPHICAL ANALYSIS

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

	Ireland		UK		Rest of World		Total Group	
	2015 £'m	2014 £'m	**2015 £'m**	2014 £'m	**2015 £'m**	2014 £'m	**2015 £'m**	2014 £'m
Revenue	**56.9**	62.4	**1,090.5**	1,060.2	**192.9**	150.9	**1,340.3**	1,273.5
Capital expenditure	**0.7**	0.5	**77.4**	38.4	**20.0**	16.0	**98.1**	54.9
Non-current assets (excluding derivative financial instruments, pension assets and deferred tax assets)	**11.7**	12.1	**685.3**	643.6	**135.1**	101.7	**832.1**	757.4

3. OPERATING COSTS, NET

	2015 £'m	2014 £'m
Distribution costs	**58.2**	56.2
Administrative expenses	**267.4**	250.1
Research and development	**4.1**	5.3
Other operating costs	**1.7**	1.9
Other operating income	**(0.2)**	(1.9)
Total operating costs pre-exceptional, net	**331.2**	311.6
Exceptional charge (Note 7)	**3.4**	16.1
Total operating costs, net	**334.6**	327.7

4. RESULT FOR THE FINANCIAL PERIOD

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

	2015 £'m	2014 £'m
Depreciation:		
Owned assets	**27.3**	24.6
Assets held under finance lease	**0.1**	0.2
	27.4	24.8
Amortisation of intangible assets	**11.1**	9.5
Operating lease rentals:		
Premises, plant and equipment	**13.8**	14.9
Rental income from investment properties	**(0.1)**	(0.3)

	£'000	£'000
Auditor's remuneration		
Fees paid to the lead audit firm:		
Audit of the Group financial statements*	**530**	597
Audit of subsidiary financial statements	**60**	60
Other non-audit services	**5**	6
	595	663
Fees paid to other firms in the lead audit firms network:		
Other non-audit services	**10**	7
	10	7
Total	**605**	670

* 2014 re-presented to include outlays as per the requirements of the Companies Act 2014.

Directors' remuneration is shown in the Report on Directors' Remuneration and in Note 32.

5. EMPLOYMENT

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

	2015 Number	2014 Number
Production	**8,844**	8,087
Distribution	**760**	654
Administration	**1,276**	1,039
	10,880	9,780

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

	2015 £'m	2014 £'m
Wages and salaries	**232.1**	220.5
Social welfare costs	**19.4**	19.6
Employee share-based payment expense (Note 6)	**4.3**	4.3
Pension costs – defined contribution plans (Note 24)	**6.7**	4.1
Pension – settlement gain (Note 24)	**(0.3)**	–
Pension – curtailment gain (Note 24)	**–**	(1.3)
	262.2	247.2
Defined benefit interest cost (Note 24)	**4.9**	5.8
	267.1	253.0

Total staff costs capitalised during the year were £5.0m (2014: £3.2m).

5. EMPLOYMENT continued

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

	2015 £'m	2014 £'m
Return on plan assets	**13.5**	36.4
Actuarial losses arising on scheme liabilities (Note 24)	**(4.3)**	(38.4)
Total gain/(loss) included in the Statement of Recognised Income and Expense	**9.2**	(2.0)

6. SHARE-BASED PAYMENTS

SHARESAVE SCHEMES

The Group operates savings-related share option schemes in both Ireland and the UK. Options are granted at a discount of between 20% and 25% of the market price at the date of invitation over three, five and seven year savings contracts and options are exercisable during the six month period following completion of the savings contract. The charge recognised in the Income Statement in respect of these options was £0.6m (2014: £0.2m). Grant date fair value was arrived at through applying a trinomial model, which is a lattice option-pricing model.

During the year ended 25 September 2015, ShareSave Scheme options were granted over 21,727 shares (Ireland) and 1,498,196 shares (UK), which will ordinarily be exercisable at an exercise price of €3.33 and £2.53 respectively per share, during the period 1 September 2018 to 28 February 2019. The weighted average fair value of share options granted during the year ended 25 September 2015 was £1.03 (Ireland) and £0.95 (UK).

During the year ended 26 September 2014, ShareSave Scheme options were granted over 21,842 shares (Ireland) and 906,635 shares (UK), which will ordinarily be exercisable at an exercise price of €2.65 and £2.30 respectively per share, during the period 1 September 2017 to 28 February 2018. The weighted average fair value of share options granted during the year ended 26 September 2014 was £0.95 (Ireland) and £0.94 (UK).

NUMBER AND WEIGHTED AVERAGE EXERCISE PRICES FOR THE IRISH SHARESAVE SCHEME (EXPRESSED IN EURO)

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

	2015		2014	
	Number outstanding	Weighted average exercise price €	Number outstanding	Weighted average exercise price €
At beginning of year	**222,728**	**0.93**	282,648	0.73
Granted	**21,727**	**3.33**	21,842	2.65
Exercised	**(152,058)**	**0.69**	(81,762)	0.68
Forfeited	**(4,094)**	**3.33**	–	–
At end of year	**88,303**	**1.86**	222,728	0.93
Exercisable at end of year	**26,217**	**0.69**	–	–

RANGE OF EXERCISE PRICES FOR THE IRISH SHARESAVE SCHEME (EXPRESSED IN EURO)

	Number outstanding	Weighted average contract life years	Weighted average exercise price €	Number exercisable	Weighted average exercise price €
At 25 September 2015					
€0.01–€1.00	**26,217**	**0.27**	**0.69**	**26,217**	**0.69**
€1.01–€2.00	**22,612**	**1.27**	**1.20**	**-**	**-**
€2.01–€3.00	**17,747**	**2.27**	**2.65**	**-**	**-**
€3.01–€4.00	**21,727**	**3.27**	**3.33**	**-**	**-**
	88,303	**1.67**	**1.86**	**26,217**	**0.69**
At 26 September 2014					
€0.01–€1.00	178,275	1.27	0.69	–	–
€1.01–€2.00	22,611	1.93	1.20	–	–
€2.01–€3.00	21,842	3.26	2.65	–	–
	222,728	1.53	0.93	–	–

6. SHARE-BASED PAYMENTS continued

NUMBER AND WEIGHTED AVERAGE EXERCISE PRICES FOR THE UK SHARESAVE SCHEME (EXPRESSED IN STERLING)

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

	2015		2014	
	Number outstanding	**Weighted average exercise price £**	Number outstanding	Weighted average exercise price £
At beginning of year	**3,824,245**	**1.11**	4,116,848	0.75
Granted	**1,498,196**	**2.65**	895,992	2.30
Exercised	**(1,332,594)**	**0.62**	(798,114)	0.65
Expired	**-**	**-**	(117,679)	0.92
Forfeited	**(255,722)**	**1.49**	(272,802)	0.80
At end of year	**3,734,125**	**1.88**	3,824,245	1.11
Exercisable at end of year	**543,115**	**0.63**	169,851	0.72

RANGE OF EXERCISE PRICES FOR THE UK SHARESAVE SCHEME (EXPRESSED IN STERLING)

	Number outstanding	**Weighted average contract life years**	**Weighted average exercise price £**	**Number exercisable**	**Weighted average exercise price £**
At 25 September 2015					
£0.01-£1.00	**699,382**	**0.52**	**0.63**	**537,204**	**0.62**
£1.01-£2.00	**768,679**	**0.93**	**1.09**	**5,911**	**1.77**
£2.01-£3.00	**2,266,064**	**2.92**	**2.53**	**-**	**-**
	3,734,125	**2.06**	**1.88**	**543,115**	**0.63**
At 26 September 2014					
£0.01-£1.00	2,092,260	1.29	0.62	160,766	0.65
£1.01-£2.00	857,030	1.91	1.09	6,146	1.67
£2.01-£3.00	874,955	2.76	2.30	2,939	2.39
	3,824,245	1.76	1.11	169,851	0.72

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 Deferred Share award equal to a proportion of the cash bonus is awarded to the participating executives, the number of shares 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 conditions other than three years of service. 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 £1.4m (2014: £2.5m). The fair value of the award is equal to the share price on the grant date. The share price on the grant date, for awards granted in December 2014, was £2.81733.

On 1 December 2014 and 1 December 2013, 631,605 and 1,202,148 respectively, awards were granted to senior executives of the Group under the Deferred Bonus Plan.

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

	2015		2014	
	Number outstanding	**Weighted average exercise price £**	Number outstanding	Weighted average exercise price £
At beginning of year	**6,288,461**	**-**	7,844,517	-
Granted	**631,605**	**-**	1,202,148	-
Released	**(3,337,663)**	**-**	(2,758,204)	-
Forfeited	**(253,555)**	**-**	-	-
At end of year	**3,328,848**	**-**	6,288,461	-
Exercisable at end of year	**-**	**-**	-	-

6. SHARE-BASED PAYMENTS continued

DEFERRED BONUS PLAN continued

Awards will be granted to senior executives of the Group under the Deferred Bonus Plan in respect of the year ended 25 September 2015. A charge amounting to £0.1m (2014: £0.2m) relating to Executive Directors and £0.2m (2014: £0.3m) relating to other awards has been included in the Group Financial Statements in respect of the estimated 2015 charge related to these awards. The total fair value of the awards will be taken as a charge to the Income Statement over the vesting period of the awards.

PERFORMANCE SHARE PLAN

A long-term incentive scheme, the Performance Share Plan, was introduced during FY13. In accordance with this scheme, participants are awarded an allotment of shares which will vest over three years subject to vesting conditions for growth in return on invested capital and in earnings per share. The number of shares granted is calculated based on the market value on the date of allocation. Shares are forfeit should an executive voluntarily leave the Group prior to the vesting date, subject to normal 'good leaver' provisions. The fair value of the award is equal to the share price on the grant date. Further description of the scheme can be found in the Report on Directors' Remuneration. A charge amounting to £2.3m (2014: £1.1m) was included in the Group Financial Statements in FY15 related to these awards.

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

	2015		2014	
	Number outstanding	**Weighted average exercise price £**	Number outstanding	Weighted average exercise price £
At beginning of year	**5,516,881**	**-**	3,869,355	-
Granted	**1,537,245**	**-**	1,807,712	-
Forfeited	**(1,122,850)**	**-**	(160,186)	-
At end of year	**5,931,276**	**-**	5,516,881	-
Exercisable at end of year	**-**	**-**	-	-

The following tables show the weighted average assumptions used to fair value the equity settled options granted in the ShareSave Schemes. The fair value of awards granted under the Deferred Bonus Plan and the Performance Share Plan is equal to the share price on the grant date.

	Ireland 2015 ShareSave 3 year	**UK 2015 ShareSave 3 year**
Dividend yield (%)	**1.73%**	**1.73%**
Expected volatility (%)	**35%**	**35%**
Risk-free interest rate (%)	**1.0%**	**1.0%**
Expected life of option (years)	**3**	**3**
Share price at grant (€/£)	**€4.42**	**£3.15**
Exercise price (€/£)	**€3.30**	**£2.53**
Fair Value (€/£)	**€1.40**	**£0.95**

	Ireland 2014 ShareSave 3 year	UK 2014 ShareSave 3 year
Dividend yield (%)	1.84%	1.84%
Expected volatility (%)	33%	33%
Risk-free interest rate (%)	1.2%	1.2%
Expected life of option (years)	3.5	3.5
Share price at grant (€/£)	€3.46	£2.77
Exercise price (€/£)	€2.65	£2.30
Fair value (€/£)	€1.11	£0.80

The average share price during the year was £3.03 (2014: £2.43).

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 £2.30–£3.55 (2014: £1.47–£3.01).

6. SHARE-BASED PAYMENTS continued

EXECUTIVE SHARE OPTION SCHEME

The Group's employee share options are equity settled share-based payments as defined in IFRS 2 Share-based Payments. IFRS 2 requires that a recognised valuation methodology be employed to determine the fair value of share options granted. The charge recognised in the Income Statement for the year was £Nil (2014: £0.5m). 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.

The Executive Share Option Scheme expired in 2011 and no further options have been granted under this scheme.

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

	2015		2014	
	Number outstanding	**Weighted average exercise price €**	Number outstanding	Weighted average exercise price €
At beginning of year	**3,810,587**	**1.48**	3,848,352	1.49
Exercised	**3,553,054**	**1.43**	–	–
Forfeit	**-**	**-**	(37,765)	2.62
At end of year	**257,533**	**2.33**	3,810,587	1.48
Exercisable at end of year	**257,533**	**2.33**	–	–

RANGE OF EXERCISE PRICES FOR THE SHARE OPTION PLAN

	Number outstanding	**Weighted average contract life years**	**Weighted average exercise price €**	**Number exercisable**
At 25 September 2015				
€0.01–€1.00	**75,000**	**6.20**	**0.64**	**75,000**
€1.01–€2.00	**56,648**	**4.01**	**1.11**	**56,648**
€2.01–€4.00	**125,885**	**1.85**	**3.88**	**125,885**
	257,533	**3.59**	**2.33**	**257,333**
At 26 September 2014				
€0.01–€1.00	1,343,247	5.36	0.64	–
€1.01–€2.00	1,453,966	5.36	1.06	–
€2.01–€3.00	604,249	1.33	2.72	–
€3.01–€4.00	409,125	2.85	3.88	–
	3,810,587	4.45	1.48	–

7. EXCEPTIONAL ITEMS

Exceptional items are those that, in management's judgement, should be disclosed separately 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:

		2015 £'m	2014 £'m
Restructuring charge	(A)	**(3.4)**	(9.9)
Asset impairment on business disposal	(B)	**-**	(6.5)
Legacy provision release	(C)	**-**	3.8
Disposal of investment property	(D)	**-**	(3.5)
Pension settlement cost and curtailment gain	(E)	**-**	1.3
Transaction and integration costs of US acquisitions	(F)	**-**	(1.3)
		(3.4)	(16.1)
Tax on exceptional items	(G)	**-**	2.4
Exceptional tax credit	(G)	**-**	2.3
Total exceptional expense		**(3.4)**	(11.4)

(A) RESTRUCTURING CHARGE

The group recognised a £3.4m charge in the year in relation to the start-up of production at the new facility in Quonset, Rhode Island and the related exit from its facilities in Newburyport and Brockton, Massachusetts.

During the prior year, the Group recognised a £9.9m charge related to the exit from its Newburyport and Brockton manufacturing facilities. The charge was composed of a non-cash impairment of fixed assets (principally leasehold improvements) of £6.1m, a non-cash impairment of intangible assets of £2.5m and a provision for site exit costs and redundancy and retention costs of £1.3m.

(B) ASSET IMPAIRMENT ON BUSINESS DISPOSAL

During the prior year, the Group recognised a non-cash impairment charge of £6.5m on the classification as held for sale of its Food Service Desserts business, Ministry of Cake Limited. This business was later disposed of on 14 May 2014.

(C) LEGACY PROVISION RELEASE

During the prior year, the Group recognised a non-cash credit of £3.8m following the resolution of a legacy insurance matter.

(D) DISPOSAL OF INVESTMENT PROPERTY

During the prior year, the Group recognised a non-cash charge of £3.5m relating to a reduction in carrying value of property in Littlehampton following the part disposal of the site, together with related costs of disposal.

(E) PENSION SETTLEMENT COST AND CURTAILMENT GAIN

During the prior year, the group recognised a non-cash credit of £1.3m relating to the settlement and curtailment of liabilities in Irish pension schemes.

(F) TRANSACTION AND INTEGRATION COSTS RELATING TO US ACQUISITIONS

During the prior year, the Group recognised a charge of £1.3m relating to the transaction and integration costs associated with the acquisition of Lettieri's LLC in the US.

(G) TAX

During the prior year, a tax credit of £2.4m was recognised related to the US exceptional charges in the period, primarily due to a deferred tax movement in relation to the asset impairment charge; and a tax credit of £2.3m was recognised related to the resolution of a legacy tax matter.

CASHFLOW ON EXCEPTIONAL ITEMS

The total cash outflow during the year in respect of exceptional charges was £9.2m (2014: £9.1m), of which £6.3m (2014: £8.0m) was in respect of prior year exceptional charges.

8. FINANCE COSTS AND FINANCE INCOME

	2015 £'m	2014 £'m
Finance Costs		
Bank overdrafts and loans	**7.8**	9.2
Other borrowings	**7.1**	5.5
Interest on obligations under finance leases	**0.2**	0.2
Interest on defined benefit pension scheme liabilities	**4.9**	5.8
Unwind of discount on non-current payables	**-**	0.2
Fair value movement on hedged financial liabilities (Note 22)	**1.8**	(4.0)
Fair value movement on fair value hedges (Note 22)	**(2.0)**	3.9
Fair value movement on interest rate swaps not designated as hedges	**0.2**	(2.2)
Fair value movement on forward foreign exchange contracts not designated as hedges	**(0.4)**	0.2
Foreign exchange on inter-company and external balances where hedge accounting is not applied	**1.8**	(3.4)
	21.4	15.4
Finance Income		
Unwind of discount on non-current receivables	**(0.5)**	-
	(0.5)	-
Net finance expense recognised in the Income Statement	**20.9**	15.4
Recognised Directly in Equity		
Currency translation adjustment	**9.7**	1.0
Hedge of net investment in foreign operations	**(8.4)**	0.1
Effective portion of changes in fair value of cash flow hedges	**(7.7)**	(8.7)
	(6.4)	(7.6)

Interest costs capitalised in the year were £0.9m (2014: £Nil).

9. ASSOCIATES

The following table summarises the financial information of the Group's associates as included in their own financial statements.

	2015 £'m	2014 £'m
Revenue	**8.6**	9.0
Profit before finance costs	**1.6**	1.8
Profit before taxation	**1.6**	1.8
Taxation	**(0.2)**	(0.4)
Profit after taxation	**1.4**	1.4
Group's share of profit after taxation (50%)	**0.7**	0.7

	2015 £'m	2014 £'m
Associates' balance sheets		
Current assets	**2.8**	2.4
Non-current assets	**0.2**	0.2
Current liabilities	**(0.4)**	(0.4)
Non-current liabilities	**(0.6)**	(0.4)
Net assets	**2.0**	1.8
Group's share of net assets (50%)	**1.0**	0.9

9. ASSOCIATES continued

The following table reconciles the summarised financial information to the carrying amount of the Group's interest in its associates.

	2015 £'m	2014 £'m
Carrying amount of associates		
At beginning of year	**0.9**	0.8
Share of profit after tax of associates	**0.7**	0.7
Dividends received	**(0.6)**	(0.6)
At end of year	**1.0**	0.9

Details of the Group's principal associates, all of which are unlisted, are shown in Note 33.

10. TAXATION

	2015 £'m	2014* £'m
Continuing operations		
Current tax		
Corporation tax charge	**0.6**	1.2
Overseas tax charge	**1.3**	2.5
Adjustment in respect of prior years	**(6.6)**	(4.1)
Total current tax credit (pre-exceptional)	**(4.7)**	(0.4)
Deferred tax		
Origination and reversal of temporary differences	**11.9**	12.8
Defined benefit pension obligations	**0.6**	0.4
Effect of tax rate change	**(0.3)**	(1.0)
Employee share-based payments (including credit taken to equity)	**1.6**	0.6
Increase in asset recognised	**(7.8)**	(12.2)
Adjustment in respect of prior years	**(0.9)**	0.3
Total deferred tax charge	**5.1**	0.9
Income tax charge (pre-exceptional)	**0.4**	0.5
Tax on exceptional items		
Current tax credit	**-**	(2.3)
Deferred tax credit	**-**	(2.4)
Exceptional tax credit	**-**	(4.7)
Total tax charge/(credit)	**0.4**	(4.2)
Deferred tax relating to items (credited)/charged to equity		
Currency translation adjustment	**(0.4)**	-
Actuarial loss on Group defined benefit pension schemes	**-**	(1.1)
Cash flow hedges transferred to Income Statement	**(0.1)**	-
Employee share options	**(1.4)**	(2.2)
	(1.9)	(3.3)

* Prior year comparatives have been re-presented, as required, to ensure consistency with the current period.

10. TAXATION continued

RECONCILIATION OF TOTAL TAX CHARGE/(CREDIT)

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

	2015 £'m	2014* £'m
Profit for the year	**59.0**	48.6
Total tax charge/(credit) for the year	**0.4**	(4.2)
Less: Share of profit of associates after tax	**(0.7)**	(0.7)
Profit before tax	**58.7**	43.7
Tax charge at Irish corporation tax rate of 12.5%	**7.3**	5.5
Effects of:		
Expenses not deductible for tax purposes	**2.0**	6.4
Differences in effective tax rates on overseas earnings	**(0.1)**	-
Effect of current year losses not recognised	**7.6**	3.0
Utilisation of losses not previously recognised	**(0.3)**	(0.8)
Recognition of previously unrecognised deferred tax asset	**(8.2)**	(12.2)
Tax exempted earnings and earnings at reduced Irish rates	**-**	0.1
Effect of rate change	**(0.3)**	(1.0)
Exceptional items	**-**	(1.3)
Adjustment in respect of prior years	**(7.5)**	(3.8)
Other	**(0.1)**	(0.1)
Total tax charge/(credit) for the year	**0.4**	(4.2)

* Prior year comparatives have been re-presented, as required, to ensure consistency with the current period.

FACTORS THAT MAY IMPACT FUTURE TAX CHARGES AND OTHER DISCLOSURES

The tax charge in future periods will be impacted by any changes to the corporation tax rate in force in the countries in which the Group operates. The UK rate effective from 1 April 2015 is 20%. In the Budget on 8 July 2015, the UK Government proposed to further reduce the main rate of UK corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. Existing temporary differences on which deferred tax has been provided may therefore unwind in periods subject to these reduced rates. These rate changes are to be included in the Finance Bill 2015 but this had not been substantively enacted as at the balance sheet date and therefore the deferred tax balance in respect of the UK has been calculated at 20% (2014: 20%).

During the year the Group recognised £7.8m (2014: £12.2m) of previously unrecognised deferred tax assets, which arose on the acquisition of Uniq plc, based on current year forecast utilisation of deferred tax assets. In addition, £0.4m has been recognised in respect of previously unrecognised losses arising in the US to offset deferred tax liabilities within the same entity.

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. Adjustments in respect of prior periods arose largely on the settlement of tax authority enquiries and/or closure of open periods.

10. TAXATION continued

DEFERRED TAXATION

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

	Property, plant and equipment £'m	Acquisition related intangibles £'m	Retirement benefit obligations £'m	Derivative financial instruments £'m	Tax losses £'m	Employee share-based payment £'m	Other £'m	2015 Total £'m
At beginning of year	**(8.5)**	**(4.6)**	**23.9**	**-**	**36.7**	**2.0**	**1.2**	**50.7**
Income Statement (charge)/credit	**0.7**	**1.2**	**(0.6)**	**-**	**(4.5)**	**(1.6)**	**(0.3)**	**(5.1)**
Tax credited to equity	**-**	**-**	**-**	**0.1**	**-**	**1.4**	**0.4**	**1.9**
Currency translation adjustment and other	**0.1**	**-**	**-**	**-**	**-**	**-**	**-**	**0.1**
At end of year	**(7.7)**	**(3.4)**	**23.3**	**0.1**	**32.2**	**1.8**	**1.3**	**47.6**
Deferred tax assets (deductible temporary differences)	**6.3**	**-**	**23.3**	**0.1**	**32.2**	**1.8**	**1.3**	**65.0**
Deferred tax liabilities (taxable temporary differences)	**(14.0)**	**(3.4)**	**-**	**-**	**-**	**-**	**-**	**(17.4)**
Net deferred tax asset/(liability)	**(7.7)**	**(3.4)**	**23.3**	**0.1**	**32.2**	**1.8**	**1.3**	**47.6**

	Property, plant and equipment £'m	Acquisition related intangibles £'m	Retirement benefit obligations £'m	Derivative financial instruments £'m	Tax losses £'m	Employee share-based payment £'m	Other £'m	2014 Total £'m
At beginning of year	(8.4)	(6.1)	23.3	-	35.0	0.4	1.1	45.3
Income Statement (charge)/credit	(0.7)	1.5	(0.5)	-	1.7	(0.6)	0.1	1.5
Tax credited to equity	-	-	1.1	-	-	2.2	-	3.3
Currency translation adjustment and other	0.6	-	-	-	-	-	-	0.6
At end of year	(8.5)	(4.6)	23.9	-	36.7	2.0	1.2	50.7
Deferred tax assets (deductible temporary differences)	6.4	-	23.9	-	36.7	2.0	1.2	70.2
Deferred tax liabilities (taxable temporary differences)	(14.9)	(4.6)	-	-	-	-	-	(19.5)
Net deferred tax asset/(liability)	(8.5)	(4.6)	23.9	-	36.7	2.0	1.2	50.7

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

No deferred tax asset is recognised in respect of certain tax losses and other attributes 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 25 September 2015 was £49.3m (2014: £50.4m).

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 25 September 2015 was £12.0m (2014: £11.0m).

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 in trust in respect of the Deferred Bonus Awards Scheme, the Performance Share Plan and the Executive Share Option Scheme. The adjusted figures for basic and diluted earnings per Ordinary Share are after the elimination of exceptional items, the effect of foreign exchange ('FX') on inter-company and certain external balances where hedge accounting is not applied, the movement in the fair value of all derivative financial instruments and related debt adjustments, the amortisation of acquisition related intangible assets and the effect of pension financing.

DENOMINATOR FOR EARNINGS PER SHARE CALCULATION

	2015 '000	2014 '000
Shares in issue at the beginning of the year	**407,109**	401,368
Shares held by Employee Benefit Trust	**(2,778)**	(3,797)
Effect of shares issued during the year	**1,205**	3,673
Weighted average number of Ordinary Shares in issue during the year	**405,536**	401,244

NUMERATOR FOR EARNINGS PER SHARE CALCULATION

	2015 £'m	2014 £'m
Profit attributable to equity holders of the Company	**58.0**	47.5
Exceptional items (net of tax)	**3.4**	11.4
Fair value of derivative financial instruments and related debt adjustments	**(0.4)**	(2.1)
FX on inter-company and external balances where hedge accounting is not applied	**1.8**	(3.4)
Amortisation of acquisition related intangible assets (net of tax)	**6.1**	5.5
Pension financing (net of tax)	**3.9**	4.8
Numerator for adjusted earnings per share calculation	**72.8**	63.7

	2015 pence	2014 pence
Basic earnings per Ordinary Share	**14.3**	11.8
Adjusted basic earnings per Ordinary Share	**18.0**	15.9

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 3,961,702 (2014: 8,175,423) shares were excluded from the diluted earnings per share calculation as they were either antidilutive or contingently issuable Ordinary Shares which had not satisfied the performance conditions attaching at the end of the reporting period.

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

DENOMINATOR FOR DILUTED EARNINGS PER SHARE CALCULATION

	2015 '000	2014 '000
Weighted average number of Ordinary Shares in issue during the year	**405,536**	401,244
Dilutive effect of share options	**7,781**	10,819
Weighted average number of Ordinary Shares for diluted earnings per share	**413,317**	412,063

	2015 pence	2014 pence
Diluted earnings per Ordinary Share	**14.0**	11.5
Adjusted diluted earnings per Ordinary Share	**17.6**	15.5

12. DIVIDENDS PAID AND PROPOSED

	2015 £'m	2014 £'m
Amounts recognised as distributions to equity holders in the year:		
Equity dividends on Ordinary Shares:		
Final dividend of 3.25 pence for the year ended 26 September 2014 (2013: 2.90 pence)	**13.2**	11.8
Interim dividend of 2.40 pence for the year ended 25 September 2015 (2014: 2.20 pence)	**9.9**	8.9
Total	**23.1**	20.7
Proposed for approval at AGM:		
Equity dividends on Ordinary Shares:		
Final dividend of 3.75 pence for the year ended 25 September 2015 (2014: 3.25 pence)	**15.4**	13.2

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 25 September 2015, in accordance with IAS 10 Events After the Balance Sheet Date.

The proposed final dividend for the year ended 25 September 2015 will be payable on 4 April 2016 to shareholders on the Register of Members at 4 December 2015.

13. GOODWILL AND INTANGIBLE ASSETS

	Goodwill £'m	Computer software and other intangibles £'m	Acquisition related intangible assets – Customer related £'m	Acquisition related intangible assets – Non-customer related[A] £'m	Total £'m
Year ended 25 September 2015					
Opening net book amount	**448.5**	**8.3**	**42.4**	**-**	**499.2**
Additions	**-**	**14.1**	**-**	**-**	**14.1**
Currency translation adjustment	**3.8**	**0.1**	**1.4**	**-**	**5.3**
Amortisation charge	**-**	**(2.4)**	**(8.7)**	**-**	**(11.1)**
Closing net book amount	**452.3**	**20.1**	**35.1**	**-**	**507.5**
At 25 September 2015					
Cost	**461.6**	**28.1**	**72.0**	**-**	**561.7**
Accumulated impairment/amortisation	**(9.3)**	**(8.0)**	**(36.9)**	**-**	**(54.2)**
Net book amount	**452.3**	**20.1**	**35.1**	**-**	**507.5**

	Goodwill £'m	Computer software and other intangibles £'m	Acquisition related intangible assets – Customer related £'m	Acquisition related intangible assets – Non-customer related[A] £'m	Total £'m
Year ended 26 September 2014					
Opening net book amount	446.2	6.7	46.1	0.9	499.9
Acquisitions through business combinations (Note 31)	11.8	-	5.6	-	17.4
Additions	-	3.7	-	-	3.7
Disposals	(3.4)[B]	-	-	(0.4)	(3.8)
Currency translation adjustment	(0.2)	-	-	-	(0.2)
Amortisation charge	-	(1.8)	(7.7)	-	(9.5)
Impairment charge	(5.9)[B]	(0.3)	(1.6)	(0.5)	(8.3)
Closing net book amount	448.5	8.3	42.4	-	499.2
At 26 September 2014					
Cost	457.8	13.7	69.6	7.8	548.9
Accumulated impairment/amortisation	(9.3)	(5.4)	(27.2)	(7.8)	(49.7)
Net book amount	448.5	8.3	42.4	-	499.2

(A) Non-customer related acquisition related intangibles represents all other acquisition related intangible assets, primarily brands and contract related intangibles.
(B) Goodwill: Impairment charge and disposals arose on the classification as held for sale and subsequent sale of Ministry of Cake (Note 31).

13. GOODWILL AND INTANGIBLE ASSETS continued

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:

	2015 £'m	2014 £'m
Convenience Foods UK	**392.3**	392.3
Convenience Foods US	**58.3**	54.4
Ingredients & Property	**1.7**	1.8
	452.3	448.5

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. Goodwill has been allocated for impairment testing purposes to three individual cash generating units; Convenience Foods UK, Convenience Foods US and Ingredients & Property.

The recoverable amount of all of the Group's CGUs has been determined based on a value in use calculation. The calculation uses cash flow projections of CGUs based on the 2015 budget and the four year plan formally approved by the Board of Directors and specifically exclude incremental profits and other cash flows stemming from any potential future acquisitions. Cashflows beyond the five year budget period have been calculated by extrapolating the year five forecast cash flows using a steady 2% (2014: 2%) rate (reflecting inflation but no other growth) for a further period of 25 years and discounting these back to present values. Applying these techniques, no impairment arose in either 2014 or 2015.

The application of a terminal value of 30 years to the cash flows has been arrived at after taking account of the Group's strong financial position, its established history of earnings growth and cash flow generation, its proven ability to pursue and integrate value enhancing acquisitions and the nature of the Consumer Foods market.

KEY ASSUMPTIONS USED IN THE VALUE IN USE CALCULATIONS

Estimation of the carrying value of goodwill is a key judgemental estimate in the preparation of the Group Financial Statements.

CONVENIENCE FOODS UK CGU

Discount rate

A present value of the future cash flows of the Convenience Foods UK CGU is calculated using a discount rate of 8.0% (2014: 7.8%). The discount rate used is the Group's weighted average cost of capital calculated using the Capital Asset Pricing Model adjusted for the Group's specific beta coefficient together with a country risk premium. The value assigned to the UK CGU discount rate is consistent with external sources of information.

13. GOODWILL AND INTANGIBLE ASSETS continued

The table below is a description of the approach used to determine the values assigned to each key assumption for the purpose of impairment testing for the Convenience Foods UK CGU:

Key assumptions	Profitability Growth	Capital Expenditure	Working Capital	Inflation
Basis for determining values assigned to key assumptions	Future profitability is based on a five year budget period and takes past experience into account as management places value on this key assumption based on the Group's established history of sales and earnings' growth. Management also considers external sources of information, such as Nielsen market data and IGD research, pertaining to the estimated growth of the UK market, customer behaviour, consumer behaviour, competitor activity, long and short-term customer growth targets, contract wins and customer attrition. In any areas of significant uncertainty the Group seeks to take a conservative approach to attributing values to key assumptions. The value assigned to profitability reflects modest sales growth and increased average future profitability growth rates. Sales and profitability estimates are consistent with external sources of information pertaining to estimated growth of the UK convenience food market and profitability is consistent with past experience of the Group.	Capital expenditure is budgeted and forecast by assigning values to the investment required to deliver the estimated future profitability growth of the category and to deliver cost savings. Management assigns this value based on past experience of the Group's capital expenditure requirements as well as external sources such as quotes from suppliers/ contractors.	Working capital requirements are based on historical trends and past experience taking the budgeted future profitability into account. As a group, Greencore has negative working capital. This is borne out by past experience. The Group assumes no change in working capital estimates after year one of the budget period.	Management considers the UK inflation rate. Values assigned to the inflation rate are consistent with external sources of information such as government and analyst predictions.

The prior year assumptions were prepared on the same basis.

13. GOODWILL AND INTANGIBLE ASSETS continued

US CONVENIENCE FOODS CGU

Discount rate

A present value of the future cash flows of the Convenience Foods US CGU is calculated using a discount rate of 8.0% (2014: 7.8%). The discount rate used is the Group's weighted average cost of capital calculated using the Capital Asset Pricing Model adjusted for the Group's specific beta coefficient together with a country risk premium. The value assigned to the US CGU discount rate is consistent with external sources of information.

The table below is a description of the approach used to determine the values assigned to each key assumption for the purpose of impairment testing for the Convenience Foods US CGU:

Key assumptions	Profitability Growth	Capital Expenditure	Working Capital	Inflation
Basis for determining values assigned to key assumptions	Future profitability is based on a five year budget period and takes past experience into account as management places value on this key assumption based on the Group's established history of sales and earnings growth and experience with bedding down new acquisitions. Management also considers external sources of information such as market data pertaining to the estimated growth of the US market, significant new contract wins, anticipated performance of new acquisitions, customer behaviour, consumer behaviour, competitor activity, long and short-term customer growth targets, contract wins and customer attrition. In any areas of significant uncertainty the Group seeks to take a conservative approach to attributing values to key assumptions. The value assigned to US Convenience Foods CGU sales is consistent with external sources of information pertaining to estimated growth of the US market. The value assigned to profitability growth in the US is specific to the Group. Given recent material customer wins, it exceeds the long-term average growth in the US market.	Capital expenditure is budgeted and forecast by assigning values to the investment required to deliver the estimated future profitability growth of the category and to deliver cost savings. Management assigns this value based on past experience of the Group's capital expenditure requirements as well as external sources such as quotes from suppliers/ contractors.	Working capital requirements are based on historical trends and past experience taking the budgeted future profitability into account. As a group, Greencore has negative working capital. This is borne out by past experience. The Group assumes no change in working capital estimates after year one of the budget period.	Management considers the US inflation rate. Values assigned to the inflation rate are consistent with external sources of information such as government and analyst predictions.

The prior year assumptions were prepared on the same basis.

13. GOODWILL AND INTANGIBLE ASSETS continued

INGREDIENTS AND PROPERTY

The recoverable amount of the Ingredients and Property CGU has been determined based on a value in use calculation. The calculation uses cash flow projections based on the 2015 budget and the four year plan formally approved by the Board of Directors. Cashflows beyond the five year period have been extrapolated using a steady 2% (2014: 2%) rate (reflecting inflation but no other growth) for a further period of 25 years.

Discount rate

A present value of the future cash flows of the Ingredients and Property CGU is calculated using a discount rate of 8.0% (2014: 7.8%). The discount rate used is the Group's weighted average cost of capital calculated using the Capital Asset Pricing Model adjusted for the Group's specific beta coefficient together with a country risk premium. The value assigned to the CGU discount rate is consistent with external sources of information.

The application of a terminal value of 30 years to the cash flows has been arrived at after taking account of the Group's strong financial position, its' established history of earnings growth and cash flow generation.

Key assumptions	Profitability Growth	Capital Expenditure	Working Capital	Inflation
Basis for determining values assigned to key assumptions	Management consider external sources of information such as market data pertaining to the edible oil and molasses feed business, UK and Irish property market data, customer behaviour, consumer behaviour, competitor activity, long and short-term customer growth targets, contract wins and customer attrition. Future profitability also takes past experience into account as management place value on this key assumption based on the Group's established history of sales and earnings growth.	Capital expenditure is budgeted and forecast by assigning values to the investment required to deliver the estimated future profitability growth of the category and to deliver cost savings. Management assign this value based on past experience of the Group's capital expenditure requirements as well as external sources such as quotes from suppliers/ contractors.	Working capital requirements are based on historical trends and past experience taking the budgeted future profitability into account.	Management consider the inflation rate. Values assigned to the inflation rate are based on external sources of information such as government and analyst predictions.

14. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £'m	Plant and machinery £'m	Fixtures and fittings £'m	Capital work in progress £'m	Total £'m
Year ended 25 September 2015					
Opening net book amount	**102.7**	**110.5**	**9.6**	**24.2**	**247.0**
Additions	**34.4**	**22.9**	**6.5**	**20.2**	**84.0**
Disposals	**(0.3)**	**(0.2)**	**(0.1)**	**-**	**(0.6)**
Reclassifications	**0.4**	**8.6**	**0.4**	**(9.4)**	**-**
Currency translation adjustment	**(0.2)**	**0.1**	**-**	**1.9**	**1.8**
Depreciation charge	**(5.4)**	**(20.0)**	**(2.0)**	**-**	**(27.4)**
Closing net book amount	**131.6**	**121.9**	**14.4**	**36.9**	**304.8**
At 25 September 2015					
Cost	**179.1**	**319.9**	**27.7**	**36.9**	**563.6**
Accumulated depreciation	**(47.5)**	**(198.0)**	**(13.3)**	**-**	**(258.8)**
Net book amount	**131.6**	**121.9**	**14.4**	**36.9**	**304.8**
Year ended 26 September 2014					
Opening net book amount	104.9	110.8	6.2	7.3	229.2
Additions	5.9	14.9	5.2	24.5	50.5
Acquisitions through business combinations (Note 31)	-	2.1	-	-	2.1
Disposals	(1.7)	(1.9)	(0.3)	(0.2)	(4.1)
Impairments	(3.4)	(2.7)	-	-	(6.1)
Reclassifications	1.8	5.8	0.3	(7.9)	-
Currency translation adjustment	(0.3)	-	-	0.5	0.2
Depreciation charge	(4.5)	(18.5)	(1.8)	-	(24.8)
Closing net book amount	102.7	110.5	9.6	24.2	247.0
At 26 September 2014					
Cost	144.8	288.8	21.2	24.2	479.0
Accumulated depreciation	(42.1)	(178.3)	(11.6)	-	(232.0)
Net book amount	102.7	110.5	9.6	24.2	247.0

In the prior year, an impairment charge of £6.1m arose on the Group's US operations in Massachusetts, as activity there was scaled down in light of the significant investment in a new manufacturing facility at Rhode Island. This charge was included as an exceptional item in operating costs in the Income Statement.

ASSETS HELD UNDER FINANCE LEASES

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

	£'m
Cost	**1.3**
Depreciation charge	**(0.3)**
Net book amount	**1.0**

NOTES TO THE GROUP FINANCIAL STATEMENTS continued

YEAR ENDED 25 SEPTEMBER 2015

15. INVESTMENT PROPERTY

	2015 £'m	2014 £'m
Opening net book amount	**7.0**	28.9
Additions	**-**	0.7
Disposals	**(0.2)**	(22.1)
Currency translation adjustment	**(0.3)**	(0.5)
Closing net book amount	**6.5**	7.0
Analysed as:		
Cost	**6.5**	7.0
Accumulated depreciation	**-**	-
Net book amount	**6.5**	7.0

Investment property is carried at cost less depreciation and any impairment.

The fair value of the Group's investment properties at 25 September 2015 was £7.7m (2014: £8.3m). The valuation was carried out by the Group Property Director and was arrived at by reference to location, market conditions and status of planning applications. The fair values of investment properties are considered a Level 3 fair value measurement. Investment properties carried at fair value less costs of disposal are valued using valuation techniques which may include market value per hectare for comparable land.

An increase or decrease in the price per hectare of 5% would result in a 5% increase or decrease in the fair value of the land.

16. INVENTORIES

	2015 £'m	2014 £'m
Raw materials and consumables	**23.8**	23.8
Work in progress	**1.4**	1.0
Finished goods and goods for resale	**32.3**	28.8
	57.5	53.6

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

Inventory recognised within cost of sales	**816.0**	804.4

The amount recognised as an expense, for inventory write-downs, for the year, was £2.9m (2014: £2.6m).

17. TRADE AND OTHER RECEIVABLES

	2015 £'m	2014 £'m
Current		
Trade receivables	**105.2**	92.2
Prepayments	**11.4**	10.5
VAT	**7.1**	8.4
Other receivables	**20.3**	16.2
Subtotal – current	**144.0**	127.3
Non-current		
Other receivables	**12.3**	3.3
Total	**156.3**	130.6

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

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

The Group's exposure to credit and currency risk and impairment losses related to trade and other receivables is set out in Note 21.

17. TRADE AND OTHER RECEIVABLES continued

The fair value of the deferred contingent consideration receivable of £2.5m, included within non-current receivables, was estimated using an income approach. The deferred contingent consideration receivable mainly relates to the Ministry of Cake business which was disposed of during FY2014. The amount of deferred contingent consideration that has been recognised is adjusted by the application of a range of outcomes and associated probabilities in order to determine the carrying amount. This is a Level 3 fair value measurement. Further information has not been disclosed as it is considered commercially sensitive.

Included within non-current other receivables is £8.8m for a payment, made by the Group, towards the acquisition of the rights to a supply contract with a key customer in Seattle.

18. TRADE AND OTHER PAYABLES

	2015 £'m	2014 £'m
Current		
Trade payables	**225.3**	210.2
Employment related taxes	**5.7**	6.1
Other payables and accrued expenses	**98.7**	98.3
VAT	**-**	0.1
Declared interim dividend	**9.9**	8.9
Subtotal – current	**339.6**	323.6
Non-current		
Other payables	**2.0**	2.4
Total	**341.6**	326.0

The Group's exposure to liquidity and currency risk is disclosed in Note 21.

19. CASH AND CASH EQUIVALENTS

	2015 £'m	2014 £'m
Cash at bank and in hand, being cash and cash equivalents	**6.3**	12.2

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 22 includes details of the Group's net debt at 25 September 2015.

20. BORROWINGS

	2015 £'m	2014 £'m
Non-current		
Bank borrowings	**116.0**	68.1
Private Placement Notes	**42.6**	105.8
Non-bank borrowings	**51.6**	54.5
Finance leases	**1.0**	1.1
Subtotal – non-current	**211.2**	229.5
Current		
Finance leases	**0.1**	0.1
Private Placement Notes	**67.7**	–
Subtotal – current	**67.8**	0.1
Total borrowings	**279.0**	229.6

20. BORROWINGS continued

The maturity of non-current borrowings is as follows:

	2015 £'m	2014 £'m
Between 1 and 2 years	-	84.1
Between 2 and 5 years	**167.6**	50.0
Over 5 years	**43.6**	95.4
	211.2	229.5

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

	2015 £'m	2014 £'m
6 months or less	**183.8**	68.1
1-5 years	**51.6**	66.1
Over 5 years	**43.6**	95.4
	279.0	229.6

BANK BORROWINGS

The Group's bank borrowings are denominated in sterling and US dollar and bear floating rate interest. Interest is set at commercial rates based on a spread over sterling LIBOR and US dollar LIBOR for periods of up to six months. At 25 September 2015, the Group's bank borrowings comprised of £85m and $50m (2014: £50m and $30m), with the latest maturity being October 2018.

At 25 September 2015, the Group had available £232.1m (2014: £261.5m) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. Uncommitted facilities undrawn at 25 September 2015 amounted to £41.2m (2014: £39.9m).

NON-BANK BORROWINGS

The Group's non-bank borrowings were drawn in March 2014 and bear floating rate interest that is based on a spread over EURIBOR for periods of six months. The funds received were swapped (using cross-currency interest rate swaps designated as cash flow hedges under IAS 39 Financial Instruments: Recognition and Measurement) from floating euro to fixed US dollar rates. At 25 September 2015, the Group's non-bank borrowings comprised of €70m (2014: €70m), with the latest maturity being March 2020.

PRIVATE PLACEMENT NOTES

The Group's outstanding Private Placement Notes of $165m at 25 September 2015 (2014: $165m) were issued as fixed rate debt in October 2003 ($100m) and October 2013 ($65m) with maturities of October 2015 and October 2021 respectively.

$100m in Notes maturing at the end of October 2015 were swapped (using cross-currency interest rate swaps designated as fair value hedges under IAS 39 Financial Instruments: Recognition and Measurement) from fixed US dollar to floating sterling rates, repricing semi-annually based on a spread over sterling LIBOR. The Notes of $65m maturing at the end of October 2021 remain fixed in their issued form.

The average spread the Group paid on its financing facilities in the year ended 25 September 2015 was 2.31% (2014: 2.31%).

FINANCE LEASES

The Group has 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 28.

GUARANTEES

The Group's financing facilities 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.

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

FINANCIAL ASSETS AND LIABILITIES

	2015						
	Loans and receivables £'m	FV through income statement £'m	Cash flow hedges £'m	Financial liabilities at amortised cost £'m	Financial liabilities in fair value hedges £'m	Carrying value £'m	Fair value £'m
Trade and other receivables	**133.3**	**–**	**–**	**–**	**–**	**133.3**	**133.3**
Cash and cash equivalents*	**6.3**	**–**	**–**	**–**	**–**	**6.3**	**6.3**
Derivative financial instruments*	**–**	**6.9**	**(16.5)**	**–**	**–**	**(9.6)**	**(9.6)**
Bank borrowings*	**–**	**–**	**–**	**(116.0)**	**–**	**(116.0)**	**(117.0)**
Private Placement Notes*	**–**	**–**	**–**	**(42.6)**	**(67.7)**	**(110.3)**	**(114.3)**
Non-bank borrowings*	**–**	**–**	**–**	**(51.6)**	**–**	**(51.6)**	**(55.1)**
Finance lease*	**–**	**–**	**–**	**(1.1)**	**–**	**(1.1)**	**(1.5)**
Trade and other payables	**–**	**–**	**–**	**(339.5)**	**–**	**(339.5)**	**(339.5)**

Level 2 denoted by *.

The carrying value of trade and other receivables and trade and other payables are considered a reasonable approximation of fair value.

The fair value of the financial liabilities held at amortised cost and the financial liabilities in fair value hedges are within Level 2 of the fair value hierarchy and have been calculated by discounting the expected future cash flows at prevailing interest rates and by applying period end exchange rates.

	2014						
	Loans and receivables £'m	FV through income statement £'m	Cash flow hedges £'m	Financial liabilities at amortised cost £'m	Financial liabilities in fair value hedges £'m	Carrying value £'m	Fair value £'m
Trade and other receivables	118.0	–	–	–	–	118.0	118.0
Cash and cash equivalents*	12.2	–	–	–	–	12.2	12.2
Derivative financial instruments*	–	4.7	(6.0)	–	–	(1.3)	(1.3)
Bank borrowings*	–	–	–	(68.1)	–	(68.1)	(69.9)
Private Placement Notes*	–	–	–	(39.9)	(65.9)	(105.8)	(111.1)
Non-bank borrowings*	–	–	–	(54.5)	–	(54.5)	(60.9)
Finance lease*	–	–	–	(1.2)	–	(1.2)	(1.6)
Trade and other payables	–	–	–	(324.6)	–	(324.6)	(324.6)

Level 2 denoted by *.

FAIR VALUE HIERARCHY

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

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

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

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

During the year, there were no transfers between the different levels identified above.

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS continued

FAIR VALUE HIERARCHY continued

	2015 Level 2 £'m	2014 Level 2 £'m
Assets carried at fair value		
Cross-currency interest rate swaps – fair value hedges	**7.2**	5.3
Forward foreign exchange contracts – not designated as hedges	**0.1**	–
	7.3	5.3
Liabilities carried at fair value		
Interest rate swaps – cash flow hedges	**(0.8)**	(0.2)
Interest rate swaps – not designated as hedges	**(0.4)**	(0.3)
Cross-currency interest rate swaps – cash flow hedges	**(15.7)**	(5.8)
Forward foreign exchange contracts – not designated as hedges	**–**	(0.3)
	(16.9)	(6.6)

INTEREST RATE RISK

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

SENSITIVITY ANALYSIS FOR FLOATING RATE DEBT

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

	On profit after tax		On equity	
	2015 £'m	2014 £'m	**2015 £'m**	2014 £'m
Effect of a downward movement of 100 basis points (negative = cost)	**(0.8)**	(0.2)	**(3.4)**	(2.2)
Effect of an upward movement of 100 basis points (positive = gain)	**(0.1)**	0.2	**2.5**	2.2

FOREIGN CURRENCY RISK

The Group is exposed to currency risk as follows:

- Sales and purchases in certain businesses.
- Financing.

SALES AND PURCHASES IN CERTAIN BUSINESSES

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

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

	2015			2014		
Denominated in:	**Euro £'m**	**US dollars £'m**	**Sterling £'m**	Euro £'m	US dollars £'m	Sterling £'m
Trade receivables and other receivables	**0.3**	**0.5**	**0.9**	0.3	0.6	0.9
Trade payables and other payables	**(0.5)**	**(0.3)**	**(0.7)**	(1.2)	(0.3)	(0.6)
Cash and cash equivalents	**0.2**	**0.2**	**0.5**	0.1	0.1	–
Gross balance sheet exposure	**–**	**0.4**	**0.7**	(0.8)	0.4	0.3

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS continued

FINANCING

Although the Group is an Irish domiciled business and governed by Irish law, the majority of its activity is in the UK and therefore it has adopted sterling as its functional and reporting currency. The Group finances its operations by obtaining funding at Group level through external borrowings, and where appropriate, these borrowings are designated as net investment hedges. This enables gains and losses arising on the 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 foreign operations. A foreign exchange loss of £8.4m (2014: £0.1m) 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 interest rate swaps.

SENSITIVITY ANALYSIS FOR PRIMARY FOREIGN CURRENCY RISK

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

	On profit after tax		On equity	
	2015 £'m	2014 £'m	**2015 £'m**	2014 £'m
Impact of 10% strengthening of sterling vs euro gain/(loss)	**0.5**	0.3	**0.5**	0.3
Impact of 10% strengthening of sterling vs dollar gain/(loss)	**2.9**	0.9	**15.6**	10.4

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

LIQUIDITY RISK

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

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

25 September 2015	Carrying amount £'m	Contractual amount £'m	Period 1-6 months £'m	Period 6-12 months £'m	Period 1-5 years £'m	Period > 5 years £'m
Non-Derivative Financial Instruments						
Bank borrowings	**(116.0)**	**(131.7)**	**(1.4)**	**(1.5)**	**(128.8)**	**-**
Private Placement Notes	**(110.3)**	**(126.6)**	**(69.1)**	**(1.3)**	**(10.5)**	**(45.7)**
Non-bank borrowings	**(51.6)**	**(59.9)**	**(0.9)**	**(0.7)**	**(58.3)**	**-**
Finance leases	**(1.1)**	**(1.8)**	**(0.1)**	**(0.1)**	**(0.8)**	**(0.8)**
Trade and other payables	**(339.5)**	**(339.5)**	**(339.5)**	**-**	**-**	**-**
Derivative Financial Instruments						
Interest rate swaps – cash flow hedges	**(0.8)**					
Inflow/(outflow)		**(0.9)**	**(0.4)**	**(0.3)**	**(0.3)**	**0.1**
Interest rate swaps – not designated as hedges	**(0.4)**					
Inflow/(outflow)		**(0.8)**	**(0.7)**	**(0.1)**	**-**	**-**
Cross-currency interest rate swaps – fair value hedges	**7.2**					
Inflow		**67.8**	**67.8**	**-**	**-**	**-**
(Outflow)		**(60.6)**	**(60.6)**	**-**	**-**	**-**
Cross-currency interest rate swaps – cash flow hedges	**(15.7)**					
Inflow		**59.9**	**0.9**	**0.7**	**58.3**	**-**
(Outflow)		**(80.3)**	**(1.9)**	**(1.9)**	**(76.5)**	**-**
Forward foreign exchange contracts	**0.1**					
Inflow		**47.3**	**46.2**	**0.7**	**0.4**	**-**
(Outflow)		**(47.3)**	**(46.1)**	**(0.7)**	**(0.5)**	**-**

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS continued

LIQUIDITY RISK continued

26 September 2014	Carrying amount £'m	Contractual amount £'m	Period 1-6 months £'m	Period 6-12 months £'m	Period 1-5 years £'m	Period > 5 years £'m
Non-Derivative Financial Instruments						
Bank borrowings	(68.1)	(76.5)	(0.8)	(1.0)	(74.7)	–
Private Placement Notes	(105.8)	(122.6)	(3.0)	(3.0)	(71.7)	(44.9)
Non-bank borrowings	(54.5)	(66.5)	(1.0)	(1.0)	(8.8)	(55.7)
Finance leases	(1.2)	(1.9)	(0.1)	(0.1)	(0.8)	(0.9)
Trade and other payables	(324.6)	(324.6)	(324.6)	–	–	–
Derivative Financial Instruments						
Interest rate swaps – cash flow hedges	(0.2)					
Inflow/(outflow)		(0.2)	(0.4)	(0.2)	0.4	–
Interest rate swaps – not designated as hedges	(0.3)					
Inflow/(outflow)		(0.2)	(0.8)	(0.6)	1.2	–
Cross-currency interest rate swaps – fair value hedges	5.3					
Inflow		65.4	1.8	1.8	61.8	–
(Outflow)		(61.4)	(0.6)	(0.7)	(60.1)	–
Cross-currency interest rate swaps – cash flow hedges	(5.8)					
Inflow		66.5	1.0	1.0	8.8	55.7
(Outflow)		(78.4)	(1.7)	(1.7)	(14.1)	(60.9)
Foreign currency forward contracts	(0.3)					
Inflow		24.9	23.9	0.8	0.2	–
(Outflow)		(25.5)	(24.2)	(1.1)	(0.2)	–

CREDIT RISK

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

The Group assessed the carrying value of other receivables based on management's assessment and knowledge of the counterparty. The amounts due were neither past due nor impaired at 25 September 2015.

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

	Carrying amount	
	2015 £'m	2014 £'m
Trade receivables	**105.2**	92.2
Other receivables	**21.0**	17.4
Cash and cash equivalents	**6.3**	12.2
Derivative financial instruments	**7.3**	5.3

TRADE RECEIVABLES

70% of revenue in the Convenience Foods segment are to the top six UK retailers (2014: 72%). Revenue earned individually from three of these customers, £221.7m, £189.0m and £164.2m respectively represents more than 10% of the Group's revenue.

The Group also manages credit risk through the use of a receivables purchase arrangement. Under the terms of this agreement the Group has transferred substantially all of the credit risk and control of the receivables, which are subject to this agreement, and accordingly £20.0m (2014: £Nil) has been derecognised at year end.

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS continued

TRADE RECEIVABLES continued

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

	Carrying amount	
	2015 £'m	2014 £'m
UK	**86.4**	74.8
Rest of World	**12.1**	10.6
Ireland	**5.6**	5.6
Other Europe	**1.1**	1.2
	105.2	92.2

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 25 September 2015 and 26 September 2014 were as follows:

	2015 £'m	2014 £'m
Neither past due nor impaired:		
Receivable within 3 months of the balance sheet date	**87.2**	82.2
Past due but not impaired:		
Receivable between 1 and 6 months of the balance sheet date	**18.0**	10.0
Total	**105.2**	92.2

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:

	2015 £'m	2014 £'m
At beginning of year	**1.0**	0.6
Provided during year	**0.5**	0.4
Written off during year	**(0.8)**	-
Recovered during year	**(0.1)**	(0.1)
Translation adjustment	**-**	0.1
At end of year	**0.6**	1.0

CASH AND CASH EQUIVALENTS

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

	Carrying amount	
	2015 £'m	2014 £'m
UK	**2.8**	8.0
Ireland and other	**3.5**	3.8
Europe	**-**	0.4
	6.3	12.2

PRICE RISK

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

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS continued

DERIVATIVE FINANCIAL INSTRUMENTS

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

	2015		
	Assets £'m	Liabilities £'m	Net £'m
Current			
Forward foreign exchange contracts – not designated as hedges	**0.1**	**–**	**0.1**
Cross-currency interest rate swaps – fair value hedges	**7.2**	**–**	**7.2**
Interest rate swaps – not designated as hedges	**–**	**(0.1)**	**(0.1)**
	7.3	**(0.1)**	**7.2**
Non-current			
Cross-currency interest rate swaps – cash flow hedges	**–**	**(15.7)**	**(15.7)**
Interest rate swaps – not designated as hedges	**–**	**(0.3)**	**(0.3)**
Interest rate swaps – cash flow hedges	**–**	**(0.8)**	**(0.8)**
	–	**(16.8)**	**(16.8)**
Total	**7.3**	**(16.9)**	**(9.6)**

	2014		
	Assets £'m	Liabilities £'m	Net £'m
Current			
Forward foreign exchange contracts – not designated as hedges	–	(0.3)	(0.3)
	–	(0.3)	(0.3)
Non-current			
Cross-currency interest rate swaps – fair value hedges	5.3	–	5.3
Cross-currency interest rate swaps – cash flow hedges	–	(5.8)	(5.8)
Interest rate swaps – not designated as hedges	–	(0.3)	(0.3)
Interest rate swaps – cash flow hedges	–	(0.2)	(0.2)
	5.3	(6.3)	(1.0)
Total	5.3	(6.6)	(1.3)

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

CROSS-CURRENCY INTEREST RATE SWAPS

The Group utilises cross-currency interest rate swaps to swap fixed rate US dollar denominated debt of $100m into floating rate sterling debt of £60m and floating rate euro denominated debt of €70m into fixed rate US dollar debt of $96.7m. The floating rates are based on sterling LIBOR and EURIBOR respectively. The US dollar to sterling swaps are designated as fair value hedges under IAS 39 Financial Instruments: Recognition and Measurement, whilst the euro to US dollar swaps are designated as cash flow hedges.

INTEREST RATE SWAPS

The Group utilises interest rate swaps to convert floating rate sterling and US dollar debt into fixed rate debt liabilities. The principal amount of the Group's borrowings which are swapped at 25 September 2015 total £125m and $30m (2014: £125m and US$70m). In addition, the Group has entered into forward starting interest rate swaps of £100m split into two tranches of £50m each, commencing in October 2018 and October 2019 respectively with maturities in October 2021. The total value of interest rate swaps designated as cash flow hedges under IAS 39 Financial Instruments: Recognition and Measurement at 25 September 2015 was £150m and $30m inclusive of forward starting derivatives (2014: £50m and $30m). At 25 September 2015, the fixed interest rates varied from 1.25% to 5.09% (2014: 0.93% to 5.09%) with maturities ranging from October 2015 to October 2021 (2014: November 2014 to October 2018).

FORWARD FOREIGN EXCHANGE CONTRACTS

The notional principal amounts of outstanding forward foreign exchange contracts at 25 September 2015 total £47.3m (2014: £24.9m). No outstanding forward foreign exchange contracts are designated as cash flow hedges as at the 25 September 2015.

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS continued

CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to trade on a going concern basis while maximising the return to stakeholders through the optimisation of the debt and equity balance. Invested Capital is defined as the sum of all current and non-current assets (including intangibles), less current and non-current liabilities with the exception of debt items, derivatives and retirement benefit obligations. The Group's return on invested capital is calculated as net operating profit after tax ('NOPAT') divided by average invested capital. NOPAT is calculated as operating profit, including share of associates, less tax at the effective rate in the Income Statement. Invested capital is the sum of all current and non-current assets (including intangibles), less current and non-current liabilities with the exception of net debt items, derivatives and retirement benefit obligations. The average is calculated by adding together the invested capital from the opening and closing balance sheets and dividing by two. The Group monitors the return on invested capital of the Group as a key performance indicator.

	2015 £'m	2014 £'m
Total assets	**1,127.2**	1,026.0
Total liabilities	**(804.2)**	(742.4)
Net debt (Note 22)	**265.5**	212.1
Derivatives not designated as fair value hedges (Note 21)	**16.8**	6.6
Retirement benefit obligation (net of deferred tax asset) (Note 24)	**89.4**	105.6
Capital for ROIC calculation	**694.7**	607.9

22. 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 Balance Sheet effect of cross-currency interest rate swaps associated with fair value hedges of Private Placement Notes less net cash and cash equivalents. It does not include other derivative financial instruments, but does include the proportion of the fair value of the hedging adjustment on the Private Placement Notes which is included in their carrying value on the Balance Sheet.

The reconciliation of opening to closing net debt for the year ended 25 September 2015 is as follows:

	At 26 September 2014 £'m	**Acquisitions £'m**	**Disposals £'m**	**Cash flow £'m**	**Hedge adjustment £'m**	**Translation and non-cash adjustments £'m**	**At 25 September 2015 £'m**
Net cash and cash equivalents	**12.2**	**-**	**-**	**(4.8)**	**-**	**(1.1)**	**6.3**
Bank borrowings	**(68.1)**	**-**	**-**	**(47.6)**	**-**	**(0.3)**	**(116.0)**
Finance leases	**(1.2)**	**-**	**-**	**0.1**	**-**	**-**	**(1.1)**
Non-bank borrowings	**(54.5)**	**-**	**-**	**-**	**-**	**2.9**	**(51.6)**
Private Placement Notes	**(105.8)**	**-**	**-**	**-**	**(1.8)**	**(2.7)**	**(110.3)**
Cross-currency interest rate swaps – fair value hedges	**5.3**	**-**	**-**	**-**	**2.0**	**(0.1)**	**7.2**
Total	**(212.1)**	**-**	**-**	**(52.3)**	**0.2**	**(1.3)**	**(265.5)**

* The Group refinanced its £280m Revolving Credit Facility, which was due to mature in May 2016, with a new £300m facility on 27 March 2015. During the year, the Group made additional bank borrowings of £47.6m on its Revolving Credit Facility.

	At 27 September 2013 £'m	Acquisitions £'m	Disposals £'m	Cash flow £'m	Hedge adjustment £'m	Translation and non-cash adjustment £'m	At 26 September 2014 £'m
Net cash and cash equivalents	1.8	0.1	0.4	10.3	-	(0.4)	12.2
Bank borrowings	(129.7)	-	-	61.1	-	0.5	(68.1)
Finance leases	(1.1)	-	-	(0.1)	-	-	(1.2)
Non-bank borrowings	-	-	-	(57.1)	-	2.6	(54.5)
Private Placement Notes	(113.0)	-	-	3.2	4.0	-	(105.8)
Cross-currency interest rate swaps – fair value hedges	9.2	-	-	-	(3.9)	-	5.3
Total	(232.8)	0.1	0.4	17.4	0.1	2.7	(212.1)

* During 2014, the Group repaid Private Placement Notes of £25m and $30m (£18.0m), issued Private Placement Notes of $65m (£39.8m), drew down €70m (£57.1m) of non-bank borrowings and repaid £61.1m on its Revolving Credit Facility.

22. ANALYSIS OF NET DEBT continued

CURRENCY PROFILE

The currency profile of net debt and derivative financial instruments at 25 September 2015 was as follows:

	US dollar £'m	Euro £'m	Sterling £'m	Total £'m
Net cash and cash equivalents	**2.3**	**1.2**	**2.8**	**6.3**
Borrowings	**(126.2)**	**-**	**(152.8)**	**(279.0)**
Fair value derivative financial instruments	**-**	**-**	**7.2**	**7.2**
Net debt	**(123.9)**	**1.2**	**(142.8)**	**(265.5)**
Other derivative financial instruments	**(15.8)**	**-**	**(1.0)**	**(16.8)**
Total	**(139.7)**	**1.2**	**(143.8)**	**(282.3)**

The currency profile of net debt and derivative financial instruments at 26 September 2014 was as follows:

	US dollar £'m	Euro £'m	Sterling £'m	Total £'m
Net cash and cash equivalents	4.0	2.3	5.9	12.2
Borrowings	(112.5)	-	(117.1)	(229.6)
Fair value derivative financial instruments	-	-	5.3	5.3
Net debt	(108.5)	2.3	(105.9)	(212.1)
Other derivative financial instruments	(5.4)	-	(1.2)	(6.6)
Total	(113.9)	2.3	(107.1)	(218.7)

INTEREST RATE PROFILE

The interest rate profile of net debt at 25 September 2015 was as follows:

	Floating rate net debt £'m	Fixed rate net debt £'m	Total £'m
EUR	**1.2**	**-**	**1.2**
GBP	**2.8**	**(145.6)**	**(142.8)**
USD	**(10.9)**	**(113.0)**	**(123.9)**
	(6.9)	**(258.6)**	**(265.5)**

The interest rate profile of net debt at 26 September 2014 was as follows:

	Floating rate net debt £'m	Fixed rate net debt £'m	Total £'m
EUR	2.3	-	2.3
GBP	5.9	(111.8)	(105.9)
USD	4.0	(112.5)	(108.5)
	12.2	(224.3)	(212.1)

23. PROVISIONS FOR LIABILITIES

	Deferred contingent consideration £'m	Leases £'m	Remediation and closure £'m	Total £'m
At beginning of year	**1.2**	**6.5**	**2.9**	**10.6**
Provided in year	**-**	**-**	**0.7**	**0.7**
Utilised in year	**-**	**(3.3)**	**(2.5)**	**(5.8)**
Currency translation adjustment	**0.1**	**0.1**	**-**	**0.2**
At end of year	**1.3**	**3.3**	**1.1**	**5.7**

ANALYSED AS:

	2015 £'m	2014 £'m
Non-current liabilities	**2.7**	3.4
Current liabilities	**3.0**	7.2
	5.7	10.6

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

DEFERRED CONTINGENT CONSIDERATION
Deferred contingent consideration relates to the acquisition of H.C. Schau & Son.

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

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

Remediation and closure obligations related to the planned exit from the Brockton facility in the US and to the closure of Irish Sugar and the exit from sugar processing. A portion of the balance provided is not contracted and accordingly the timing of payments is subject to a degree of uncertainty.

24. 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 £6.7m (2014: £4.1m) represents employer contributions payable to these schemes at rates specified in the rules of the schemes. At year-end, £0.7m (2014: £0.3m) was included in other accruals in respect of defined contribution pension accruals.

DEFINED BENEFIT SCHEMES
The Group operates four defined benefit schemes in the Republic of Ireland (the 'Irish schemes') and three defined benefit schemes and two defined benefit commitments in the UK (the 'UK schemes'). The Projected Unit Credit actuarial cost method has been employed in determining the present value of the defined benefit obligation arising, the related current service cost and, where applicable, past service cost.

These plans have broadly similar regulatory frameworks. Responsibility for governance of the plans, including investment decisions and contribution schedules, lies with the Company and the respective boards of trustees.

The Group's cash contributions to its pension schemes are generally determined by reference to actuarial valuations undertaken by the schemes' actuaries at intervals not exceeding three years and not by the provisions of IAS 19. These funding valuations can differ materially from the requirements of IAS 19. In particular the discount rate used to determine the value of liabilities under IAS 19 is determined by reference to the yield on high grade corporate bonds of comparable duration to the liabilities. In contrast the discount rate used in the ongoing valuation is generally determined by reference to the yield on the scheme's current and projected future investment portfolio. Where a funding valuation reveals a deficit in a scheme, the Group will generally agree a schedule of contributions with the Trustees designed to address the deficit over an agreed future time horizon. Based on current discussions with the trustees of the scheme cash contributions are expected to amount to £15m in FY16. All of the schemes are operating under the terms of funding proposals agreed with the relevant Pension Authorities.

24. RETIREMENT BENEFIT OBLIGATIONS continued

DEFINED BENEFIT SCHEMES continued

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 deferred tax are recognised in retained income via the Statement of Recognised Income and Expense.

Full actuarial valuations were carried out between 31 March 2013 and 31 March 2014. In general, actuarial valuations are not available for public inspection, however, the results of valuations are advised to the members of the various schemes.

DEFINED BENEFIT PENSION ASSETS AND LIABILITIES AS ANALYSED IN THE GROUP BALANCE SHEET

	UK Schemes £'m	Irish Schemes £'m	2015 £'m	2014 £'m
Fair value of plan assets	**168.7**	**224.5**	**393.2**	395.4
Present value of scheme liabilities	**(292.9)**	**(213.0)**	**(505.9)**	(524.9)
(Deficit)/surplus in schemes	**(124.2)**	**11.5**	**(112.7)**	(129.5)
Deferred tax asset (Note 10)	**23.3**	**-**	**23.3**	23.9
Net (liability)/asset at end of year	**(100.9)**	**11.5**	**(89.4)**	(105.6)
Presented as:				
Retirement benefit asset*			**15.0**	-
Retirement benefit obligation			**(127.7)**	(129.5)

* The value of a net pension benefit asset is the value of any amount the Group reasonably expects to recover by way of refund of surplus from the remaining assets of a plan at the end of the plan's life.

The net pension deficit, before related deferred tax, reduced to £112.7m at 25 September 2015 from £129.5m at 26 September 2014. The net pension deficit, after related deferred tax, was £89.4m a decrease of £16.2m, from 26 September 2014.

The fair value of total plan assets relating to the Group's defined benefit pension schemes decreased to £393.2m at 25 September 2015 from £395.4m at 26 September 2014. The present value of the total pension liabilities for these schemes also decreased to £505.9m from £524.9m over the same period.

The defined benefit pension scheme plans are closed to future accrual and the Group's pension policy, with effect from 1 January 2015, is that post-employment benefits earned by current employees or new entrants is provided under defined contribution arrangements.

EMPLOYEE BENEFIT PLAN RISKS

The employee benefit plans expose the Group to a number of risks, the most significant of which are:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield this will create a deficit. The plans hold equities which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short term. The allocation to equities is monitored to ensure that it remains appropriate given the plans' long-term objectives.

Discount rates: The discount rates employed in determining the present value of the schemes' liabilities are determined by reference to market yields at the balance sheet date on high-quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations. Changes in discount rates impact the quantum of the liabilities.

Inflation risk: Some of the Group's pension obligations have an inflation linkage; higher inflation will lead to higher liabilities (although in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The rate of inflation is derived from the RFI in the UK. The breakeven rate in the Eurozone is used as the basis for the Irish assumption.

Longevity risk: In the majority of cases, the Group's defined benefit schemes provide benefits for the life of the member, so increases in life expectancy will therefore give rise to higher liabilities.

The size of the obligation is sensitive to judgemental 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.

24. RETIREMENT BENEFIT OBLIGATIONS continued

EMPLOYEE BENEFIT PLAN RISKS continued

The principal actuarial assumptions are as follows:

	Irish Schemes		UK Schemes	
	2015	2014	**2015**	2014
Rate of increase in pension payments	**0%‡**	0%‡	**2.90%**	3.00%
Discount rate	**2.30%**	2.30%	**3.90%**	4.10%
Inflation rate	**1.65%**	1.65%	**3.05%**	3.20%

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

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

	Irish Schemes		UK Schemes	
	2015 years	2014 years	**2015 years**	2014 years
Male	**23**	23	**22-24**	22-24
Female	**24**	24	**24-25**	24-25

SENSITIVITY OF PENSION LIABILITY TO JUDGEMENTAL ASSUMPTIONS

		Impact on Scheme Liabilities		
Assumption	Change in assumption	Irish Schemes	UK Schemes	Total
Discount rate	Decrease by 0.5%	↑ £7.0m	↑ £14.3m	↑ £21.3m
Rate of inflation	Increase by 0.5%	↑ £2.6m	↑ £11.7m	↑ £14.3m
Rate of mortality	Members assumed to live 1 year longer	↑ £6.1m	↑ £6.4m	↑ £12.5m

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. The sensitivity analysis intends to provide assistance in understanding the sensitivity of the valuation of pension liabilities to market movements on discount rates, inflation rates and mortality assumptions for scheme beneficiaries.

The Trustees invest the funds in a range of assets with the objective of maximising the fund return with a view to containing the cost of funding the scheme whilst at the same time maintaining an acceptable risk profile. In assessing the risk profile the Trustees take account of the nature and duration of the liabilities. Approximately 46% of the Irish funds and 19% of the UK funds are invested in liability matching investments. The Trustees review investment strategy regularly.

Plan assets are comprised as follows:

	2015			2014*		
	Quoted £'m	**Unquoted £'m**	**Total £'m**	Quoted £'m	Unquoted £'m	Total £'m
Cash	**10.5**	**-**	**10.5**	4.2	-	4.2
Equity instruments	**140.2**	**-**	**140.2**	155.8	-	155.8
Debt instruments	**104.0**	**-**	**104.0**	105.0	4.9	109.9
Real estate	**-**	**33.1**	**33.1**	-	30.6	30.6
Derivatives	**41.7**	**-**	**41.7**	31.1	-	31.1
Investment funds	**10.3**	**53.4**	**63.7**	8.5	55.3	63.8
Fair value of plan assets	**306.7**	**86.5**	**393.2**	304.6	90.8	395.4

* Prior year comparatives have been re-presented, as required, to ensure consistency with current year presentation.

24. RETIREMENT BENEFIT OBLIGATIONS continued

MOVEMENT IN THE FAIR VALUE OF PLAN ASSETS

Change in Plan Assets	2015 £'m	2014 £'m
Fair value of plan assets at beginning of year	**395.4**	373.5
Interest income on plan assets	**11.6**	14.3
Actuarial gains	**13.5**	36.4
Administrative expenses paid from plan assets	**(1.1)**	(0.7)
Plan settlements	**(4.9)**	(6.3)
Employer contributions	**13.5**	14.1
Benefit payments	**(21.9)**	(19.6)
Effect of exchange rate changes	**(12.9)**	(16.3)
Fair value of plan assets at end of year	**393.2**	395.4

MOVEMENT IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS

	2015 £'m	2014 £'m
Change in Benefit Obligation		
Benefit obligation at beginning of year	**524.9**	511.0
Interest expense	**16.5**	20.1
Actuarial loss on financial assumptions	**5.6**	51.7
Actuarial gain on demographic assumptions	**-**	(10.4)
Actuarial gain on experience	**(1.3)**	(2.9)
Plan curtailments	**-**	(1.6)
Plan settlements	**(5.2)**	(6.0)
Benefit payments	**(22.0)**	(19.9)
Effect of exchange rate changes	**(12.6)**	(17.1)
Liability recognised in balance sheet at end of year	**505.9**	524.9

MATURITY ANALYSIS

The expected maturity analysis is set out in the table below:

	Projected amounts £'m
Expected benefit payments:	
Within one year	18.5
Between one and two years	18.7
Between two and three years	18.8
Between three and four years	19.0
Between four and five years	19.1
The next five years	97.8

The weighted average duration of the ROI and UK defined benefit obligations are 13 years and 19 years respectively.

GREENCORE GROUP PENSION SCHEME CONTINGENT ASSET

The Greencore Group Pension Scheme ('the Scheme') has a mortgage and charge relating to certain property assets of the Group with a carrying value of £4.5m (2014: £4.7m) 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 certain requirements, 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.

GREENCORE UK DEFINED BENEFIT SCHEME

In 2013, the Group entered into arrangements with the Greencore UK Defined Benefit Scheme ('the UK Scheme') to address £40.0m of the actuarial deficit in the UK Scheme. The substance of this arrangement is to reduce the cash funding which would otherwise be required based on the latest actuarial valuation, whilst improving the security of the UK Scheme members' benefits.

24. RETIREMENT BENEFIT OBLIGATIONS continued

GREENCORE UK DEFINED BENEFIT SCHEME continued

On 10 May 2013, the Group made a contribution to the UK Scheme of £32.8m. On the same day, the UK Scheme's trustees invested £32.8m in Greencore Convenience Foods Limited Partnership ('SLP') as a limited partner. SLP was established by Greencore Prepared Meals Limited, a wholly owned subsidiary of the Group, to hold properties of the Group and loan notes issued by Greencore Convenience Foods I Limited Liability Partnership ('LLP'). LLP was established by SLP and holds certain trade receivables of the Group. As at 25 September 2015, the properties held by SLP had a carrying value of £18.1m (2014: £18.6m) and the trade receivables held by SLP had a carrying value of £36.0m (2014: £36.0m) in the Group Financial Statements. The properties are leased to other Group undertakings. As a partner in SLP, the Scheme is entitled to a semi-annual share of the profits of SLP until 2029.

These partnerships are controlled by the Group, and as such, they are fully consolidated as wholly owned subsidiaries in accordance with IFRS 10 Consolidated Financial Statements. Under IAS 19 Employee Benefits, the investment held by the Scheme in SLP, does not represent a plan asset for the purposes of the Group's consolidated accounts. Accordingly, the Scheme's deficit position presented in the Group Financial Statements does not reflect the investment in SLP held by the Scheme. Distributions from SLP to the Scheme are treated as contributions by employers in the Group Financial Statements on a cash basis.

25. EQUITY SHARE CAPITAL

Authorised	2015 £'m	2014 £'m
500,000,000 Ordinary Shares of £0.01 each	**5.0**	5.0
500,000,000 Deferred Shares of €0.01 each	**4.3**	4.3
300,000,000 Deferred Shares of €0.62 each	**160.1**	160.1
1 special rights Preference Share of €1.26(A)	**-**	-
	169.4	169.4

Issued and fully paid	2015 £'m	2014 £'m
410,300,391 (2014: 407,109,005) Ordinary Shares of £0.01 each	**4.1**	4.1
1 Special Rights Preference Share of €1.26(A)	**-**	-
	4.1	4.1

Reconciliation of movements on Equity Share Capital	2015 £'000	2014 £'000
Share capital, at beginning of year	**4,071**	4,013
Exercise of share options(B)	**15**	10
Scrip dividends(C)	**17**	48
End of year	**4,103**	4,071

(A) There is one Special Share of €1.26 in the capital of the Company. The Articles of Association provide that the Special Share may be held only by, or transferred only to, the Minister for Agriculture, Food and the Marine or some other person appointed by the Minister. In 2011, many of the rights attaching to the Special Share were abolished.

(B) Details of share options granted under the Company's Executive Share Option Scheme, the ShareSave Scheme, the Deferred Bonus Plan and the Performance Share Plan and the terms attaching thereto are provided in Note 6 to the Group Financial Statements and in the Report on Directors' Remuneration.

(C) During the year 1,706,734 (2014: 4,784,736) shares were issued in respect of the scrip dividend scheme.

26. NON-CONTROLLING INTERESTS

	2015 £'m	2014 £'m
At beginning of year	**3.4**	3.5
Profit after tax	**1.0**	1.1
Dividends paid to non-controlling interests	**(0.8)**	(0.9)
Currency translation adjustment	**(0.2)**	(0.3)
At end of year	**3.4**	3.4

NOTES TO THE GROUP FINANCIAL STATEMENTS continued

YEAR ENDED 25 SEPTEMBER 2015

27. WORKING CAPITAL MOVEMENT

The following represents the Group's working capital movement:

	2015 £'m	2014 £'m
Inventories	**(3.3)**	(2.0)
Trade and other receivables	**(14.8)**	(13.2)
Trade and other payables	**10.5**	25.0
	(7.6)	9.8

28. COMMITMENTS UNDER OPERATING AND FINANCE LEASES

OPERATING LEASES

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

	2015 £'m	2014 £'m
Within one year	**12.8**	11.3
After one year but not more than five years	**30.5**	25.6
More than five years	**29.3**	21.7
	72.6	58.6

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

FINANCE LEASES

The future minimum lease payments under finance leases at 25 September 2015, together with the present value of the net minimum lease payments were as follows:

	2015		2014	
	Minimum payments £'m	Present value of payments £'m	Minimum payments £'m	Present value of payments £'m
Within one year	**0.2**	**0.1**	0.2	0.1
After one year but not more than five years	**0.8**	**0.3**	0.8	0.3
More than five years	**0.8**	**0.7**	1.1	0.8
Total minimum lease payments	**1.8**	**1.1**	2.1	1.2
Less: Amounts allocated to future finance costs	**(0.8)**	**-**	(0.9)	-
Present value of minimum lease payments	**1.0**	**1.1**	1.2	1.2

29. CAPITAL EXPENDITURE COMMITMENTS

	2015 £'m	2014 £'m
Capital expenditure that has been contracted but not been provided for	**9.1**	17.0
Capital expenditure that has been authorised by the Directors but not yet contracted	**63.5**	39.2
	72.6	56.2

30. 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 357, Companies Act 2014, the Company has guaranteed the liabilities of certain subsidiary undertakings in the Republic of Ireland for the financial year ended 25 September 2015 and as a result, such subsidiary undertakings have been exempted from the filing provisions of Companies Act 2014.

30. CONTINGENCIES continued

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 may incur additional remediation and closure costs in relation to the closure of Irish Sugar and the exit from Sugar Processing. The Group has not provided for these additional costs on the basis that a reliable estimate cannot be made of the amount of the additional obligation.

The Group provided bank guarantees to third parties for amounts of £1.6m (2014: £1.9m).

31. ACQUISITION AND DISPOSAL OF UNDERTAKINGS

ACQUISITION IN THE PRIOR PERIOD

In 2014, the Group acquired 100% of Lettieri's, a leading manufacturer of food to go products for the US convenience store channel. It operates from a modern, purpose-built facility in Shakopee, Minnesota and employs approximately 130 staff. The acquisition deepened the Group's manufacturing capability and widened its product range to more fully serve the food to go needs of customers in the small store channels.

The fair values of the assets acquired were estimated at 27 March 2014 and re-measured at 26 September 2014. The final fair values associated with the acquisition, determined in accordance with IFRS, are consistent with the 26 September 2014 estimate and are as follows:

	2014 £'m
Assets	
Intangible assets	5.6
Property, plant and equipment	2.1
Inventory	1.7
Trade and other receivables	1.1
Total assets	10.5
Liabilities	
Provisions	(1.5)
Trade and other payables	(0.2)
Total liabilities	(1.7)
Net assets acquired	8.8
Goodwill	11.8
Total enterprise value	20.6
Satisfied by:	
Cash payments	20.5
Cash and cash equivalents acquired	0.1
Net cash outflow	20.6

The principal factor contributing to the recognition of goodwill on the acquisition of Lettieri's is the expected realisation of product synergies with existing customers, through the complementary product offering of Lettieri's with the existing offering of the Group.

The principal intangible assets acquired were customer related intangibles.

The goodwill is deductible for tax purposes.

31. ACQUISITION AND DISPOSAL OF UNDERTAKINGS continued

DISPOSAL IN THE PRIOR PERIOD

Ministry of Cake Disposal

In 2014, the Group disposed of its foodservice desserts business, Ministry of Cake, which was part of the Convenience Foods segment. The loss on disposal of this business was recognised in the Group Income Statement.

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

	At disposal £'m
Assets	
Intangible assets	3.8
Property, plant and equipment	3.7
Inventories	3.0
Trade and other receivables	5.3
Total assets	15.8
Liabilities	
Bank overdraft	(0.4)
Trade and other payables	(5.1)
Deferred tax liability	(0.6)
Total liabilities	(6.1)
Total enterprise value at date of disposal	9.7
Loss on disposal*	(0.6)
Adjustment of deferred consideration to present value	0.6
Working capital and related adjustments	0.8
Disposal related costs	0.5
Total consideration	11.0
Reconciliation of consideration received to cash received	
Total consideration	11.0
Deferred consideration	(3.0)
Working capital and related adjustments on completion	(0.4)
Net consideration received on completion	7.6
Disposal related costs paid	(0.2)
Cash payments	7.4
Satisfied by:	
Cash payments	7.0
Bank overdraft disposed of	0.4
Net cash inflow arising on disposal	7.4

* The total write down recognised as an exceptional charge for the period was £6.5m which included a goodwill impairment charge of £5.9m which arose on transfer to held for sale.

32. 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, as well as 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 33 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 IFRS 10 Consolidated 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 Group. As identified in the Report on Directors' Remuneration, the Directors who served during the year, other than the Non-Executive Directors, serve as executive officers of the Group.

Key management personnel compensation, which includes Executive and Non-Executive Directors, was as follows:

	2015 £'m	2014 £'m
Salaries and other short-term employee benefits	**2.1**	1.9
Post-employment benefits	**0.3**	0.3
Share-based payments*	**1.6**	1.3
	4.0	3.5

* This is the income statement charge for the year which represents the fair value of share-based payments, relating to executive directors, in accordance with IFRS 2 requirements. Details of the Group's share schemes and the basis of calculation are set out in Note 6. This differs from the amount included in the single total figure for remuneration included in the Directors' Report which is not an IFRS metric.

33. PRINCIPAL SUBSIDIARIES AND ASSOCIATED UNDERTAKINGS

Name of undertaking	Nature of business	Percentage share	Registered office
Greencore Advances Limited	Finance Company	100	No. 2 Northwood Avenue Northwood Business Park, Santry Dublin 9
Greencore Beechwood Limited*	Holding Company	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Greencore Convenience Foods Limited Partnership*	Pension Funding	100	c/o Eversheds LLP 3-5 Melville Street Edinburgh EH3 7PE
Greencore Convenience Foods I Limited Liability Partnership*	Pension Funding	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Greencore Developments Limited	Property Company	100	No. 2 Northwood Avenue Northwood Business Park, Santry Dublin 9
Greencore Finance Limited	Finance Company	100	No. 2 Northwood Avenue Northwood Business Park, Santry Dublin 9
Greencore Foods Limited*	Holding and Management Services Company	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Greencore Food to Go Limited*	Food Processor	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Greencore Funding Limited**	Finance Company	100	P.O. Box 87, 22 Grenville Street St. Helier Jersey JE4 8PX
Greencore Grocery Limited*	Food Processor	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Greencore Prepared Meals Limited*	Food Processor	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA

33. PRINCIPAL SUBSIDIARIES AND ASSOCIATED UNDERTAKINGS continued

Name of undertaking	Nature of business	Percentage share	Registered office
Greencore USA, Inc***	Food Processor	100	National Registered Agents 160 Greentree Drive Suite 101, Dover Delaware 19904, US
Greencore UK Holdings Limited*	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
Hazelwood Foods Limited*	Holding Company	100	Greencore Group UK Centre Midland Way Barlborough Links Business Park Barlborough Chesterfield S43 4XA
Irish Sugar Limited	General Trading Company	100	No. 2 Northwood Avenue Northwood Business Park, Santry Dublin 9
Premier Molasses Trading Company Limited	Molasses Trading	50	Harbour Road Foynes Co. Limerick
Trilby Trading Limited	Food Industry Supplier	100	No. 2 Northwood Avenue Northwood Business Park, Santry Dublin 9
United Molasses (Ireland) Limited*	Molasses Trading	50	Duncrue Street Belfast BT3 9AQ

All the above entities are registered in the Republic of Ireland except those marked with * which are registered within the UK, that marked with ** which is registered in Jersey, and that marked with *** which is registered in the US.

34. SUBSEQUENT EVENTS

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

35. BOARD APPROVAL

The Group Financial Statements, together with the Company Financial Statements, for the year ended 25 September 2015 were approved by the Board of Directors and authorised for issue on 23 November 2015.

COMPANY BALANCE SHEET

AT 25 SEPTEMBER 2015

	Notes	2015 £'m	2014 £'m
Fixed assets			
Tangible assets	2	**1.0**	0.9
Financial assets	3	**155.5**	155.5
		156.5	156.4
Current assets			
Debtors	4	**809.8**	775.5
		809.8	775.5
Creditors (amounts falling due within one year)			
Creditors	5	**556.7**	514.1
		556.7	514.1
Net current assets		**253.1**	261.4
Total assets less creditors (amounts falling due within one year)		**409.6**	417.8
Net assets		**409.6**	417.8
Capital and reserves			
Share capital	6	**4.1**	4.1
Share premium account	7	**191.6**	185.7
Capital conversion reserve fund	7	**0.8**	0.8
Other reserves	7	**117.2**	108.9
Profit and loss account	7	**95.9**	118.3
Shareholders' funds		**409.6**	417.8

P.G. KENNEDY
Director

A.R. WILLIAMS
Director

NOTES TO THE COMPANY FINANCIAL STATEMENTS

YEAR ENDED 25 SEPTEMBER 2015

1. COMPANY STATEMENT OF ACCOUNTING POLICIES

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 Act 2014, and with the financial reporting standards of the Financial Reporting Council, as promulgated by the Institute of Chartered Accountants in Ireland.

PROFIT AND LOSS

The profit attributable to equity shareholders dealt with in the Financial Statements of the Parent Company was £17.9m (2014: loss of £14.3m). In accordance with section 304 of the Companies Act 2014, 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-BASED PAYMENTS

The Company grants equity settled share-based payments and share awards to employees (through the Executive Share Option plan, the Share Award Scheme, the Performance Share Plan 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.

When the exercise of share options results in the issuance of shares, the proceeds received are credited to the share capital and share premium accounts, net of directly attributable transaction costs.

TAXATION

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

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

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

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

RETIREMENT BENEFITS

Defined Contribution Pension Plans

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate defined contribution scheme. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Profit and Loss Account as due. Any difference between the amounts charged to the Profit and Loss Account and contributions paid to the pension scheme are included in debtors or creditors in the Balance Sheet.

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

YEAR ENDED 25 SEPTEMBER 2015

1. COMPANY STATEMENT OF ACCOUNTING POLICIES continued

RETIREMENT BENEFITS continued

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.

2. TANGIBLE ASSETS

	Fixtures and fittings £'m	Total £'m
Cost		
At 26 September 2014	1.2	1.2
Additions	0.2	0.2
At 25 September 2015	**1.4**	**1.4**
Depreciation		
At 26 September 2014	0.3	0.3
Charge for the year	0.1	0.1
At 25 September 2015	**0.4**	**0.4**
Net book value		
At 25 September 2015	**1.0**	**1.0**
At 26 September 2014	0.9	0.9

3. FINANCIAL ASSETS

Interest in subsidiary undertakings	2015 £'m	2014 £'m
At beginning of year	**155.5**	88.5
Movement in year	**-**	67.0
At end of year	**155.5**	155.5

The principal trading subsidiary and associated undertakings are set out in Note 33 to the Group Financial Statements.

4. DEBTORS

Amounts falling due within one year	2015 £'m	2014 £'m
Amounts owed by subsidiary undertakings*	**809.2**	775.1
Other debtors	**0.3**	0.4
Prepayments and accrued income	**0.3**	-
	809.8	775.5

* 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	2015 £'m	2014 £'m
Bank overdrafts	**37.7**	-
Amounts owed to subsidiary undertakings*	**502.2**	497.9
Declared interim dividend	**9.9**	8.9
Trade and other creditors	**2.3**	3.9
Accruals	**4.6**	3.4
	556.7	514.1

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

6. SHARE CAPITAL

Details in respect of called-up share capital are presented in Note 25 of the Group Financial Statements.

7. EQUITY RESERVES

	2015						
	Share capital £'000	Share premium £'000	Capital conversion reserve fund(C) £'000	Share-based payment reserve(D) £'000	Own shares reserve(E) £'000	Capital redemption reserve(F) £'000	Profit and loss account £'000
At beginning of year	**4.1**	**185.7**	**0.8**	**7.1**	**(15.2)**	**117.0**	**118.3**
Currency translation adjustment	-	-	-	**(0.1)**	-	-	-
Profit for the financial year attributable to equity holders of the Company	-	-	-	-	-	-	**17.9**
Employee share-based payment expense	-	-	-	**4.3**	-	-	-
Exercise, forfeit or lapse of share-based payments	-	**0.9**	-	**(2.6)**	-	-	**2.6**
Shares acquired by Employee Benefit Trust(A)	-	-	-	-	**(13.1)**	-	-
Shares granted to beneficiaries of the Employee Benefit Trust(B)	-	-	-	-	**9.4**	-	**(9.4)**
Transfer to retained earnings on grant of shares to beneficiaries of the employee benefit trust	-	-	-	-	**10.4**	-	**(10.4)**
Dividends	-	**5.0**	-	-	-	-	**(23.1)**
At end of year	**4.1**	**191.6**	**0.8**	**8.7**	**(8.5)**	**117.0**	**95.9**

(A) The Employee Benefit Trust acquired 46,360 (2014: 96,142) shares in the Group with a combined value of £0.1m (2014: £0.18m) and a nominal value at the date of purchase of £0.0005m (2014: £0.001m) through the scrip dividend scheme and utilisation of dividend income. Pursuant to the terms of the Employee Benefit Trust, 4,274,037 (2014: 1,993,163) shares were purchased during the financial year ended 25 September 2015 at a cost of £13.1m (2014: £4.6m). The nominal value of these shares, on which dividends have not been waived by the Employee Benefit Trust was £0.04m (2014: £0.02m) at the date of purchase.

(B) During the year, 5,732,827 (2014: 3,046,238) shares with a nominal value at the date of transfer of £0.06m (2014: £0.03m) were transferred to beneficiaries of the Employee Benefit Trust.

(C) The share-based payment reserve relates to equity settled share-based payments made to employees through the Performance Share Plan, the Deferred Bonus Plan, the Employee ShareSave Scheme and the Executive Option Scheme. Further information in relation to this share-based payment is set out in Note 6 of the Group Financial Statements.

(D) The amount included as own shares relates to Ordinary Shares in Greencore Group plc which are held in trust. The shares held in trust are granted to beneficiaries of the Group's share-based payment schemes when the relevant conditions are satisfied.

(E) The capital redemption reserve represents the nominal cost of cancelled shares.

(F) The capital conversion reserve fund represents the amount transferred to reserves as a result of renominalising the share capital of Greencore Group plc on conversion to the euro.

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

YEAR ENDED 25 SEPTEMBER 2015

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 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 £3.1m (2014: £2.9m) in respect of defined benefit schemes and £0.4m (2014: £0.4m) in respect of defined contribution schemes. At year end, £Nil (2014: £0.02m) was included in other accruals in respect of amounts owed to the scheme.

Disclosures in relation to this and all other Group defined benefit pension schemes are given in Note 24 to the Group Financial Statements.

9. SHARE-BASED PAYMENTS

The Company grants share options under various share option plans as detailed in the Directors' Report. A charge of £4.3m (2014: £4.3m) 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 6 to the Group Financial Statements.

10. FINANCIAL GUARANTEE CONTRACTS

Pursuant to the provisions of Section 357, Companies Act 2014, the Company has guaranteed the liabilities of certain subsidiary undertakings in the Republic of Ireland for the financial year ended 25 September 2015. 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 26 (2014: 25).

Directors' remuneration is disclosed in the Report on Directors' Remuneration and in Note 32 to the Group Financial Statements.

Auditor's remuneration for the year was as follows:

	2015 **£'000**	2014 £'000
Audit of the Company Financial Statements	**26**	26

The Company has annual commitments under operating leases expiring between two and five years of £1.4m and after five years of £0.6m.

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SHAREHOLDER AND OTHER INFORMATION

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

SHAREHOLDING STATISTICS AS AT 20 NOVEMBER 2015

Range of units	Total holders	Units	% of Issued Capital
0-1,000	5,141	1,785,997	0.43
1,001-5,000	3,790	8,987,045	2.19
5,001-10,000	788	5,515,890	1.34
10,001-25,000	510	7,751,654	1.89
25,001-100,000	191	8,594,755	2.09
100,001 to 250,000	90	14,462,766	3.52
250,001 to 500,000	36	12,005,993	2.92
Over 500,000	124	351,893,764	85.62
Total	**10,670**	**410,997,864**	**100**

FINANCIAL CALENDAR

Record date for 2015 final dividend	4 December 2015
Annual General Meeting	26 January 2016
Payment date for 2015 final dividend	4 April 2016
Half yearly financial report	17 May 2016
Financial year end	30 September 2016
Announcement of Results	29 November 2016

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

STOCKBROKERS
Goodbody Stockbrokers
Ballsbridge Business Park
Ballsbridge
Dublin 4

Jefferies Hoare Govett
Vintners Place
68 Upper Thames Street
London EC4V 3BJ
UK

AMERICAN DEPOSITARY RECEIPTS
BNY Mellon
101 Barclay Street
22nd Floor - West
New York NY 10286
USA

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Designed and produced by Emperor
www.emperordesign.co.uk +44 (0)131 220 7990

GREENCORE GROUP PLC
No. 2 Northwood Avenue
Northwood Business Park
Santry
Dublin 9

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

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