CRANSWICK plc

REPORT & ACCOUNTS

Year Ended 31 March 2012

Cranswick was formed in the 1970's by farmers in East Yorkshire to produce animal feed. The Company went on to the Stock Market in 1985 and since that time has evolved into a business that is highly focused on the food sector. Activities include the supply of fresh pork, gourmet sausages, charcuterie, cooked meats, sandwiches, pastry products and traditional dry cured bacon.

FINANCIAL HIGHLIGHTS

£820.8m
Turnover

2012	**820.8m**
2011	758.4m
2010	740.3m

£48.4m*
Profit Before Tax

2012	**48.4m***
2011	47.1m
2010	43.8m

78.6p*
Earnings Per Share

2012	**78.6p***
2011	74.5p
2010	69.7p

28.5p
Dividends Per Share

2012	**28.5p**
2011	27.5p
2010	25.0p

- Turnover up 8 per cent to £821m
- Profit before tax up 3 per cent at £48.4m*
- Increase of 6 per cent in earnings per share to 78.6p*
- Dividend up 4 per cent to 28.5p per share

* after non-recurring gain of £2.6m (net)

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CRANSWICK plc

CHAIRMAN'S STATEMENT

Martin Davey - Chairman

Against a background of strong raw material price increases early in the financial year and a continued challenging environment for the consumer, the Company recovered strongly during the second half and recorded its highest ever full year sales and second best trading profit in its history. In fact, taking into account non-recurring items, Cranswick achieved a record profit before taxation for the year.

The business worked closely with its customers to offer competitively priced food to consumers so as to alleviate some of the economic pressures facing them. Whilst this adversely impacted operating margins it contributed, along with the increasing popularity of pork products, to an increase in sales volumes.

Non-recurring items comprised a gain on the sale of the shareholding in the associated company, Farmers Boy (Deeside) Limited ("FBD"); Cranswick's share of trading losses at FBD and a non-cash charge for goodwill impairment at The Sandwich Factory.

Results

Underlying sales rose 10 per cent in the year and reflected growth across most product sectors. Especially strong growth was seen in sales of bacon, fresh pork and sausages. Total revenue for the year was 8 per cent higher than previously at £821 million. The decline in the operating margin referred to earlier was partially offset by lower financing costs and along with net income from non-recurring items of £2.6 million gave rise to a profit before taxation of £48.4 million. Earnings per share were 6 per cent higher than last year at 78.6 pence. Excluding the overall effect of goodwill impairment this year and FBD in both years, adjusted earnings per share were 0.1 pence higher than the prior year at 72.9 pence.

Net finance costs of £1.0 million were covered 49 times by profit before net finance costs and tax, compared to 30 times in the previous year. Cash flow in the period was robust notwithstanding the investment in the Company's asset base of £20 million to expand production capacity, improve efficiency and broaden the product range. Debt at the end of the year was further reduced by the proceeds of the sale of the FBD shareholding and stood at £21.7 million, substantially lower than £48.3 million a year earlier.

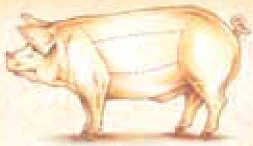
There is further information on trading and finance in the reviews by the Chief Executive and Finance Director which follow.

FBD

Investment was made in FBD during 2010 when Cranswick's site at Deeside was put into a newly formed company, owned jointly with Wm Morrison Supermarkets PLC, in exchange for a 49 per cent shareholding. It was felt by both parties that it was now an appropriate time for the site to come under single ownership. Cranswick's shareholding was sold for cash at the end of March 2012 and we wish the business every success.

Dividend

The Board is proposing to increase the final dividend by 4.3 per cent to 19.5 pence per share from 18.7 pence per share previously. Together with the interim dividend, which was raised 2.3 per cent to 9 pence per share and paid in January 2012, this makes a total dividend for the year of 28.5 pence per share compared to 27.5 pence last year. The final dividend, if approved by Shareholders, will be paid on 7 September 2012 to Shareholders on the register at the close of business on 6 July 2012. Shares will go ex-dividend on 4 July 2012. Shareholders will again have the option to receive the dividend by way of scrip issue.



SEASONAL CENTREPIECE FOR A SPECIAL SHARING OCCASION

Outdoor reared Hampshire breed rib roast with diamond scored crispy crackling, served alongside barbecue pork belly ribs, streaky bacon wrapped chipolatas and cider and apple sauce

Board

The Board announces today that Bernard Hoggarth will be standing down from his position as Chief Executive at the forthcoming Annual General Meeting, to be held on 1 August 2012. After joining Cranswick in 1978 Bernard was appointed CEO in 2004 as the Company continued its successful development. He reaches a landmark birthday this summer and has planned for some time to reduce his input to allow him the opportunity to focus on other interests. He will though continue with Cranswick on a part-time basis in the role of Commercial Director. Adam Couch will be appointed CEO when Bernard stands down. Adam has been with the Company for over 20 years, since graduation, and was appointed to the Board in 2003 with specific responsibility for the fresh pork activities. Adam was appointed COO a year ago as part of the Board's strategy for succession planning.

On behalf of all at Cranswick I thank Bernard for his contribution as CEO, look forward to his continued involvement in the business and wish Adam every success as Cranswick continues its progress.

Staff

The year has not been without its challenges and for the business to have continued its development in the manner outlined both above and in the reviews that follow is a true reflection of the quality, determination, experience and expertise that prevails throughout the Company. On behalf of the Board I express our sincere thanks and appreciation to the management teams and their colleagues.

Compliance with the UK Corporate Governance Code

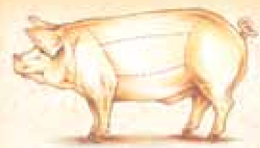
A statement relating to compliance with the Code is included in the Corporate Governance Statement on page 24.

Outlook

The Company is well positioned. There is a strong and experienced management team in place, a robust balance sheet, high quality assets and a range of products that, by working closely with our customers, are proving popular with the consumer. Continued focus on product development and operational efficiencies are key to maintaining this popularity in the current economic environment. The Board looks forward to the opportunities and challenges which lie ahead as it continues Cranswick's successful long-term development.

Martin Davey
Chairman

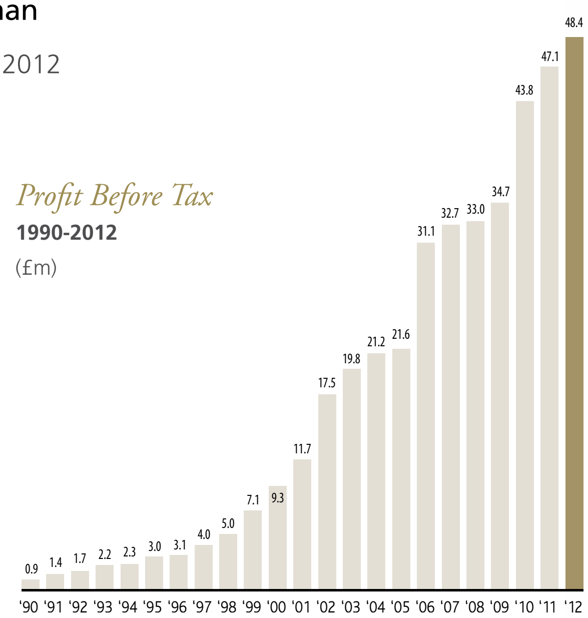
21 May 2012



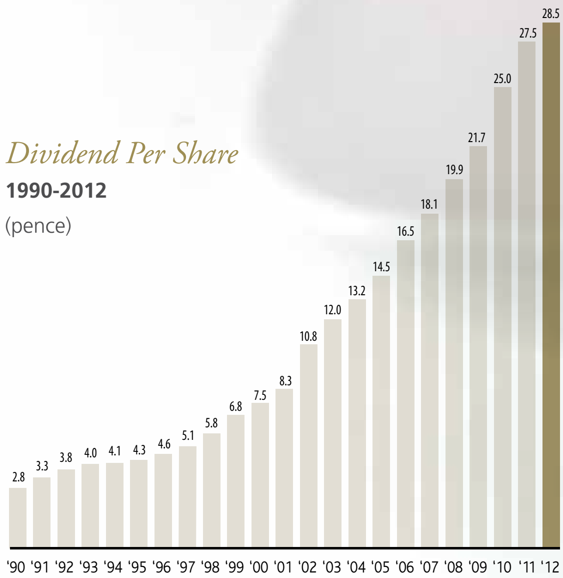
SUCCULENT BRITISH TERRINE TO START

Pork, pistachio and ham hock terrine with a fresh leek base, wrapped with delicate air dried ham to encapsulate the great British tastes

Profit Before Tax
1990-2012
(£m)



Dividend Per Share
1990-2012
(pence)



REVIEW OF ACTIVITIES

Bernard Hoggarth - Chief Executive

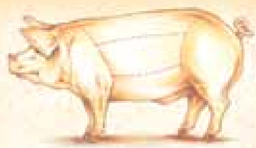
The Group has not previously had to contend with such a diverse trading environment in one financial year. During the first half of the year, the business faced the challenge of passing on raw material inflation which was met with unprecedented resistance by customers and proved more difficult than previously to achieve. The second half of the year, on the other hand, saw a partial recovery of certain raw material increases which was further aided by a steady decrease in input costs, to help bridge the gap. These two factors, together with very pleasing increases in sales in all categories, made for an excellent second half; something which would have been very difficult to foresee only a few months earlier. How pleasing it is therefore to report so many areas of the Group's portfolio delivering double digit growth and the business overall reporting revenue growth of over 8 per cent, with underlying sales increasing in excess of 10 per cent.

Fresh Pork had an excellent year with sales ahead 15 per cent. The continuing capital expenditure programme has seen the commissioning of the new breaded line at the Norfolk plant with the capability to produce a range of escalope and schnitzel products for the convenience sector. These new, whole muscle, reformed or stuffed 'cordon bleu' style products are proving extremely popular, thanks, in no small part, to the very competitive price of pork compared to most other proteins. This price advantage led to the Group's most successful Christmas trading period for its fresh pork, premium sausage and bacon products. Further investment in the Hull fresh pork site is taking place, with the reorganisation of the butchery area, which will lead to greater efficiencies and the installation of a rapid chill system for pig carcases, which will deliver increased yields. Sales to Far Eastern markets have continued to gain momentum. Exports both to Europe and further afield are becoming areas of increased focus for the Group. In the UK, the Company has continued to increase its customer base, both in standard pork and in niche areas such as the pedigree Gloucester Old Spot fresh pork products, which are being produced specifically for one of the Group's large retail customers.

Sausage sales increased by a very healthy 12 per cent. This performance further confirms Cranswick's long term commitment to the quality sector of the market place. The Group's second sausage production facility in Norfolk is now complete and performing well. A new range of products under the 'Norfolk Sausage Company' banner was launched, focusing on a real value offering with larger packs and an impactful promotional programme. At the Lazenby's production facility in Hull, focused and well researched new product development has led to twelve new sausage lines being launched during the year including duck, honey and apple, sun-dried tomato and mozzarella, pork and jalapeno chilli and West Country cheddar with chives. A range of burgers was also launched including beef and caramelised onion, pork and Bramley apple and beef with mature cheddar. A new range of burgers and meat balls under the 'Black Farmer' brand was launched recently in advance of the new barbeque season. Further business wins have been achieved with the launch of new flavours and products across several of the Group's major grocery retail customers.

The bacon category performed particularly strongly with sales up 39 per cent. The customer base has expanded throughout the course of the year, as has the product range. New equipment has been installed and commissioned which has significantly reduced the labour cost of producing diced bacon. Cranswick's air-dried, dry-cured bacon now features in the premium tier ranges of the seven largest multiple retailers in the UK. As well as developing new air dried hams, value wet cured or injected sliced products are being produced to service the 'Butchers Choice' tier.

Sandwich sales increased by 4 per cent. Traditionally Cranswick has been a sandwich supplier to the 'on-the-move' foodservice sector, which has proved increasingly challenging in recent years particularly in relation to rising input costs. However, following a review of the cost base and investment in both equipment and infrastructure at the Atherstone production facility, the business is now well placed to take advantage of the changing dynamic of the sandwich market.



POSH PORK FOR THE MAIN EVENT

Outdoor reared Hampshire bone in pork chop with butternut squash puree, served with fresh leeks and cranberries and finished with a cranberry jus and crispy crackling pork straw

Pastry sales showed good growth from modest beginnings. Sales were strong over the key Christmas trading period with party food high on the agenda. During the year a range of products was developed for one of our key retail customers which has been very well received by the consumer, with the result that the original product range has now been doubled. A range of hot eating pies, together with flans and quiches are planned subject to additional production capacity being developed.

Underlying cooked meat sales increased by 6 per cent. Recent developments in this category include the launch of a range of air dried hams - a unique proposition, as a British product, in the UK retail sector. Legs from the Hull fresh pork site are dry-cured and air-dried at the gourmet bacon facility in Sherburn, before being transported to the cooked meat plant in Barnsley to be cooked and retail packed. This further demonstrates Cranswick's successful track record of winning business through collaboration and by producing a step change in product quality. Also, due to volume pressure from increased sales at the Delico factory at Milton Keynes, further investment has been made there in both the fabric of the building and more efficient slicing lines.

Sales of continental products were broadly similar to the previous year. This performance reflected one retail customer procuring and slicing more products in-house, however, new business wins and growth from existing products and customers helped mitigate this loss. A new Cranswick brand of olives under the Bodega label has been launched successfully. These products are of the highest quality with a real point of difference and have been brought to market at a time when olives and antipasti products are really growing in popularity with the UK consumer. Sales of Parma ham reached record levels, with charcuterie sales to one specific discounter more than doubling which further demonstrates the consumer's growing interest in this style of product.

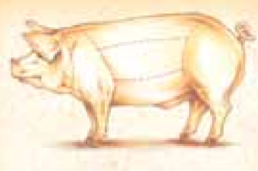
Foodservice business currently represents less than 6 per cent of Group revenues. This figure includes sandwich sales, which historically have been made predominantly to this sector. The internal appointment of a director to lead a new team with specific foodservice expertise adds focus and provides increased resource to grow sales across the Group's full spectrum of products. The total foodservice industry in the UK is worth approximately £48 billion. A market of this size provides tremendous scope to introduce Cranswick's brand of quality and innovation, using the model that has been so successful with the Group's retail customers.

Cranswick has well invested facilities which, across the sectors in which it operates, are amongst the most efficient production sites in the UK. The quality of the Group's product range, together with class leading development chefs and a senior marketing team which, working closely with its customers, continues to innovate and search for new growth opportunities, provides for an extremely positive outlook for the Group.

It has been my intention for some time to stand down as Chief Executive, and this I intend to do at the Company's Annual General Meeting on 1 August, after 34 years' service with the Group. I am extremely proud of what Cranswick has achieved over the last three decades. I have had the good fortune to work with a great team of dedicated and innovative colleagues, whose commitment, vision and teamwork have made the business what it is today. I hand over to Adam Couch, a colleague of many years. I admire Adam's energy and ambition for the business and I am sure that Cranswick will continue to prosper under his stewardship.

Bernard Hoggarth
Chief Executive

21 May 2012



THE ULTIMATE ENGLISH COOKED BREAKFAST

Freedom Foods ultimate pork chipolatas with dry cured and air dried British bacon served with black pudding, field mushrooms, vine ripened tomatoes and a free range poached egg

GROUP OPERATING AND FINANCIAL REVIEW

Mark Bottomley - Finance Director

Nature, Objectives and Strategies

The Group's business

The Group's operations are focused on the production and supply of food products. The business operates entirely in the UK, although a small, but increasing proportion of sales are exported. It produces a range of high quality, predominantly fresh products including fresh pork, sausages, bacon and cooked meats for sale to the high street food retailers. It also supplies a range of pre-sliced, pre-packaged charcuterie products for sale into these same customers, together with a range of pre-packed sandwiches predominantly for sale into food service outlets. More recently the Group has launched a range of artisan pastry products to a number of its retail customers. The markets in which the food business operates are competitive both in terms of pricing from fellow suppliers and the retail environment in general. The UK food retail market is known to be amongst the most competitive in the world. Despite this, Cranswick has a long record of increasing sales and profits through a combination of investing in modern efficient factories, developing a range of quality products and making sound acquisitions. The business is under the control of stable, experienced and talented operational management teams supported by a skilled workforce. The performance of the business in the year is discussed in the Review of Activities on pages 6 to 8.

Business objectives

It is the Board's view that meeting the following business objectives is key to achieving the financial and non-financial measures that increase value to Shareholders and other stakeholders:

- Delivering innovative, quality products to its customers
- Maintaining the highest level of service to its customers
- Improving operational efficiency
- Securing employee health and safety
- Maximising returns on investment

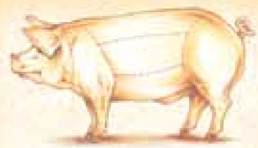
Business strategies

The Group's market strategy is to focus primarily on the growing quality end of the markets in which it operates, to establish meaningful and long-lasting relationships with its major customers by a combination of product development and high service levels and to invest in quality facilities and the latest equipment to enable it to operate as efficiently as possible. Operational management is given responsibility for developing plans to deliver the objectives of the Group with particular emphasis on growing sales through product innovation and high service levels, improving operational efficiency and securing employee health and safety. The role of the Board in achieving Group objectives is to support operational management and to identify suitable acquisitions that will take the Group into new and growing areas of the market, will open up new customer relationships to the Group or will consolidate existing market positions.

Current and Future Development and Performance

Business development and performance

The key features of the year have been the record profit before tax for the Group, continued capital investment and strong cash generation. Both profitability and cash flow were augmented by the sale of the Group's 49 per cent stake in Farmers Boy (Deeside) Limited ("FBD") on 30 March, which is discussed in more detail on page 13. The trading environment in which the Group operates has remained challenging. During the first half of the year, the business had to manage rapid raw material price inflation, which it looked to recover through a combination of selling price increases and operational efficiency improvements. The Group has experienced continuing competitor pressure although the efficiencies achieved through on-going capital investment and as extra volumes are put through its factories have mitigated to some extent against these pressures.



GASTRO PORK AND BLACK PUDDING PLATE

Freedom Foods slow roasted Norfolk pork belly squares and Bury black pudding served with pea puree and finished with fresh pea shoots

Revenue

Reported sales were 8 per cent ahead of last year reflecting growth across most product sectors and the benefit of a 53 week year. The Deeside cooked meats business was transferred into FBD on 9 July 2010 and from this date onwards sales from FBD have been excluded from Group total sales. Adjusting for the impact of FBD, underlying, like-for-like sales increased by 10 per cent. Fresh pork sales increased by 15 per cent, sausage sales by 12 per cent, bacon sales by 39 per cent and sandwich sales by 4 per cent. Sales of charcuterie products were 1 per cent lower as new products and customers together with increased sales to existing customers helped mitigate the decision of one retail customer to move to a direct sourcing policy. Reported cooked meat sales were 1 per cent lower, but after adjusting for sales transferred to FBD, like-for-like sales were 6 per cent ahead.

Operating Profit

Group operating profit of £41.8 million is stated after a goodwill impairment charge of £4.9 million which followed a reassessment of the carrying value of goodwill attributable to the Sandwiches cash generating unit. Group operating profit before impairment at £46.7 million fell by 5 per cent and at 5.7 per cent of sales, operating margin on the same basis was 0.8 per cent below the level achieved last year. Notwithstanding the impairment charge, the reduction in operating profit is entirely attributable to the input cost inflation pressure experienced in the first half of the year. A combination of sales growth, continued improvements in operational efficiencies, strong export margins and more moderate raw material prices allowed the Group to report a much stronger second half performance.

Share of Results of Associate

The Group's share of the post-tax result of its associate, FBD, in the year to 31 March 2012 was a loss of £0.7 million (2011: loss of £0.4 million). On 30 March 2012 the Group sold its 49 per cent holding in FBD to Wm Morrison Supermarkets PLC for a cash consideration of £14.5 million. The transaction gave rise to a profit on sale of £8.3 million.

Finance Costs

Net finance costs of £1.0 million (2011: £1.6 million) were substantially lower than the previous year reflecting the strong cash generation in the year and the improved terms negotiated when the Group's bank facilities were renewed in March 2011. As a consequence, interest cover strengthened from 30.0 times to 49.2 times.

Profit Before Tax

Profit before tax at £48.4 million (2011: £47.1 million) was 3 per cent ahead. Adjusting for the effects of the associate in both years and the goodwill impairment charge in the current year referred to above, underlying profit before tax was £45.6 million (2011: £47.3 million).

Taxation

The tax charge as a percentage of profit before taxation was 22.5 per cent (2011: 25.0 per cent). The standard rate of UK Corporation tax was 26 per cent for 2012 and 28 per cent for 2011. The lower than standard rate of tax in the current year primarily relates to the gain on sale of the Group's 49 per cent stake in FBD which did not attract a charge to tax, together with a deferred tax credit of £0.7 million following the substantial enactment of the Finance Act 2012 which reduces the Corporation tax rate from 26 per cent to 24 per cent in the year to 31 March 2013. The lower than standard rate in the previous year related to a deferred tax credit of £1.0 million on the transfer of assets from the Deeside cooked meats business to FBD and a further deferred tax credit of £0.7 million in relation to the planned reduction in the Corporation tax rate from 28 per cent to 26 per cent in the current year.

Earnings Per Share

Basic earnings per share increased by 5.5 per cent to 78.6 pence, reflecting the profit on sale of the Group's 49 per cent stake in FBD, lower financing costs and the lower effective corporation tax rate, partly offset by lower operating profits, the goodwill impairment charge and an increase in the average number of shares in issue during the year to 47,709,000 (2011: 47,408,000). Adjusted earnings per share, which exclude the effect of the goodwill impairment charge this year and FBD from both years, increased by 0.1 pence from 72.8 pence to 72.9 pence.

Cash Flow and Net Debt

The Group has continued to deliver strong operational cash flows. Cash generated from operating activities was £45.5 million (2011: £51.6 million), with the reduction compared to the previous year reflecting lower Group operating profits, a modest increase in working capital and higher tax payments. The net cash outflow from investing activities of £3.3 million is accounted for by capital additions, net of fixed asset sale proceeds and grants received, of £19.9 million, loan repayments received of £1.9 million and the proceeds from the sale of the Group's 49 per cent stake in FBD of £14.5 million. The previous year's outflow was £36.3 million. The £20.8 million of net cash used in financing activities in 2012 is largely due to interest paid of £1.3 million, dividends paid of £11.8 million, issue costs of long term borrowings of £1.0 million, loan repayments of £7.0 million and proceeds from issue of share capital, net of shares repurchased of £0.6 million. The prior year cash outflow from financing was £21.9 million. The overall result is a net increase in cash and cash equivalents of £21.4 million (2011: decrease of £6.6 million). Net debt reduced by £26.6 million to £21.7 million (2011: £48.3 million) at the year end, and gearing fell from 22 per cent to 9 per cent.

Pensions

The Group operates a number of defined contribution schemes, whereby contributions are made to schemes operated by major insurance companies. Contributions to these schemes are determined as a percentage of employees' basic salary. CCF Norfolk operates a defined benefit scheme which has been closed to further accrual since 2004.

Under International Accounting Standard (IAS) 19, the deficit at 31 March 2012 was £5.3 million (2011: £2.9 million);

with the increase mainly relating to lower discount rates on scheme liabilities driven by lower bond yields. The present value of funded obligations was £21.2 million (2011: £16.5 million) and the fair value of plan assets was £15.8 million (2011: £13.6 million).

Investment in Associate

On 9 July 2010, the principal assets and trade of the Deeside cooked meats facility were transferred to Farmers Boy (Deeside) Limited, a company within the Wm Morrison Supermarkets PLC group, to provide them with a dedicated facility in return for a 49 per cent stake in that company. The transaction gave rise to a profit before tax in the period to 31 March 2011 of £0.3 million, together with an associated deferred tax credit of £1.0 million. On 30 March 2012 the Group sold its 49 per cent stake to Wm Morrison Supermarkets PLC group. Further details of the disposal are disclosed above and in note 14.

Capital Structure

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise value for Shareholders and other stakeholders.

The Group regards its Shareholders' equity and net debt as its capital and manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to Shareholders, return capital to Shareholders or issue new shares. No changes were made to the objectives, policies or processes during the years ended 31 March 2012 and 31 March 2011.

The Groups capital structure is as follows:

	2012 **£m**	2011 £m
Net Debt (note 25)	**21.7**	48.3
Cranswick plc Shareholders' equity	**245.9**	220.9
Capital Employed	**267.6**	269.2

Distributions, Capital Raising and Share Repurchases

The proposed final dividend for 2012 together with the interim paid in January 2012 amount to 28.5 pence per share which is 4 per cent higher than the previous year. The increase in the share capital of the Group comprises 205,884 of shares issued relating to share options exercised during the year and 192,722 of shares issued in respect of scrip dividends. During the year the Company repurchased 22,000 ordinary shares to satisfy share option awards.

Business KPIs

The Board has assessed that the following KPIs are the most effective measures of progress towards achieving the Group's objectives:

- Underlying sales growth – year on year increase in sales revenue excluding the impact of acquisitions and disposals
- Gross margin – gross profit as a percentage of sales revenue
- Group operating margin – Group operating profit as a percentage of sales revenue
- Free cash flow – cash generated from operations less tax and net interest paid.

Performance Against KPI's

	2012	2011
Underlying sales growth	**10.3%**	3.8%
Gross margin	**12.4%**	13.4%
Group operating margin*	**5.7%**	6.5%
Free cash flow	**£44.4m**	£50.0m

* Before goodwill impairment charge of £4.9 million in the current year

The Group reported underlying sales growth of 10.3 per cent over the past year driven by its expertise in product development, service levels, quality and value, with further sales growth anticipated in the next twelve months. Gross margin was 12.4 per cent of sales compared to 13.4 per cent a year ago reflecting the challenge of dealing with input cost inflation during the first half of the year and operating margin before goodwill impairment at 5.7 per cent was 0.8 per cent lower, for the same reason. Principal cash flows are discussed on page 12.

Future Development

The Group will continue to seek to increase sales through a combination of product development with existing customers and business gains with new ones. The standard of the Group's factories will be maintained at the highest level and further suitable acquisition opportunities will be pursued.

Resources, risks and relationships

Resources

The Group aims to safeguard the assets that give it competitive advantage, being its reputation for product innovation, product quality, food safety and service levels; its modern well-equipped factories; its operational management; and its skilled workforce.

Reputation

It is the responsibility of local operational management assisted by their own product development team, Group Technical and Group Health & Safety to maintain and where possible enhance the Group's reputation for product innovation, product quality, food safety and service levels.

Factories

The Group has some of the best-invested, modern facilities in the industry, having invested almost £120 million over the past five years, and it intends to continue investing to ensure that it maintains its competitive edge.

Employees

The Group aims to recruit, train and retain employees who are valued for their contribution and able to fulfil their potential in meeting the business objectives of their operating unit.
The Group companies each have their strategies for retaining staff, including the provision of competitive terms and conditions, share options and a stimulating and challenging working environment. The Group has had a savings-related share option scheme in place for over 10 years, which is open to all employees with 2 years' service and has proved very successful with many staff now also Shareholders.

Principal risks and uncertainties

There are a number of potential risks and uncertainties, which could have a material impact on the Group's long-term performance and cause actual results to differ materially from expected and historical results. During the year, the Group established a Risk Committee with representatives from key operations and functions across the business.

The Risk Committee aims to identify and assess the impact of risks facing the business as well as understand the controls in place to mitigate them. The principal risks and uncertainties facing Cranswick and the actions taken to reduce their impact are set out below:

Risk area	Nature of risk and potential impact	Risk mitigation
Industry risks		
State of the economy	A deterioration in the world and, in particular, UK economies may adversely affect the activity levels of consumers and the Group's immediate customers, leading to a fall in demand for the Group's products and ultimately lower profitability and cash flow.	Although Cranswick is unable to influence general economic conditions, the business offers a range of products across premium, standard and value tiers which it is able to flex in response to consumer and market trends.
Competition, customer retention and reliance on key customers	The Group trades in highly competitive markets which tend to operate without long term contracts. Product innovation and changing consumer trends provide a constant challenge to the future success of the Group and its ability to compete effectively. A significant proportion of the Group's revenues are generated from a small number of major grocery retailer customers, loss of all or part of the Group's business with one or more of these customers would adversely impact the Group's results.	The Group manages the risk of operating in a consolidated sector by maintaining strong customer relationships. This process is supported by delivering high levels of service and quality and by continued focus on product development and technical innovation. The commercial teams continually look for opportunities to expand the customer base across all product categories and work closely with key customers to ensure service, quality and new product development are of the highest standard.
Raw material price fluctuations	The major exposure the Group has to raw material price fluctuations is pig meat. An increase in raw material input costs may impact Group profitability.	Purchasing of pigs and pig meat is coordinated centrally and whilst the Group does not generally seek to hedge against pig price movements because of the downside risk, longer term contracts have been negotiated in certain instances with key pig suppliers.
Environmental matters	The industry is subject to a range of UK and EU legislation. Environmental standards are being tightened on a regular basis and require increasing levels of investment. Compliance imposes costs and prolonged failure to comply could materially affect the Group's ability to operate.	The Directors believe that good environmental practices support the Board's strategy by enhancing the reputation of the Group, the efficiency of production and the quality of products. Further details of these initiatives are set out in the Group's Corporate Social Responsibility report and on the Group's website under the 'Greenthinking' banner.
Food scares and product contamination	As a food producer, Cranswick is subject to industry related risks of contamination of products and/or raw materials and potential health related issues. Such an incident may lead to product recall costs, reputational damage and regulatory penalties	The risk of such events is mitigated by ensuring that all raw materials are traceable to source and that the manufacturing, storage and distribution systems of both Group sites and those of suppliers are continually audited and monitored by experienced and well qualified site based and Group technical teams.
Supplier standards	Cranswick is reliant upon its suppliers meeting the Group's high quality and welfare standards. Failure on their part could lead to customer complaints and reputational damage.	The Group ensures all suppliers of key raw materials have independent third party accreditations. Detailed technical specifications are in place for all products, and all sites have trained product inspection and Quality Assurance teams.

Risk area	Nature of risk and potential impact	Risk mitigation
Operational risks		
Food safety	A breach of food safety legislation or the introduction of more stringent regulations may lead to reputational damage and regulatory penalties including restrictions on operations, damages or fines.	Cranswick conforms to all relevant food safety regulations and adopts best practice across its production facilities.
Business continuity	The Group faces the risk of incidents such as a major fire, which may result in significant and prolonged disruption to its operating facilities and ensuing loss of sales and reduced profitability.	Business continuity plans are in place across the Group's manufacturing facilities and appropriate insurance cover is in place to mitigate any financial loss. Business continuity is enhanced by multi-site operations across the majority of the Group's product lines.
Legislation	Legislation in all the markets the Group serves changes on a regular basis, and interpretation of existing laws can also change to create ever tightening standards, often requiring additional human resources and the provision of new assets and systems. Failure to comply with existing or new legislation may adversely affect the Group's results.	Cranswick is committed to responding positively to new regulation and ensuring that the Group's views are expressed during consultation exercises.
Overseas markets	Cranswick trades in a growing number of overseas markets, and may not be familiar with local practices and regulations. Failure to comply could lead to prosecution and loss of raw material supply or customer.	Extensive research is carried out into new markets ahead of commencement of trade. The Group uses reputable local experts wherever possible to ensure that local laws are complied with.
Technology	The Group is increasingly reliant on both IT and operational technology and operations could be significantly impacted if these systems are not well maintained and updated on a regular basis.	The Group has well trained, operational engineers at each site who carry out regular checks, calibration and maintenance on all key machinery. It also has central and site based IT teams to maintain computer systems.
Business integration	The Group has grown by acquisition as well as organically, and faces the challenge of integrating new businesses into the Cranswick group and achieving operational targets.	The Group ensures suitable incentives are in place to retain key management, who work closely with existing group management to help smooth the transition. There is also rigorous review of operations and results by the Group board.
Human resource risks		
Health & safety	A breach of health & safety regulations would leave the Group exposed to reputational damage and regulatory penalties.	A dedicated Group health & safety team, supported by site based coordinators, proactively monitor, manage and improve performance. All team members receive continual training to industry approved standards. Quarterly reports on performance against KPIs are issued to site management and the Group Board.
Ethical management	Good employee working conditions are core to Cranswick's values however poor practice in this area could lead to prosecution, industrial action and adverse media attention.	The Group is a member of SEDEX and ALP, and has agreed to comply with the ETI base code. Additionally, all sites will undergo SMETA ethical audits at least once every two years and carry out labour provider audits each year. The Group also has an independent whistleblowing hotline in place so that employees can raise any concerns they might have.

Risk area	Nature of risk and potential impact	Risk mitigation
Human resource risks		
Staff recruitment and retention	The success of the Group is dependent on attracting and retaining high quality senior management and staff.	The Group mitigates the risk associated with loss of key personnel through robust succession planning, strong recruitment processes, effective incentives and retention initiatives and on-going training and development.
Access to workforce	The Group experiences periods of heightened demand across peak periods, and has the potential to experience mass absence due to sickness. Without flexibility in the workforce, customer orders may not be fulfilled.	All Group sites have access to multiple approved agencies for the supply of temporary, skilled and unskilled labour. Strict hygiene rules and return to work procedures are in operation at all sites.
Financial risks		
Interest rates, currency, liquidity and credit risk	The Group is exposed to interest rate risk on borrowings and foreign currency risk on purchases, particularly of charcuterie products. In addition the Group needs access to funding for current business and future growth.	Interest rate and foreign currency risks are managed using effective hedging policies, which are coordinated and controlled by the Group's treasury function. Each operation has access to the Group's overdraft facility and bank positions are monitored on a daily basis. All term debt is arranged centrally and appropriate headroom is maintained. Treasury policies are discussed in more detail below.
Granting of credit and recoverability of debt	The majority of sales are made to major UK retailers and practically all sales, to these and other customers, are made on credit terms. Granting of credit to inappropriate parties or failure to collect debts on a timely basis could leave the Group exposed to losses.	Control procedures over acceptance of new customers and review of the level of credit granted with reference to external credit agencies take place at all sites. Debts are recovered on a pro-active basis and management teams aim to ensure customers trade within the agreed terms. Credit risks are also discussed in more detail on page 17.
Business acquisitions	Businesses may be acquired based on inaccurate information, unachievable forecasts or without appropriate consideration being given to the terms of purchase.	Rigorous due diligence is carried out in advance of any new business acquisition, using internal and external specialists where required.

Treasury policies

Functional Currency

The functional currency of all Group undertakings is sterling.

Foreign Currency Risk

The foreign exchange risk facing the Group is in the purchasing of charcuterie products. The currency involved is the euro. The policy of the Group is to seek to mitigate the impact of this risk by taking out forward contracts for up to 12 months ahead and for amounts that commence at approximately 25 per cent of the requirement and move progressively towards full cover. At least 2 members of the main Board attend the monthly management meeting at which the key decisions on currency cover are taken.

Interest Rate Risk

The Group's current policy is to manage its cost of borrowing using a mix of fixed and variable rate debt. Whilst fixed rate interest bearing debt is not exposed to cash flow interest rate risk, there is no opportunity for the Group to enjoy a reduction in borrowing costs in markets where rates are falling. In addition, the fair value risk inherent in fixed rate borrowing means that the Group is exposed to unplanned costs should debt be restructured or repaid early as part of the liquidity management process. In contrast, whilst floating rate borrowings are not exposed to changes in fair value, the Group is exposed to cash flow risk as costs increase if market rates rise. The Group has reduced its borrowings significantly in recent years and at 31 March 2012 gearing had fallen to 9 per cent (2011: 22 per cent). Given this conservative debt structure the Group has not fixed the interest rate on any part of its current facility.

The Board will keep this situation under constant review and will fix the interest rate on a proportion of the Group's borrowing at such time as it becomes appropriate to do so. The monitoring of interest rate risk is handled entirely at head office, based on the monthly consolidation of cash flow projections and the daily borrowings position.

Credit Risk

Practically all sales are made on credit terms, the majority of which are to the major UK food retailers. Overdue accounts are reviewed at monthly management meetings. The incidence of bad debts is low. For all major customers, credit terms are agreed by negotiation and for all other customers, credit terms are set by reference to external credit agencies. Every attempt is made to resist advance payments to suppliers for goods and services; where this proves impossible, arrangements are put in place, where practical, to guarantee the repayment of the monies in the event of default.

Liquidity Risk

The Group has historically been very cash generative. The bank position for each site is monitored on a daily basis and capital expenditure is approved at local management meetings at which at least two members of the main Board are present and reported at the subsequent monthly Main Board meeting. Major projects are approved by the Main Board. Each part of the Group has access to the Group's overdraft facility and all term debt is arranged centrally. The Group renewed its bank credit facilities in March 2011. The facility is made up of a revolving credit facility of £100.0 million including a committed overdraft facility of £20.0 million. The Group manages the utilisation of the revolving credit facility through the monitoring of monthly consolidated cash flow projections and the daily borrowings position. The current facility extends the maturity of the Group's available financing to more than three years, providing it with reduced liquidity risk and long term funding to meet its objectives. Unutilised facilities at 31 March 2012 were £75.8 million (2011: £47.4 million).

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Review of Activities. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described above, as are the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Group has considerable financial resources together with strong trading relationships with its key customers and suppliers. As a consequence, the Directors believe that the Group is well placed to manage its business risk successfully.

After reviewing the available information, including business plans and making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Mark Bottomley
Finance Director

21 May 2012

Group Directors

Cooked Meats

Alan Chapman
Ian Fisher
Paul Gartside
Andy Jenkins
Clive Stephens
Nick Tranfield

Bacon and Sausage

Daniel Nolan
Linda Watkin
Drew Weir
Steve Westhead

Fresh Pork

Chris Aldersley
John Fletcher
Stuart Kelman
James Pontone
Neil Willis

Sandwiches

Nick Anderson
Tony Cleaver
Paul Nicholson
Simon Ravenscroft

Charcuterie

Rollo Thompson

Food Central

Andrew Caines
Marcus Hoggarth
Graeme Watson
Chris White
Malcolm Windeatt

DIRECTORS

Executive Directors

Martin Davey, Chairman +

Martin qualified as a chartered accountant with Pannell Kerr Forster. He joined Cranswick and became Finance Director in 1985. He was appointed Chief Executive in 1988 and became Chairman on 26 July 2004.

Bernard Hoggarth, Chief Executive

Bernard holds a National Diploma in Agriculture from the Norfolk College of Agriculture. He joined Cranswick in 1978, focusing on the agribusiness activity before becoming involved in the development of the food manufacturing business during the 1990s. He was appointed a Director in 1988 and Chief Executive in 2004. It has been Bernard's intention to stand down this year as Chief Executive and he will do so on 1 August 2012. He will remain on the board as Commercial Director.

Adam Couch, Chief Operating Officer

Adam joined the operational side of the fresh pork business of Cranswick in 1991 after graduating from university in Hull with a finance and accountancy degree. He was appointed a Director in 2003 and Chief Operating Officer on 16 May 2011. He will become Chief Executive on 1 August 2012. Adam is also a committee member of the British Pig Executive, a position he has held since 2005.

Mark Bottomley, Finance Director

Mark is a chartered accountant, qualifying with Binder Hamlyn. He joined Cranswick as Group Financial Controller in January 2008 and was appointed Finance Director in June 2009. He has several years' experience in the food production sector where he has held a variety of senior finance roles.

Jim Brisby, Sales and Marketing Director

Jim joined Cranswick 15 years ago from UMIST in Manchester, where he graduated with a degree in business management. In 2004 he was appointed Sales and Marketing Director of Cranswick Country Foods plc, a major subsidiary of Cranswick, and he has been an integral member of the team that has grown the business over the years. He was appointed Sales and Marketing Director on 26 July 2010.

Non-Executive Directors

*John Worby +† **

John is a chartered accountant with many years of experience in the food industry. John is currently Group Finance Director of Genus plc having previously worked for Uniq plc (formerly Unigate PLC) from 1978 until 2002, in various roles including Group Finance Director and Deputy Chairman. He was appointed a Non-Executive Director of Cranswick plc on 1 August 2005 and is Senior Independent Director and Chairman of the Audit Committee. John is also a Non-Executive Director of Smiths News plc and is a member of the Financial Reporting Review Panel.

*Patrick Farnsworth +† **

Patrick has many years' experience in the food industry, having worked for William Jackson & Son Limited; a Hull based private company, since 1965, where he was Joint Group Managing Director from 1995 until his retirement in 2005. He was appointed a Non-Executive Director of Cranswick plc on 1 August 2004 and was the Senior Independent Director until 1 August 2005. He is currently Chairman of the Nomination Committee.

*Steven Esom +† **

Steven joined Cranswick as a Non-Executive Director on 12 November 2009 and is currently Chairman of the Remuneration Committee. He has held a number of senior positions within the food sector including Executive Director of Food at Marks & Spencer plc which followed 12 years at Waitrose, the last 5 years of which he was Managing Director. Until June 2009 he was a Non–Executive Director of Carphone Warehouse plc. He is currently an Operating Partner of Langholm Capital, Non-Executive Chairman of Bart Spices and a Non-Executive Director of Tyrrells Investments Limited and of the British Retail Consortium.

*	Member of Remuneration Committee
†	Member of Audit Committee
+	Member of Nomination Committee

DIRECTORS' REPORT

The Directors submit their report and the audited accounts of the Group for the year ended 31 March 2012.

HEARTY PREMIUM SAUSAGE AND BRITISH VEGETABLE ROAST

Pork, pancetta and parmesan sausages served on a bed of British baby roasted beets, red onion and fried potatoes

Principal activities, business review and future developments

The Group's activities during the year were focused on the food sector. A review of the business and future development of the Group and a discussion of the principal risks and uncertainties faced by the Group is presented in the Chairman's Statement, Review of Activities and the Group Operating and Financial Review on pages 2 to 17.

Results and Dividends

The profit on ordinary activities before taxation was £48.4 million (2011: £47.1 million). After a taxation charge of £10.9 million (2011: £11.8 million), the profit for the year is £37.5 million (2011: £35.3 million). An interim dividend of 9.0 pence per ordinary share was paid on 20 January 2012. The Directors recommend the payment of a final dividend for the year, which is not reflected in these accounts, of 19.5 pence per ordinary share which, together with the interim dividend, represents 28.5 pence per ordinary share, totalling £13.7 million (2011: 27.5 pence per ordinary share, totalling £13.1 million). Subject to approval at the Annual General Meeting, the final dividend will be paid in cash or scrip form on 7 September 2012 to members on the register at the close of business on 6 July 2012. The shares will go ex-dividend on 4 July 2012.

Events after the balance sheet date

Subsequent to the year end, on 5 April 2012, Cranswick plc sold its 5.5 per cent investment in the Cranswick Pet Products business for a consideration of £221,000. Further details are provided in note 29.

Financial Instruments

The Group's risk management objectives and policy are discussed in the Treasury Policies section of the Group Operating and Financial Review on pages 10 to 17.

Directors and their interests

The appointment and removal of a Director is governed by the Articles of Association and within the Terms of the Nomination Committee. The Company's Articles of Association provide that one third of the Directors retire by rotation each year and with the proviso that each Director shall seek re-election at the Annual General Meeting every three years. All new Directors are subject to election by Shareholders at the first opportunity following their appointment. The Board is aware that the Corporate Governance Code recommends the re-election of all Directors every year and the Company will comply with this requirement so that now all Directors will stand for re-election at the forthcoming Annual General Meeting.

Details of the Directors' beneficial interests in the ordinary share capital of the Company are included in the Directors' Remuneration Report on pages 30 to 35.

Major Shareholders

The Company has been informed of the following significant holdings of voting rights in the ordinary shares of the Company:

	At 31 March 2012		**At 8 May 2012**	
	Number of Shares	% of issued share capital	Number of Shares	% of issued share capital
Invesco Perpetual	14,133,933	29.42	14,116,357	29.38
Legal & General Investment Management	2,486,754	5.18	2,423,690	5.04
Jupiter Asset Management	2,434,231	5.07	2,420,878	5.04
Standard Life Investments	1,994,393	4.15	2,123,309	4.42
Aberforth Partners	2,043,983	4.26	2,043,983	4.25
Black Rock	1,535,756	3.20	1,579,145	3.29

Share Capital Structure

The Company has one class of shares, being ordinary shares of 10 pence each. The allotted and fully paid up share capital is shown in note 22. There are no special rights pertaining to any of the shares in issue.

The Directors of Cranswick plc have received limited authority to disapply Shareholders' pre-emption rights in certain circumstances, to authorise the Company to buy back a proportion of the Company's share capital and to allow the Directors to allot shares. Further resolutions will be placed before the Annual General Meeting to be held on 1 August 2012 to renew these powers.

At the last Annual General Meeting the Directors received authority from the Shareholders to:

> Allot Shares – this gives Directors the authority to allot authorised but unissued shares and maintains the flexibility in respect of the Company's financing arrangements. The nominal value of ordinary shares which the Directors may allot in the period up to the next Annual General Meeting, to be held on 1 August 2012, is limited to £1,587,896 which represented approximately 33 per cent of the issued share capital (excluding treasury shares) as at 31 May 2011. The Directors do not have any present intention of exercising this authority other than in connection with the issue of ordinary shares in respect of the scrip dividend offer and the Company's share option plans. This authority will expire at the end of the Annual General Meeting to be held on 1 August 2012.
>
> Disapplication of rights of pre-emption – this disapplies rights of pre-emption on the allotment of shares by the Company and the sale by the Company of treasury shares. The authority will allow the Directors to allot equity securities for cash pursuant to the authority to allot shares mentioned above, and to sell treasury shares for cash, on a pro rata basis to existing Shareholders (but subject to any exclusion or arrangements as the Directors consider necessary or expedient in relation to fractional entitlements, any legal, regulatory or practical problems or costs under the laws or regulations of any overseas territory or the requirements of any regulatory body or stock exchange) and otherwise on a pro rata basis up to an aggregate nominal amount of £238,184, representing 5 per cent of the Company's issued share capital as 31 May 2011. This authority will expire at the end of the Annual General Meeting to be held on 1 August 2012.
>
> Allot shares and disapply pre-emption rights in connection with a rights issue – this authorises the Directors to allot relevant securities and empowers the Directors to allot equity securities and to sell treasury shares for cash in connection with a rights issue. This is in addition to the authority to allot shares and the disapplication of pre-emption rights contained in the authorities mentioned above. The nominal value of ordinary shares which the Directors may allot in the period up to the next Annual General Meeting, to be held on 1 August 2012, is limited to £1,587,896 which represented approximately 33 per cent of the Company's issued ordinary share capital (excluding treasury shares) as at 31 May 2011. The Directors do not have any present intention of exercising this authority and power. This authority will expire at the end of the Annual General Meeting to be held on 1 August 2012.
>
> To buy own shares – this authority allows the Company to buy its own shares in the market, as permitted under the Articles of Association of the Company, up to a limit of 10 per cent of the Company's issued share capital. The price to be paid for any share must not be less than 10p, being the nominal value of a share, and must not exceed 105 per cent of the average middle market quotations for the ordinary shares of the Company as derived from the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which the ordinary shares are purchased. The Directors have no immediate plans to exercise the powers of the Company to purchase its own shares and undertake that the authority would only be exercised if the Directors were satisfied that a purchase would result in an increase in expected earnings per share and was in the best interests of the Company at the time. This authority will expire at the end of the Annual General Meeting to be held on 1 August 2012. The Directors would consider holding any of its own shares that it purchases pursuant to this authority as treasury shares.

During the year the Company repurchased 22,000 of its own shares at a cost of £136,000. These shares were held as treasury shares and were subsequently transferred to Directors and senior management of the Group, at nil cost to the individual, to satisfy the exercise of LTIP share options. At the year end the Group held no treasury shares.

The Company is not aware of any agreements between Shareholders that may result in restrictions on the transfer of securities and for voting rights.

There are no restrictions on the transfer of ordinary shares in the Company other than where certain restrictions may apply from time to time, on the Board of Directors and other senior executive staff, which is imposed by laws and regulations relating to insider trading laws and market requirements relating to close periods.

Employment Policies

The Group's policy on employee involvement is to adopt an open management style, thereby encouraging informal consultation at all levels about aspects of the Group's operations. Employees participate directly in the success of the business by participation in the SAYE share option schemes.

Employment policies are designed to provide equal opportunities irrespective of colour, ethnic or natural origin, nationality, sex, religion, marital or disabled status. Full consideration is given to applications for employment by and the continuing employment, training and career development of disabled people.

Payment Policy

The Group does not have a formal policy that they follow with regard to payment to suppliers. Payment terms are agreed with each supplier and every endeavour is made to adhere to the agreed terms. The average credit terms for the Group, based on the year-end trade creditors figure and a 365 day year, are 34 days. The average credit taken by our customers on a similar basis is 28 days.

Essential Contracts

It is imperative that Cranswick is able to source its high quality raw materials at the most competitive prices and to this end the Company has numerous contracts in place for these supplies. While these contracts are collectively essential to the business, no single contract or supplier is critical to the Company's business.

The Company also has strong relationships with certain major retailers to supply them with product.

Charitable Donations

As part of the Group's commitment to the communities in which it operates, contributions totalling £30,000 were made during the year to local charities and community projects.

Auditors

Ernst & Young LLP have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

Directors' statement as to disclosure of information to auditors

The Directors who were members of the Board at the time of approving the Directors' Report are listed on page 19. Having made enquiries of fellow Directors and of the Company's auditors, each of these Directors confirm that:

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Change of Control

There are no agreements that the Company considers significant and to which the Company is party that would take effect, alter or terminate upon change of control of the Company following a takeover bid other than the following:

The Company is party to a number of banking agreements which upon a change of control of the Company are terminable by the bank upon the provision of 10 working days' notice, and there are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid other than as stated in the Directors Remuneration Report relating to Martin Davey and Bernard Hoggarth.

Long Term Incentive Plan

In the event of a general offer being made to acquire part or all of the issued share capital of the Company as a result of which the offeror may acquire control of the Company, award holders under the Cranswick plc Long Term Incentive Plan ('LTIP') will have an opportunity to exercise their awards either:

1) immediately before the time at which the change of control of the Company occurs or any condition subject to which the offer is made has been satisfied ('Take-over Date') but conditional on the Take-over Date occurring, if the Remuneration Committee issues a written notice in advance of the Take-over Date to award holders; or
2) at any time within six months following the Take-over Date, in any other case.

In the event that the Court sanctions a scheme of arrangement under Part 26 of the Companies Act 2006 in connection with a scheme for the Company's reconstruction or amalgamation with another company, award holders under the LTIP may exercise their awards during the six month period commencing on the date upon which the scheme of arrangement is sanctioned by the Court. The LTIP also contains provisions enabling award holders to exercise their awards if a person becomes entitled to issue a compulsory acquisition notice under the provisions relating to the compulsory acquisition of a company set out in the Companies Act 2006. The period allowed for exercise in these circumstances is any time up to the seventh day before the final day upon which that person remains entitled to serve such a notice.

In each case, the extent to which awards are capable of exercise depends on the scope to which the performance targets (as adjusted or amended) have been satisfied.

Articles of Association

The Company's Articles of Association may only be amended by a special resolution at a general meeting of the Shareholders.

Annual General Meeting and Special Business to be transacted at the Annual General Meeting.

The notice convening the Annual General Meeting can be found in the separate Notice of Annual General Meeting accompanying this Report and Accounts.

Details of the Special Business to be transacted at the Annual General Meeting are contained in the separate letter from the Chairman which also accompanies this Report and Accounts, and covers the Directors' authority to allot shares, the partial disapplication of pre-emption rights and the authority for the Company to buy its own shares.

By order of the Board

Malcolm Windeatt
Company Secretary

21 May 2012

Company number: 1074383

CORPORATE GOVERNANCE STATEMENT

Statement by the Directors on compliance with the provisions of the UK Corporate Governance Code.

Principles of Good Governance

The Board is committed to high standards of corporate governance. The adoption and maintenance of good governance is the responsibility of the Board as a whole. This report, together with the Directors' Remuneration Report on pages 30 to 35, describes how the Board applies the principles of good governance and best practice as set out in the UK Corporate Governance Code (the 'Code') which can be found on the Financial Reporting Council's website **www.frc.org.uk**.

The Directors consider that the Company has, during the year ended 31 March 2012, complied with the requirements of the Code other than with Code provision B.1.2 as the number of independent Non-Executive Directors was less than half the Board, excluding the Chairman. It is the Board's belief that the current composition of the Board includes the appropriate skills balance, experience, independence and knowledge of the business and that the appointment of a Non-Executive Director should reflect a need to add complementary skills and experience to the Board and not be driven by a requirement to match the number of Executive Directors. The Board will continue to keep this under review, also with diversity in mind, and assess the needs and requirements of the business as it develops.

The Board

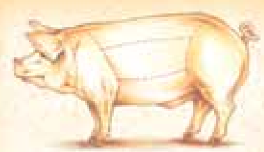
During the year ended 31 March 2012, the Board consisted of an Executive Chairman, a Chief Executive, three other Executive Directors and three Non-Executive Directors. All the Non-Executive Directors are deemed to be independent.

The Board met 10 times during the year to direct and control the overall strategy and operating performance of the Group. To enable them to carry out these responsibilities all Directors have full and timely access to all relevant information and the Board has held meetings at various production facilities so that the Directors can review the operations of those particular sites. All Directors have allocated sufficient time to the Company to discharge their responsibilities effectively.

A formal schedule of matters reserved for decision by the Board covers key areas of the Group's affairs including acquisition and divestment policy, approval of budgets, major capital expenditure projects, profit and cash flow performance and general treasury and risk management policies. The Chairman was responsible for the leadership of the Board and ensuring its effectiveness, whereas the Group's day-to-day operations was delegated to the Chief Executive who, supported by the Executive Directors and executive management, implements the Board's strategy and manages the Group's business.

On appointment, all Directors undertake a formal introduction to all the Group's activities and are also provided with the opportunity for on-going training to ensure that they are kept up-to-date on changes in relevant legislation and the general business environment, including the review of relevant literature and attending external courses. During the year all Executive Directors received a presentation on the contents of the Bribery Act. Procedures are in place for Directors to seek both independent advice, at the expense of the Company, and the advice and services of the Company Secretary in order to fulfil their duties.

During the year an Executive Committee was set up consisting of the Executive Directors and senior executives of the business. The committee meets on a monthly basis and reports back to the Board.



SENSATIONAL BRITISH SUMMER SALAD

Freedom Foods finely sliced dry cured and air dried ham with black pepper pastrami and finely sliced butter basted Devonshire Red chicken, served with a rocket and cucumber salad and red onion marmalade

The Company Secretary is responsible to the Board for ensuring that Board procedures are complied with and for advising the Board, through the Chairman, on all governance matters. The appointment and removal of the Company Secretary is determined by the Board as a whole.

The Board considers the Non-Executive Directors to be independent and has accepted the following definition of an independent director:

- has not been an employee of the Company or Group within the last five years;
- within the last three years has not had a material business relationship with the Company either directly, or as a partner, shareholder, director or senior employee of a body that has such a relationship with the Company;
- has not received additional remuneration from the Company apart from a director's fee, and does not participate in the Company's share option or performance-related pay scheme, and is not a member of the Company's pension scheme;
- has no close family ties with any of the Company's advisors or senior employees;
- holds no cross-directorships or has no significant links with other directors through involvement in other companies or bodies;
- does not represent a significant shareholder; and
- has not served on the Board for more than nine years from the date of their first election.

The Board has completed its annual review of the register relating to potential conflicts of interest with its Directors and confirm that no such conflicts exist.

The Board, led by the Chairman, has carried out a formal evaluation of its performance and that of its Committees under a system based on a questionnaire circulated to all Directors which was used to facilitate a Board discussion. Based on the evaluation exercise the Board concluded that it, and its Committees, were working well and a number of actions were agreed to make it more effective.
The Board is also aware that external facilitated evaluations are required and these will be considered over the next twelve months.

The Chairman has evaluated the performance of individual Directors through one-to-one meetings. In addition, the Non-Executive Directors, led by the Senior Independent Director, meet, without the Chairman present, in order to appraise his performance.

The Company's Articles of Association provide that one third of the Directors retire by rotation each year and with the proviso that each Director shall seek re-election at the Annual General Meeting every three years. All new Directors are subject to election by Shareholders at the first opportunity following their appointment. The Board is aware that the Code recommends the re-election of all directors every year and the Company will now comply with this requirement.

Directors' biographies and membership of the various Committees are shown on page 19. The formal terms of reference for the Board Committees together with the terms and conditions of appointment of Non-Executive Directors are available for inspection at the Company's Registered Office and at the Annual General Meeting.

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Number of meetings	**10**	**3**	**6**	**2**
Mark Bottomley	10	-	-	-
Jim Brisby	9	-	-	-
Adam Couch	10	-	-	-
Steven Esom	10	3	6	2
Martin Davey	10	-	-	2
Bernard Hoggarth	10	-	-	-
Patrick Farnsworth	10	3	6	2
John Worby	10	3	6	2

All the Directors attended the Annual General Meeting.

Board Committees

Audit Committee

The Audit Committee is comprised of the three independent Non-Executive Directors chaired by John Worby, the Group's Senior Independent Director, who is a chartered accountant, has considerable recent relevant financial experience and has spent many years in the food industry.

The Chairman, the Finance Director and the Group Financial Controller, together with the external auditors and internal audit attend the meetings as appropriate. The Company Secretary also attends the meetings as secretary to the Committee. Both the external auditors and internal audit have the opportunity to access the Committee, without the Executive Directors being present, at any time, and the Committee formally meets with both the external auditors and internal audit independently at least once a year.

Audit Committee responsibilities

The Committee reviews:

- the Group's accounting policies;
- internal audit reports on accounting and internal financial control; and
- reports from the external auditors.

The Audit Committee has overall responsibility for monitoring the integrity of financial statements and related announcements and all aspects of internal control. The Audit Committee meets at least three times a year; two of these meetings involve a review of the Group's interim and full year financial statements.

There is also a whistle blowing policy in place, with an independent help line, which includes arrangements by which staff can, in confidence, raise concerns about possible improprieties in financial reporting and other matters.

The Chairman of the Audit Committee will be available at the Annual General Meeting to respond to any Shareholder questions that might be raised on the Committee's activities.

Risk Management and Internal Control

The Board of Directors has overall responsibility for the Group's system of internal control, which safeguards the Shareholders' investment and the Group's assets, and for reviewing its effectiveness. Such a system can only provide reasonable and not absolute assurance against material misstatement or loss, as it is designed to manage rather than eliminate the risk of failure to achieve business objectives.

The Group operates within a clearly defined organisational structure with established responsibilities, authorities and reporting lines to the Board. The organisational structure has been designed to plan, execute, monitor and control the Group's objectives effectively and to ensure that internal control becomes embedded in the operations.

The Chairman of the Audit Committee reports to the Board on issues relating to internal controls and risk management following each Audit Committee meeting.

The Board confirms that the key on-going processes and features of the Group's internal risk based control system, which accord with the Turnbull guidance, have been fully operative throughout the year and up to the date of the Annual Report being approved. These include:

- a process to identify, evaluate and manage business risk (as detailed below and in the Group Operating and Financial Review on pages 10 to 17);
- a strong control environment;
- an information and communication process; and
- a monitoring system and a regular Board review of effectiveness.

During the year a Risk Committee was set up to monitor the risk areas within the Group and to report directly to the Audit Committee. The Risk Committee is chaired by Mark Bottomley and includes Jim Brisby and other senior executives representing the commercial, operational, technical, information technology, engineering, health and safety and financial functions. Internal audit and the Company Secretary also attend these meetings. The team identified the key business risks within their operations, considered the financial and operational implications and assessed the effectiveness of the control processes in place to mitigate these risks. The Audit Committee reviewed a summary of the findings and this, along with direct involvement in the strategies of the businesses, investment appraisal and the budgeting process, enabled the Audit Committee to review and report to the Board on the effectiveness of internal control. Following its review the Board determined that it was not aware of any significant deficiency or material weakness in the system of internal control.

The Audit Committee reviewed the content of the Annual Report and Accounts and considered them to be a fair reflection of the Company's performance in the period.

Financial Reporting

The Group prepares annual budgets that are agreed by the Board. Operational management are required to report to the Board on a monthly basis on financial performance including trading results, balance sheet, cash flows and related key performance indicators. Forecasts are updated on a half yearly basis together with information on key risk areas. The use of a standard reporting pack by all Group entities ensures that information is gathered and presented in a consistent way which facilitates preparation of the consolidated financial statements.

Internal Audit

The Group's internal audit function comprises of Company employees supported by Grant Thornton, which provides specialist advice and resources where necessary. The role of internal audit is to advise management and to report to the Audit Committee on the extent to which systems of internal control are effective and to provide independent and objective assurance that the processes by which significant risks are identified, assessed and managed are appropriate and effectively applied.

The Audit Committee reviews and approves the annual internal audit plan and receives regular updates on progress in meeting the plan objectives. The internal audit approach is risk based and takes into account the overall Group risk framework, as well as risks specific to individual operations. The plan set out at the beginning of the current year was achieved. Internal audit findings together with responses from management are considered by the Audit Committee and where necessary challenged. The Audit Committee considers annually the extent and effectiveness of the work of the internal audit function.

External Auditors

Ernst & Young LLP has been the Company's auditors since 1972 following the take-over of a local Hull based practice. The Audit Committee assesses annually the qualification, expertise, resources and independence of the auditor and the effectiveness of the audit process. The assessment as to the effectiveness is conducted through an external audit questionnaire with senior finance management.

The Audit Committee is also responsible for recommendations for the appointment, reappointment or removal of the external auditors. The Committee periodically reviews the tendering of the external audit function, the last such review and tender being in 2008. The Committee also approves the terms of engagement and remuneration of the external auditors, and monitors their independence. There is a policy in place in relation to the types of non-audit services the external auditors should not carry out so as not to compromise their independence and these would include internal accounting or other financial services, internal audit services, executive or management roles or functions, and remuneration consultancy.

Following consideration of these matters at a meeting of the Audit Committee in May 2012, a unanimous recommendation was made to the Board for the reappointment of Ernst & Young LLP as the Company's external auditors to be proposed to Shareholders at the 2012 Annual General Meeting.

Auditor Independence

Ernst & Young LLP have confirmed that they have adequate policies and safeguards in place to ensure that auditor objectivity and independence is maintained. The Group meets its obligations for maintaining an appropriate relationship with the external auditors through the Audit Committee, whose terms of reference include an obligation to consider and keep under review the degree of work undertaken by the external auditor, other than the statutory audit, to ensure such objectivity and independence is safeguarded. There is also an established policy for the work the external auditors can and cannot do so as not to compromise their independence and in addition, the Chairman of the Audit Committee is consulted prior to awarding to the external auditors any non-audit services in excess of £20,000.

During the year, the auditors also provided tax advice and were consulted on corporate transactions. Auditor objectivity and independence was safeguarded through use of a separate tax partner and separate corporate transactions partner.

During the year the Audit Committee considered the following factors in assessing the objectivity and independence of Ernst & Young LLP:

i) The auditors' procedures for maintaining and monitoring independence, including those to ensure that the partners and staff have no personal or business relationships with the Group, other than those in the normal course of business permitted by UK ethical guidance.
ii) The auditors' policies for the rotation of the lead partner and key audit personnel. The current audit partner is due to be replaced after this year's audit having been in the position since 2007. The senior manager changed in 2008.
iii) Adherence by management and the auditor to the Group's policy for the procurement of non-audit services.

Remuneration Committee

The Remuneration Committee comprises the three independent Non-Executive Directors chaired by Steven Esom. Martin Davey attends meetings of the Remuneration Committee by invitation and in an advisory capacity. No Director attends any part of a meeting at which his own remuneration is discussed. The Executive Directors determine the remuneration of the Non-Executive Directors.

The Committee recommends to the Board the policy for executive remuneration and determines, on behalf of the Board, the other terms and conditions of service for each Executive Director. It determines appropriate performance conditions for the annual cash bonus and long term incentive schemes and approves awards and the issue of options in accordance with the terms of those schemes. The Remuneration Committee also, in consultation with the Chairman, monitors the total individual remuneration package of senior executives including bonuses, incentive payments and share option and other share awards. The Remuneration Committee has access to advice from the Company Secretary and to detailed analysis of executive remuneration in comparable companies. Details of the Committee's current remuneration policies are given in the Directors' Remuneration Report on pages 30 and 32.

The Chairman of the Remuneration Committee will attend the Annual General Meeting to respond to any Shareholder questions that might be raised on the Committee's activities.

Nomination Committee

The Nomination Committee is chaired by Patrick Farnsworth and includes John Worby, Steven Esom and Martin Davey.

The Committee meets at least once a year and reviews the structure, size and composition of the Board and is responsible for considering and making recommendations to the Board on new appointments of Executive and Non-Executive Directors. It also gives full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Group and what skills and expertise are therefore needed on the Board and from senior management in the future. The Committee, after reviewing the requirements of the Company, recommended the promotion of Adam Couch, having spent over a year as Chief Operating Officer, to the position of Chief Executive Officer from 1 August 2012, following Bernard Hoggarth's decision to stand down from that role on that date. The Committee was also happy to recommend that Bernard Hoggarth remains on the Board part time as Commercial Director.

All Directors will seek re-election at the Annual General Meeting in accordance with the Code. The Board has set out in the Notice of Annual General Meeting its reasons for supporting the re-election of the Directors at the forth coming Annual General Meeting. Their biographical details on page 19 demonstrate the range of experience and skills which each brings to the benefit of the Company.

The Chairman of the Nomination Committee will attend the Annual General Meeting to respond to any Shareholder questions that might be raised on the Committee's activities.

Shareholders

The Board attaches great importance to maintaining good relationships with all Shareholders who are kept informed of significant Company developments. Presentations are made to analysts and institutional Shareholders on the half year and full year results. Significant matters relating to the trading or development of the business are disseminated to the market by way of Stock Exchange announcements.

The views of Shareholders expressed during meetings with them are communicated by the Chairman to the Board as a whole, and through this process the Board's Executive and Non-Executive Directors are able to gain a sound understanding of the views and concerns of the major Shareholders. The Chairman discusses governance and strategy with major Shareholders from time to time. Other Directors are available to meet the Company's major Shareholders if requested. The Senior Independent Director is available to listen to the views of Shareholders, particularly if they have concerns which contact with the Chairman has failed to resolve, or for which such contact is inappropriate. Principles of corporate governance and voting guidelines issued by the Company's institutional Shareholders and their representative bodies are circulated to and considered by the Board. The Board also welcomes the attendance and questions from Shareholders at the Annual General Meeting which is also attended by the Chairs of the Audit, Remuneration and Nominations Committees.

By order of the Board

Malcolm Windeatt
Company Secretary

21 May 2012

Information not subject to audit

Remuneration Committee

The Remuneration Committee comprises the three Non-Executive Directors chaired by Steven Esom. The Executive Chairman attends the meetings in an advisory capacity as requested. The Company Secretary attends the meetings as secretary to the Committee. The Committee determines the remuneration of the Company's Executive Directors and puts forward its recommendations for approval by the Board. It also monitors the remuneration of the Group's senior executives. The remuneration policy is reviewed and benchmarked by external consultants every two to three years and last year AON Hewitt carried out such a review. AON Hewitt were also retained by the Remuneration Committee to review the existing management incentive scheme, their recommendations were discussed by the Remuneration Committee and as a result the scheme was amended as set out in this report. In addition PricewaterhouseCoopers continue to give advice to the Remuneration Committee on share option awards and other benefit schemes.

The remuneration of the Non-Executive Directors is determined by the Executive Directors and reflects the time, commitment and responsibility of their roles.

Remuneration policy

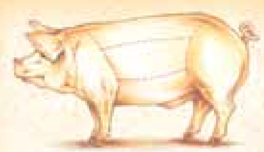
The Group's policy is that the overall remuneration package offered should be sufficiently competitive to attract, retain and motivate high quality Executives and to align the rewards of the Executives with the progress of the Group whilst giving consideration to salary levels in similar sized quoted companies in the sector and in the region. The remuneration package is in two parts: a non-performance part represented by basic salary (including benefits); and a significant performance related element in the form of a profit related bonus and share-based awards. The share-based awards are granted by the Remuneration Committee and only vest on the achievement of demanding targets aligned to Shareholder returns and earnings per share. The details of individual components of the remuneration package and service contracts are set out below:

Basic Salary and Benefits

The non-performance related elements of remuneration which comprise basic salary, car allowance and benefits are reviewed annually and are effective from 1 May. Benefits principally comprise medical insurance and personal tax and pension advice.

Bonus scheme

The bonus scheme in operation is based on the achievement of Group profit targets. The targets are set having regard to the Company's budget, historical performance and market outlook for the year. A small part of the bonus relates to the achievement of a target performance for the first half of the year, where a fixed sum is paid, with the remaining element based on a percentage of the results in excess of an annual target. The performance is based solely on the Group's profit before tax, with a sliding scale of targets set around budget performance. The total bonus is capped at 150 per cent of basic salary; however there is a clawback arrangement in place if the need arises. Non-Executive Directors do not participate in the Group's bonus scheme. Incentive payments, car allowance and benefits are not pensionable.



GENEROUS HANDMADE BEEF PIE FOR ONE

Handmade shortcrust beef and black pepper pie served with Yorkshire new potatoes and fresh garden peas

Share options and Long Term Incentive Plan

The basic salary and the bonus scheme are intended as the most significant part of Directors' remuneration. In addition, executive share options (though no options under this scheme have been issued since 2005 and the scheme is unlikely to be used before 2015 when it closes) and the Long Term Incentive Plan (LTIP) can be proposed by the Remuneration Committee and are granted periodically to promote the involvement of senior management in the longer term success of the Group. Even though both option awards are seen as an important part of rewarding employees the Remuneration Committee is focusing on using the LTIP rather than the executive option scheme for Executive Directors and senior executives.

Options can only be exercised if certain performance criteria are achieved by the Group. Under the LTIP half the shares granted are subject to an earnings per share ('EPS') target measured against average annual increases in the retail price index ('RPI') over a three year period and half to a total shareholder return ('TSR') target measured against a comparable group of food companies over a three year period. The comparison companies used prior to 2011 are Carrs Milling Industries plc, Dairy Crest Group plc, Devro plc, Glanbia plc, Greencore plc, Northern Foods plc, Robert Wiseman Dairies plc, Premier Foods plc and Uniq plc. For future awards the comparator group has been expanded to 14 companies and in addition to Cranswick these are Associated British Foods plc, A G Barr plc, Britvic plc, Carrs Milling Industries plc, Dairy Crest Group plc, Devro plc, Greencore Group plc, Hilton Food Group plc, Kerry Group plc, McBride plc, Premier Foods plc, Robert Wiseman Dairies plc (no-longer quoted) and Tate and Lyle plc. The EPS target allows 25 per cent of the shares subject to the target to be issued at nil cost at an average annual outperformance of 3 per cent and 100 per cent of the shares at an average annual outperformance of 7 per cent with outperformance between 3 and 7 per cent rewarded pro rata. The TSR target allowed 30 per cent of the shares subject to the target to be issued at nil cost at the 50th percentile and 100 per cent at the 75th percentile with performance between the 50th and 75th percentiles rewarded pro-rata. Under the terms of the scheme an award to an individual cannot exceed 100 per cent of that individual's annual salary except in exceptional circumstances when up to 200 per cent of the annual salary is permitted. The Remuneration Committee, which decides whether performance conditions have been met, considers EPS and TSR to be the most appropriate measures of the long term performance of the Group.

Directors may also apply for Save As You Earn (SAYE) options on the same terms as all other employees.

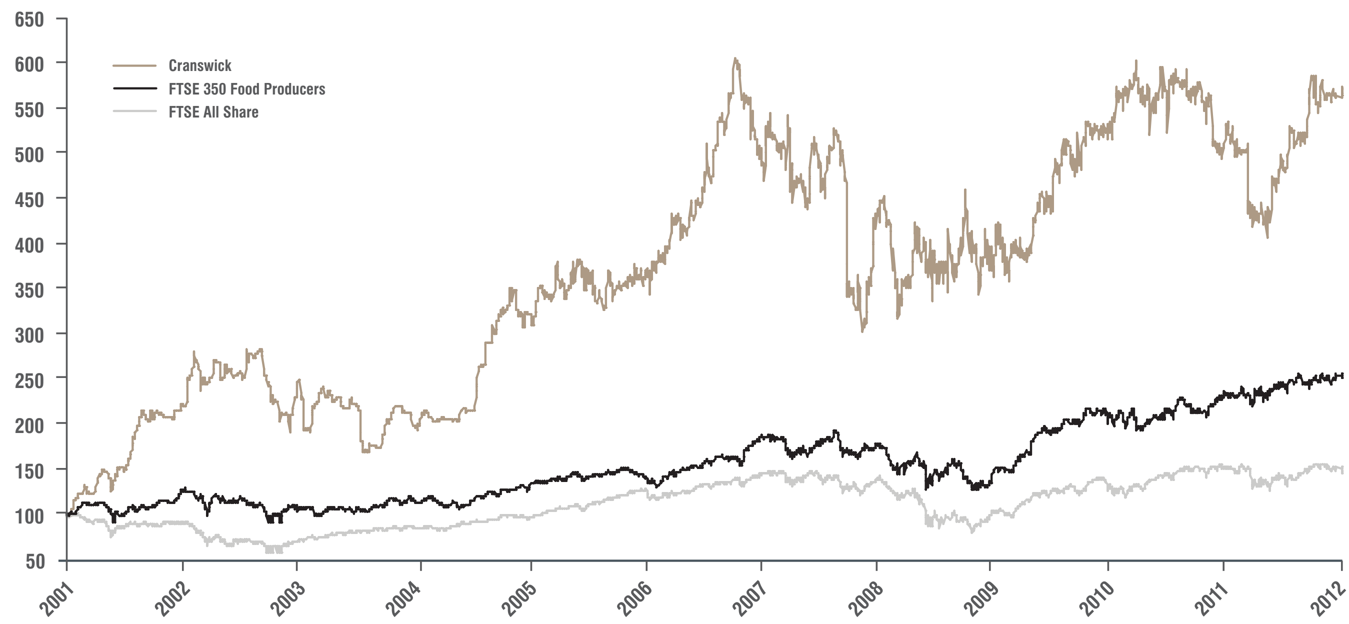
Pay and conditions across the Group

The following are the key aspects of how pay and employment conditions across the Group are taken into account when setting the remuneration of employees including the Executive Directors:

- The Group operates within the UK food sector and has many employees who carry out demanding tasks within the business.
- All employees, including Directors, are paid by reference to the market rate.
- Performance is measured and rewarded through a number of performance related bonus schemes across the Group including LTIP share options for Executive Directors and senior executives.
- Performance measures are cascaded down through the organisation.
- The Group offers employment conditions that are commensurate with a medium sized quoted company, including high standards of health and safety and equal opportunities.
- The Group operates SAYE share schemes which are open to all eligible employees including Executive Directors.

Performance graph – Total Shareholder Return

The graph below shows the percentage change (from a base of 100 in May 2001) in the total shareholder return (with dividends reinvested) for each of the last eleven years on a holding of the Company's shares against the corresponding change in a hypothetical holding in the shares of the FTSE 350 Food Producers and Processors Price Index ("FTSE FPP") and the FTSE All Share Index ("FTSE All Share"). The FTSE FPP and the FTSE All Share were chosen as representative benchmarks of the sector and the market as a whole for the business.



Source: Investec

Service contracts

The service contracts for Martin Davey and Bernard Hoggarth include one year notice periods from 1 May 2006 except in the case of a takeover of the Company when the notice period is 2 years for the first six months following the take-over.

These conditions were incorporated into new contracts several years ago when the Directors changed from contracts which had notice periods of up to three years. The Remuneration Committee's current policy is not to enter into employment contracts with any element of notice period in excess of one year. Accordingly the other Executive Directors have a one year rolling contract, Adam Couch commencing 1 May 2006, Mark Bottomley from 1 June 2009 and Jim Brisby from 26 July 2010. Appointment letters have been issued to Patrick Farnsworth, for 19 months from 1 January 2012, to John Worby, for 31 months from 1 January 2012 and Steven Esom, for 3 years from 12 November 2011. The contracts for Martin Davey and Bernard Hoggarth have special provisions relating to liquidated damages requiring that the notice period stipulated in the contract will be paid in full. For the other contracts the Remuneration Committee will consider the circumstances of an early termination and determine compensation payments accordingly.

Pensions

Executive Directors are members of the Group 'money-purchase' pension scheme. Employer contributions are determined by service contracts. In some cases pension contributions are paid in lieu of salary and in other cases there are payments of salary in lieu of pension contributions, both at the option of the individual.

Information subject to audit

Directors' remuneration

The remuneration of Directors for the year was as follows:

	2012 £'000	2011 £'000
Salary and fees	2,442	2,122
Bonuses	1,953	390
Benefits	16	16
Payment in lieu of pension contribution	156	-
	4,567	2,528
Pension contribution	259	386
	4,826	2,914
Aggregate notional gains made by Directors on exercise of options	638	544

Individual Directors' remuneration, including pension contributions:

	Salary and fees £'000	Bonus £'000	Benefits £'000	Payments in lieu of pension £'000	Total 2012 £'000	Total 2011 £'000	Pension 2012 £'000	Pension 2011 £'000
Non-Executive Directors:								
Steven Esom	40	-	-	-	40	37	-	-
Patrick Farnsworth	40	-	-	-	40	39	-	-
John Worby	45	-	-	-	45	44	-	-
Executive Directors:								
Mark Bottomley	365	342	3	-	710	354	67	65
Jim Brisby *(2011 from appointment)*	314	300	1	-	615	176	42	24
Adam Couch	422	405	3	28	858	506	50	75
Martin Davey	684	453	5	76	1,218	757	50	125
Bernard Hoggarth	532	453	4	52	1,041	615	50	97

Benefits principally comprise medical insurance and personal tax and pension advice.

Mark Bottomley, Jim Brisby and Adam Couch each sacrificed part of his cash bonus entitlement before its award. Pension contributions equal to the amount sacrificed are made into pension plans for the benefit of their dependants. The amount shown in the bonus column reflects the full bonus earned.

The number of Directors who were active members of the money purchase pension scheme during the year was 5 (2011: 5).

Share options

The Group operates an executive share option scheme (no options currently in issue) and a Long Term Incentive Plan for senior executives, including Executive Directors, and a savings related share option scheme which is available to all employees with at least 2 years' service. The interests of the Executive Directors in these schemes were as follows:

Long term incentive plan

	Year of award	At 1 April 2011 No.	Granted in the year No.	Exercised in the year No.	Lapsed in the year No.	**At 31 March 2012 No.**	Exercise price p	Market price at grant p
Mark Bottomley	2009	13,200	-	-	-	**13,200**	nil	592
	2010	25,000	-	-	-	**25,000**	nil	860
	2011	-	43,600	-	-	**43,600**	nil	785
Jim Brisby	2008	5,000	-	(5,000)	-	**-**	nil	632
	2009	6,600	-	-	-	**6,600**	nil	592
	2010	13,200	-	-	-	**13,200**	nil	860
	2011	-	37,200	-	-	**37,200**	nil	785
Adam Couch	2008	25,000	-	(25,000)	-	**-**	nil	632
	2009	32,500	-	-	-	**32,500**	nil	592
	2010	36,000	-	-	-	**36,000**	nil	860
	2011	-	50,500	-	-	**50,500**	nil	785
Martin Davey	2008	25,000	-	(25,000)	-	**-**	nil	632
	2009	32,500	-	-	-	**32,500**	nil	592
	2010	36,000	-	-	-	**36,000**	nil	860
	2011	-	56,800	-	-	**56,800**	nil	785
Bernard Hoggarth	2008	25,000	-	(25,000)	-	**-**	nil	632
	2009	32,500	-	-	-	**32,500**	nil	592
	2010	36,000	-	-	-	**36,000**	nil	860
	2011	-	56,800	-	-	**56,800**	nil	785

The performance periods commence on 1 April in each year and conclude on 31 March three years later and options are exercisable on the attainment of certain performance criteria detailed on page 32. The range of exercise dates is 1 June 2012 to 1 June 2021.

The options granted in the year are exercisable between 1 June 2014 and 1 June 2021. The share price at the time of issue was 785p.

The following Directors exercised LTIP share options during the year:

	Number	Date exercised	Exercise price p	Market price p	**Notional gain £'000**
Jim Brisby	5,000	14 Jun 2011	nil	757	**38**
Adam Couch	25,000	2 Feb 2012	nil	786	**196**
Martin Davey	25,000	2 Feb 2012	nil	786	**196**
Bernard Hoggarth	25,000	2 Feb 2012	nil	786	**196**

Savings related share option scheme

	At 1 April 2011 No.	Granted in the year No.	Exercised in the year No.	Lapsed in the year No.	**At 31 March 2012 No.**	Weighted average exercise price p	Range of exercise dates
Mark Bottomley	2,200	2,590	-	(2,200)	**2,590**	579	1 Mar 2017/ 1 Sept 2017
Jim Brisby	3,533	-	-	-	**3,533**	474	1 Mar 2014/ 1 Sept 2014
Adam Couch	3,761	936	-	-	**4,697**	494	1 Mar 2013/ 1 Sept 2019
Martin Davey	2,025	1,554	(2,025)	-	**1,554**	579	1 Mar 2015/ 1 Sept 2015
Bernard Hoggarth	2,025	1,554	(2,025)	-	**1,554**	579	1 Mar 2015/ 1 Sept 2015

The Executive Directors are eligible, as are other employees of the Group, to participate in the SAYE scheme, which by its nature does not have performance conditions.

The following Executive Directors exercised savings related share options during the year:

	Number	Date exercised	Exercise price p	Market price p	Notional Gain £'000
Martin Davey	2,025	27 Feb 2012	474	782	6
Bernard Hoggarth	2,025	27 Feb 2012	474	782	6

Market price of shares

The market price of the Company's shares at 31 March 2012 was 805 pence per share. The highest and lowest market prices during the year for each share option that was unexpired at the end of the year are as follows:

	Highest (pence)	Lowest (pence)
Options in issue throughout the year	841.0	588.5
Options issued during the year: - SAYE	841.0	726.5
- LTIP	841.0	588.5

Director's Beneficial Interests (Unaudited)

	At 31 March 2012 Ordinary Shares	At 31 March 2011 Ordinary Shares
Mark Bottomley	**3,500**	-
Jim Brisby	**36,321**	27,860
Adam Couch	**66,946**	66,079
Martin Davey	**200,426**	200,426
Steven Esom	**1,441**	-
Patrick Farnsworth	**1,243**	1,196
Bernard Hoggarth	**114,413**	112,388
John Worby	**1,641**	1,641

During the year the Remuneration Committee agreed that Executive Directors should build up a shareholding equivalent to one year's net salary over a 3 to 5 year period. The Non-Executive Directors also agreed to build up a holding on the same basis.

All the above interests are beneficial. There have been no further changes to the above interests in the period from 1 April 2012 to 8 May 2012.

On behalf of the Board

Steven Esom
Chairman of the Remuneration Committee

21 May 2012

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Cranswick takes its ethical responsibilities to employees, customers, shareholders, suppliers, producers and the environment extremely seriously. The Company recognises that a balanced and committed approach to all aspects of Corporate Social Responsibility (CSR) will bring benefits to each of the Company stakeholders and will strengthen its business position and credentials to facilitate future sustainable growth and development. Within the last year it has established a working group to look at CSR across the business to facilitate the recognition of best practice and shared learning leading to the development of a Group Corporate Responsibility Policy which clearly defines its core values and aspirations.

People

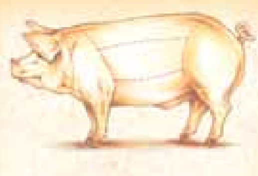
Cranswick is committed to the highest standards of responsible behaviour, dignity and integrity in its relationships with employees, customers, business partners and authorities and in so doing endorses the principals of the Ethical Trading Initiative (ETI). All sites within the Group are audited on a regular basis both by internal and external parties to ensure that the spirit of the ETI is being followed at all times as a minimum standard throughout the Group. Every site has demonstrated a high level of compliance with the ETI base code. Where non-conformances have been highlighted these issues have been addressed. A representative from the Group also sits on the taskforce committee for the Equality and Human Rights Commission, which was formed in order to improve working practices within the meat and poultry industry.

The Company respects the rights and dignity of every employee and treats them fairly and without discrimination regardless of their employment status and in line with the Group's Equal Opportunities policy. This confirms the Group's commitment to being an employer that will take all reasonable steps to employ, train and promote employees on the basis of their experience, abilities and qualifications without regard to race, colour, ethnic origin, nationality, religion, sex, sexual orientation, marital status, age or disability. Cranswick ensures that all of its employees are treated with respect and dignity, and that harassment, in any form, will not be condoned. In order to ensure compliance with the policy, data is collated on a monthly basis to monitor Equal Opportunities across the Group and to implement a relative cultural split across the business with development opportunities accessible at all levels and for every nationality. Similarly training data is compiled to show the number of days training across the Group and therefore identify any training requirements.

In April 2012 a Group Human Resources (HR) Manager was appointed to ensure legal compliance across the Group and to standardise policies and procedures in line with best working practice. Previously HR responsibilities were site based. Work performed on behalf of the Company will now be formally based on a recognised employment relationship established in accordance with national law and recognised business practice.

The Company recognises that the people it employs either on a temporary or permanent basis are its biggest asset. It will therefore strive to ensure that the standards detailed above are implemented throughout the business and at all levels.

All labour supplying agencies are audited before use and re-audited on a scheduled basis to assess on-going compliance with the Gangmasters (Licensing) Act 2004. Details of the Company's ethical standards are communicated to its stakeholders via SEDEX, an ethical data exchange facility designed to link the full supply chain in an open and transparent manner. The Company's terms and conditions of employment have been reviewed to ensure that they are fully compliant with the Agency Workers Directive which came into force in October 2011.



AMAZING ANTIPASTI
TASTING PLATE

A selection of finely sliced charcuterie, including; Coppa di Parma, Prosciutto di Spec, Gigante Milano and Spanish chorizo served with fresh Cuquillo and Volos olives, Honeydew melon and pear

Cranswick recognises the benefits of collaborative working and the sharing of knowledge throughout the organisation. Communication is key to the development and progression of its business. In the interests of developing employee relations and ensuring transparent communication methods are in place, the Group has updated its whistleblowing policy and procedure in 2012 which now enables all workers to contact an independent third party to report any issues of concern. In addition, the anti-bribery and corruption policy has been updated following legislative changes in 2011, with training given to all senior managers.

Each business within the Group has its own strategy for the recruitment and training of staff, including the provision of competitive terms and conditions, and a challenging and stimulating working environment.

Cranswick is committed to high Health and Safety standards which are endorsed by the Board of Directors. It is committed to yearly improvements and works in partnership with staff and insurers to improve safety standards through training and effective management. Site level Health and Safety Co-ordinators monitor, manage and improve Health and Safety performance and their efforts are co-ordinated by the Group Health and Safety Manager, with the assistance of two Group Co-ordinators.

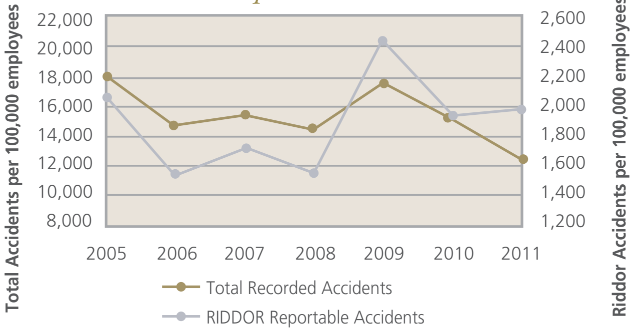
Monthly accident statistics are reported and monitored using Cranswick's Insurer's web based recording system which provides full Health and Safety Management, including risk assessments, claims management and audits. A tracker is utilised which prompts the introduction of appropriate control measures to reduce the likelihood of recurrence. The figures are compiled monthly and then reported on for the calendar year for the purpose of this report and quarterly reports are made to the Board.

Compared to the previous year*:

- The total number of recorded accidents in the group was 18 per cent lower.
- The Accident Incident Ratio (accident against number of employees) reduced by 17 per cent.
- The total number of RIDDOR accidents was unchanged.
- The Accident Incident Ratio (RIDDOR's against number of employees) rose slightly by 1 per cent.

Accident levels have fallen across the Group reflecting the reduction in incident levels attributable to improved working environments, investment in training and effective site Health and Safety team management. A Group Health and Safety DVD was produced during the year and this is used at all sites for training purposes.

Cranswick plc Accident Statistics



Total reportable accidents, at 1,894 per 100,000 employees (a Health and Safety Executive standard measure) are above the average for the Food Industry (1,433 in 2011) reflecting the additional cut hazards inherent in butchery operation. The Group continues to strive to reduce this figure.

Progress to accredit all operating sites to meet the British Standard 18001 (Occupational Health and Safety Management Systems) continues, with six sites now in compliance and those remaining scheduled to have their final audits during the current calendar year.

Annual internal Health and Safety audits are carried out to measure the standards at each site and produce an action plan for the following 12 months. All sites have continued to improve their audit percentage score in 2011 from the previous year.
The Group's insurers carry out annual external Health and Safety audits in which Cranswick has achieved results that are comparable to the industry leaders.

Products and Raw Materials

Cranswick is committed to ensuring that the raw materials used (meat, ingredients and packaging) are traceable to source and where raw materials are identity preserved, the supplier is challenged to prove their traceability systems to the Company's satisfaction. The approval of raw material suppliers is centrally controlled and involves independent third party audit or approval by the Group Technical Services team.

Cranswick's development has been focussed on the British pig market and the Group has always been a staunch supporter of British farming. With two operating abattoirs the Company holds a strong position in the British pig market. Producer groups and development initiatives with retailers, farmers and agricultural colleges are all aimed at improving the business relationships throughout the pig production chain to bolster the market against increasing worldwide competition. The bulk of the Group's contracted pigs are sourced from within Yorkshire, Lincolnshire & East Anglia which are recognised as being some of the best pig breeding areas in the UK. Proximity to the two abattoirs is important to good animal welfare and the reduction of food miles – 39 per cent of the supplying farms lie within 25 miles of Cranswick's pork processing units in Hull and Norfolk, and 77 per cent within 50 miles*.

High standards of animal welfare throughout the Group's supply chain is of the utmost importance to the business so Cranswick endorses the five freedoms concept proposed by the Farm Animal Welfare Council and the DEFRA Code of Practice for the Welfare of Pigs. All husbandry methods avoid stress and discomfort by ensuring freedom from fear, hunger, thirst, malnutrition and pain. All farms and hauliers are, as a minimum, Red Tractor assured and subject to independent welfare audit by nationally registered third party certification bodies. The Group also invests heavily in other higher welfare schemes such as the RSPCA Freedom Foods which currently accounts for 45 per cent of the animals processed by the Group's abattoirs, all of which come from outdoor systems.

Suppliers and Producers

Cranswick believes that integrity and trust in its dealings with its suppliers and producers are essential to building long term supply relationships which will ultimately benefit its products. The Group's expectations and requirements are articulated to its suppliers and producers prior to supply. The Company works with its business partners to establish and maintain social and environmental compliance standards throughout the supply chain.

The Group does not have a formal policy with regard to paying suppliers, but it does agree individual payment terms appropriate to their market sector and makes every endeavour to meet those agreements. Sites are separately managed and encouraged to source locally where such a policy serves the Company's best interests.

Customers and Consumers

Cranswick is committed to working with its retail customers to ensure clear informative labelling of product so that consumers can make an informed purchase decision based on the origin, authenticity, provenance and nutritional values of the foods it produces.

Food safety will always be of paramount importance and well qualified and experienced site based technical teams, centrally co-ordinated to share best practice and ensure that all products and processes meet the increasing demands of the Group's customers.

As a food company Cranswick recognises its responsibilities to create and produce products which are safe, legal and wholesome. The production sites are of modern design, well invested and operate to a high standard of food safety, process control, hygiene and housekeeping. All the sites are independently audited annually against the BRC Global Standard for Food Safety and have recently achieved the 60th consecutive Grade A compliance against this exacting standard which is recognised as a technical and food safety benchmark for the industry.

The customer base is centred on the major UK retailers, restaurant groups and food service companies. In addition, some of Cranswick products are supplied as raw materials to other food producers. The sites' food safety and quality management systems are constantly assessed by customers for compliance with their own specific policies and brand standards. The Group is also a member of various food assurance schemes (Organic, BQAP, Red Tractor) which require the sites to undergo scheme compliance and traceability audits, some of which take place unannounced.

To ensure that the Company continues to operate in compliance with the requirements of customer policy, brand standards, certified food safety standards, schemes and food law it has a robust internal audit system in place that is managed by the Group Technical Compliance team. The outcome from such audits is used to self-assess the level of compliance, to correct non-conformance where highlighted, and as a means of shared learning across the Group.

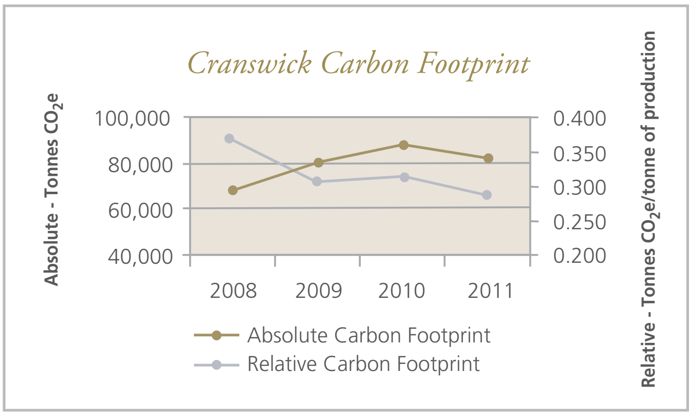
Impact on the Environment

A review of the Group's commitment to sustainability was conducted at the end of Company's first target period (2008 - 2010), during which time the reduction in relative carbon footprint was 27 per cent; exceeding the target of 20 per cent set three years earlier. New targets were set over a longer term, to coincide with 2020 and to better align them with Cranswick's stakeholder ambitions. A further 30 per cent reduction in its relative carbon footprint was agreed, together with commitments towards sustainable paper/board sourcing. To further encourage the commitment at factory level, the five remaining sites which do not already have ISO14001 accreditation are now going through this process.

The Group's carbon footprint envelope includes all factory activities (energy, f-gas, travel and waste) and all Group owned transport activities. Statistics are collated monthly and the footprint calculated using Carbon Trust software, reported at the half and full calendar year to the Board.

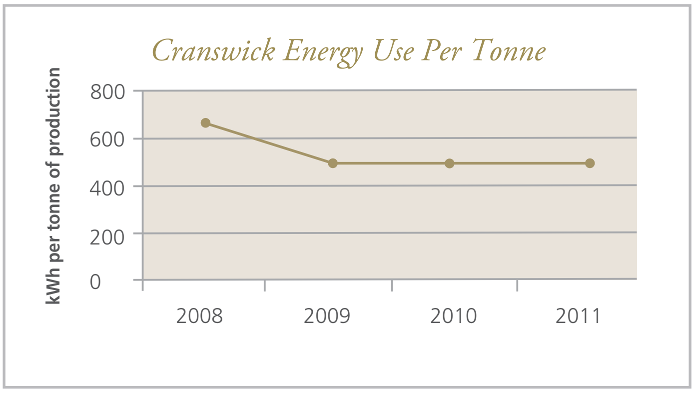
Annual review and realignment of the Company's ambitions and targets takes place to ensure they remain contemporary. To reflect the change in the Group structure, with the acquisition of the Norfolk Abattoir in 2009, and the sale of the Deeside cooked meat plant in July 2010, the Group figures and the graphs below now record the remaining businesses which comprise Cranswick plc from the 2010 report onwards.

The first year of the new target period saw a significant improvement in performance, with a 10 per cent fall in the Group's relative carbon footprint to 282kg of carbon per tonne of production, but more significantly a 6.6 per cent fall in its absolute carbon footprint, amounting to reduction in carbon emissions of 5,844 metric tonnes CO2 equivalent. ("CO2e")



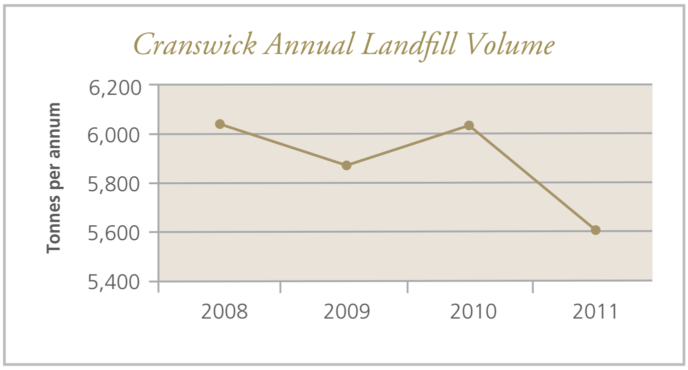
Energy now contributes almost 65 per cent of the annual carbon footprint, so efficiency and economy will be strong drivers in improvements over the next few years. Relative energy consumed per tonne of production was almost unchanged this year, due in the main to the significant expansion of the Lazenby's site, and additional production space at the Sherburn gourmet bacon plant being brought into use for Christmas 2010. The downward trend in energy use per tonne is expected to resume as production volumes through these additional areas increase. Reduction in Cranswick's energy footprint is a commercial and environmental necessity.

The small part of the Group which was ineligible for Climate Change Agreements is captured under the Carbon Reduction Commitment (CRC). But, with the anticipated revision of the Climate Change Levy Scheme (CCL) in 2013, it is expected that these will be brought under the CCL umbrella. The proposed simplification of both schemes is eagerly awaited.



* These figures have been subject to review by internal audit.

Waste to landfill has reduced over the year, falling by 7 per cent despite growth in production volumes, with increased waste to energy and anaerobic digestion contributing. It is anticipated that, as the waste disposal companies commission better sorting facilities, further significant improvements in landfill reduction and recycling levels will be made in the current year.



Water usage continues to be monitored and reported under the FHC2020 agreement and is well on target to achieve the 20 per cent reduction commitment by 2020. Along with energy use and carbon footprint, this will become an operational KPI as the Group enters the next phase of environmental commitment. The Group's process water usage per tonne of production rose slightly last year, attributed to the various extensions around the Group which all require cleaning, whether fully utilised or not.

Customer focus on the environment and sustainability has grown and the Group's environmental aspirations are being realigned to meet the common shared goals. The environmental section **('Greenthinking')** of the Group website: **www.cranswick.co.uk** will be updated to reflect and report on these targets.

Cranswick continues to participate in the Carbon Disclosure and the Forest Footprint projects.

Community

Charitable activities continue at site level with both individual and corporate sponsorship efforts. The Group's charity golf day contributed almost £26,000 to the KIDS charity, while the Company's promotion of Red Lion products helps that business contribute all of its post-tax profits to forces charities. Other charitable donations made by the business during the year totalled £30,000.

The environmental and community impact of any site redevelopment is always important to the Company. Over 4,000 trees were planted at the Preston site during the building of the new abattoir and biodiversity is becoming an increasing factor in the Group's planning.

With around 75 per cent of employees living within 10 miles of their place of work, local involvement is an important interest for the Group.

Summary

Cranswick has again made good progress towards all targets during the year. Various Group wide initiatives have helped in reducing the usage of waste, water and energy, which will benefit the environment and the local communities in which the Group operates. The Company will continue to invest in its facilities to make sure they operate to the highest standards and to focus on employee welfare through training programmes and Health and Safety initiatives.

By order of the Board

Malcolm Windeatt
Company Secretary

21 May 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the Group financial statements in accordance with applicable United Kingdom law and regulations. Company law requires the Directors to prepare Group financial statements for each financial year. Under that law, the Directors are required to prepare Group financial statements under IFRSs as adopted by the European Union.

Under Company Law the Directors must not approve the Group financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing the Group financial statements the Directors are required to:

- present fairly the financial position, financial performance and cash flows of the Group;
- select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements that are reasonable;
- provide additional disclosures when compliance with the specific requirements in IFRSs as adopted by the European Union is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- state whether the Group financial statements have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Group financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing the Directors' Report, the Directors' Remuneration Report and the Corporate Governance Statement in accordance with the Companies Act 2006 and applicable regulations, including the requirements of the Listing Rules and the Disclosure and Transparency Rules.

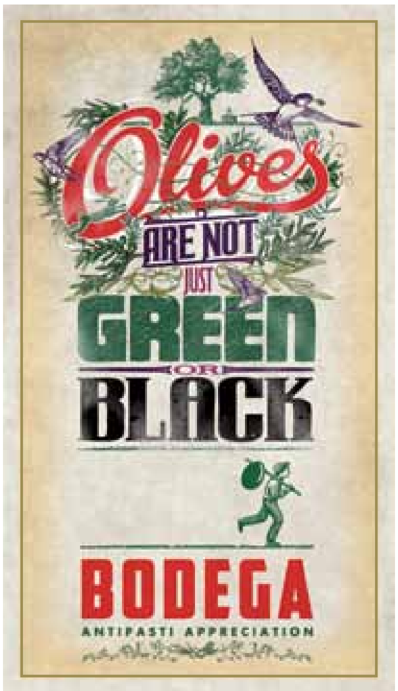
On behalf of the Board

Martin Davey
Chairman

Mark Bottomley
Finance Director

21 May 2012

Independent auditor's report to the members of Cranswick plc



We have audited the financial statements of Cranswick plc for the year ended 31 March 2012 which comprise the Group Income Statement, Group and Parent Company Balance Sheets, the Group and Parent Company Statements of Comprehensive Income, the Group and Parent Company Statements of Cash Flow, the Group and Parent Company Statements of Changes in Equity and the related notes 1 to 29. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 41, 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 financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit 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 and the parent company'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 report and accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2012 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;

- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement set out on pages 24 to 29 with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a Corporate Governance Statement has not been prepared by the company.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 17, in relation to going concern;
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

Stuart Watson (Senior Statutory Auditor)

or and on behalf of Ernst & Young LLP,
Statutory Auditor
Hull

21 May 2012

Group income statement

for the year ended 31 March 2012

	Notes	2012 £'000	2011 £'000
Revenue	3	**820,775**	758,442
Cost of sales		**(718,605)**	(657,166)
Gross profit		**102,170**	101,276
Operating expenses excluding impairment	4	**(55,434)**	(52,125)
Group operating profit before impairment		**46,736**	49,151
Impairment of goodwill	4,11	**(4,924)**	-
Group operating profit	4	**41,812**	49,151
Share of results of associate	14	**(712)**	(434)
Profit on disposal of associate	14	**8,254**	-
Profit before net finance costs and tax		**49,354**	48,717
Finance revenue	6	**151**	106
Finance costs	6	**(1,154)**	(1,729)
Profit before tax		**48,351**	47,094
Taxation	7	**(10,871)**	(11,768)
Profit for the year		**37,480**	35,326
Earnings per share (pence)			
On profit for the year:			
Basic	10	**78.6p**	74.5p
Diluted	10	**78.4p**	74.3p
Adjusted (excluding effect of associate and goodwill impairment):			
Basic	10	**72.9p**	72.8p
Diluted	10	**72.7p**	72.5p

Group statement of comprehensive income

for the year ended 31 March 2012

	Notes	2012 £'000	2011 £'000
Profit for the year		**37,480**	35,326
Other comprehensive income			
Movement on hedging items:			
(Losses)/ gains arising in the year	*17*	**(69)**	22
Reclassification adjustment for (gains)/ losses included in the income statement	*17*	**(146)**	248
Actuarial (losses)/ gains on defined benefit pension scheme	*24*	**(3,504)**	624
Deferred tax relating to components of other comprehensive income		**892**	(234)
Other comprehensive income for the year, net of tax		**(2,827)**	660
Total comprehensive income for the year attributable to owners of the parent		**34,653**	35,986

Company statement of comprehensive income

for the year ended 31 March 2012

	Notes	2012 £'000	2011 £'000
Profit for the year		**24,837**	15,924
Other comprehensive income			
Movement on hedging items:			
Losses arising in the year	*17*	**-**	(124)
Reclassification adjustment for losses included in the income statement	*17*	**-**	511
Deferred tax relating to components of other comprehensive income		**-**	(108)
Other comprehensive income for the year, net of tax		**-**	279
Total comprehensive income for the year attributable to owners of the parent		**24,837**	16,203

Group balance sheet

at 31 March 2012

	Notes	2012 £'000	2011 £'000
Non-current assets			
Goodwill	11	**122,839**	127,763
Property, plant and equipment	12	**130,853**	123,262
Investment in associate	14	**-**	5,791
Financial assets	17	**1,398**	4,722
Total non-current assets		**255,090**	261,538
Current assets			
Inventories	15	**38,516**	35,694
Trade and other receivables	16	**85,534**	78,665
Financial assets	17	**696**	496
Cash and short-term deposits	25	**20,100**	1,302
Total current assets		**144,846**	116,157
Assets held for sale	29	**221**	-
Total assets		**400,157**	377,695
Current liabilities			
Trade and other payables	18	**(91,078)**	(84,941)
Financial liabilities	19	**(1,624)**	(4,356)
Income tax payable		**(5,936)**	(5,954)
Provisions	20	**(389)**	(59)
Total current liabilities		**(99,027)**	(95,310)
Non-current liabilities			
Other payables	18	**(462)**	(354)
Financial liabilities	19	**(42,301)**	(49,286)
Deferred tax liabilities	7	**(7,093)**	(8,490)
Provisions	20	**-**	(409)
Defined benefit pension scheme deficit	24	**(5,342)**	(2,914)
Total non-current liabilities		**(55,198)**	(61,453)
Total liabilities		**(154,225)**	(156,763)
Net assets		**245,932**	220,932
Equity			
Called-up share capital	22	**4,803**	4,764
Share premium account		**58,642**	56,609
Share-based payments		**5,603**	4,102
Hedging and translation reserves		**(69)**	146
Retained earnings		**176,953**	155,311
Equity attributable to owners of the parent		**245,932**	220,932

On behalf of the Board

Martin Davey
Chairman
21 May 2012

Mark Bottomley
Finance Director

Company balance sheet

at 31 March 2012

	Notes	2012 £'000	2011 £'000
Non-current assets			
Property, plant and equipment	12	**598**	607
Investments in subsidiary undertakings	13	**158,338**	157,217
Investment in associate	13	**-**	5,911
Financial assets	17	**-**	1,072
Deferred tax assets	7	**390**	281
Total non-current assets		**159,326**	165,088
Current assets			
Trade and other receivables	16	**8,834**	11,018
Cash and short-term deposits	25	**18,137**	1
Total current assets		**26,971**	11,019
Assets held for sale	29	**221**	-
Total assets		**186,518**	176,107
Current liabilities			
Trade and other payables	18	**(41,646)**	(36,947)
Financial liabilities	19	**-**	(2,902)
Income tax payable		**(1,116)**	(844)
Total current liabilities		**(42,762)**	(40,693)
Non-current liabilities			
Financial liabilities	19	**(42,246)**	(48,987)
Total liabilities		**(85,008)**	(89,680)
Net assets		**101,510**	86,427
Equity			
Called-up share capital	22	**4,803**	4,764
Share premium account		**58,642**	56,609
General reserve		**4,000**	4,000
Merger reserve		**1,806**	1,806
Share-based payments		**5,603**	4,102
Retained earnings		**26,656**	15,146
		101,510	86,427

On behalf of the Board

Martin Davey
Chairman
21 May 2012

Mark Bottomley
Finance Director

Group statement of cash flows

for the year ended 31 March 2012

	Notes	2012 £'000	2011 £'000
Operating activities			
Profit for the year		**37,480**	35,326
Adjustments to reconcile Group profit for the year to net cash inflows from operating activities:			
Taxation	7	**10,871**	11,768
Net finance costs		**1,003**	1,623
Non-cash items on transfer of business to associate	14	**-**	(465)
Fair value adjustment to put option in relation to associate		**(95)**	55
Share of result of associate	14	**712**	434
Gain on sale of associate	14	**(8,254)**	-
Gain on sale of property, plant and equipment		**(140)**	(96)
Depreciation of property, plant and equipment	12	**13,972**	12,440
Impairment of goodwill	11	**4,924**	-
Share-based payments		**1,501**	1,013
Difference between pension contributions paid and amounts recognised in the income statement		**(1,076)**	(1,815)
Release of government grants		**(55)**	(12)
(Increase)/ decrease in inventories		**(2,822)**	266
(Increase)/ decrease in trade and other receivables		**(6,610)**	4,858
Increase/ (decrease) in trade and other payables		**5,405**	(3,172)
Cash generated from operations		**56,816**	62,223
Tax paid		**(11,283)**	(10,639)
Net cash from operating activities		**45,533**	51,584
Cash flows from investing activities			
Interest received		**173**	90
New loans advanced		-	(2,500)
Principal amounts received in relation to loans advanced		**1,906**	-
Purchase of property, plant and equipment		**(20,311)**	(34,759)
Receipt of government grants		**149**	350
Proceeds from sale of property, plant and equipment		**308**	498
Proceeds from sale of associate	14	**14,500**	-
Net cash used in investing activities		**(3,275)**	(36,321)
Cash flows from financing activities			
Interest paid		**(1,305)**	(1,683)
Proceeds from issue of share capital		**702**	599
Purchase of own shares		**(136)**	-
Proceeds from borrowings		**-**	50,000
Issue costs of long term borrowings		**(1,005)**	-
Repayment of borrowings		**(7,000)**	(60,000)
Dividends paid		**(11,831)**	(10,508)
Repayment of capital element of finance leases and hire purchase contracts		**(272)**	(260)
Net cash used in financing activities		**(20,847)**	(21,852)
Net increase/ (decrease) in cash and cash equivalents		**21,411**	(6,589)
Cash and cash equivalents at beginning of year	25	**(2,623)**	3,966
Cash and cash equivalents at end of year	25	**18,788**	(2,623)

Company statement of cash flows

for the year ended 31 March 2012

	Notes	2012 £'000	2011 £'000
Operating activities			
Profit for the year		**24,837**	15,924
Adjustments to reconcile Company profit for the year to net cash inflows from operating activities:			
Dividends received		**(11,831)**	(10,508)
Taxation		**2,435**	1,596
Net finance cost		**2,905**	4,303
Non-cash items on transfer of business to associate	*14*	**-**	(1,127)
Fair value adjustment to put option in relation to associate		**(95)**	55
Gain on sale of associate		**(7,422)**	-
Depreciation of property, plant and equipment	*12*	**74**	88
Share-based payments		**380**	226
Decrease in trade and other receivables		**2,443**	3,862
Increase/ (decrease) in trade and other payables		**5,468**	(6,780)
Cash generated from operations		**19,194**	7,639
Tax paid		**(2,262)**	(2,068)
Net cash from operating activities		**16,932**	5,571
Cash flows from investing activities			
Dividends received		**11,831**	10,508
Purchase of property, plant and equipment		**(65)**	(23)
Proceeds from sale of property, plant and equipment		**-**	1,280
Proceeds from sale of associate	*14*	**14,500**	-
Net cash generated in investing activities		**26,266**	11,765
Cash flows from financing activities			
Interest paid		**(3,050)**	(4,172)
Proceeds from issue of share capital		**702**	599
Purchase of own shares		**(136)**	-
Proceeds from borrowings		**-**	50,000
Issue costs of long term borrowings		**(1,005)**	-
Repayment of borrowings		**(7,000)**	(60,000)
Dividends paid		**(11,831)**	(10,508)
Net cash used in financing activities		**(22,320)**	(24,081)
Net increase/ (decrease) in cash and cash equivalents		**20,878**	(6,745)
Cash and cash equivalents at beginning of year	*25*	**(2,741)**	4,004
Cash and cash equivalents at end of year	*25*	**18,137**	(2,741)

Group statement of changes in equity

for the year ended 31 March 2012

	Share capital Note (a) £'000	Share premium Note (b) £'000	Share-based payments Note (e) £'000	Hedging reserve Note (f) £'000	Treasury shares Note (g) £'000	Retained earnings £'000	Total equity £'000
As at 1 April 2010	4,733	54,322	3,449	(124)	-	131,205	193,585
Profit for the year	-	-	-	-	-	35,326	35,326
Other comprehensive income	-	-	-	270	-	390	660
Total comprehensive income	-	-	-	270	-	35,716	35,986
Share-based payments	-	-	1,013	-	-	-	1,013
Scrip dividend	20	1,699	-	-	-	-	1,719
Share options exercised	11	588	-	-	-	-	599
Dividends	-	-	-	-	-	(12,227)	(12,227)
Transfer between categories	-	-	(360)	-	-	360	-
Deferred tax related to changes in equity	-	-	-	-	-	180	180
Corporation tax related to changes in equity	-	-	-	-	-	77	77
At 31 March 2011	4,764	56,609	4,102	146	-	155,311	220,932
Profit for the year	-	-	-	-	-	37,480	37,480
Other comprehensive income	-	-	-	(215)	-	(2,612)	(2,827)
Total comprehensive income	-	-	-	(215)	-	34,868	34,653
Own shares acquired	-	-	-	-	(136)	-	(136)
Share-based payments	-	-	1,501	-	-	-	1,501
Scrip dividend	19	1,351	-	-	-	-	1,370
Share options exercised (proceeds)	20	682	-	-	-	-	702
Share options exercised (transfer)	-	-	-	-	136	(136)	-
Dividends	-	-	-	-	-	(13,201)	(13,201)
Deferred tax related to changes in equity	-	-	-	-	-	(52)	(52)
Corporation tax related to changes in equity	-	-	-	-	-	163	163
At 31 March 2012	**4,803**	**58,642**	**5,603**	**(69)**	**-**	**176,953**	**245,932**

Notes:

a) *Share capital*

The balance classified as share capital represents the nominal value of ordinary 10p shares issued.

b) *Share premium*

The balance classified as share premium includes the net proceeds in excess of nominal value on issue of the Company's equity share capital, comprising 10p ordinary shares.

c) *General reserve*

This reserve arose in 1993 when the High Court of Justice granted permission to reduce the Company's share premium account by £4,000,000 which was credited to a separate reserve named the general reserve.

Company statement of changes in equity

for the year ended 31 March 2012

	Share capital	Share premium	General reserve	Merger reserve	Share-based payments	Hedging reserve	Treasury shares	Retained earnings	Total equity
	Note (a)	Note (b)	Note (c)	Note (d)	Note (e)	Note (f)	Note (g)		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2010	4,733	54,322	4,000	1,806	3,449	(387)	-	11,564	79,487
Profit for the year	-	-	-	-	-	-	-	15,924	15,924
Other comprehensive income	-	-	-	-	-	387	-	(108)	279
Total comprehensive income	-	-	-	-	-	387	-	15,816	16,203
Share-based payments	-	-	-	-	653	-	-	-	653
Scrip dividend	20	1,699	-	-	-	-	-	-	1,719
Share options exercised	11	588	-	-	-	-	-	-	599
Dividends	-	-	-	-	-	-	-	(12,227)	(12,227)
Deferred tax related to changes in equity	-	-	-	-	-	-	-	(7)	(7)
At 31 March 2011	4,764	56,609	4,000	1,806	4,102	-	-	15,146	86,427
Profit for the year, being total comprehensive income	-	-	-	-	-	-	-	24,837	24,837
Own shares acquired	-	-	-	-	-	-	(136)	-	(136)
Share-based payments	-	-	-	-	1,501	-	-	-	1,501
Scrip dividend	19	1,351	-	-	-	-	-	-	1,370
Share options exercised (proceeds)	20	682	-	-	-	-	-	-	702
Share options exercised (transfer)	-	-	-	-	-	-	136	(136)	-
Dividends	-	-	-	-	-	-	-	(13,201)	(13,201)
Deferred tax related to changes in equity	-	-	-	-	-	-	-	10	10
At 31 March 2012	**4,803**	**58,642**	**4,000**	**1,806**	**5,603**	**-**	**-**	**26,656**	**101,510**

d) Merger reserve

Where shares have been issued as consideration for acquisitions, the value of shares issued in excess of nominal value has been credited to the merger reserve rather than to the share premium account.

e) Share-based payments reserve

This reserve records the fair value of share-based payments expensed in the income statement, and in the case of the Company in relation to share-based payments to employees of subsidiary companies, capital contributions to cost of Investments (note 13).

f) Hedging reserve

This reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

g) Treasury shares

This reserve records the cost of the Group's own shares acquired to satisfy employee share schemes.

1. Authorisation of financial statements and statement of compliance with IFRSs

The Group and Company financial statements of Cranswick plc (the "Company") for the year ended 31 March 2012 were authorised for issue by the Board of Directors on 21 May 2012 and the balance sheets were signed on the Board's behalf by Martin Davey and Mark Bottomley. Cranswick plc is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on the London Stock Exchange.

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Company's financial statements have been prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the Group and by the Company are set out in note 2.

The Company has taken advantage of the exemption provided under section 408 of the Companies Act 2006 not to publish its individual income statement and related notes.

2. Accounting policies

Basis of preparation
The financial statements of Cranswick plc, both consolidated and Company, have been prepared under IFRS as adopted by the European Union and in accordance with the Companies Act 2006. A summary of the principal accounting policies, which have been consistently applied throughout the year and the preceding year, is as follows:

Basis of consolidation
The Group financial statements consolidate the financial statements of Cranswick plc and its subsidiaries. The results of undertakings acquired or sold are consolidated for the periods from the date of acquisition or up to the date of disposal. Acquisitions are accounted for under the purchase method of accounting.

Judgements and key sources of estimation uncertainty
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

- Share-based payments — Note 23 – measurement of share-based payments
- Goodwill — Note 11 – measurement of the recoverable amount of cash generating units containing goodwill
- Provisions — Note 20 – judgements in relation to amounts provided
- Pensions — Note 24 – Pension scheme actuarial assumptions
- Acquisitions — Note 14 – fair values on acquisition and investment in associates
- Put option — Note 17 and note 21 – valuation of put option in relation to associate
- Trade receivable provisions — Note 16 – provision for impairment of trade receivables

New standards and interpretations applied
The following accounting standards and interpretations became effective for the current reporting period:

International Accounting Standards (IAS / IFRSs)		***Effective date***
IFRS 7	Financial Instruments: Disclosures (Amendment) - Transfer of Financial Assets	1 July 2011
IAS 24 (revised)	Related Party Disclosures	1 January 2011

International Financial Reporting Interpretations Committee (IFRIC)		***Effective date***
IFRIC 14	Prepayments of a Minimum Funding Requirement (Amendment)	1 January 2011
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011

The application of these standards and interpretations has not had a material effect on the net assets, results and disclosures of the Group.

New standards and interpretations not applied

The IASB and IFRIC have issued a number of new standards and interpretations with an effective date after the date of these financial statements. The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's and Company's financial statements in the period of initial application. The standards not applied are as follows:

International Accounting Standards (IAS / IFRSs)		***Effective date****
IAS 32 (revised)	Financial Instruments: Presentation on Offsetting Financial Assets and Financial Liabilities	1 January 2014
IFRS 7	Financial Instruments: Disclosures	1 January 2013
IFRS 7	Financial Instruments: Disclosures (Amendment) - Initial Application of IFRS 9	1 January 2015
IFRS 9	Financial Instruments: Classification and Measurement	1 January 2015
IFRS 10	Consolidated Financial Statements	1 January 2013
IFRS 11	Joint Arrangements	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013
IAS 1	Presentation of Items of Other Comprehensive Income (Amendment)	1 July 2012
IAS 12	Income Taxes (Amendment) - Deferred Taxes: Recovery of underlying assets	1 January 2012
IAS 19 (revised)	Employee Benefits	1 January 2013
IAS 27 (revised)	Separate Financial Statements	1 January 2013
IAS 28 (revised)	Investments in Associates and Joint Ventures	1 January 2013

*The effective dates stated above are those given in the original IASB/IFRIC standards and interpretations. As the Group prepares its financial statements in accordance with IFRS as adopted by the European Union, the application of new standards and interpretations will be subject to their having been endorsed for use in the EU via the EU Endorsement mechanism. In the majority of cases this will result in an effective date consistent with that given in the original standard or interpretations but the need for endorsement restricts the Group's discretion to early adopt standards. The Group has not early adopted any of the above standards.

Revenue

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue, and any associated costs can be measured reliably. Revenue on the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer on despatch and represents the value of sales to customers net of discounts, similar allowances and estimates of returns and excludes value added tax.

Operating profit

The Group's investment in associate Farmers Boy (Deeside) Limited was made in July 2010 and was disposed of in March 2012 and therefore does not form part of the on-going operations of the Group. Previously, the Group income statement included a subtotal of Operating profit which included the share of results of the associate but in light of the disposal, the directors consider it appropriate to present instead new subtotals of Group operating profit prior to the results of the associate, and Profit before net finance costs.

Exceptional items

Exceptional items are material items which derive from events or transactions that fall within the ordinary activities of the reporting entity and which individually or, if of a similar type, in aggregate need to be disclosed by virtue of their size or incidence if the financial statements are to give a true and fair view.

2. Accounting policies *(continued)*

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. Deferred tax is provided on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

i) except where the deferred income tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

ii) in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised:

i) except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

ii) in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes relating to items recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or directly in equity and not in the income statement. Otherwise income tax is recognised in the income statement.

Dividends

Dividends receivable by the Company are recognised in the income statement if they are declared, appropriately authorised and no longer at the discretion of the entity paying the dividend, prior to the balance sheet date. Dividends payable by the Company are recognised when declared and therefore final dividends proposed after the balance sheet date are not recognised as a liability at the balance sheet date. Dividends paid to Shareholders are shown as a movement in equity rather than on the face of the income statement.

Intangible assets

Goodwill is the excess of the fair value of the consideration paid for a business over the fair value of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is capitalised and subject to an impairment review, both annually and when there are indications that the carrying value may not be recoverable.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised. When an entity is disposed of, any goodwill associated with it is included in the carrying amount of the operation when determining the gain or loss on disposal except that goodwill arising on acquisitions prior to 31 March 2004 which was previously deducted from equity is not recycled through the income statement.

There have been no business combinations giving rise to goodwill or other intangible assets subsequent to 1 April 2010.

Intangible assets acquired as part of an acquisition of a business are capitalised at fair value separately from goodwill only if the fair value can be measured reliably on initial recognition and the future economic benefits are expected to flow to the Group.

Property, plant and equipment

Property, plant and equipment are included at cost less accumulated depreciation and any provision for impairment.

Freehold land is not depreciated. Depreciation is charged on property, plant and equipment on the depreciable amount, being cost less the estimated residual value (based on prices prevailing at the balance sheet date) on a straight line basis over their estimated useful economic lives, or the estimated useful economic lives of their individual parts.

Useful economic lives are principally as follows:

Freehold buildings	50 years
Short leasehold improvements	Residue of lease
Plant and equipment	5 - 11 years
Motor vehicles	4 years

The carrying value of property, plant and equipment is reviewed for impairment individually or at the cash generating unit level when events or changes in circumstances indicate that the carrying value may not be recoverable.

Capitalised borrowing costs

Borrowing costs incurred in financing the construction of qualifying assets such as property, plant and equipment are capitalised up to the date at which the relevant asset is substantially complete. Borrowing costs are calculated using the Group's weighted average cost of borrowing during the period of capitalisation. All other borrowing costs are expensed as incurred.

Investments

Investments in subsidiaries are shown at cost less any provision for impairment.

Interest in associates

The Group's investment in its associate is accounted for using the equity method, initially recognised at fair value. An associate is an entity in which the Group has significant influence. Under the equity method, the investment in an associate is carried in the balance sheet at deemed cost (being its fair value on initial recognition) plus post-acquisition changes in the Group's share of net assets of the associate, less distributions received and less any impairment in value of individual investments. Any goodwill arising on the acquisition of an associate is included within the carrying amount of the associate and is neither amortised nor tested for impairment.

The share of profit or loss of the associate is shown on the face of the income statement. This is the profit attributable to equity holders of the associate and therefore is profit after tax. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the Group Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate were prepared for the period to 30 January 2012 and have been updated to 31 March 2012 with reference to management accounts. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Non-current assets held for sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and 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 through continuing use. This condition is regarded as met 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 from the date of classification.

In the consolidated income statement for the reporting period, and for the comparable period of the previous year, income and expenses from discontinued operations are reported separately from continuing income and expenses down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidary after the sale. The resulting profit or loss (after taxes) is reported separately in the income statement.

Property, plant and equipment once classified as held for sale are not depreciated.

2. Accounting policies *(continued)*

Accounting for leases

i) Finance leases

Assets which are financed by leasing agreements that transfer substantially all the risks and rewards of ownership to the lessee (finance leases) are capitalised at the inception of the lease at fair value or, if lower, the present value of the minimum lease payments, in 'Property, plant and equipment' and the corresponding capital cost is shown as an obligation to the lessor in 'Borrowings'. Depreciation is charged to the income statement over the shorter of the estimated useful life of the asset and the term of the lease. The interest element of the rental obligations is allocated to accounting periods during the lease term to reflect a constant rate of interest on the remainder of the capital amount outstanding.

ii) Operating leases

Leases, which are not finance leases, are classified as operating leases. Lease payments are charged to the income statement on a straight line basis over the term of the lease.

Government grants and contributions

UK Regional Development Grants and grants receivable from the European Union and DEFRA in respect of property, plant and equipment are credited to deferred income and released to the income statement over the relevant depreciation period.

Inventories

Inventories are stated at the lower of cost (on a first in, first out basis) and net realisable value after making allowance for any obsolete or slow-moving items. In the case of finished goods, cost comprises direct materials, direct labour and an appropriate proportion of manufacturing fixed and variable overheads based on a normal level of activity.

Cash and cash equivalents

Cash equivalents are defined as cash at bank and in hand including short term deposits with original maturity within 3 months. For the purposes of the Group cash flow statement, cash and cash equivalents consist of cash and cash equivalents net of outstanding bank overdrafts.

Financial instruments

i) Debt instruments, including bank borrowings

Debt instruments are initially recognised at the fair value of net proceeds received after the deduction of issue costs. Subsequently debt instruments are recognised at amortised cost using the effective interest method. Issue costs are charged to the income statement over the term of the debt at a constant rate on the balance sheet carrying amount under the effective interest method.

ii) Derivative financial instruments

The Group uses derivative financial instruments such as foreign currency contracts and interest rate swaps to hedge its cash flow risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are stated at fair value. The fair value of forward contracts is calculated by reference to current forward exchange rates for contracts with a similar maturity profile. The fair value of interest rate swaps is determined by reference to market values for similar instruments.

Where derivatives meet the hedging criteria under IAS 39 for cash flow hedges the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in other comprehensive income and the ineffective portion is recognised in the income statement. Gains or losses recognised in comprehensive income are transferred to the income statement in the same period in which the hedged item affects the net profit or loss. If a forecast transaction is no longer expected to occur, amounts previously recognised in other comprehensive income are transferred to the income statement.

For derivatives that do not qualify for hedge accounting under IAS 39, any gains or losses arising from changes in fair value are taken directly to net profit or loss for the period.

Financial assets – Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit and loss or available-for-sale. Such assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Foreign currencies

In the accounts of each entity in the Group, individual transactions denominated in foreign currencies are translated into functional currency at the actual exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the rates ruling at the balance sheet date. Profits and losses on settlement of individual foreign currency transactions and movements on monetary assets and liabilities are dealt with in the income statement.

Treasury shares

Cranswick plc shares held by the Group are deducted from equity as "treasury shares" and are recognised at cost. Consideration received on the sale of such shares is also recognised in equity, with any difference between the proceeds from sale and the original cost being taken to retained earnings. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of equity shares.

Employee benefits

i) Pensions

A subsidiary of the Group operates a defined benefit pension scheme for certain employees which requires contributions to be made to a separate trustee administered fund. The scheme was closed to new members on 30 June 2004.

The liability recognised in the balance sheet in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in sterling, and that have terms to maturity approximating to the terms of the related pension liability.

The amounts charged to operating profit are any gains and losses on settlements and curtailments, and these are included as part of staff costs.

Past-service costs are recognised immediately in income, unless the changes to the pension scheme are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

The difference between the interest cost on plan liabilities and the expected return on plan assets is recognised in the income statement as other finance revenue or costs.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of comprehensive income in the period in which they arise.

The Group also operates a number of defined contribution schemes for employees under which contributions are paid into schemes managed by major insurance companies. Contributions are calculated as a percentage of employees' earnings and obligations for contributions to the schemes are recognised as cost of sales or operating expenses in the income statement in the period in which they arise.

ii) Equity settled share-based payments

The Group operates a savings related share option scheme under which options have been granted to Group employees ('SAYE scheme'). In addition, the Group operates an Executive share option scheme (albeit currently not in use) and a Long Term Incentive Plan ('LTIP') for senior Executives. Share options awarded are exercisable subject to the attainment of certain market based and non-market based performance criteria.

2. Accounting policies *(continued)*

ii) Equity settled share-based payments (continued)

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using the Black-Scholes option pricing model. In valuing equity-settled transactions, no account is taken of any service and performance (vesting conditions), other than performance conditions linked to the price of the shares of the Company (market conditions). Any other conditions which are required to be met in order for an employee to become fully entitled to an award are considered to be non-vesting conditions. Like market performance conditions, non-vesting conditions are taken into account in determining the grant date fair value.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance or service conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated; representing the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled (including when a non-vesting condition within the control of the entity or employee is not met), it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the income statement.

On transition to IFRS, the Group did not apply the measurement rules of IFRS 2 to equity settled awards granted before 7 November 2002 or granted after that date and vested before 1 January 2005. However later modifications of such equity instruments are measured under IFRS 2.

3. Business and geographical segments

IFRS 8 requires operating segments to be identified on the basis of the internal financial information reported to the Chief Operating Decision Maker ('CODM'). The Group's CODM is deemed to be the Executive Directors on the Board, who are primarily responsible for the allocation of resources to segments and the assessment of performance of the segments.

The CODM assesses profit performance using profit before taxation measured on a basis consistent with the disclosure in the Group accounts.

The Group reports on one reportable segment:

- Food – Manufacture and supply of food products to UK grocery retailers, the food service sector and other food producers.

All Group revenues are received for the provision of goods; no revenues are received in relation to the provision of services.

	2012	2011
Geographical segments	**£'000**	£'000
The following table sets out sales by destination, regardless of where the goods were produced:		
UK	**794,047**	737,717
Continental Europe	**26,482**	19,459
Rest of World	**246**	1,266
	820,775	758,442

The Group's non-current assets were all located within the UK for both 2012 and 2011.

Customer concentration

The Group has 2 customers which individually account for greater than 10 per cent of the Group's total net revenue. These customers account for 27 per cent and 25 per cent respectively. In the prior year these same two customers accounted for 27 per cent and 24 per cent respectively.

4. Group operating profit

This is stated after charging/ (crediting):	2012 £'000	2011 £'000
Operating costs:		
Selling and distribution	**32,358**	31,293
Administration excluding impairment	**23,076**	20,832
	55,434	52,125
Impairment of goodwill	**4,924**	-
Total operating expenses	**60,358**	52,125
Depreciation of property, plant and equipment	**13,972**	12,440
Impairment of goodwill	**4,924**	-
Profit arising on transfer of business to associate	**-**	297
Release of government grants	**(55)**	(12)
Operating lease payments – minimum lease payments	**3,662**	4,401
Net foreign currency differences	**(204)**	9
Cost of inventories recognised as an expense	**559,967**	510,882
(Decrease)/ increase in provision for inventories	**(423)**	337
Auditors' remuneration		
Audit of these financial statements	**25**	25
Other fees:		
- Local statutory audits of subsidiaries	**126**	122
- Tax services	**124**	74
- Other services	**79**	44

Fees paid to Ernst & Young LLP for non-audit services by the Company itself are not disclosed in the individual accounts of Cranswick plc because Group financial statements are prepared which are required to disclose such fees on a consolidated basis. Tax services included tax compliance work and a review of allowable expenses.

5. Employees

Group	2012 £'000	2011 £'000
Staff costs:		
Wages and salaries	**90,144**	84,277
Social security costs	**8,468**	7,943
Other pension costs	**1,286**	1,435
	99,898	93,655

Included within wages and salaries is a total expense for share-based payments of £1,501,000 (2011: £1,013,000) all of which arises from transactions accounted for as equity-settled share-based payment transactions.

5. Employees *(continued)*

The average monthly number of employees during the year was:

Group	2012 Number	2011 Number
Production	**3,591**	3,655
Selling and distribution	**279**	258
Administration	**197**	239
	4,067	4,152

The Group and Company consider the Directors to be the Key Management Personnel. Details of each Director's remuneration, pension contributions and share options are detailed in the Directors' Remuneration Report on pages 30 to 35. The employee costs shown above include the following remuneration in respect of Directors of the Company:

Group and Company	2012 £'000	2011 £'000
Directors' remuneration	**4,567**	2,528
Pension contribution	**259**	386
	4,826	2,914
Aggregate gains made by Directors on exercise of share options	**638**	544
Number of Directors receiving pension contributions under money purchase schemes	**5**	5

6. Finance revenue and costs

	2012 £'000	2011 £'000
Finance revenue		
Finance revenue from loans receivable	**151**	106
Finance costs		
Bank interest paid and similar charges	**1,080**	1,681
Total interest expense for financial liabilities not at fair value through profit or loss	**1,080**	1,681
Net finance cost on defined benefit pension deficit (note 24)	**53**	9
Finance charge payable under finance leases and hire purchase contracts	**17**	26
Movement in discount on provisions (note 20)	**4**	13
Total finance costs	**1,154**	1,729

The interest relates to financial assets and liabilities carried at amortised cost together with the impact of interest rate swaps.

7. Taxation

a) Analysis of tax charge in the year

Tax charge based on the profit for the year:	**2012**	2011
	£'000	£'000
Current income tax:		
UK corporation tax on profits for the year	**11,998**	13,436
Adjustments in respect of prior years	**(569)**	(275)
Total current tax	**11,429**	13,161
Deferred tax:		
Origination and reversal of temporary differences	**89**	(1,092)
Deferred tax rate change	**(736)**	(668)
Adjustments in respect of prior years	**89**	367
Total deferred tax	**(558)**	(1,393)
Tax on profit on ordinary activities	**10,871**	11,768

Tax relating to items charged or credited to other comprehensive income or directly to equity:	**2012**	2011
	£'000	£'000
Group		
Recognised in Group statement of comprehensive income		
Deferred tax on revaluation of cash flow hedges	**(51)**	72
Deferred tax on actuarial (loss)/ gain on defined benefit pension scheme	**(841)**	162
	(892)	234
Recognised in Group statement of changes in equity		
Deferred tax on share-based payments	**52**	(180)
Corporation tax credit on share options exercised	**(163)**	(77)
	(111)	(257)
Total tax credit recognised directly in equity	**(1,003)**	(23)

	2012	2011
Company	**£'000**	£'000
Recognised in Company statement of comprehensive income		
Deferred tax on revaluation of cash flow hedges	**-**	108
Recognised in Company statement of changes in equity		
Deferred tax (credit)/ charge on share-based payments	**(10)**	7
Total tax (credit)/ charge recognised directly in equity	**(10)**	115

7. Taxation *(continued)*

b) Factors affecting tax charge for the period

The tax assessed for the year is lower than the standard rate of corporation tax in the UK.

The differences are explained below:	**2012**	2011
	£'000	£'000
Profit on ordinary activities before tax	**48,351**	47,094
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26 per cent (2011: 28 per cent)	**12,571**	13,186
Effect of:		
Disallowed expenses	**453**	244
Deferred tax rate change	**(736)**	(668)
Share-based payment deduction	**(199)**	(67)
Deferred tax on disposal of assets to associate	**-**	(1,019)
Non-taxable amount on disposal of associate	**(2,018)**	-
Impairment of goodwill	**1,280**	-
Adjustments in respect of prior years	**(480)**	92
Total tax charge for the year	**10,871**	11,768

c) Deferred tax

Group	**2012**	2011
The deferred tax included in the balance sheet is as follows:	**£'000**	£'000
Deferred tax liability in the balance sheet		
Accelerated capital allowances	**9,128**	9,762
Rollover and holdover relief	**78**	120
Other temporary differences	**27**	135
Share-based payments	**(858)**	(769)
Deferred tax on defined benefit pension scheme	**(1,282)**	(758)
Deferred tax liability	**7,093**	8,490

	2012	2011
The deferred tax included in the income statement is as follows:	**£'000**	£'000
Deferred tax in the income statement		
Accelerated capital allowances	**(634)**	(2,042)
Rollover relief	**(42)**	(9)
Other temporary differences	**(58)**	282
Share-based payments	**(140)**	(203)
Deferred tax on defined benefit pension scheme	**317**	579
Deferred tax credit	**(557)**	(1,393)

Company	**2012**	2011
The deferred tax included in the balance sheet is as follows:	**£'000**	£'000
Deferred tax asset in the balance sheet		
Accelerated capital allowances	**(42)**	23
Other temporary differences	**(123)**	(139)
Share-based payments	**(225)**	(165)
Deferred tax asset	**(390)**	(281)

d) Temporary differences associated with Group investments

At 31 March 2012 a £nil tax liability has been recognised (2011: £nil) in respect of any taxes that would be payable on the unremitted earnings of certain subsidiaries, as receipt by the Group of any dividends would be exempt from UK corporation tax. There are no income tax consequences to the Group in relation to dividends paid to Shareholders.

e) Change in Corporation Tax rate

The March 2011 Budget announced that the UK corporation tax rate would reduce from 28 per cent to 23 per cent over a period of four years from 2011, the March 2012 budget announced a further overall reduction to 22 per cent. The second reduction in the UK corporation tax rate from 26 per cent to 24 per cent was substantively enacted on 21 March 2012 and will be effective from 1 April 2012. This will reduce the Company's future current tax charge accordingly. As a consequence, deferred tax has been provided at 24 per cent in the year to 31 March 2012.

The aggregate impact of the proposed reductions from 24 per cent to 22 per cent would reduce the deferred tax liability of the Group by approximately £591,000 and reduce the deferred tax asset of the Company by £33,000.

8. Profit attributable to members

Of the profit attributable to members, the sum of £24,837,000 (2011: £15,924,000) has been dealt with in the accounts of Cranswick plc.

9. Equity dividends

	2012	2011
	£'000	£'000
Declared and paid during the year:		
Final dividend for 2011 – 18.7p per share (2010: 17.0p)	**8,910**	8,047
Interim dividend for 2012 – 9.0p per share (2011: 8.8p)	**4,291**	4,180
Dividends paid	**13,201**	12,227
Proposed for approval of Shareholders at the Annual General Meeting on 1 August 2012:		
Final dividend for 2012 – 19.5p (2011: 18.7p)	**9,368**	8,901

10. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to members of the parent company of £37,480,000 (2011: £35,326,000) by the weighted average number of shares outstanding during the year. In calculating diluted earnings per share amounts, the weighted average number of shares is adjusted for the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

The weighted average number of ordinary shares for both basic and diluted amounts was as per the table below:

	2012	2011
	Thousands	Thousands
Basic weighted average number of shares	**47,709**	47,408
Dilutive potential ordinary shares – share options	**92**	162
	47,801	47,570

Basic weighted average number of shares for 2012 excludes a weighted average of 17,377 shares (2011: 69,431 shares) held during the year by the Cranswick plc Employee Benefit Trust and a weighted average of 7,806 treasury shares (2011: nil treasury shares) held during the year by the Group. At 31 March 2012 no shares were held by either the Trust or the Group (2011: 39,363 held by the Trust).

10. Earnings per share *(continued)*

Adjusted earning per share

The Group acquired an interest in associate Farmers Boy (Deeside) Limited in the prior year, and disposed of the investment in the current year (note 14). In addition, the Group impaired the carrying value of goodwill in relation to its Sandwiches cash generating unit (note 11). As the investment in the associate and the goodwill impairment do not form part of the on-going business of the Group the directors consider it appropriate to present an adjusted EPS on the face of the income statement which excludes the effect of the associate from both years and the goodwill impairment from the current year, thus facilitating better comparison with prior and future periods. Adjusted earnings per share are calculated using the weighted average number of shares for both basic and diluted amounts as per the table above.

Net profits excluding the effect of the associate and goodwill impairment are derived as follows:

	2012	2011
	£'000	£'000
Profit for the year	**37,480**	35,326
Share of results of associate	**712**	434
Profit on disposal of associate	**(8,254)**	-
Fair value adjustment to put option in relation to associate	**(95)**	55
Gain arising on transfer of business to associate	**-**	(297)
Deferred tax credit on transfer of business to associate	**-**	(1,019)
Impairment of goodwill	**4,924**	-
Profit for the year excluding effect of associate and goodwill impairment	**34,767**	34,499

11. Intangible fixed assets

Group	Goodwill
	£'000
Cost	
At 31 March 2010	128,739
On transfer of business to associate (note 14)	(976)
At 31 March 2011 and 31 March 2012	127,763
Impairments	
As at 31 March 2010 and 2011	-
Impairment loss	4,924
As at 31 March 2012	4,924
Net book value	
At 31 March 2010	128,739
At 31 March 2011	127,763
At 31 March 2012	**122,839**

During the prior year, the principal assets and trade of the Group's Deeside cooked meats facility were transferred to Farmers Boy (Deeside) Limited, with 49 per cent of the shares in Farmers Boy (Deeside) Limited being received as consideration (note 14). As a result of the Deeside cooked meats facility leaving the Group goodwill relating to the cooked meats cash generating unit was reduced proportionately, based on assessment of the relative value of the portion of the cash generating unit disposed of compared to the relative value of the portion of the cash generating unit retained.

Impairment Testing

Goodwill is subject to annual impairment testing. Goodwill acquired through business combinations has been allocated for impairment testing purposes to the following principal cash-generating units:

Cash generating unit	2012 £'000	2011 £'000
Fresh pork	**12,231**	12,231
Cooked meats	**84,679**	84,679
Sandwiches	**11,602**	16,526
Continental Fine Foods	**10,968**	10,968
Other	**3,359**	3,359
	122,839	127,763

Assumptions used

The recoverable amount for each cash generating unit has been determined based on value in use calculations using annual budgets for each business for the following year, approved by the Board of Directors, and cash flow projections for the next four years. Forecast replacement capital expenditure is included from budgets and thereafter capital is assumed to represent 100 per cent of depreciation.

Subsequent cash flows are forecast to grow in line with an assumed long-term industry growth rate of between 3 and 5 per cent derived from third party market information, including Kantar Worldpanel data.

A pre-tax discount rate of 8.8 per cent has been used (2011: 8.8 per cent) being management's estimate of the weighted average cost of capital.

The calculation is most sensitive to the following assumptions:

Sales volumes

Sales volumes are influenced by the growth of the underlying food segment, the market shares of our customers, selling prices, and the quality of our products and service. Historical volumes are used as the base and adjusted over the projection period in line with current growth rates.

Gross margin

Gross margin depends upon average selling prices, the cost of raw materials and changes in the cost of production overheads. Historical margins are used as the base, adjusted for management's expectations derived from experience and with reference to budget forecasts.

Discount rates

All calculations of this nature are sensitive to the discount rate used. Management's estimate of the weighted average cost of capital has been used for each cash generating unit.

Sensitivity

Following the impairment of goodwill attributable to the Sandwiches cash generating unit, as described below, management believes that currently there is no reasonably possible change to the assumptions that would reduce the value in use below the value of the carrying amount for any of the Group's other cash generating units. Assumptions and projections are updated on an annual basis.

Impairment of Sandwiches cash generating unit

The Group performed its annual impairment test as at 31 March 2012, in line with the process described above. The Sandwiches cash generating unit has historically been the most sensitive to a reasonably possible change in assumptions. In the prior year, we noted that a 0.3 per cent reduction in the growth of operating cash flows to 2.7 per cent would reduce the value in use to a level equal to its carrying value.

11. Intangible fixed assets *(continued)*

The projected cash flows for the current year were updated to reflect the latest Sandwiches budget for the year ending 31 March 2013, expected future growth rate assumptions of 3 per cent (2011: 3 per cent) and post year end trading. Based on these calculations, which gave a value in use below the value of the carrying amount, and on-going economic uncertainty, the Group has recognised an impairment loss within administration expenses for goodwill allocated to the Sandwiches cash generating unit of £4,924,000 (2011: £nil).

Following the recognition of this impairment loss the carrying amount is the same as the recoverable amount, so any further adverse change in key assumptions would lead to an additional impairment loss.

The Group has no other intangible assets.

12. Property, plant and equipment

Group	Freehold land and buildings	Leasehold improvements	Plant, equipment and vehicles	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 31 March 2010	41,960	15,682	112,263	12,275	182,180
Additions	11,515	621	14,900	8,859	35,895
Disposals	(15)	-	(3,160)	-	(3,175)
Disposal of assets to associate	(273)	(7,887)	(11,769)	-	(19,929)
Transfers between categories	6,038	-	7,256	(13,294)	-
At 31 March 2011	59,225	8,416	119,490	7,840	194,971
Additions	1,442	596	19,694	-	21,732
Disposals	(100)	-	(631)	-	(731)
Transfers between categories	7,294	-	546	(7,840)	-
At 31 March 2012	67,861	9,012	139,099	-	215,972
Depreciation					
At 31 March 2010	3,132	8,412	64,499	-	76,043
Charge for the year	949	551	10,940	-	12,440
Relating to disposals	(1)	-	(2,755)	-	(2,756)
Relating to disposal of assets to associate	-	(4,507)	(9,511)	-	(14,018)
At 31 March 2011	4,080	4,456	63,173	-	71,709
Charge for the year	1,261	459	12,252	-	13,972
Relating to disposals	(13)	-	(549)	-	(562)
At 31 March 2012	5,328	4,915	74,876	-	85,119
Net book amounts					
At 31 March 2010	38,828	7,270	47,764	12,275	106,137
At 31 March 2011	55,145	3,960	56,317	7,840	123,262
At 31 March 2012	**62,533**	**4,097**	**64,223**	**-**	**130,853**

Included in freehold land and buildings is land with a cost of £5,263,000 (2011: £5,145,000) which is not depreciated relating to the Group and £509,000 (2011: £509,000) relating to the Company. Cost includes £1,001,000 (2011: £1,001,000) in respect of capitalised interest.

Company	Freehold land and buildings £'000	Plant, equipment and vehicles £'000	Total £'000
Cost			
At 31 March 2010	1,956	341	2,297
Additions	-	22	22
Transfers to other Group companies	(1,447)	(22)	(1,469)
At 31 March 2011	509	341	850
Additions	-	65	65
At 31 March 2012	509	406	915
Depreciation			
At 31 March 2010	181	163	344
Charge for the year	-	88	88
Transfers to other Group companies	(181)	(8)	(189)
At 31 March 2011	-	243	243
Charge for the year	-	74	74
At 31 March 2012	-	317	317
Net book amounts			
At 31 March 2010	1,775	178	1,953
At 31 March 2011	509	98	607
At 31 March 2012	**509**	**89**	**598**

13. Investments

Company	Subsidiary undertakings £'000	Associates £'000
Shares at cost:		
At 31 March 2010	156,790	-
Capital contribution relating to share options	427	-
Additions (note 14)	-	5,911
At 31 March 2011	157,217	5,911
Capital contribution relating to share options	1,121	-
Disposals	-	(5,911)
At 31 March 2012	**158,338**	**-**

During the prior year, the Company acquired a 49 per cent shareholding in Farmer's Boy (Deeside) Limited. The Company treated its shareholding in Farmer's Boy (Deeside) Limited, over which it had significant influence, as an associate, recognising the associate at its cost of £5,911,000. On 30 March 2012, the Group sold its shareholding in the associate to the majority shareholder (note 14).

13. Investments *(continued)*

The principal subsidiary undertakings during the year were:

Food

Cranswick Country Foods plc
Cranswick Country Foods (Norfolk) Limited (Held by Cranswick Country Foods plc)
Cranswick Convenience Foods Limited
The Sandwich Factory Group Limited (registered in Scotland)

Except where otherwise stated, each of the companies is registered in England and Wales and Cranswick plc holds directly 100 per cent of the shares and voting rights of each subsidiary undertaking.

14. Investment in associate

Group

On 9 July 2010, the principal assets and trade of the Group's Deeside cooked meats facility were transferred to Farmers Boy (Deeside) Limited, with 49 per cent of the shares in Farmer's Boy (Deeside) Limited being received as consideration. The Group treated its 49 per cent shareholding in Farmer's Boy (Deeside) Limited, over which it had significant influence, as an associate and accounted for it using the equity method, initially recognising the associate at its fair value. As a result of the Deeside cooked meats facility leaving the Group, a proportionate amount of goodwill relating to the cooked meats cash generating unit was disposed of (note 11). The transaction also included a put and call option over the Group's 49 per cent shareholding exercisable during a six month period commencing three years from the date of the transaction.

The initial transaction in the prior year was accounted for as follows:	2011 £'000
Book value of assets disposed	(5,911)
Fair value of 49 per cent shareholding acquired	6,225
Difference between acquisition fair value and cost of associate	314
Disposal of goodwill on transfer of business to associate (note 11)	(976)
Recognition of put option at fair value	1,127
Non-cash total	465
Legal expenses	(168)
Total within profit before tax	297
Related deferred tax credit	1,019
Cash flow impact	(168)

On 30 March 2012 the Group sold its shareholding in Farmers Boy (Deeside) Limited to the majority shareholder.

Details of the assets disposed and the consideration received are as follows:	**2012** **£'000**
Book value of associate	**5,079**
Book value of put option in relation to associate	**1,167**
Total book value of assets disposed	**6,246**
Consideration received in cash	**14,500**
Profit on disposal of associate	**8,254**

If the disposal had not occured, the put and call options would have been remeasured at their fair value at the reporting date based on a valuation model, since the shares that were held in the associate were unquoted. However, in view of the disposal of the interest in the associate together with the associated option arrangements, the directors do not consider it meaningful to distinguish the fair value movements of the options during the second half of the financial year from the overall disposal gains.

The following table illustrates the summarised financial information of the Group's investment in Farmers Boy (Deeside) Limited from the date of the transaction in the prior year and to the date of disposal in the current year:

	2012	2011
	£'000	£'000
Share of the associate's balance sheet:		
Non-current assets	-	15,070
Current assets	-	6,573
Current liabilities	-	(6,427)
Non-current liabilities	-	(9,425)
Share of net assets	-	5,791
Share of the associate's results:		
Revenue	**42,821**	17,684
Loss for the year	**(712)**	(434)

15. Inw

	2012	2011
Group	**£'000**	£'000
Raw materials	**26,847**	29,929
Finished goods and goods for resale	**11,669**	5,765
	38,516	35,694

16. Trade and other receivables

	Group		**Company**	
	2012	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000
Financial assets:				
Trade receivables	**76,169**	69,398	-	-
Amounts owed by Group undertakings	-	-	**8,539**	10,581
Other receivables	**4,981**	5,119	**27**	73
	81,150	74,517	**8,566**	10,654
Non-financial assets:				
Prepayments and accrued income	**4,384**	4,148	**268**	364
	85,534	78,665	**8,834**	11,018

Financial assets are carried at amortised cost.

16. Trade and other receivables *(continued)*

As at 31 March, the analysis of trade receivables that were past due but not impaired was as follows:

Group	Trade receivables	Of which: Not due	Past due date in the following periods: Less than 30 days	Between 30 and 60 days	More than 60 days
	£'000	£'000	£'000	£'000	£'000
2012	**76,169**	**64,593**	**9,796**	**1,084**	**696**
2011	69,398	60,771	5,937	1,411	1,279

Trade receivables are non-interest bearing and are generally on 30-60 day terms and are shown net of any provision for impairment. As at 31 March 2012, trade receivables at nominal value of £1,162,000 (2011: £558,000) were impaired and fully provided for. Provision is made when there is objective evidence that the Group will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Movements in the provision for impairment of receivables were as follows:

	£'000
Bad debt provision	
At 31 March 2010	639
Provided in year	47
Written off	(128)
At 31 March 2011	558
Provided in year	703
Written off	(99)
At 31 March 2012	**1,162**

There are no bad debt provisions against other receivables.

17. Financial assets

	Group		Company	
	2012	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000
Current				
Forward currency contracts	**-**	146	**-**	-
Loans receivable	**696**	350	**-**	-
	696	496	**-**	-

	Group		Company	
	2012	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000
Movement on hedged items:				
(Losses)/ gains arising in the year	**(69)**	22	**-**	(124)
Reclassification adjustment for (gains) /losses included in the income statement	**(146)**	248	**-**	511
	(215)	270	**-**	387

Movements on hedged foreign currency contracts are reclassified through cost of sales. Interest rate movements on hedged bank borrowings are reclassified through finance costs.

	Group		Company	
	2012	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000
Non-current				
Loans receivable	**1,398**	3,650	**-**	-
Put option in relation to associate	**-**	1,072	**-**	1,072
	1,398	4,722	**-**	1,072

Financial assets relate to the following:

- Forward currency contracts used to hedge a proportion of anticipated purchases denominated in foreign currencies and held at fair value in the balance sheet. To the extent that these forward contracts represent effective hedges, movements in fair value are taken directly to other comprehensive income and are then reclassified through the income statement in the period during which the hedged item impacts the income statement. A description of amounts and maturities is contained in note 21.
- £nil (2011: £1,500,000) receivable from East Anglian Pigs Limited, the management buyout team which acquired the pig rearing division of Bowes of Norfolk Limited concurrently with Cranswick plc's acquisition of the company. The loan, which was held at amortised cost, was repaid early, in full, on 28 March 2012. Interest was receivable on the loan at Bank of England base rate plus 3 per cent.
- £2,094,000 (2011: £2,500,000) receivable from Thomas Dent Limited, a supplier to the Group. Repayment of the loan, which is held at amortised cost, is receivable in 43 equal monthly instalments which commenced on 30 September 2011. Interest is receivable on the loan at Bank of England base rate plus 3 per cent.
- The transaction described in note 14 included a put and call option over the Group's 49 per cent shareholding in Farmers Boy (Deeside) Limited exercisable during a six month period commencing three years from the date of the original transaction. The exercise price of the option was based on an agreed pricing structure. The option was exercised early at the agreement of both parties on 30 March 2012 as described in note 14.

18. Trade and other payables

	Group		Company	
	2012	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000
Current				
Trade payables	**62,494**	57,497	**162**	80
Amounts owed to Group undertakings	**-**	-	**36,586**	33,340
Other payables	**28,520**	27,366	**4,898**	3,527
Deferred income – Government grants	**64**	78	**-**	-
	91,078	84,941	**41,646**	36,947
Non-current				
Deferred income – Government grants	**462**	354	**-**	-

19. Financial liabilities

	Group 2012 £'000	Group 2011 £'000	Company 2012 £'000	Company 2011 £'000
Current				
Bank overdrafts	**1,312**	3,925	**-**	2,742
Finance leases and hire purchase contracts	**243**	271	**-**	-
Interest rate swap	**-**	160	**-**	160
Forward currency contracts	**69**	-	**-**	-
	1,624	4,356	**-**	2,902
Non-current				
Amounts outstanding under revolving credit facility	**42,246**	48,987	**42,246**	48,987
Finance leases and hire purchase contracts	**55**	299	**-**	-
	42,301	49,286	**42,246**	48,987

None of the finance leases and hire purchase contracts has amounts due after greater than 5 years.

Interest rate swap

Under the terms of the interest rate swap (relating to the Group's previous bank facilities, which have now been repaid) the Group received LIBOR interest and paid fixed interest of 2.04 per cent. The notional principal amount of the swap stood at £nil as at 31 March 2012 (2011: £19,750,000) and reduced in equal quarterly instalments of £1,750,000 with a final notional payment of principal of £16,250,000 in December 2011.

All financial liabilities are amortised at cost, except for forward currency contracts and interest rate swaps which are carried at fair value. Interest rate swaps were not hedge accounted in the period.

Bank facilities

The Group renegotiated its banking facilities during the prior year, on 24 March 2011, with arrangement fees of £1.0 million being paid in the current year. The arrangement fees are being amortised over the period of the facilities.

A committed bank overdraft facility of £20 million (2011: £20 million) is in place until July 2015, of which £1,312,000 (2011: £3,925,000) was utilised at 31 March 2012. Interest is payable at a margin over base rate.

A revolving credit facility of £100 million (including the £20 million committed overdraft facility) is in place of which £43 million was utilised as at 31 March 2012 (2011: a revolving credit facility of £100 million of which £50 million was utilised). This facility expires in July 2015. Interest is payable on the revolving credit facility at a margin over LIBOR.

The maturity profile of bank loans is as follows:	Group 2012 £'000	Group 2011 £'000	Company 2012 £'000	Company 2011 £'000
In one year or less	**-**	-	**-**	-
Between one year and two years	**-**	-	**-**	-
Between two years and five years	**43,000**	50,000	**43,000**	50,000
	43,000	50,000	**43,000**	50,000
Unamortised issue costs	**(754)**	(1,013)	**(754)**	(1,013)
	42,246	48,987	**42,246**	48,987

The bank facilities for both years are unsecured and subject to normal bank covenant arrangements.

20. Provisions

Group	Lease provisions
	£'000
At 1 April 2011	468
Credited in the year	(83)
Unwinding of discount	4
At 31 March 2012	**389**

Analysed as:

	2012	2011
	£'000	£'000
Current liabilities	**389**	59
Non-current liabilities	**-**	409
	389	468

Lease provisions are held against dilapidation obligations on leased properties and for the costs of onerous leases for property, plant and machinery. These provisions are expected to be utilised over the next year. There are no provisions held by the Company.

21. Financial instruments

An explanation of the Company and Group's financial instruments risk management strategy is set out on pages 16 to 17 in the Group Operating and Financial Review.

Interest rate risk profile of financial assets and liabilities

The interest rate profile of the interest earning financial assets and interest bearing liabilities of the Group as at 31 March 2012 and their weighted average interest rates is set out below:

Group				**Fixed interest**		
As at 31 March 2012	**Weighted average effective interest rate**	**Total**	**At floating interest rates**	**1 year or less**	**1-2 years**	**2-3 years**
	%	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Financial liabilities:						
Bank overdrafts	**1.50%**	**(1,312)**	**(1,312)**	**-**	**-**	**-**
Revolving credit facility	**1.70%**	**(43,000)**	**(43,000)**	**-**	**-**	**-**
Finance leases and hire purchase contracts	**4.37%**	**(298)**	**-**	**(243)**	**(55)**	**-**
		(44,610)	**(44,312)**	**(243)**	**(55)**	**-**
Financial assets:						
Cash at bank	**0.00%**	**20,100**	**20,100**	**-**	**-**	**-**
Loans receivable	**3.50%**	**2,094**	**2,094**	**-**	**-**	**-**
		(22,416)	**(22,118)**	**(243)**	**(55)**	**-**

21. Financial instruments *(continued)*

As at 31 March 2011	Weighted average effective interest rate	Total	At floating interest rates	Fixed interest		
				1 year or less	1-2 years	2-3 years
	%	£'000	£'000	£'000	£'000	£'000
Financial liabilities:						
Bank overdrafts	1.50%	(3,925)	(3,925)	-	-	-
Revolving credit facility						
(including the effect of interest rate swaps)	2.18%	(50,000)	(30,250)	(19,750)	-	-
Finance leases and hire purchase contracts	4.37%	(570)	-	(271)	(244)	(55)
		(54,495)	(34,175)	(20,021)	(244)	(55)
Less: effect of interest rate swaps		-	(19,750)	19,750	-	-
Total financial liabilities excluding the effect of interest rate swaps		(54,495)	(53,925)	(271)	(244)	(55)
Financial assets:						
Cash at bank	0.00%	1,302	1,302	-	-	-
Loans receivable	3.50%	4,000	4,000	-	-	-
		(49,193)	(48,623)	(271)	(244)	(55)

The maturity profile of bank loans is set out in note 19.

The interest rate profile of the interest earning financial assets and interest bearing liabilities of the Company as at 31 March 2012 and their weighted average interest rates is set out below:

Company **As at 31 March 2012**	**Weighted average effective interest rate**	**Total**	**At floating interest rates**	**Fixed interest**		
				1 year or less	**1-2 years**	**2-3 years**
	%	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Financial liabilities:						
Amounts owed to Group undertakings	**1.50%**	**(133,400)**	**(133,400)**	**-**	**-**	**-**
Revolving credit facility	**1.70%**	**(43,000)**	**(43,000)**	**-**	**-**	**-**
		(176,400)	**(176,400)**	**-**	**-**	**-**
Financial assets:						
Cash at bank	**0.00%**	**18,137**	**18,137**	**-**	**-**	**-**
		(158,263)	**(158,263)**	**-**	**-**	**-**

As at 31 March 2011	Weighted average effective interest rate	Total	At floating interest rates	Fixed interest: 1 year or less	Fixed interest: 1-2 years	Fixed interest: 2-3 years
	%	£'000	£'000	£'000	£'000	£'000
Financial liabilities:						
Bank overdrafts	1.50%	(2,742)	(2,742)	-	-	-
Amounts owed to Group undertakings	1.50%	(129,400)	(129,400)	-	-	-
Revolving credit facility (including the effect of interest rate swaps)	2.18%	(50,000)	(30,250)	(19,750)	-	-
		(182,142)	(162,392)	(19,750)	-	-
Less: effect of interest rate swaps		-	(19,750)	19,750	-	-
Total financial liabilities excluding the effect of interest rate swaps		(182,142)	(182,142)	-	-	-
Financial assets:						
Cash at bank	0.00%	1	1	-	-	-
		(182,141)	(182,141)	-	-	-

Currency profile

The Group's financial assets at 31 March 2012 include sterling denominated cash balances of £18,834,000 (2011: £792,000), euro £1,265,000 (2011: £506,000), US dollar £nil (2011: £4,000) and Danish Krona £1,000 (2011: £nil), all of which are held in the UK. The Group's financial liabilities include sterling denominated overdraft balances of £1,312,000 (2011: £3,718,000) and euro £nil (2011: £207,000), all of which are held in the UK.

The proportion of the Group's net assets denominated in foreign currencies is immaterial.

The Group's other financial assets and liabilities are denominated in sterling.

Credit risk

The Group makes a significant proportion of its sales to the major UK supermarket groups, which correspondingly represent a significant proportion of the Group's trade receivables at any one time. Based on the financial strength of these customers, the Directors do not consider that the Group faces a significant credit risk in this regard. Debts with other customers, which represent a smaller proportion of the Group's trade receivables are considered to provide greater risk, particularly in the current economic climate. These debts are reviewed on a regular basis by credit controllers and senior management and prudent provision is made when there is objective evidence that the Group will not be able to recover balances in full.

All cash financial assets are held by UK financial institutions. The maximum credit exposure relating to financial assets is represented by their carrying values as at the balance sheet date.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

21. Financial instruments *(continued)*

The Group's forward currency contracts are measured using Level 2 of the fair value hierarchy.

The Group's put option in relation to its 49 per cent shareholding in Farmers Boy (Deeside) Limited (note 14) was measured using level 3 of the fair value hierarchy. The fair value of the option was based on discounted cash flows derived from the associate's budgets and business plan. The option was exercised and the Group's investment in the associate sold to the majority shareholder on 30 March 2012 (note 14).

The Group's 5.5 per cent retained shareholding in the Aquatics business of Pet and Aquatics Properties Limited would also have been classified as level 3, however as the investment is an unquoted entity and cannot be reliably measured the Directors consider that its value is immaterial and no fair value has been applied.

Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties on an arm's length basis. The fair value of floating rate assets and liabilities is estimated to be equivalent to book value. All derivative financial instruments are shown in the balance sheet at fair value.

Group	**2012**		2011	
	Book value £'000	**Fair value £'000**	Book value £'000	Fair value £'000
Financial assets				
Cash	**20,100**	**20,100**	1,302	1,302
Loans receivable	**2,094**	**2,094**	4,000	4,000
Put option in relation to associate	**-**	**-**	1,072	1,072
Forward currency contracts	**-**	**-**	146	146
	22,194	**22,194**	6,520	6,520
Financial liabilities				
Bank overdraft	**(1,312)**	**(1,312)**	(3,925)	(3,925)
Amounts outstanding under revolving credit facility	**(43,000)**	**(43,000)**	(50,000)	(50,000)
Finance leases and hire purchase contracts	**(298)**	**(298)**	(570)	(570)
Interest rate swap – (note 19)	**-**	**-**	(160)	(160)
Forward currency contracts	**(69)**	**(69)**	-	-
	(44,679)	**(44,679)**	(54,655)	(54,655)
At 31 March	**(22,485)**	**(22,485)**	(48,135)	(48,135)

Company	2012		2011	
	Book value	**Fair value**	Book value	Fair value
	£'000	**£'000**	£'000	£'000
Financial assets				
Cash	**18,137**	**18,137**	1	1
Put option in relation to associate	**-**	**-**	1,072	1,072
	18,137	**18,137**	1,073	1,073
Financial liabilities				
Bank overdraft	**-**	**-**	(2,742)	(2,742)
Amounts outstanding under revolving credit facility	**(43,000)**	**(43,000)**	(50,000)	(50,000)
Interest rate swap – (note 19)	**-**	**-**	(160)	(160)
	(43,000)	**(43,000)**	(52,902)	(52,902)
At 31 March	**(24,863)**	**(24,863)**	(51,829)	(51,829)

The book value of trade and other receivables and trade and other payables equates to fair value for the Group and Company. Details of these financial assets and liabilities are included in notes 17 and 19.

Hedges

Financial instruments designated as cash flow hedges are held at fair value in the balance sheet. The Group hedges two types of cash flows:

i) *Forward contracts to hedge expected future purchases*

The Group hedges a proportion of its near-term expected purchases denominated in overseas currencies. Where these hedges meet the hedge criteria of IAS 39 changes in fair value are posted directly to other comprehensive income and subsequently reclassified through the income statement at the time that the hedged item affects profit or loss.

Group				**Fair value**
Currency	**Amount**	**Maturities**	**Exchange rates**	**£'000**
euros	7,500,000	2 April 2012 to 16 July 2012	1.17 – 1.20 euros	(69)

These contracts were effective cash flow hedges under the criteria set out in IAS 39 and therefore fair value gains and losses related to the contracts were recognised directly in other comprehensive income.

The Company does not hold any forward contracts.

ii) *Interest rate swaps*

Until December 2011, the Group hedged a proportion of the interest cash flows payable in respect of bank loans. Under the terms of the interest rate swap (relating to the Group's previous bank facilities, which have now been repaid) the Group received LIBOR interest and paid fixed interest of 2.04 per cent. The notional principal amount of the swap stood at £nil as at 31 March 2012 (2011: £19,750,000) and reduced in equal quarterly instalments of £1,750,000 with a final notional payment of principal of £16,250,000 in December 2011.

The swap was an ineffective cash flow hedge under the criteria set out in IAS 39 and accordingly hedge accounting had ceased. Therefore movements in fair value have been posted directly to the income statement.

21. Financial instruments *(continued)*

Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings). There is no material impact on the Group's equity.

Currency derivatives have not been included in the sensitivity analysis below as they are not considered to be exposed to interest rate risk.

	Increase/ decrease in basis points	Effect on profit before tax £'000
2012		
sterling	**+100**	**(467)**
	-100	**467**
2011		
sterling	+100	(293)
	-100	293

Liquidity risk

The tables below summarise the maturity profile of the Group's financial liabilities at 31 March 2012 and 2011 based on contractual undiscounted payments:

Group

Year ended 31 March 2012	**Less than 1 year £'000**	**1 to 2 years £'000**	**2 to 5 years £'000**	**Total £'000**
Bank overdraft	**1,312**	**-**	**-**	**1,312**
Revolving credit facility	**729**	**729**	**43,974**	**45,432**
Finance leases and hire purchase contracts	**251**	**56**	**-**	**307**
Trade and other payables	**91,014**	**-**	**-**	**91,014**
	93,306	**785**	**43,974**	**138,065**

Year ended 31 March 2011	Less than 1 year £'000	1 to 2 years £'000	2 to 5 years £'000	Total £'000
Bank overdraft	3,925	-	-	3,925
Revolving credit facility	821	810	51,883	53,514
Interest rate swap	186	-	-	186
Finance leases and hire purchase contracts	287	251	56	594
Trade and other payables	84,863	-	-	84,863
	90,082	1,061	51,939	143,082

Company

Year ended 31 March 2012	Less than 1 year £'000	1 to 2 years £'000	2 to 5 years £'000	Total £'000
Revolving credit facility	**729**	**729**	**43,974**	**45,432**
Trade and other payables	**41,646**	**-**	**-**	**41,646**
Cross guarantees (note 26)	**1,312**	**-**	**-**	**1,312**
	43,687	**729**	**43,974**	**88,390**

Year ended 31 March 2011	Less than 1 year £'000	1 to 2 years £'000	2 to 5 years £'000	Total £'000
Bank overdraft	2,742	-	-	2,742
Revolving credit facility	821	810	51,883	53,514
Interest rate swap	186	-	-	186
Trade and other payables	36,947	-	-	36,947
Cross guarantees (note 26)	1,183	-	-	1,183
	41,879	810	51,883	94,572

The interest rate swaps disclosed in the above tables are the net undiscounted cash flows as these amounts are settled net.

The impact of liquidity risk on the Group is discussed in detail in the Group Operating and Financial Review on page 17.

22. Called-up share capital

Group and Company

Allotted, called-up and fully paid Ordinary shares of 10p each	2012 Number	2011 Number	2012 £'000	2011 £'000
At 1 April	**47,636,135**	47,330,067	**4,764**	4,733
On exercise of share options	**205,884**	105,514	**20**	11
Scrip dividends	**192,772**	200,554	**19**	20
At 31 March	**48,034,791**	47,636,135	**4,803**	4,764

On 2 September 2011, 54,802 ordinary shares were issued at 728.1 pence as a result of Shareholders exercising the scrip dividend option in lieu of the cash payment for the 2011 final dividend.

On 20 January 2012, 137,970 ordinary shares were issued at 704.0 pence as a result of Shareholders exercising the scrip dividend option in lieu of the cash payment for the 2012 interim dividend.

During the course of the year, 205,884 ordinary shares were issued to employees exercising SAYE, Executive and LTIP options at prices between nil and 679 pence.

During the year the Company repurchased 22,000 of its own shares at a cost of £136,000. These shares were held as treasury shares and were subsequently transferred to directors and senior management of the Group, at nil cost to the individual, to satisfy the exercise of LTIP share options. At the year end the Group held no treasury shares.

22. Called-up share capital *(continued)*

Ordinary share capital of £30,900 is reserved for allotment under the Savings Related, Share Option Schemes, Executive Share Option Schemes and Long Term Incentive Plans (LTIP). The options are exercisable as follows:

	Number	Exercise price	Exercise period
Savings related	4,766	375p	March 2008 to October 2012
Savings related	7,374	471p	March 2009 to October 2013
Savings related	12,904	679p	March 2010 to October 2014
Savings related	10,576	665p	March 2011 to October 2015
Savings related	57,676	474p	March 2012 to October 2016
Savings related	109,452	594p	March 2013 to October 2017
Savings related	56,618	692p	March 2014 to October 2018
Savings related	201,632	579p	March 2015 to October 2019
LTIP	786,900	Nil	June 2012 to June 2021

On 3 September 2010, 150,976 ordinary shares were issued at 856.5 pence as a result of Shareholders exercising the scrip dividend option in lieu of the cash payment for the 2010 final dividend.

On 21 January 2011, 49,578 ordinary shares were issued at 858.9 pence as a result of Shareholders exercising the scrip dividend option in lieu of the cash payment for the 2011 interim dividend.

During the course of the prior year, 105,514 ordinary shares were issued to employees exercising SAYE and Executive options at prices between 255.0 pence and 679.0 pence.

23. Share-based payments

The Group operates three share option schemes, a Revenue approved scheme (SAYE), an unapproved scheme (Executive Share Option) and a Long Term Incentive Plan (LTIP), all of which are equity settled. The total expense charged to the income statement during the year in relation to share-based payments was £1,501,000 (2011: £1,013,000).

Executive Share Option Scheme

Share options are granted periodically to promote the involvement of senior management in the longer term success of the Group. Options can only be exercised if certain performance conditions are met by the Group. These conditions are based on Total Shareholder Return over the performance period and require the Group to be in the top half of a basket of food companies quoted on the London Stock Exchange selected by the remuneration Committee. Options have a contractual life of ten years, being the maximum term.

Directors may also apply for SAYE options on the same terms as apply to all other employees.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, Executive share options during the year:

Group	2012 Number	2012 WAEP £	2011 Number	2011 WAEP £
Outstanding as at 1 April	**4,991**	**6.01**	50,000	6.01
Exercised during the year (i)	**(4,991)**	**6.01**	(45,009)	6.01
Outstanding as at 31 March (ii)	**-**	**-**	4,991	6.01
Exercisable at 31 March	**-**	**-**	4,991	6.01

Company	2012 Number	2012 WAEP £	2011 Number	2011 WAEP £
Outstanding as at 1 April	**-**	**-**	45,009	6.01
Exercised during the year (i)	**-**	**-**	(45,009)	6.01
Outstanding as at 31 March (ii)	**-**	**-**	-	-
Exercisable at 31 March	**-**	**-**	-	-

i) The weighted average share price at the date of exercise for the options exercised was £7.92 (2011: £8.01).

ii) There were no share options outstanding as at 31 March 2012, the weighted average remaining contractual life of the options outstanding at the end of the prior year was 4.25 years.

There were no options granted during the year.

Long Term Incentive Plan (LTIP)

During the course of the year 374,900 options at nil cost were granted to Directors and senior executives, the share price at that time was 785 pence. Details of the performance criteria relating to the LTIP scheme can be found in the Directors' Remuneration report on page 32. The maximum term of LTIP options is 10 years.

Group	2012 Number	2012 WAEP £	2011 Number	2011 WAEP £
Outstanding as at 1 April	**534,500**	**-**	460,043	-
Granted during the year (i)	**374,900**	**-**	229,300	-
Lapsed during the year	**-**	**-**	(17,625)	-
Exercised during the year (ii)	**(122,500)**	**-**	(137,218)	-
Outstanding as at 31 March (iii)	**786,900**	**-**	534,500	-
Exercisable at 31 March	**-**	**-**	-	-

23. Share-based payments *(continued)*

Company	2012 Number	2012 WAEP £	2011 Number	2011 WAEP £
Outstanding as at 1 April	**350,800**	**-**	309,643	-
Granted during the year (i)	**254,900**	**-**	153,500	-
Lapsed during the year	**-**	**-**	(11,250)	-
Exercised during the year (ii)	**(80,000)**	**-**	(101,093)	-
Outstanding as at 31 March (iii)	**525,700**	**-**	350,800	-
Exercisable at 31 March	**-**	**-**	-	-

i) The weighted average fair value of options granted during the year was £6.86 (2011: £7.71). The share options granted during the year were at £nil. The share price at the date of grant was £7.85. (2011: £8.60).

ii) The weighted average share price at the date of exercise for the options exercised was £7.83 (2011: £8.60).

iii) For the share options outstanding as at 31 March 2012, the weighted average remaining contractual life is 8.48 years. (2011: 8.50 years). The exercise price for all options outstanding at the end of the year was £nil.

All Employee Share Option Scheme (SAYE)

All employees are entitled to a grant of options once they have been in service for two years or more. The exercise price is equal to the market price of the shares less 20 per cent on the date of the grant. The contractual life of the options is 3, 5 or 7 years.

The maximum term of SAYE options is 3.5, 5.5 or 7.5 years.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, SAYE share options during the year:

Group	2012 Number	2012 WAEP £	2011 Number	2011 WAEP £
Outstanding as at 1 April	**479,562**	**5.62**	493,950	5.35
Granted during the year (note i)	**202,377**	**5.79**	91,284	6.92
Lapsed during the year	**(81,185)**	**6.20**	(45,167)	5.55
Exercised during the year (note ii)	**(139,756)**	**4.81**	(60,505)	5.42
Outstanding as at 31 March (note iii)	**460,998**	**5.84**	479,562	5.62
Exercisable at 31 March	**14,127**	**4.97**	923	6.65

Company	2012 Number	2012 WAEP £	2011 Number	2011 WAEP £
Outstanding as at 1 April	**18,894**	**5.88**	10,139	5.14
Granted during the year (note i)	**14,971**	**5.79**	9,620	6.92
Lapsed during the year	**(8,008)**	**6.92**	-	-
Exercised during the year (note ii)	**(7,290)**	**4.74**	(865)	6.65
Outstanding as at 31 March (note iii)	**18,567**	**5.90**	18,894	5.88
Exercisable at 31 March	**-**	**-**	-	-

i) The share options granted during the year were at £5.79 (2011: £6.92), representing a 20 per cent discount on the price at the relevant date. The share price at the date of grant was £7.42 (2011: £8.60).

ii) The weighted average share price at the date of exercise for the options exercised was £7.89 (2011: £8.49).

iii) For the share options outstanding as at 31 March 2012, the weighted average remaining contractual life is 3.16 years. (2011: 2.94 years).

The weighted average fair value of options granted during the year was £1.69 (2011: £2.21). The range of exercise prices for options outstanding at the end of the year was £3.75 - £6.92 (2011: £3.75 - £6.92).

The fair value of the SAYE and LTIP equity settled options granted is estimated as at the date of grant using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for the years ended 31 March 2012 and 31 March 2011:

Group and Company	**2012**	**2012**	2011	2011
	LTIP	**SAYE**	LTIP	SAYE
Dividend yield	**4.47%**	**4.73%**	3.63%	3.71%
Expected share price volatility	**31.0%**	**31.0%**	31.0%	31.0%
Risk free interest rate	**1.30%**	**0.49% - 1.50%**	1.25%	1.58% - 2.88%
Expected life of option	**3 years**	**3,5,7 years**	3 years	3,5,7 years
Exercise prices	**£nil**	**£5.79**	£nil	£6.92

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

The initial fair value of LTIP options is adjusted to take into account market-based performance conditions.

24. Pension schemes

Defined benefit pension scheme

The Group acquired a defined benefit final salary pension scheme during 2009, which is funded by the payment of contributions to separately administered trust funds. The scheme was closed to new members and future accrual on 30 June 2004.

Pension costs are determined with the advice of an independent qualified actuary on the basis of a triennial valuation using the projected unit credit method. The latest available formal actuarial valuation of the scheme was carried out as at 1 January 2010. This valuation was updated to the year end. Plan assets are stated at fair value at the respective balance sheet dates and overall expected rates of return are established by applying published brokers' forecasts to each category of scheme assets.

24. Pension schemes *(continued)*

a) Change in benefit obligation	**2012** **£'000**	2011 £'000
Benefit obligation at the beginning of the year	**16,501**	17,141
Interest cost	**906**	935
Actuarial losses/ (gains)	**4,097**	(694)
Benefits paid from plan	**(343)**	(881)
Benefit obligation at the end of the year	**21,161**	16,501

b) Change in plan assets	**2012** **£'000**	2011 £'000
Fair value of plan assets at the beginning of the year	**13,587**	11,788
Expected return on plan assets	**853**	926
Actuarial gain/ (loss) on plan assets	**593**	(70)
Employer contributions	**1,129**	1,824
Benefits paid from plan	**(343)**	(881)
Fair value of plan assets at the end of the year	**15,819**	13,587

c) Amounts recognised in the balance sheet	**2012** **£'000**	2011 £'000
Present value of funded obligations	**(21,161)**	(16,501)
Fair value of plan assets	**15,819**	13,587
Net liability recorded in the balance sheet	**(5,342)**	(2,914)

d) Components of pension cost	**2012** **£'000**	2011 £'000
Amounts recognised in the income statement		
Interest cost	**906**	935
Expected return on plan assets	**(853)**	(926)
Total pension cost recognised in the income statement	**53**	9

	2012 **£'000**	2011 £'000
Actual return on assets		
Actual return on plan assets	**1,446**	856
Amounts recognised in the Group statement of comprehensive income		
Actuarial losses/ (gains) immediately recognised	**3,504**	(624)
Cumulative amount of actuarial losses/ (gains) recognised	**2,967**	(537)

e) Principal actuarial assumptions

The weighted average actuarial assumptions used in the valuation of the scheme were as follows:

	2012	2011
Discount rate	**4.60%**	5.55%
Rate of price inflation	**2.90%**	3.20%
Expected long term rate of return on plan assets at the end of the year	**5.45%**	6.10%
Expected long term rate of return on plan assets during the year	**6.10%**	7.55%
Rate of compensation increase	**2.90%**	3.20%

Future expected lifetime of pensioner at age 65:	**2012**	2011
Current pensioners		
Male	**23.0**	24.0
Female	**25.6**	26.4
Future pensioners		
Male	**25.0**	26.0
Female	**27.6**	28.3

The mortality rates used have been taken from Base tables S1PA (2011: PA00).

A 0.1 per cent decrease in the discount rate would give rise to a £45,000 decrease in the amounts charged to the income statement during the year, and a £520,000 increase in the deficit at 31 March 2012.

The scheme rules require the pension benefits to be uplifted by Retail Price Index (RPI), so there was no financial effect from the statutory requirement to uplift pension benefits by Consumer Price index (CPI) rather than RPI.

f) Plan assets	**2012 Expected long-term rate of return**	**2012 Fair value of plan assets £'000**	2011 Expected long-term rate of return	2011 Fair value of plan assets £'000
Asset category				
Equity securities	**-**	**-**	7.10%	8,139
Bonds	**3.85%**	**6,705**	4.60%	5,407
Cash	**3.70%**	**103**	4.10%	41
Diversified growth fund	**6.70%**	**9,011**	-	-
Total		**15,819**		13,587

The expected rates of return on cash and bonds are determined by reference to relevant gilt yield and corporate bond indices respectively. The long term rate of return on equities for the prior year was calculated at a premium of 4 per cent above gilt yields.

The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

The plan has not invested in any of the Group's own financial instruments nor in any properties or other assets used by the Group.

g) History of experience gains and losses	**2012 £'000**	2011 £'000	2010 £'000
Fair value of scheme assets	**15,819**	13,587	11,788
Present value of defined benefit obligation	**(21,161)**	(16,501)	(17,141)
Deficit in the scheme	**(5,342)**	(2,914)	(5,353)
Experience adjustments on plan liabilities	-	-	-
Experience adjustments on plan assets	**593**	(70)	1,955

Experience gains and losses are presented from 24 June 2009 when the scheme was acquired by the Group.

The Group expects to contribute approximately £1,128,000 to the scheme during the year to 31 March 2013 in respect of regular contributions.

24. Pension schemes *(continued)*

Defined contribution pension schemes

The Group also operates a number of defined contribution pension schemes whereby contributions are made to schemes operated by major insurance companies. Contributions to these schemes are determined as a percentage of employees' earnings. Contributions owing to the insurance companies at the year-end, included in trade and other payables, amounted to £91,000 (2011: £140,000). Contributions during the year totalled £1,286,000 (2011: £1,435,000).

25. Additional cash flow information

Analysis of Group net debt	At 31 March 2011 £'000	Cash flow £'000	Other non cash changes £'000	**At 31 March 2012 £'000**
Cash and cash equivalents	1,302	18,798	-	**20,100**
Overdrafts	(3,925)	2,613	-	**(1,312)**
	(2,623)	21,411	-	**18,788**
Other financial assets	4,000	(1,906)	-	**2,094**
	1,377	19,505	-	**20,882**
Other financial liabilities	(160)	-	160	**-**
Revolving credit	(48,987)	7,000	(259)	**(42,246)**
Finance leases and hire purchase contracts	(570)	272	-	**(298)**
Net debt	(48,340)	26,777	(99)	**(21,662)**

Net debt is defined as cash and cash equivalents, loans receivable and interest rate swaps at fair value less interest bearing liabilities (net of unamortised issue costs).

	At 31 March 2010 £'000	Cash flow £'000	Other non cash changes £'000	At 31 March 2011 £'000
Cash and cash equivalents	5,922	(4,620)	-	1,302
Overdrafts	(1,956)	(1,969)	-	(3,925)
	3,966	(6,589)	-	(2,623)
Other financial assets	1,763	2,500	(263)	4,000
	5,729	(4,089)	(263)	1,377
Other financial liabilities	(387)	-	227	(160)
Revolving credit	-	(50,000)	1,013	(48,987)
Bank loans	(59,530)	60,000	(470)	-
Finance leases and hire purchase contracts	(480)	260	(350)	(570)
Net debt	(54,668)	6,171	157	(48,340)

Analysis of Company net debt	At 31 March 2011 £'000	Cash flow £'000	Other non cash changes £'000	**At 31 March 2012 £'000**
Cash and cash equivalents	1	18,136	-	**18,137**
Overdrafts	(2,742)	2,742	-	**-**
	(2,741)	20,878	-	**18,137**
Other financial liabilities	(160)	-	160	**-**
Revolving credit	(48,987)	7,000	(259)	**(42,246)**
Net debt	(51,888)	27,878	(99)	**(24,109)**

	At 31 March 2010 £'000	Cash flow £'000	Other non cash changes £'000	At 31 March 2011 £'000
Cash and cash equivalents	4,004	(4,003)	-	1
Overdrafts	-	(2,742)	-	(2,742)
	4,004	(6,745)	-	(2,741)
Other financial liabilities	(387)	-	227	(160)
Revolving credit	-	(50,000)	1,013	(48,987)
Bank loans	(59,530)	60,000	(470)	-
Net debt	(55,913)	3,255	770	(51,888)

26. Contingent liabilities

The Company, together with its subsidiary undertakings, has entered into a cross guarantee with Lloyds TSB Bank plc, The Royal Bank of Scotland plc, Clydesdale Bank PLC (trading as Yorkshire Bank) and Coöperatieve Centrale Raiffeisen-Boerleenbank B.A. (trading as Rabobank International) in respect of the Group's facilities with those banks. Drawn down amounts totalled £44,312,000 as at 31 March 2012 (2011: £53,925,000).

For the Company, the amounts drawn down by other Group companies which were guaranteed by the Company at the year end totalled £1,312,000 (2011: £1,183,000).

27. Commitments

(a) The Directors have contracted for future capital expenditure for property, plant and equipment totalling £4,836,000 (2011: £584,000).

(b) The Group's future minimum rentals payable under non-cancellable operating leases are as follows:

Group	2012 £'000	2011 £'000
Not later than one year	**2,903**	2,718
After one year but not more than five years	**5,777**	6,666
After five years	**3,721**	2,670
	12,401	12,054

The Company has no non-cancellable operating leases.

28. Related party transactions

During the year the Group and Company entered into transactions, in the ordinary course of business, with related parties, including transactions between the Company and its subsidiary undertakings. In the Group accounts transactions between the Company and its subsidiaries are eliminated on consolidation but these transactions are reported for the Company below:

Group

Related party	Sales to related party £'000	Service rendered to related party £'000	Amounts owed by related party £'000
Associate – Farmers Boy (Deeside) Limited			
2012	**12,422**	**259**	**-**
2011	13,521	289	1,583

Farmers Boy (Deeside) Limited ceased to be a related party upon sale of the Group's 49 per cent shareholding on 30 March 2012.

Company

Related party	Services rendered to related party £'000	Interest paid to related party £'000	Dividends received from related party £'000
Subsidiaries			
2012	**18,165**	**1,890**	**11,831**
2011	14,830	2,565	10,508

Amounts owed by or to subsidiary undertakings are disclosed in notes 16 and 18. Any such amounts are unsecured and repayable on demand.

Remuneration of key management personnel

	2012 £'000	2011 £'000
Short-term employee benefits	**4,990**	2,921
Post-employment benefits	**259**	386
Share-based payment	**812**	515
	6,061	3,822

29. Events after the balance sheet date

Following an internal reorganisation within the Cranswick Pet and Aquatics group, Cranswick plc sold its 5.5 per cent investment in the Cranswick Pet Products business on 5 April 2012 for a consideration of £221,000. At 31 March, as a result of the sale, the investment was transferred to assets held for sale.

The transaction resulted in the Group retaining its 5.5 per cent interest in the Aquatics business through a 5.5 per cent shareholding in Pet and Aquatics Properties Limited. The investment, being an unquoted entity, the value of which cannot be reliably measured, is held at a carrying value of £nil.

SHAREHOLDER INFORMATION

Five year statement

	2012	2011	2010	2009	2008
	£'m	£'m	£'m	£'m	£'m
Turnover	**820.8**	758.4	740.3	606.8	559.2
Profit before tax	**48.4** *	47.1	43.8	34.7	33.0
Earnings per share	**78.6p** *	74.5p	69.7p	40.5p	51.9p
Dividend per share	**28.5p**	27.5p	25.0p	21.7p	19.9p
Capital expenditure	**21.7**	35.9	20.5	21.2	25.8
Net debt	**(21.7)**	(48.3)	(54.7)	(66.6)	(78.4)
Net assets	**245.9**	220.9	193.6	166.5	155.3

* Includes gain on sale of associate and goodwill impairment charge.

Dividends per share relate to dividends declared in respect of that year.

Net debt is defined as per note 25 to the accounts.

Financial calendar

Preliminary announcement of full year results	May
Publication of Annual Report	June
Annual General Meeting	August
Payment of final dividend	September
Announcement of interim results	November
Payment of interim dividend	January

Shareholder analysis

at 8 May 2012

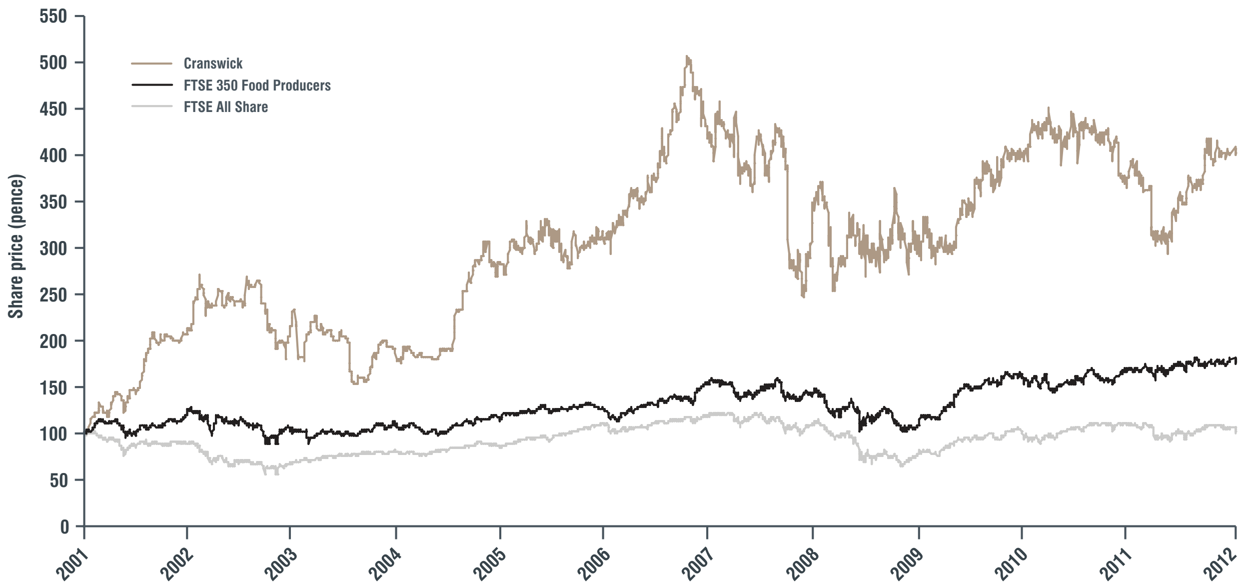
	Number of holdings	Number of shares
Classification		
Private Shareholders	1,201	5,317,532
Corporate bodies and nominees	723	42,724,554
	1,924	48,042,086
Size of holding (shares)		
1 - 1,000	969	394,576
1,001 - 5,000	581	1,293,908
5,001 - 10,000	120	862,341
10,001 - 50,000	154	3,618,827
50,001 - 100,000	33	2,343,372
Above 100,000	67	39,529,062
	1,924	48,042,086

Share price

Share price at 31 March 2011	830p
Share price at 31 March 2012	805p
High in the year	841p
Low in the year	589p

Share price movement

Cranswick's share price movement over the eleven year period to May 2012 and comparison against the FTSE 350 Food Producers and Processors Price Index ("FTSE FPP") and against the FTSE All Share Price Index ("FTSE All Share"), all rebased to 100 at May 2001, is shown below:



Source: Investec

AWARDS

Meat Management Awards

2010	Winner	Best Pork Product and Best Red Meat Product *Richard Woodall Dry Cured Bacon*
2009	Winner	Manufacturer of the Year

Grocer Own Label Excellence Awards

2012	Gold	Meat & Poultry Stuffed Category *Tesco Finest Extra Matured Norfolk Pork Crown Joint (also collecting the Chairman's Award)*
	Silver	Chilled Bacon Category *M&S Juniper Smoked Dry Cure Bacon*
2011	Gold	Best Sausage or Bacon Category *Sainsbury's Taste The Difference 6 Outdoor Bred Cumberland Pork Sausages*
	Gold	Best Deli Meat Category *Sainsbury's Delicatessen Hand Carved Roast Ham*
	Silver	Best Beef, Lamb & Pork product *Tesco Finest Extra Matured Norfolk Outdoor Reared Pork Shoulder Joint with Pork & Apricot Stuffing*
	Silver	Best Deli Meat *Tesco Finest British Outdoor Reared Yorkshire Crumbed Ham*
2010	Gold	Meat Joints Category *Sainsbury's Taste the Difference British Ultimate Outdoor Reared Dry Cured Unsmoked Gammon Joint*
	Silver	Chilled Savoury Category *Sainsbury's Taste the Difference British Pork Cocktail Sausages Wrapped in a Butter Puff Pastry*
2009	Winner	Delicatessen Meat Category *Sainsbury's Taste the Difference Traditional Spiced Ham*
	Winner	Bacon & Sausage Category *Morrisons' The Best Lightly Oak Smoked Sweetcure Rindless Back Bacon*
2008	Winner	Meat & Poultry Category *Applewood Smoked Bacon*

Grocer Food and Drink Awards

2011	Silver	Chilled Savoury Category *Jamie Oliver - My Delicious British Pancetta*

Quality Food Awards

2010	Winner	Best 'Free From' Category *Co-operative Truly Irresistible Gluten Free Pork Sausage*
2009	Winner	Fresh Meat Game and Poultry Award *Sainsbury's Taste the Difference 12 British Ultimate Chipolatas*

Award Highlights

Cranswick were successful at the British Sausage Week Awards 2011 bringing home the Multiple Retailer Bronze Award for Legendary British Bangers for their Sainsbury's Taste the Difference Outdoor Bred Cumberland Pork Sausages.

The award, presented by Noddy Holder to Nicola Whitehead, Sainsbury's National Account Controller was part of the 14th Annual British Sausage week, which celebrates the Great British Banger and promotes the wide range of exciting sausages currently available in Britain.

BPEX Foodservice Pork Product of the Year Competiton

2011	Bronze	Best Pork & Poultry Product *Original Pork Simply Seasoned Sausage Roll*
2008	Gold	Best Cured Product *Jack Scaife Hand Cured, Air Dried Gammon Steak*
	Gold	Best Fresh Pork Cut Outdoor Reared *Hampshire Breed Thick Cut Pork Chops*
	Gold	Best Pork Ready Meal *Ham Shanks in Dijonnaise Sauce*
	Silver	Best Innovative Pork Product *Smokey Flavour Maple BBQ Ribs*

BPEX Bacon Connoisseurs' Week

2012	Winner	Supermarket Traditional Wet Cure Category *Sainsbury's Taste the Difference Wiltshire Cured Unsmoked Back Bacon*
2010	Winner	Overall Winner & Best Retailer 'Smoked' Category *M&S Outdoor Bred British Smoked Dry Cured Streaky Bacon*
	Winner	Best New Flavour Category *M&S Outdoor Bred British Demerara Sweet Cure Bacon*

Great Taste Awards

2012	Winner	Fresh Pasta *Asda Extra Special Linguine (2 star)*
	Winner	Fresh Filled Pasta *Asda Extra Special Spinach & Ricotta Pasta (2 star)*
	Winner	Plain Olives *Asda Extra Special Nocellara Olives (2 star)*
	Winner	Continental Style Sausages *Asda Spanish Cooking Chorizo (1 star)*

Q Awards

2011	Winner	Delicatessen *Asda Extra Special Spicy Sausage Handmade Pasta*

Pizza and Pasta Awards

2011	Winner	*Asda American Sizzler serve over pizza*

Sainsbury's Supplier Oscar - 2012

2012	Winner	Making big things bigger through innovation *Taste the Difference Air Dried Hams project*

British Turkey Awards

2010	Winner	Best Ready to Eat Product *Tesco Finest Hand Carved Butter Basted Turkey*

Meat and Poultry News Awards

2011	Winner	Corrina Firth *Young Processor of the Year Award*
2009	Winner	Producer of the Year Award *Cranswick plc supplier - Thomas Dent of Penrith in Cumbria*

Super Meat Awards

2010	Winner	Best Sausage Category *The Co-operative Truly Irresistible Gluten Free Pork Sausage*

Guild of Fine Foods Retailers 'Great Taste Awards'

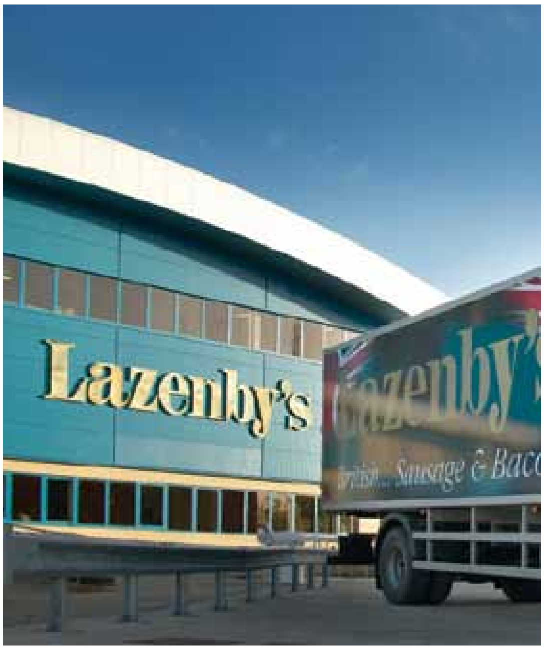
2008	Gold	*Sainsbury's Taste the Difference Ultimate Oak Smoked Bacon*
	Gold	*Smoked Streaky Bacon*

ADVISERS

Secretary	Malcolm Windeatt FCA
Company Number	1074383
Registered Office	74 Helsinki Road Sutton Fields Hull HU7 0YW
Stockbrokers	Investec Investment Banking - London Shore Capital Stockbrokers - Liverpool
Registrars	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU Tel: 0871 664 0300 (Calls cost 10p per minute plus network extras; lines are open 8.30am to 5.30pm, Monday - Friday). If calling from overseas please call +44 208 639 3399 email: shareholder.services@capitaregistrars.com **www.capitaregistrars.com**
Auditors	Ernst & Young LLP – Hull
Solicitors	Rollits LLP – Hull
Bankers	Lloyds TSB Bank plc The Royal Bank of Scotland plc Clydesdale Bank PLC (trading as Yorkshire Bank) Coöperatieve Centrale Raiffeisen-Boerleenbank B.A. (trading as Rabobank International)
Merchant Bankers	N M Rothschild & Sons – Leeds

PRODUCTION FACILITIES

Fresh pork



Sausages

Bacon

Cooked meats

NOTES

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