CRANSWICK

Great British Taste

MAKING GREAT TASTING FOOD, SUSTAINABLY

(IT'S SECOND NATURE)

Cranswick plc Annual Report & Accounts

52 weeks ended 25 March 2023

ABOUT US

OUR PURPOSE IS TO FEED THE NATION WITH AUTHENTICALLY MADE, SUSTAINABLY PRODUCED FOOD

CONTENTS

CRANSWICK
Great British Taste

Cranswick is a leading UK food producer with revenue in excess of £2.3 billion. We produce and supply premium food to UK grocery retailers, the food service sector, and other UK and global food producers.

Making great tasting food is more than our purpose, it's in our DNA. In fact, you could say it's become second nature for every colleague and throughout our supply chain.

From the farm to the packed product, we are reducing the impact of producing our food, and sustainability is a priority throughout the business.

(IT'S SECOND NATURE)

HIGHLIGHTS

FINANCIAL

Strong commercial growth and continued strategic progress

Like-for-like revenue*
£2,297.9m
+14.4%

2023	2,297.9
2022	2,008.5
2021	1,898.4

Adjusted profit before tax†
£140.1m
+2.3%

2023	140.1
2022	136.9
2021	129.7

Adjusted earnings per share†
210.0p
+2.2%

2023	210.0
2022	205.4
2021	199.3

Dividend per share
79.4p
+5.0%

2023	79.4
2022	75.6
2021	70.0

Free cash flow†
£149.2m
-5.8%

2023	149.2
2022	158.4
2021	180.9

Net debt
£101.4m
-£4.6m

(101.4)	(81.2)	(20.2)	2023
(106.0)	(69.8)	(36.2)	2022
(92.4)	(71.6)	(20.8)	2021

IFRS 16 Leases   Underlying

Revenue
£2,323.0m
+15.7%
(FY22: £2,008.5m)

Profit before tax
£139.5m
+7.4%
(FY22: £129.9m)

Earnings per share
208.3p
+6.4%
(FY22: 195.7p)

Capital expenditure
£85.1m
(FY22: £93.7m)

ROCE
15.8%
(FY22: 16.9%)

Scope 1 & 2 carbon emissions
-7.2%
(FY22: +4.1%)

* References to like-for-like throughout the Annual Report & Accounts exclude the current year contribution from Cranswick Pet Products, Ramona's Kitchen and Atlantica Foods prior to the anniversary of their purchase. Like-for-like also excludes the current year benefit of Cranswick Mediterranean Foods Limited.

† Adjusted and like-for-like references throughout the Annual Report & Accounts refer to non-IFRS measures or Alternative Performance Measures (APMs). Definitions and reconciliations of the APMs to IFRS measures are provided in Note 29.

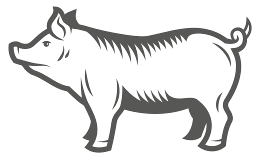
STRATEGIC

£32m
New Hull Prepared Poultry facility successfully commissioned at the start of the period with retail and food service customers now on board

£8m investment at the Hull Cooked Meats facility will double 'slow cook' capacity

Installation of third contact cooking line at the Hull Cooked Bacon facility to add capacity and capability

"
£9M INVESTMENT IN LINCOLN PET PRODUCTS SITE UNDERWAY WITH SIGNIFICANT NEW CUSTOMER SECURED



Further investment in the Group's pig farming operations; self-sufficiency in British pigs now approaching 50%

£10m investment in Phase 1 of major redevelopment of Hull Fresh Pork site underway

WHAT WE DO

Cranswick was formed by farmers in the early 1970s. Since then we have grown organically and through targeted acquisitions to become a leading and innovative British supplier of premium, fresh and value-added food products. We are a diversified business, with a vertically integrated supply chain for pork and poultry products and a well-established export business.

As the business has grown, our purpose has remained the same – to feed the nation with authentically made, sustainably produced food.

OUR PEOPLE

It's our people who make Cranswick successful. Their passion, expertise and dedication helps to differentiate our offering.

We have experienced and talented operational management teams supported by a highly skilled and committed workforce.

Every individual plays a crucial role enabling us to feed the nation with authentically made, sustainably produced food.

>13,700

Colleagues

FARMING

Our vertically integrated supply chain is important in providing traceability, integrity and sustainability in our farm-to-fork model.

Our self-sufficiency in British pigs is now approaching 50 per cent. Our poultry farming business, including milling, breeding and growing operations, is industry leading.

Our dedicated farmers are focused on developing sustainable farming practices and leading the way in animal welfare.

>0.7m

Pig herd size

>5.7m

Chicken flock size

STRATEGIC CAPITAL INVESTMENT

We operate from 22 well-invested and highly efficient production facilities in the UK and we will continue to invest at pace to ensure we serve our customers from the best quality asset base the UK industry can offer in terms of food safety, technical compliance and colleague well-being.

£85.1m

Invested in FY23

FACILITIES

Hull
Fresh Pork, Preston
Fresh Pork, Riverside
Gourmet Sausage
Cooked Poultry
Cooked Meats
Gourmet Kitchen
Prepared Poultry

Malton
Gourmet Pastry

Sherburn-in-Elmet
Gourmet Bacon

Barnsley
Cooked Meats

Ballymena
Fresh Pork

Lincoln
Pet Products

Retford
Pet Products

Bury
Continental Foods

Worsley
Mediterranean Foods

Denbigh
Food Service

Watton
Fresh Pork

Eye
Fresh Chicken

Milton Keynes
Cooked Meats

London
Katsouris Brothers
Mediterranean Foods
Ramona's Kitchen

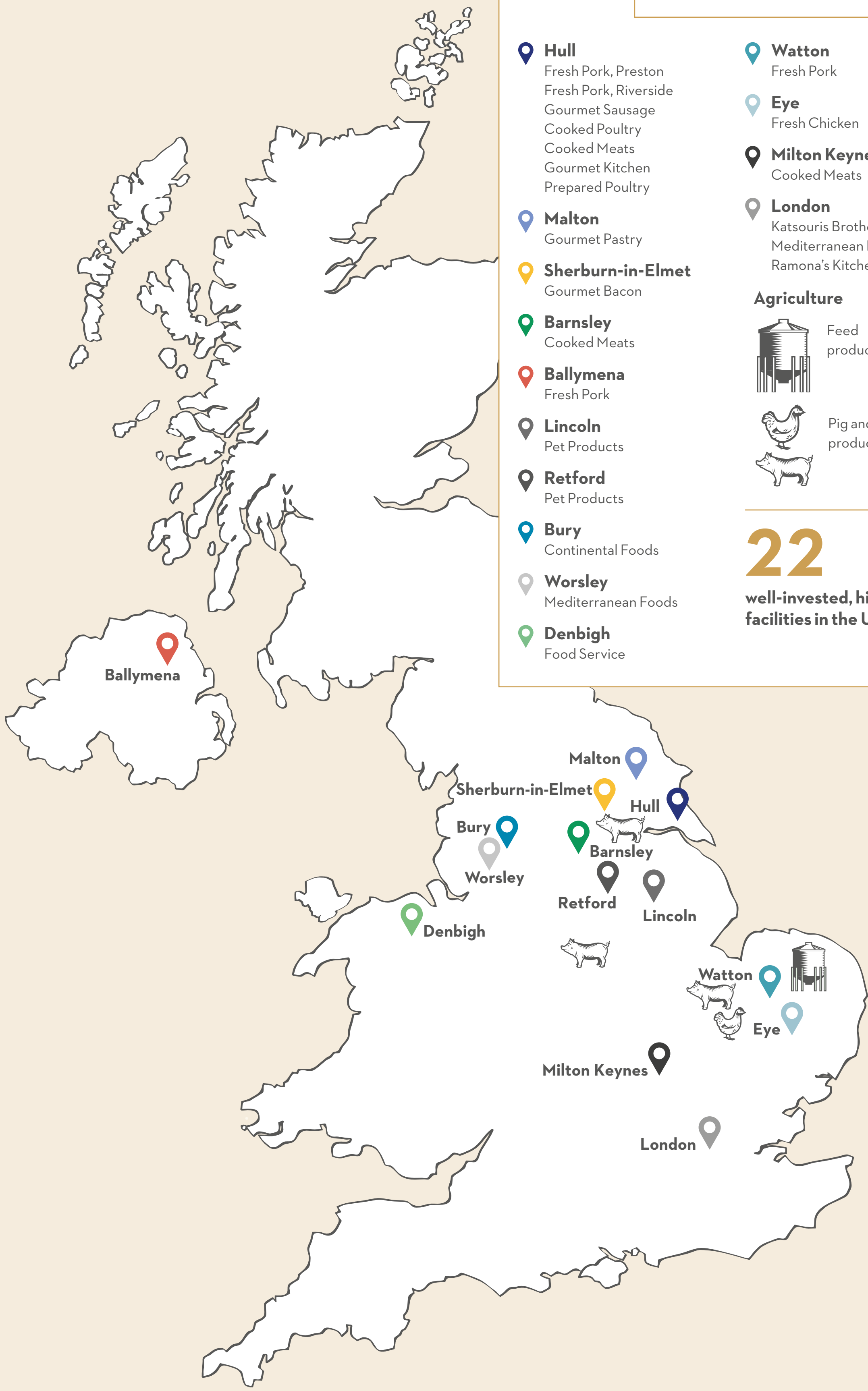
Agriculture

Feed production

Pig and poultry production

22

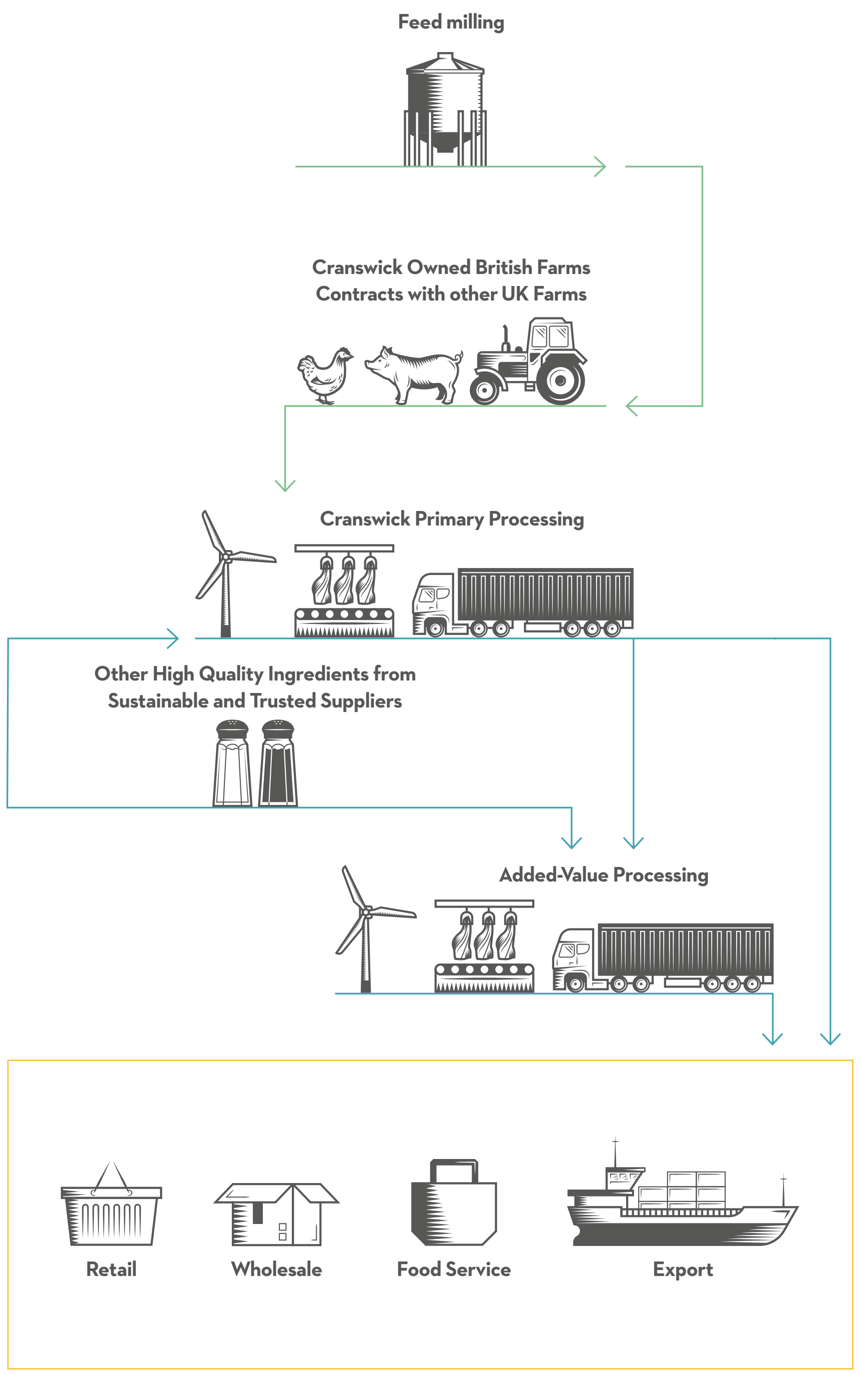
well-invested, highly efficient facilities in the UK



WHAT WE DO
CONTINUED

Our vertically integrated business model provides our customers with assurance over the integrity and traceability of the food we produce, and promotes our sustainability strategy to ensure that waste in our food system is minimised.

OUR BUSINESS MODEL



WE FARM

We have a thriving farming division made up of five businesses: Wayland Farms, Wold Farms and White Rose Farms rear our pigs; Crown Farms rear our chickens; and Crown Milling produces pig and poultry feed.

Our dedication to producing the very best pork starts with our farms. We operate in all areas of pig production, from breeding through to finishing operations.

We are proud to be the first UK chicken producer to invest in the revolutionary 'NestBorn' on-farm hatching system which improves the welfare of our birds. We have our own milling operation in Suffolk, where we mill cereals grown in the local area to feed our chickens.

WE PRODUCE

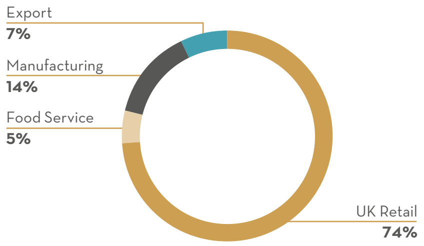
We produce a wide range of high quality, predominantly fresh food, including fresh and added-value pork and poultry, gourmet sausage, bacon and pastry along with cooked meats and a broad selection of Continental products. We have further expanded our portfolio by adding a pet food business with a focus on sourcing British ingredients.

We focus on premium products, technical integrity and continually improving our standards of animal welfare. Through our four primary processing and 18 added-value facilities we produce great-tasting products to the highest standards of food safety whilst maintaining strong relationships with our customers.

WE SUPPLY

We supply most of the UK grocery retailers and have a strong presence in the wholesale and food service sectors, as well as a substantial export business.

Revenue by Market
% of Group revenue



OUR BUSINESS MODEL

OUR GUIDING PRINCIPLES

Our guiding principles set out the values that unite and inspire our people to deliver our purpose – to feed the nation with authentically made, sustainably produced food. We built our business on an unwavering commitment to quality, efficiency and innovation which is embedded in our culture. This is delivered by our hard-working, talented teams who continually drive the business forward.

QUALITY
Delight the customer
Lead on premium
Technical excellence

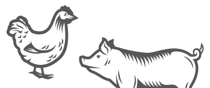
VALUE
Vertical integration
Utilisation
Efficiency

SECOND NATURE
MAKING MEAT SUSTAINABLE

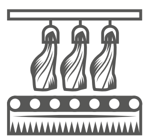
INNOVATION
Product
Packaging
Process

PEOPLE
Attract
Engage
Empower

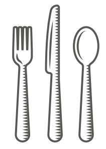
OUR STRATEGIC ENABLERS



SUPPLY CHAIN
Vertical integration
Differentiation
Long-term security



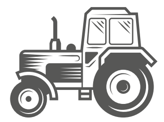
LEAN PROCESSING
Efficiency
Capability
Sustainability



ICONIC & RELEVANT PRODUCTS
Relevant
Differentiated
Premium

CUSTOMER RELATIONSHIPS
Reputation
Partnership
Long-term

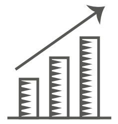
OUR DIFFERENTIATORS



AGRICULTURAL HERITAGE
Cranswick was formed by a group of farmers and these agricultural roots underpin our commitment to create great food with integrity.
We continue to invest in our farming operations and focus on enhancing animal welfare standards whilst improving sustainability throughout the supply chain.

UPSCALING ARTISAN
We are famous for upscaling our artisan products. We work with experts to bring fantastic product ranges to market through modern, efficient facilities which set us apart from our competitors.

FOCUS ON FLAVOUR
We produce great tasting food that is relevant for the consumer of today. Focusing on flavour is embedded in our culture across the business.



ENTREPRENEURIAL SPIRIT
With the entrepreneurial spirit that is rooted within our business, we are constantly looking to the future and exploring new opportunities for growth. This spirit has fuelled our growth for almost 50 years.

WHAT WE DO
CONTINUED

OUR PRODUCTS

Fresh pork

We have a full range of fresh pork products, from joints and chops to ribs, together with seasonal ranges including barbecue products. Emphasis on innovation makes our offering relevant and meet the changing needs of our consumers. Our Fresh Pork sites also supply pork cuts to other Cranswick facilities which strengthens our vertically integrated supply chain while creating further added-value products. Fresh Pork incorporates a large export business which supplies British Pork into a number of other markets.

Gourmet products

Our long-term relationships with passionate Cranswick Food Heroes helped to develop our Gourmet Products sites which focus on delivering authentic, premium products from efficient, well-invested sites. We call this upscaling artisan. Ranges include gourmet sausages developed with Martin Heap; traditional dry cured, air-dried bacon and gammon created through our partnership with Chris Battle; and exceptional pastry products baked at our Yorkshire Baker site in Malton and perfected with Gill Ridgard.

Convenience

Convenience incorporates our three Cooked Meats sites and our Continental Products businesses. Our product range includes sliced cooked meats produced for retailers and food-to-go operators and a range of 'slow cook' and 'sous-vide' prepared meals for consumers. Continental Products includes an expanding range of Mediterranean inspired products, including charcuterie, olives and anti-pasti and the recently acquired Ramona's and Mediterranean Foods businesses which produce houmous, dips and other Mediterranean snacks.

Poultry

We have created a unique supply chain in the UK market through the Cranswick Poultry businesses. Our Fresh Chicken business produces whole and portioned poultry products as well as seasonal, flavoured ranges. Our Fresh Chicken site also supplies other facilities within the Group to create further added-value products. Our Cooked Poultry operation supplies premium products to retail and food-to-go customers, and the Prepared Poultry site offers a range of premium, prepared chicken products to retail and Quick Service Restaurant customers.

Pet products

Cranswick Pet Products manufactures a range of dried dog food for a number of established retail brands as well as it's own Vitalin and Alpha brands.

We have embarked on an investment plan to broaden the range of products offered and increase capacity at the site.

CREATING VALUES FOR STAKEHOLDERS

Our people

By providing competitive remuneration, safe working conditions, as well as training, development and mentoring opportunities.

>69,000

training courses completed by Cranswick's colleagues in the year

Read more on pages 54–57

Shareholders

By delivering strong dividend growth.

33

years of consecutive dividend growth

Read more on pages 66–67

Customers and consumers

By continuously delivering high quality, authentic and innovative products.

3.6%

sales from new products as a percentage of total revenue

Read more on pages 58–59

Communities

By providing support to our local communities, led by strong focus on food redistribution, education and skills.

>1,000,000

meals donated to FareShare

Read more on pages 64-65

Producers and suppliers

By providing fair trading terms, and ensuring suppliers' integrity and ESG compliance.

340

supplier audits

Read more on pages 60–62

NGOs

By working with various organisations we can help to set policies and improve industry standards.

100%

committed to purchase 100 per cent verified deforestation and conversion-free soya

Read more on page 63

CHAIRMAN'S STATEMENT

WE MADE FURTHER POSITIVE PROGRESS IN PURSUING OUR STRATEGIC PRIORITIES

Since last year, we have successfully recovered from the COVID-19 pandemic and the impact on our business. The escalation of war in Ukraine and the resulting inflation and cost-of-living crisis in the UK created significant new challenges for the Group.

TIM J SMITH CBE
Chairman

Our skilled and experienced management team has risen to the challenge and delivered an excellent set of results. On behalf of the Board, I would like to thank our talented executives and all our Cranswick colleagues for their dedication and commitment.

We made further positive progress in pursuing our strategic priorities. We continue to gain market share in our core pork business through our relentless focus on improving quality, driving innovation and delivering exceptional value. Our poultry business, a key pillar of our medium-term growth strategy, is now a material contributor to Group performance. We continue to invest in, and expand, our attractive, fast-growing Continental products range. We made excellent progress in reshaping our rapidly developing pet food business, where we strengthened and refocused the management team and committed to the first phase of a substantial capital investment programme. We also secured a major new long-term contract with a national pet food retailer.

We delivered strong revenue growth, primarily reflecting good control of widespread cost inflation, with a strong pipeline of new products launched nimbly responding to changes in market led demand. Our customers and consumers continue to recognise and appreciate the quality, value and versatility of our product range.

Our broad-based investment plans remain firmly on track with several substantial projects in progress which will enhance the capability of, and add capacity to, several of our flagship production facilities. The new Hull Prepared Poultry facility was commissioned at the start of the year with two major retail and food service customers now secured. We also made further investment in our pig farming operations during the year and we continue to invest at pace to push on with our 'Second Nature' sustainability programme.

In recent years, we have substantially expanded our farming infrastructure. Our self-sufficiency in British pigs is now approaching 50 per cent. Our poultry farming business, including milling, breeding and growing operations is industry leading. The UK farming industry has faced a host of challenges over the last three years. Labour shortages, financial pressures and political uncertainty have led many independent producers to question their long-term commitment to the sector.

More than ever the UK needs a vibrant farming sector at a time when the resilience of our food system has, again, come under close scrutiny. We expect further sector consolidation and Cranswick will continue to expand its farming capability to ensure continuity of supply, full farm-to-fork traceability, leadership in response to the challenges of sustainability and the highest animal welfare standards.

Results

Total revenue in the 52 weeks to 25 March 2023 was £2,323.0 million, 15.7 per cent higher than the £2,008.5 million reported last year. Adjusting for the impact of acquisitions made in the previous and current financial years, revenue increased by 14.4 per cent on a like-for-like basis.

Adjusted profit before tax for the period at £140.1 million was 2.3 per cent higher than the £136.9 million reported last year. Adjusted earnings per share on the same basis was up 2.2 per cent at 210.0 pence compared to 205.4 pence last year.

Cash flow and financial position

Net debt at the end of the year stood at £101.4 million (2022: £106.0 million). Net debt excluding IFRS 16 lease liabilities was £20.2 million compared to £36.2 million previously. The Group has access to an unsecured, sustainability linked £250 million facility which runs through to November 2026.

Dividend per share
79.4p
+5.0%

Adjusted earnings per share
210.0p
+2.2%

Dividend

The Board is proposing a final dividend of 58.8 pence per share, an increase of 5.8 per cent on the 55.6 pence paid last year. Together with the interim dividend of 20.6 pence per share, this equates to a total dividend for the year of 79.4 pence per share, an increase of 5.0 per cent on last year and extends the consecutive years of dividend growth to 33.

The final dividend, if approved by Shareholders, will be paid on 1 September 2023 to Shareholders on the register at the close of business on 21 July 2023. Shares will go ex-dividend on 20 July 2023.

Corporate governance

We remain committed to the highest standards of corporate governance, which underpin our long-term success. Our Board continually assesses the effectiveness of our governance structure and processes to ensure they remain fit for purpose. In line with the UK Corporate Governance Code, we have undertaken an external evaluation of the Board and its committees this year, and we will continue to implement its recommendations to drive continuous improvement.

The Board embraces the UK Corporate Governance Code as part of its culture. A statement relating to compliance with the Code is included within the Corporate Governance section on page 96.

Culture and colleagues

Our people are at the heart of Group's success, and we are proud of our strong, inclusive culture. We have continued to invest in our team, with a focus on training, development, and employee engagement. We remain dedicated to fostering a workplace environment where everyone can thrive.

The Board recognises that the Company's success would not be possible without talented and motivated management teams, supported by skilled and enthusiastic colleagues at each site. We thank all our colleagues for their commitment and contribution during this very challenging period.

Board

The Board continues to evolve to ensure it provides the appropriate skills and experience to support and challenge the executive team.

Kate Allum stepped down as a Non-Executive Director and Chair of the Remuneration Committee at the conclusion of the last AGM on 1 August 2022 at the end of her final three year term. Pam Powell succeeded Kate as Remuneration Committee Chair.

This year we announced the appointment of Yetunde Hofmann as a Non-Executive Director with effect from 1 August 2022. Yetunde has food industry experience having previously worked for Northern Foods plc and having also recently been a non-executive director of Treatt plc.

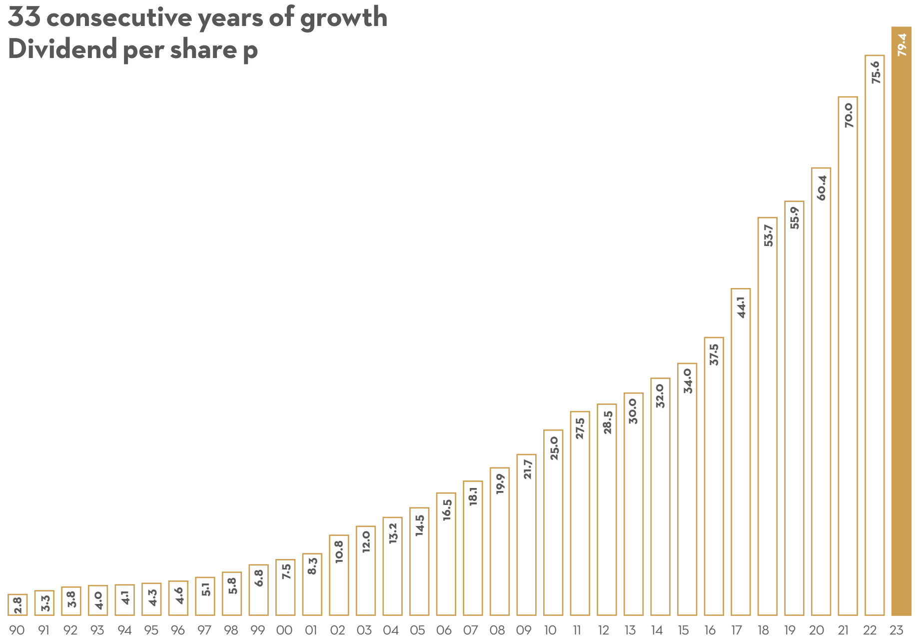
We appointed Chris Aldersley to the Board with effect from 1 August 2022. Chris joined Cranswick in 1998 and since then has undertaken a variety of senior management roles, becoming the Group's Chief Operating Officer in 2015. Chris has responsibility for managing the operations at the Group's four primary processing, eighteen added value facilities and its agricultural operations, which support the Group's vertically integrated supply chain strategy. The appointment of Chris to the Board recognises his contribution to the Group and the central importance of his role going forward in delivering the Group's long-term strategy.

Mark Reckitt will step down as a Non-Executive Director and Senior Independent Director at the Company's forthcoming AGM in July 2023. On behalf of the Board, I thank Mark for his positive contribution to Cranswick's successful development over the last nine years.

Mark will be succeeded as Senior Independent Director by Liz Barber. Upon doing so, at the forthcoming AGM, Liz will relinquish her role as Audit Committee Chair.

As announced separately today, we will be appointing Alan Williams as a Non-Executive Director with effect from the Company's AGM on 24 July 2023. Alan is currently the Chief Financial Officer of Travis Perkins plc and was previously Chief Financial Officer of Greencore Group plc. Alan will take on the role of Audit Committee Chair from the date of his appointment.

33 consecutive years of growth
Dividend per share p



Outlook

We have made a positive start to the current year. We have a strong balance sheet and comfortable financial headroom to support our ongoing capital investment programme which underpins our ambitious growth plans. The strengths of our business, which include our diverse and long-standing customer base, breadth and quality of products and channels, robust financial position and industry leading infrastructure will support the further development of Cranswick over the longer term.

Tim J Smith CBE
Chairman

23 May 2023

STRATEGIC REPORT

CHIEF EXECUTIVE'S REVIEW

“

PRIMED TO DELIVER THE NEXT PHASE OF GROWTH

I am incredibly proud of how the entire Cranswick team has responded to the many challenges we faced this year. Over the last twelve months all at Cranswick have demonstrated resilience and determination in abundance, enabling us to deliver a strong set of results and make further meaningful progress in delivering our strategic objectives.

ADAM COUCH
Chief Executive

I would like to thank our colleagues for their continued enthusiasm and commitment. I would also like to thank our suppliers and customers, with whom we continue to work in close partnership, for their support and understanding. We have successfully navigated three years of unprecedented disruption and uncertainty and we now have a much larger, more diverse, and better equipped business, which is primed to deliver the next phase of growth.

The UK farming sector and wider food supply chains have faced enormous challenges, primarily resulting from the outbreak and escalation of the war in Ukraine. In my review last year, I highlighted the support, in partnership with our customers, we had provided to our own farming operations and to our third-party pig producers, in response to the rapid escalation in cereal and soya prices and ensuing widespread input cost inflation. Despite this support, and the UK pig price reaching an all time high in recent months, the UK pig herd has contracted, with many independent producers choosing to cut back or cease production entirely. We have seen this same trend across Europe. The UK has experienced significant shortages of staple goods throughout the year. We recognise that food security is of paramount importance and in response to this elevated risk we have increased our internal supply of pigs with self-sufficiency now approaching 50 per cent. We will continue to expand our own herd to ensure we have the right quantity and mix of indoor and premium outdoor pigs to satisfy our customers' requirements.

We continue to press the case for the UK farming and food producer sector with government and our industry bodies. We have also taken proactive action to address some of the many challenges we and the wider industry face. In response to the challenge of recruiting high quality skilled butchers, we have cast our net further afield and now have 400 skilled butchers recruited from the Philippines. This successful recruitment programme has enabled us to continue to deliver excellent service levels to our customers throughout the year, despite the significant cost to the business, when some in the sector have had to cut back production due to ongoing labour shortages.

Strong performance

We have delivered record results with reported revenue growing by 15.7 per cent to £2,323.0 million and adjusted operating profit increasing 4.2 per cent to £146.5 million. The broad-based inflationary pressure we are experiencing across our cost base continues to be well controlled and mitigated. Our relentless focus on cash enabled us to reduce net debt on a pre IFRS 16 basis from £36.2 million in March 2022 to £20.2 million, after investing £85.1 million across our asset base and again increasing the dividend. We continue to deliver attractive returns on the capital we deploy. We have built four new facilities over the last five years with a combined investment of over £190 million, whilst our return on capital employed has stayed above 15 per cent. We are proposing to lift our full year dividend by a further five per cent this year. This will be our 33rd year of consecutive dividend growth, a feat that all at Cranswick are immensely proud of.

Revenue grew strongly reflecting the successful recovery of widespread cost inflation with all categories growing strongly. Revenue growth accelerated in the second half of the year, building on the momentum generated in the first half and helped by a record December trading period for the Group. Whilst total volume growth in the year was only modest, prior year comparatives reflected pandemic related elevated in-home consumption. Like-for-like volumes remain well ahead of pre-pandemic levels. Adjusted operating margin improved in the second half of the year, reflecting ongoing inflation recovery, but was still below the level delivered in FY22. Inflation recovery is still work in progress and will remain a feature through FY24.

Total export sales increased year-on-year with stronger pricing offsetting lower volumes. Far East exports were modestly lower than the prior year with higher prices, to a large extent, offset by lower demand, as China remained in strict lockdown for much of the year. We still operate without an export licence for our Norfolk primary processing facility. It is now almost three years since we self-suspended this licence and despite continued lobbying, we have no visibility on when it is likely to be reinstated. We will redouble our efforts to resolve this issue in the coming year.

Revenue	Operating profit	Capex
£2,323.0m	**£145.9m**	**£85.1m**
+15.7%	**+9.2%**	**(FY22: £93.7m)**

Significant strategic progress

We have made further progress in strengthening our three strategic pillars: Consolidate; Expand; and Diversify, and by doing so delivering our long term, sustainable growth strategy. We continue to drive further consolidation as we gain market share in our core primary pork and value-added, convenience categories. Ongoing capital investment and expansion of our pig herd underpin this momentum.

Through a combination of new, greenfield, site development and targeted complementary bolt on acquisitions we have expanded our presence in our fast-growing poultry and Mediterranean foods categories. Alongside our core pork business, we see poultry as the engine room of our growth plans over the next decade.

Diversification includes both moving into new markets, as we have done so successfully in China, and developing new product categories closer to home. Our new pet food business is a great example of this approach. Since acquiring the Grove pet food business in January 2022, we have subsequently renamed it Cranswick Pet Products. More importantly we have strengthened the management team, embarked on a £9 million capital investment programme and gained British Retail Consortium 'A' grade status at the Lincoln facility. We are also focused on realigning the customer base and, in this context, I am delighted that we recently agreed a long-term supply agreement with Pets at Home. Although our pet food business currently makes a very modest contribution to Group revenue and earnings, we are very excited about the opportunity to grow our presence in this attractive, large and fast-growing market.

Investing at pace

We invested £85.1 million across our asset base during the year. Our total investment in the last three years alone exceeds £250 million. We successfully commissioned our new £32 million Hull Prepared Poultry facility at the start of the year, with retail and food service customers onboarded and volumes ahead of the original business plan. Investment during the year has been broad-based as we look to expand capacity and enhance the capability of existing facilities. We now operate from 22 well invested and highly efficient production facilities in the UK and we will continue to invest at pace to ensure we serve our customers from the best quality asset base the UK industry can offer in terms of food safety, technical compliance, and colleague well-being. Looking ahead we expect to invest at these elevated levels over the next three years, with spend particularly focused on our pork primary processing operations to add substantial capacity and drive further efficiencies as we look to service our rapidly growing value-added pork business. Whilst modest in the overall context of our capital investment programme, we are now automating the production of pigs in blankets. We now produce approximately 60 million pigs in blankets, primarily for Christmas trade, and the search for an automated solution has been a long and frustrating one. We are excited about the opportunity this creates, and it is just one example of our unstinting focus on, and relentless search for, efficiency improvements in our business.

Shortly before year-end we purchased a pre-existing production facility in Worsley, near Manchester. This facility will be redeveloped to provide additional manufacturing capacity for our fast-growing Mediterranean foods business. We also acquired the trade and assets of Mediterranean Foods (London) Ltd in February 2023. Mediterranean Foods supplies houmous and other Mediterranean snacks and the business complements our growing portfolio of Continental Products businesses.

A sustainable business model

We have again invested at pace to drive forward our 'Second Nature' sustainability programme. Six new major solar panel installations have now been approved and we are upgrading refrigeration systems across our estate to further reduce CO_2 emissions. We have made progress in transitioning our fleet to clean energy through investment in electric vehicles, Bio LPG and renewable diesel. Our focus on regenerative farming is building resilience into our farming operations and agricultural supply chains as we move towards our target of gaining carbon neutral status for all Cranswick farms by 2030. This year we again improved our Carbon Disclosure Project scores: grade A- for Climate and grade B- for Soya within Forests were both a grade improvement on the previous year and reflect our continued focus on, and commitment to, delivering our industry leading sustainability strategy.

A people business

I continually say that we are a people business, and that our colleagues are our biggest and most valuable asset. We understand that being an employer of choice in a tight labour market enables us to compete and win by attracting and retaining the best talent. We are sector leading in terms of pay, working conditions, health and safety, inclusivity and wellbeing for all Group colleagues. We recruited 12 more graduates this year, bringing the total enrolled onto the programme since 2013 to 85, with 25 now occupying management roles. We also have a vibrant apprenticeship programme with over 141 apprentices spread across the business. We actively support and encourage diversity and our Diversity, Equality and Inclusion programme is now firmly embedded and recognised in all functions. Succession planning through developing and retaining talent has been the cornerstone of our success over many years and we would not be the business we are today without a deep and continually replenished talent pool.

I was delighted that Chris Aldersley was appointed to the Board this year. Chris joined Cranswick in 1998 and has been Chief Operating Officer since 2015. Chris has been a key driver of the operational success of the business for many years and his appointment is thoroughly deserved.

Looking ahead

We have made a positive start to the new financial year in what continues to be an extremely tough and unpredictable trading environment. Our core UK market remains extremely resilient as our customers and the UK consumer continue to recognise the quality value and versatility of our pork and poultry product ranges.

Looking further ahead, I am confident that our strengths, which include our long-standing customer base, breadth and quality of products, robust financial position and industry leading asset infrastructure, will support the further successful development of Cranswick over the longer term.

Adam Couch
Chief Executive

23 May 2023

THE TRENDS AFFECTING OUR MARKETS

Our resilient business model has enabled us to address the significant global economic and supply chain challenges that have affected our markets this year. We have consistently responded with tailored solutions that comprehensively tackle these challenges.

COST INFLATION

DEMAND FOR AFFORDABLE PROTEIN CONTINUES TO INCREASE

What we are seeing

As input costs rose, food inflation reached record levels. With declining disposable incomes, consumers are actively managing their grocery expenses and reducing spending on dining out. The demand for affordable protein, such as pork and poultry, continues to grow as consumers switch to more cost-effective options.

How we are responding

We have collaborated with our customers to provide value for money across our product ranges, mitigating inflationary pressures where possible. Our fresh chicken and retail pork volumes have remained strong, with prices significantly lower than beef and lamb. Additionally, our efficient operating model and ongoing investment in automation have helped mitigate some of the inflationary impacts.

UKRAINE WAR

CONFLICT HAS INCREASED FEED, FERTILISER AND ENERGY COSTS

What we are seeing

The war in Ukraine resulted in higher prices for essential commodities like animal feed, fertiliser, and wheat. Wheat prices more than doubled earlier this year before softening in recent months. As feed constitutes a significant portion of pig and chicken rearing costs, the increase in wheat prices has had a substantial impact. Furthermore, the unpredictability of gas and oil supply led to higher energy costs, affecting operational expenses such as fertilisers, packaging, and transportation.

How we are responding

Through support from our retail customer base, we have provided pricing assistance to our farming operations and third-party pig producers. Despite this support, and despite the UK pig price reaching an all-time high, the pig herd has contracted as many independent producers have scaled back or ceased production entirely. Recognising the importance of food chain security, we have increased our internal pig supply, with self-sufficiency approaching 50 per cent.

WORKFORCE SECURITY

ADDRESSING THE SKILLED LABOUR GAP

What we are seeing

The UK has experienced well-publicised labour shortages, particularly in skilled positions. The shortage of skilled butchers, directly resulting from post-Brexit immigration policies, has put pressure on the pig industry in 2022. Addressing these skill and labour shortages remains a top priority, and we are actively tapping into the domestic talent pool while expanding access to overseas labour markets.

How we are responding

To ensure our operations keep pace with demand, we recruited 400 skilled colleagues from the Philippines. We have also continued to support overseas colleagues who wish to work in the UK through the EU Settlement Scheme. Additionally, we have intensified our recruitment of apprentices and graduates through successful early careers programmes and we are actively engaging with schools and colleges to showcase the rewarding career opportunities available. Automation has been a focal point of our site investment programme, reducing reliance on an unpredictable labour market.

RESPONDING TO THE CHANGING NEEDS OF OUR CONSUMERS

COST OF LIVING

SHOPPERS FIRMLY FOCUSED ON VALUE FOR MONEY TO MANAGE HOUSEHOLD SPEND

What we are seeing

The demand for affordable protein and value-added meal solutions is increasing as consumers seek ways to adapt their shopping habits to save money. Many are switching to private label products, actively seeking promotions, shopping more frequently at discounters, and opting for cheaper cuts of meat that offer meal planning versatility. Pork and chicken continue to offer the best value compared to other protein sources.

How we are responding

We continue to collaborate with all our customers to maintain competitive prices, and our strong presence across major UK retailers helps in this regard. The focus on pork and chicken provides lower-cost alternatives to other proteins. Additionally, our diverse portfolio includes a range of value-added, convenient solutions that allow consumers to treat themselves at home. The majority of our products, serving as centre-of-plate options, are affordable and rich in protein, thus shielding them from shifting consumer preferences.

OUT OF HOME EATING

DINERS ARE TARGETING MEAL DEALS AND FOCUS ON VALUE WHEN EATING OUT

What we are seeing

Out of home eating is gradually recovering post-pandemic, with consumers placing increased emphasis on value. To achieve value for money, tactics such as using vouchers, skipping courses, or opting for cheaper menu items are employed. The quick-service restaurant (QSR) sector has shown resilience due to its ability to offer affordable food-to-go. However, recovery in pubs, bars, and coffee shops has been slower due to ongoing hybrid working arrangements.

How we are responding

Our team has focused on developing pork and chicken menu options and identified new product formats that provide value for money. We have made substantial investments in our asset base to capitalise on the fast-growing QSR market, including the installation of a third contact cooking line at our Hull Cooked Bacon facility. Successful launches of crispy chicken products with anchor QSR customers and significant growth in food service sales have been achieved this year. We have also extended contracts with key customers in this sector and have new listings in the pipeline.

INSPIRING SOLUTIONS

INDULGENT TREATS AND HOME DINING ARE ACCELERATING AS PEOPLE CUT BACK ON EATING OUT

What we are seeing

We have experienced buoyant sales across our gourmet products and convenience categories as consumers increasingly embrace affordable in-home dining experiences. People continue to seek out tasty recipes and meal ideas, building upon the culinary skills they developed during the pandemic. This trend is evident in the further growth of our 'slow cook' and 'sous vide' added-value categories, catering to the desire for inspirational home dining. Volumes of our Mediterranean selection packs and Continental tapas-style boxes have also seen a significant rise as shoppers seek indulgent treats. Furthermore, our charcuterie platters continue to drive category growth.

How we are responding

In collaboration with key retail customers, we have launched restaurant-style dining experiences that are easily recreated at home, such as the Ultimate Pork Crackling Joint and Trio of Pork. We have invested an additional £8 million into our Hull Cooked Meats facility to double 'slow cook' capacity. At our Bury Continental Foods site, we have created more capacity to expand our Mediterranean portfolio, grow market share in charcuterie platters, and venture into new markets. The recent acquisition of Cranswick Mediterranean Foods further allows us to expand production in the falafel and dips category.

OUR STRATEGY

1. CONSOLIDATE

DRIVE THE CORE

By driving the core we seek to maximise sales and returns from our pork-based operations by growing market share and securing new business wins. We do this by building trustworthy and long-lasting relationships, delivering consistent, high-quality products and creating new, relevant opportunities through innovation.

Continuous investment in additional capacity and driving efficiencies, coupled with the expertise of our Food Heroes, allows us to enhance our capabilities and supply our customers with affordable and great tasting pork-based products.

Our core portfolio consists of fresh pork and value-added products; a gourmet category including bacon, sausages and pastry; and a convenience range comprising cooked meats and 'slow cook' products. Across our portfolio we are renowned for delivering premium, high quality and great tasting products.

Performance highlights

- Further expansion of the pig herd in the year, with the self-sufficiency in British pigs now approaching 50 per cent.
- Expansion of Milton Keynes Cooked Meats site incorporating new lines, increasing capacity by 25 per cent.
- £8 million investment to double 'Slow Cook' capacity at Hull Cooked Meats through additional 'Sous Vide' capabilities.

Future plans

- Further investment in Fresh Pork Hull to lift capacity and further automation to create a state-of-the-art facility.
- Focus will remain on developing innovative products that support our core offering.
- Expand customer focus on current food trends relating to premium and 'sous vide' products. This will open up additional market opportunities for revenue growth.
- Further investment in strengthening vertical integration, enhancing our capabilities and driving Second Nature initiatives.

MAKING MEAL INSPIRATION EFFORTLESS

We are on track to double cooking capacity for our 'slow cook' and 'sous vide' products as consumers increasingly seek out high-quality restaurant or gastro style meals that are easy to prepare in the kitchen. An £8 million investment programme is underway at our Hull Cooked Meats site which will see weekly production output double, enabling us to capitalise on new business with retail and food service customers who are seeking consistency and volume in this fast-growing market.

The popularity of these products is their ability to offer value and convenience, especially when marking special occasions.
This Christmas we launched our Slow Cooked Turkey Crown product with a key premium retail customer to take the stress out of festive cooking. It was a sell-out success and we followed this up with Valentine's Day restaurant boxes. With the help of our talented Food Heroes, such as Kevin Morel who trained under legendary Michelin-starred chef Albert Roux, we are working to broaden our 'sous vide' offerings by diversifying into non-meat and vegetable accompaniments.

> **THE SCIENCE AND SKILLS ASSOCIATED WITH 'SOUS VIDE' COOKING LOCKS IN FLAVOUR AND SUCCULENCE.**
>
> **Kevin Morel**
> Food Hero

SECURING BIG GAINS WITH PORK

As consumer demand for fresh pork continues to grow, we have expanded our indoor and outdoor pig herds and bolstered our pork self-sufficiency to almost 50 per cent.
This year our productive sow numbers increased by more than one-third, supported by our new dedicated gilt production unit which will enhance health outcomes for our breeding herds.

We have invested heavily in the first phase of development at Fresh Pork Hull site to boost capacity and deliver further efficiencies using the latest production technology such as a leg de-boning system to increase automation of the processing and finishing operation.
This allows for more meat cutting time while reducing manual lifting requirements for our butchers, resulting in a safer working environment and smoother logistics on the factory floor. We have also overhauled our retail packaging operation to reduce labour reliance, increase throughput and produce additional seasonal ranges.

OUR STRATEGY
CONTINUED

2. EXPAND

INCREASE MARKET SHARE IN GROWTH CATEGORIES

'Expand' focuses on increasing our presence in growth markets such as poultry and Mediterranean foods. We deliver this by building on successful acquisitions and investing in new sites. We continue to build capacity and capability across the business and explore opportunities in adjacent categories.

Our portfolio consists of three well invested facilities, two of which were built in the past five years, supported by a vertically integrated supply chain. We are well positioned to capitalise on our strong competitive advantage in this category.

The poultry market continues to offer a strong growth opportunity for us as we look to expand as well as to develop new products and open new trade channels.

Our Commercial and Development teams have created a vision for a 'Deli' aisle amalgamating a delicious range of products, which combine established favourites with new and exciting offerings to inspire and delight consumers. We continue to grow our Continental food businesses as we work with customers to respond to changing consumer trends, with continued investment we can leverage our category leadership and capitalise on further opportunities.

Performance highlights

- Premium Breaded Poultry facility successfully commissioned at the beginning of the period, with a total investment of £32 million.
- £8 million invested into expansion of capacity at the Bury Continental site, increasing production capacity in charcuterie, olives and antipasti utilising robotic technology.
- New food grade manufacturing facility purchased in Manchester to create future growth in Mediterranean products.
- Achieved listings of Ramona's houmous, dips and falafel brand with major retailers.

Future plans

- Further development of our Prepared Poultry facility to expand our retail and out-of-home offering.
- Expansion of our Mediterranean product range as we establish the new facility in Manchester.
- Further investment in our Continental businesses to increase efficiencies necessary to deliver great tasting, innovative and convenient foods to UK consumers.

CHAMPIONING CONVENIENCE WITH CHICKEN

As we look to capitalise on the fast-growing coated chicken market, our Hull based Prepared Poultry facility gives us the flexibility to offer a wide range of products across both the Ready-to-Cook and Ready-to-Eat markets. Following successful commissioning of the site in early 2022, we became the first new poultry supplier into McDonald's in the UK in 30 years with the launch of the McCrispy product.

The facility is primed to serve both food service and retail customers and has been built with expansion in mind. On the back of new contract wins, we have boosted capacity with the addition of a third processing line and almost doubled staff numbers. Going forward, both sustainability and product innovation will remain paramount. The site features a state-of-the-art factory design for energy and refrigeration efficiency and provides us the capability to utilise less popular dark meat cuts from the fresh chicken processing site at Eye.

"OUR NEW STATE-OF-THE-ART FACILITY CREATES FURTHER ADDED VALUE CAPABILITY AND OPPORTUNITIES FOR INNOVATION."

Carl Meade
Managing Director, Prepared Poultry

OUR STRATEGY
CONTINUED

DISRUPTING THE HOUMOUS MARKET

This year, Ramona's Heavenly Houmous range became the fastest growing houmous brand in retail, adding further firepower to our Mediterranean foods portfolio. We produced and sold over two million tubs of Ramona's houmous, achieving nearly 5,000 distribution points as listings were secured in the major retail customer base. Ramona's remains the only houmous brand to be listed in more than two major retailers.

By focusing on high quality natural ingredients, intense flavour and bold, impactful branding, Ramona's is disrupting the houmous and dips category that has traditionally been dominated by private label. All pots carry a point of contact to encourage consumer feedback, supported by a website that features blogs and recipe ideas. In March 2023, we introduced a bold new pack design as we look to capitalise on the popularity of the brand.

> OUR PASSION IS TO TRANSFORM HUMBLE PLANTS AND PULSES INTO DELICIOUS FOOD MADE FOR SHARING.
>
> **Ramona Hazan**
> Founder of Ramona's Kitchen

3. DIVERSIFY

IDENTIFY NEW OPPORTUNITIES

'Diversification' enables the Group to identify new markets that will create further growth opportunities. Whilst Cranswick is firmly established in major fresh food categories, opportunities to move into new markets will continue to be explored. The criteria for growth will focus on building capability in adjacent complimentary categories or further integration to support the sustainability agenda.

By developing our strengths, including the ability to effectively utilise capital, build new facilities and embed targeted acquisitions, the Group will successfully look to capitalise on new opportunities.

In 2022, we entered a new market by acquiring Cranswick Pet Products (previously known as Grove Pet Foods), a UK based producer of dry pet food.

In keeping with our Second Nature sustainability work to reduce waste, acquiring Cranswick Pet Products enables us to expand our integrated farm-to-fork operation by utilising raw materials in pet food manufacture.

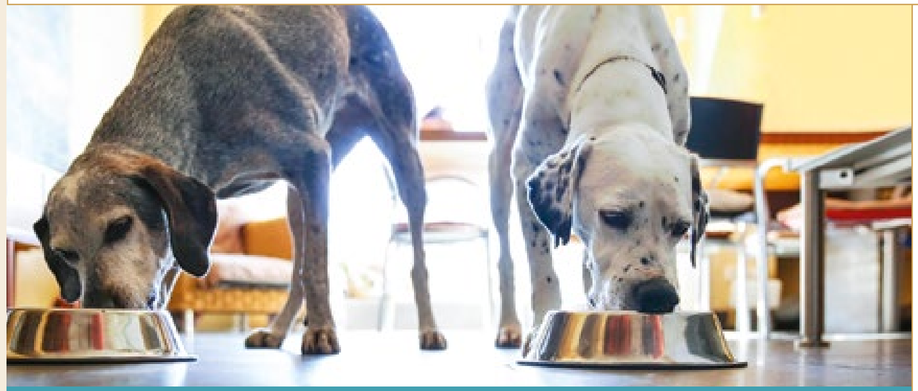
This acquisition also acts as a springboard for delivering future growth. While grocery retailers form a key part of the pet food market and are well aligned to our existing customer base, we see clear opportunity to broaden our reach by developing strategic customer relationships with major pet store chains and online retailers, either through own label range development or building our Alpha and Vitalin brands.

Performance highlights

- Secured major long-term manufacturing agreement with leading pet retailer 'Pets at Home'.
- Approved £9 million investment for the Pet Products manufacturing facility to expand capacity.
- Received British Retail Consortium Grade A rating at the Lincoln facility, which brings the site in line with Cranswick's technical standards.

Future plans

- Continue to capitalise on revenue growth opportunities the pet food market offers.
- Increasing the utilisation of our fresh poultry and pork supply chains within our pet food production, assisting us in meeting our zero food waste commitments.
- Exploring new ways to introduce innovation into product development while ensuring sustainability is front of mind, utilising the skill and expertise of our in-house Pet Products team.
- Identify new expansion opportunities outside of our core categories.



> INVESTMENT IN OUR PET FOOD FACILITY HAS CREATED ACCESS TO THE UK'S LEADING SPECIALIST PET RETAILER.
>
> **Ed Wright**
> Site Director, Cranswick Pet Products

SHAPING OUR PET FOOD BUSINESS

Our newly acquired Pet Products business is a prime example of how the Group is maximising its synergies through vertical integration. As demand grows for pet food products that contain higher levels of protein, we are exploring ways to utilise our fifth quarter pork and chicken by-products to create new recipes that offer greater nutrient density for pets while reducing our waste and overall costs.

We are investing £9 million to support our growth plans for the business, to increase production capacity and facilitate expansion of our market presence from predominantly wholesale into major retail, including the UK's leading retail pet specialist. We have taken an important first step by gaining British Retail Consortium (BRC) grade A for the Lincoln manufacturing facility. We have also strengthened management capability within the business to help execute our vision and drive future strategy.

KEY PERFORMANCE INDICATORS

We measure the strategic success of our business using the following key performance indicators:

LONG-TERM GROWTH STRATEGY

CONSOLIDATE
Like-for-like revenue growth

2023	+14.4%
2022	+5.3%
2021	+12.1%

Why this is important

Like-for-like revenue growth excludes the impact of acquisitions and allows us to measure the underlying growth of the business.

Performance

Like-for-like revenue increased by 14.4 per cent . Volumes in our core UK businesses remained resilient. Revenue growth incorporated proactive cost inflation recovery throughout the year.

EXPAND
Sales from new products

2023	+3.6%
2022	+7.6%
2021	+8.1%

Why this is important

Ongoing innovation and product range expansion helps us to drive revenue growth and strengthen our relationships with our customers.

Performance

Sales from new products within the first six months following their launch accounted for £83.9 million of revenue in the current year.

DIVERSIFY
Sales from non-food products

2023	£26.6m
2022	£3.9m

Why this is important

Revenue from our "other" segment is currently an appropriate measure of sales relating to our diversification strategy.

Performance

Revenue growth in Pet Products reflected the first full year of ownership compared to two months in the prior year.

OPERATIONAL EXCELLENCE

Adjusted operating margin

2023	6.3%
2022	7.0%
2021	7.0%

Why this is important

Adjusted operating margin is a meaningful measure of the underlying profitability of the business.

Performance

Adjusted operating margin decreased by 69 bps. Margin improved to 6.5 per cent in the second half of the year compared to 6.1 per cent reported in the first half of the year with margin accelerating through the second half of the year reflecting ongoing recovery of significant, broad-based cost inflation.

Free cash flow

2023	£149.2m
2022	£158.4m
2021	£180.9m

Why this is important

Free cash flow demonstrates the level of cash generation from the business.

Performance

Free cash flow has reduced primarily due to increased tax payments resulting from the unwinding of the super deduction claimed in the prior year.

Return on capital employed*

2023	15.8%
2022	16.9%
2021	17.2%

Why this is important

Return on capital employed is an appropriate metric to measure the efficiency of capital used.

Performance

Our total investment in the last three years exceeds £250 million whilst still maintaining our ROCE above 15 per cent.

* ROCE represents adjusted operating profit divided by the sum of average opening and closing net assets, net debt/(funds), pension surplus/(deficit) and deferred tax.

HIGH QUALITY PRODUCTS

Number of BRC Grade A's

2023	17
2022	15
2021	15

Why this is important

We take food safety very seriously and each site's food safety standards are assessed every year by an independent body, the British Retail Consortium (BRC).

Performance

All production facilities, certified by the BRC against Global Standards for Food Safety, were awarded a Grade A rating, reflecting the highest standards of compliance.

This year, our new acquisition Cranswick Pet Products, as well as our own Prepared Poultry business, were audited by BRC and received grades A and AA respectively.

Number of supplier audits

2023	340
2022	352
2021	241

Why this is important

Our Group Technical Services team undertake supplier audits to ensure the safety, traceability, quality and provenance of the raw materials and ingredients we use.

Performance

The audit programme has continued to operate throughout the year.

The number of audits performed remained higher than 2021 when COVID-19 restrictions were in place.

Complaints per million units sold

2023	10
2022	11
2021	12

Why this is important

We are dedicated to delivering the highest quality products which meet or exceed our customer expectations.

Performance

Our site teams' collaborative, targeted quality improvement plans in partnership with our customers have specifically focused on packaging integrity, hygiene and visual pack presentation resulting in a reduced level of complaints.

SUSTAINABILITY

Relative carbon footprint*
Tonnes of CO_2e per tonne sales

2023	0.0856
2022	0.0926
2021	0.0962

Baseline (2020) 0.1219

Why this is important

We are committed to reducing our relative carbon footprint as part of our journey to Net Zero.

Performance

Our relative carbon footprint continues to decrease following successful implementation of the numerous Second Nature initiatives.

* 2022, 2021 and the baseline data has been restated following new learnings and business acquisitions. Please refer to page 37 for more information.

Edible food waste*
Percentage of tonnes sold

2023	0.24
2022	0.27
2021	0.20

Why this is important

We are committed to eliminating edible food waste by 2030.

Performance

We have invested in innovative processing techniques and staff training in order to reduce edible food waste.

* During the year WRAP have refreshed their Food Waste Reduction Roadmap to remove mandatory reporting of food waste in effluent and we have taken the decision to remove waste in effluent from historic reporting so accurate comparisons can be made.

RIDDOR frequency rate
per 100,000 hours worked

2023	0.24
2022	0.27
2021	0.29

Why this is important

Health and safety of our employees and visitors is our key priority. We regularly monitor and review our performance based on our accident rate of RIDDORs reported per 100,000 hours worked in our operations.

Performance

Our RIDDOR frequency rate decreased by 11 per cent compared to FY22, mainly driven by new training initiatives and an updated Health and Safety strategy.

OPERATING AND FINANCIAL REVIEW

“ WE HAVE DELIVERED ANOTHER EXCELLENT YEAR OF GROWTH

Revenue and Adjusted Operating Profit

	2023 £'m	2022 £'m	Change (Reported)	Change (Like-for-like*)
Revenue	**2,323.0**	2,008.5	+15.7%	+14.4%
Adjusted Group Operating Profit*	**146.5**	140.6	+4.2%	
Adjusted Group Operating Margin*	**6.3%**	7.0%	-69bps	

* See Note 29 of the financial statements.

MARK BOTTOMLEY
Chief Financial Officer

Revenue

Reported revenue increased by 15.7 per cent to £2,323.0 million reflecting inflation recovery. Like-for-like revenue increased by 14.4 per cent with corresponding volumes down 1.4 per cent, primarily reflecting lower export volumes. Volumes in our core UK Pork, Convenience and Poultry businesses remained resilient.

Gourmet Products revenue was particularly strong with volumes from the Hull Cooked Sausage and Bacon facility accelerating strongly in its second year of operation. Convenience revenue was also strongly ahead reflecting continued expansion of the Continental Products businesses as we broaden our range in adjacent categories.

The new £32 million Prepared Poultry facility in Hull was successfully commissioned at the beginning of the year and has delivered first year revenue ahead of initial expectations. This additional revenue offset lower sales from our Hull Cooked Poultry business resulting from the impact of the product recall at the beginning of the year.

Customer services levels remained consistently high including during a record Christmas trading period.

Adjusted Group operating profit

Adjusted Group operating profit increased by 4.2 per cent to £146.5 million. Adjusted Group operating margin was 69 bps lower at 6.3 per cent. Adjusted Group operating margin improved to 6.5 per cent in the second half of the year compared to the 6.1 per cent reported in the first half of the year, with margin accelerating through the second half of the year reflecting ongoing recovery of significant, broad-based cost inflation.

OPERATING AND FINANCIAL REVIEW
CONTINUED

Category review
Food segment
Fresh Pork
Fresh Pork revenue was 15.6 per cent above the prior year and represented 26 per cent of Group revenue. Revenue increased as a result of higher average UK pig prices. UK Fresh Pork volumes were modestly ahead of the prior year.

The average UK standard pig price ("SPP") closed the year at a record high of 214p/kg, 45.6 per cent higher than the opening price of 147p/kg. The average price for the year was 30.2 per cent higher than the prior year. This significant movement in the pig price reflected a sharp increase in the cost of feed following the outbreak of war in Ukraine with wheat and soya prices reaching all-time highs. These higher input costs alongside more widespread inflationary cost pressure pushed the pig price rapidly up to 200p/kg by the end of the first half. The pig price remained at this level throughout the third quarter before increasing further in the fourth quarter.

Security of supply is of paramount importance in ensuring we are able to meet the needs of our customers and so we continued to invest in increasing our self-sufficiency. During the year we increased the herd both in terms of premium outdoor and indoor pigs. We now have a herd of c62,000 sows producing c29,000 pigs per week resulting in self-sufficiency in UK pigs of approaching 50 per cent. Direct ownership gives us greater control over our vertical supply chain and facilitates implementation of sustainability initiatives and targets.

Weekly average pig numbers remained strong with a record peak in November when we processed over 67,700 pigs per week to meet Christmas demand. The average for the year was 61,600, 2.7 per cent ahead of pre pandemic levels.

Far East export revenue was 2.7 per cent behind the prior year as demand from China remained subdued as the country slowly emerged from its strict pandemic enforced lockdown. Exports to other markets grew strongly, partly compensating for the lower Far East revenue.

Our successful campaign to recruit skilled butchers from the Philippines into our primary processing facilities helped to alleviate the well-publicised labour shortage in our sector, although there was a significant cost to the business from doing this. During the year we invested £20 million across the three primary processing facilities and our farming infrastructure. £10 million of this investment related to the first stage of the redevelopment of our largest primary processing facility in Hull. Alongside the existing semi-automated shoulder deboning line we have more recently added a similar leg deboning line and now an automated cutting line. The Hull facility incorporates some of the most technologically advanced butchery equipment the industry has to offer.

African Swine Fever ("ASF") continues to affect large parts of China and, to a lesser extent, parts of Europe. In Europe, most ASF cases continue to be detected in Romania and Poland however recent cases have been found in eastern Germany, Italy and Greece. In the UK, we remain acutely aware of the impact an outbreak of ASF would have on the UK pig industry. New legislation was introduced in November banning the import of non-commercial pork. These measures will further enhance the intensive bio-security protocols which are in place across the industry.

Convenience
Convenience revenue was 15.5 per cent ahead on a reported basis and represented 38 per cent of Group revenue. Revenue growth reflected ongoing inflation recovery and continued progress in expanding the range offered by the Continental Products portfolio of businesses, with volumes ahead of the prior year.

Cooked Meats revenue growth reflected proactive inflation recovery and a strong performance from the 'slow cook' and 'sous vide' ranges as these products continue to meet the changing needs of consumers who are increasingly demanding more convenient high-quality meals at home. This year, range expansion included centre-of plate 'slow cook' Christmas products including Turkey Crown, Three Bird Roast, Beef Rump and Slow Cook Gammon, with over 400,000 units supplied over the Christmas period. The ongoing £8 million investment at the Hull Cooked Meats facility will double 'slow cook' capacity, enabling us to drive further growth in this attractive, fast growing category. At the Milton Keynes facility a £10 million extension is nearing completion. This will provide opportunities for further expansion with added production capacity and additional packing capability enabling the site to increase food service and wholesale volumes. Investment at the Valley Park facility is driving process efficiency through a programme of upgrades utilising the most efficient slicing technology.

Continental Products revenue grew strongly underpinned by robust underlying volume growth as the category continued to build on the popularity of olives, antipasti and charcuterie products as a centre of plate eating occasion. Growth continues to be delivered through category leadership and a strong supply chain model. Investment in the Bury site has continued at pace with £3 million spent on increasing olive, antipasti and charcuterie production capacity. A further £3 million was deployed on new manufacturing capability including state-of-the-art robotics to increase quality and efficiency of production. Innovation and sector expertise will continue to drive growth in this category.

Katsouris Brothers revenue was strongly ahead driven by double-digit volume growth. Ramona's performed particularly well with a number of new retail listings. Ramona's is the only houmous brand to be listed in three major retailers. Category expansion has continued throughout the year with Katsouris winning three Great Taste awards for its branded Cypressa Virgin Olive Oil, Tahini and Authentic Cyprus Halloumi.

Product development at Continental, Katsouris and Ramona's drove success over the Christmas period. Collectively 48 festive lines were launched with 2.3 million units sold. Sharing platters were particularly successful with over 1.5 million units sold.

Expansion of the portfolio of Continental businesses remains a priority for the Group. Following the acquisition of Atlantica UK and Ramona's Kitchen in 2022, two further manufacturing facilities were acquired in 2023 to significantly increase production capacity and add cooking capability and flexibility.

In February 2023 the Group acquired the trade and assets of Mediterranean Foods (London) Ltd, now renamed Cranswick Mediterranean Foods, a supplier of houmous and fried Mediterranean snacks. This acquisition adds additional capacity in houmous and new falafel frying capability.

In March 2023 the Group purchased a food-grade manufacturing facility in Worsley, Manchester. This 50,000 square foot facility will allow future expansion across our fast-growing Continental Foods business.

Gourmet Products
Gourmet Products revenue increased 20.2 per cent year-on-year and represented 17 per cent of Group revenue, underpinned by strong volume growth.

Sausage revenue grew strongly with robust retail volumes driven by tier expansion and product innovation with both premium and discount retailers. The continued recovery of food service volumes also contributed to revenue growth with more breakfasts being consumed out of the home. An £8 million investment programme at the Hull facility to add new alginate casing capability and deliver process improvements is largely complete.

Bacon revenue was ahead, with higher prices offsetting lower volumes resulting from reduced retailer promotional activity in the category, particularly during the first half of the year. New premium bacon business was secured complementing the established supply of fresh pork and sausage into the same customer.

Pastry revenue improved year-on-year. Food service sales recovered to pre-pandemic levels offsetting a modest softening in retail demand for premium pastry products. Innovative product development resulted in a strong Christmas trading period. New festive launches included two vegetarian pies which received a trio of BBC Good Food and Good Housekeeping awards.

Revenue from the Cooked Bacon and Sausage facility was substantially ahead. Robust Quick Service Restaurant volumes and premium retail sales, which were ahead of expectations, were complemented by a new food service customer. Investment in the site to increase capacity has continued with £5 million spent on a third contact cooking line.

Poultry
Poultry revenue increased by 6.7 per cent and represented 18 per cent of Group revenue. Volumes were modestly down year-on-year.

Fresh Poultry performed well with an average 1.3 million birds processed per week. Supply to a popular casual dining chain started during the year, adding to the site's growing customer base and mitigating a modest decline in demand from the site's anchor customer. Investment into a 5th portioning line has progressed during the year. This investment will add additional automated portioning and thigh deboning capability, with the additional capacity added to meet retail demand.

Avian Influenza ("AI") continues to represent a heightened risk to the Fresh Poultry business. Although the business impact has been limited and the overall risk to production is still low, controlling the spread of AI remains a priority. Heightened bio-security protocols remain in place at the site and on all farms.

Cooked Poultry revenue was well below the prior year following the product recall in May 2022. Volumes continue to recover, albeit they are still below those prior to the product recall. Net of mitigation the product recall did not have a material impact on the Group's results. The new £32 million Prepared Poultry facility in Hull was successfully commissioned at the beginning of the year. The state-of-the-art facility produces a range of premium prepared poultry products for an anchor retail customer and a strategic Quick Service Restaurant customer. First year volumes were ahead of initial expectations.

Other segment
Pet Products
Cranswick Pet Products (formally known as Grove Pet Foods) represented 1 per cent of Group revenue. Revenue growth in Pet Products reflected the first full year of ownership compared to two months in the prior year.

Significant progress has been made on reshaping the business for the future. Following a strengthening of the management team, the principal manufacturing site in Lincolnshire has gained British Retail Consortium approval and a multi-year capital investment programme has commenced. The first phase of this investment costing £9 million is underway and will provide increased capacity for dry dog food and increase the site's automated packing capability.

The business recently agreed terms to manufacture a range of established private label products for Pets at Home. Pets at Home is the largest specialist pet retailer in the UK with over 450 stores. This partnership, alongside reinvigorating the business's existing Vitalin and Alpha dog food brands, will support

OPERATING AND FINANCIAL REVIEW
CONTINUED

the ongoing strategic development of the business and accelerate our ambition to develop Pet Products into a leading British pet food manufacturer complemented by our farm-to-fork strategy in poultry and pigs. During the first half of the year, a legacy private label contract was terminated. This resulted in a £3.0 million impairment of the acquired customer relationship intangible asset.

Finance review

Revenue
Reported revenue increased by 15.7 per cent to £2,323.0 million (2022: £2,008.5 million). Like-for-like revenue, excluding the impact from acquisitions, increased by 14.4 per cent.

Adjusted gross profit and adjusted EBITDA
Adjusted gross profit increased by 7.1 per cent to £300.9 million (2022: £281.0 million) with adjusted gross profit margin at 13.0 per cent (2022: 14.0 per cent). Adjusted EBITDA increased by 6.7 per cent to £215.3 million (2022: £201.7 million) and adjusted EBITDA margin was 9.3 per cent (2022: 10.0 per cent).

Adjusted Group operating profit
Adjusted Group operating profit increased by 4.2 per cent to £146.5 million (2022: £140.6 million) and adjusted Group operating margin stood at 6.3 per cent (2022: 7.0 per cent).

Full reconciliations of adjusted measures to statutory results can be found in Note 29. The net IAS 41 movement on biological assets results in a £7.6 million credit (2022: £2.8 million charge) on a statutory basis primarily reflecting the substantial increase in the UK pig price during the year.

Finance costs and funding
Net financing costs of £6.4 million (2022: £3.7 million) included £2.5 million (2022: £2.2 million) of IFRS 16 lease interest. Bank finance costs were £2.4 million higher than the prior year at £4.0 million (2022: £1.6 million) due to the increase in the bank base rate during the year.

During the year the Group successfully extended the term of it's banking facility for a further year with the facility now running to November 2026. This provides the Group with access to a £250 million revolving credit facility, including a committed overdraft of £20 million. It also includes the option to access a further £50 million on the same terms at any point during the term of the agreement. The facility provides the business with over £200 million of headroom at 25 March 2023. The adequacy of this facility has been confirmed as part of robust scenario testing performed over the three-year viability period for the Group.

Adjusted profit before tax
Adjusted profit before tax was 2.3 per cent higher at £140.1 million (2022: £136.9 million).

Taxation
The tax charge of £28.1 million (2022: £26.4 million) was 20.1 per cent of profit before tax (2022: 20.3 per cent). The standard rate of UK corporation tax was 19.0 per cent (2022: 19.0 per cent). The effective rate was higher than the standard rate due to disallowable expenses and the deferred tax charge resulting from the future enacted increase in the UK corporation tax rate to 25.0 per cent, partly offset by the super-deduction on eligible capital investment.

Tax strategy
Our tax strategy is aligned with our vision and core values and fits within our overall Corporate Governance structure. Our strategy ensures that we comply with all tax laws wherever we do business and that we pay all taxes that we are legally required to pay when they fall due. To safeguard our reputation as a responsible taxpayer we do not participate in any tax planning arrangements that do not comply with either the legal interpretation or the spirit of tax laws. Our tax strategy can be found on our website: www.cranswick.plc.uk

Dividend policy
We believe in paying a sustainable dividend which delivers a strong return to investors but is balanced against the need to invest in the future of the business. Our policy ensures that shareholder income streams are strongly aligned to the profitability and the sustained growth in the Group's profits has been matched by the Group's dividend per share growth which is unbroken for 33 years (see page 11). Our dividend policy can be found on our website: www.cranswick.plc.uk.

Adjusted earnings per share
Adjusted earnings per share increased by 2.2 per cent to 210.0 pence (2022: 205.4 pence). The average number of shares in issue was 53,461,000 (2022: 52,923,000).

Statutory profit measures
Statutory profit before tax was £139.5 million (2022: £129.9 million), with statutory Group operating profit at £145.9 million (2022: £133.6 million) and statutory earnings per share of 208.3 pence (2022: 195.7 pence). Statutory gross profit was £308.5 million (2022: £278.2 million).

Cash flow and net debt
The net cash inflow from operating activities in the year was £153.0 million (2022: £160.0 million). This reduction was primarily due to an increase in tax payments resulting from unwinding of the super deduction claimed in the prior year and a one-off contribution of £3.7 million into the Group's defined benefit pension scheme. Net debt, including the impact of IFRS 16 lease liabilities, fell to £101.4 million (2022: £106.0 million) with the inflow from operating activities offset by £83.9 million invested in the Group's asset base, net of disposal proceeds, £36.3 million of dividends paid to the Group's Shareholders and £16.3 million of IFRS 16 lease charges.

“

WE HAVE DELIVERED ANOTHER EXCELLENT YEAR, MAKING GOOD PROGRESS AGAINST EACH OF OUR STRATEGIC OBJECTIVES LEAVING US IN A STRONG POSITION TO DRIVE THE BUSINESS FORWARDS.

Mark Bottomley
Chief Financial Officer

Pensions
The Group operates defined contribution pension schemes whereby contributions are made to schemes administered by major insurance companies. Contributions to these schemes are determined as a percentage of employees' earnings.

The Group also operates a defined benefit pension scheme which has been closed to further benefit accrual since 2004. On 2 December 2022, the Trustees of the defined benefit pension scheme purchased a buy-in insurance policy to secure the majority of the benefits provided by the scheme. The surplus on this scheme at 25 March 2023 was £0.2 million, compared to £8.3 million at 26 March 2022. Cash contributions to the scheme during the year, and additional contributions to support the purchase of the buy-in insurance policy, were £4.3 million. The present value of funded obligations was £22.1 million, and the fair value of plan assets was £22.3 million. The Group does not expect to make any further contributions to the scheme during the year ending March 2024.

Summary
We have again delivered record results and made strong progress in meeting our medium-term strategic objectives in tough market and wider economic conditions. We have strengthened our asset base, grown and enriched our farming infrastructure and deepened the roots of our 'Second Nature' sustainability strategy. Our robust financial position, conservatively managed balance sheet and class leading asset base are the firm foundations on which our business is built. Our strong cash generation and the attractive returns we generate from the capital we deploy will underpin the growth and development of the business during the new financial year and over the longer term.

Mark Bottomley
Chief Financial Officer

23 May 2023

OUR SUSTAINABILITY STRATEGY (IT'S SECOND NATURE)

Our mission is to make meat sustainable and lead the way in responsible food production. We are incredibly proud of our achievements to date, many of which have become a benchmark for our sector.

Our Group-wide sustainability strategy, Second Nature, guides our thinking, decision making, culture and actions as we work to fully integrate our sustainability commitments into the core of our business model. Second Nature is underpinned by five interconnected pillars – Thinking, Farming, Sourcing, Producing and Living – which reflect how we operate as a business from farm-to-fork. Within each of these pillars, we have identified the most material issues that affect how we operate, and that we need to take action on.

THINKING

Every decision we make must focus not only on the needs of today, but also those of tomorrow. Sustainability is truly Second Nature from the boardroom, to the farm and our factory floors.

FARMING

Regenerative farming is vital if we are to continue producing food sustainably and ethically. We are reducing the percentage of soya within our pig feed, improving soil health and organic matter.

We are actively working towards low carbon pig and poultry production.

LIVING

We will help our colleagues live more sustainably at work and at home. We are also helping to fight hunger in our communities by working with local charities to provide meals for those most in need.

PRODUCING

We use less and waste less, staying focused on efficiency while producing great quality food. Our mission is to become a zero waste food producer. We are working to reduce food waste, plastic usage and lower our emissions in line with our approved Science-Based Targets.

SOURCING

We work hard to shorten our supply chains and make them more transparent. That means people can understand and trust where their food comes from. We regularly engage with our suppliers to understand where they are in their sustainability journey and ensure our values are aligned.

OUR SUSTAINABILITY STRATEGY
CONTINUED

THINKING

Every sustainability decision we take is guided by long-term value, not just for our business and stakeholders, but for society and the planet. Details on our climate related Governance, Strategy, Risk Management as well as Metrics and Targets are located in our TCFD disclosure on pages 38 to 46 as well as in the ESG Committee report on pages 97 to 98.

We are also committed to measuring and reporting our environmental performance against the Meat, Poultry and Dairy Sustainability Accounting Standard published by the Sustainability Accounting Standards Board (SASB).

More information on our SASB disclosure can be found on pages 47 to 49.

CDP achievements
This year we improved our CDP scores, reflecting continued improvement within our operations to addressing upstream climate impacts. We were awarded Grade A- for Climate (up from Grade B), Grade B for Water Security, with Forests scoring Grade B- for Soy (up from Grade C) and Grade C for Timber, Cattle and Palm Oil. Our CDP submission reports our actions on governance, risk, disclosure, strategy, emissions reduction initiatives and value chain engagement.

FARMING

Regenerative farming

Our regenerative farming focus is helping to build future resilience into our agricultural operations and supply chains as we actively work towards low carbon pig and poultry production.

We continue to make good progress in mapping soil carbon across our farming operations as part of our overall carbon reduction strategy, which includes monitoring the carbon footprint of our pig and poultry farms.

We are using Hutchinson's TerraMap Carbon system to map soil organic carbon. This allows us to determine true carbon uplifts while highlighting areas to build up carbon or prevent unnecessary losses.

We are now evolving our mapping work to develop a low carbon plan for our outdoor pigs, which will increase the soil's ability within our farms to cycle the carbon. We have planted cover crops to lock nutrients into the soil and established grass clover leys in front of the pigs in the rotation to minimise bare ground.

We continue to track our pig and poultry agricultural footprint using the Alltech E-CO_2 tool accredited by the Carbon Trust.

Sustainable diets

The carbon impact of animal feed remains a major challenge for our sector and while we have decreased soya inclusion rates in pig feed, from 16 per cent to 9 per cent over the past four years, our ultimate aim is to remove all soya within our animal feed. We are working with a number of industry coalitions including the UK Soy Manifesto to deliver a pork action plan for the sector to ensure all remaining soya is sourced from sustainable sources.

This year we switched to 100 per cent full mass balance RTRS (Round Table on Responsible Soy Association) certified soya for our chicken feed, which resulted in a 28 per cent overall reduction in the carbon footprint in our chicken farms.

All of the soya purchased for our pig feed is regional mass balance RTRS certified soya, which reduces the carbon footprint of an outdoor reared pig by 14 per cent, but we are working to transition to full mass balance RTRS certification in line with our poultry farms during 2023. Within our commercial trial sites we continue to assess alternative sources of protein to remove as much soya from livestock diets as possible. During the year, we trialled sunflower meal and field beans which yielded promising results.

Leading on welfare

We are committed to progressing high standards of animal welfare across our farms and supply chains, many of which are industry leading for our sector.

We recognise that the strong emphasis we place on outdoor rearing for our pig herds can help scale our regenerative farming activities.

Biodiversity gains

This year we worked with AgriSound to install insect listening devices on some of our outdoor pig farms in Norfolk and Lincolnshire to help measure biodiversity.

The devices allow us to monitor insect activity and track pollination events, providing rich data on the biodiversity of the area. We look to better understand how our pigs can play a positive role in benefitting soil health, carbon sequestration and biodiversity. One of these farms is a biodiversity indicator farm for a major retail customer and we expect this initiative to be hugely beneficial to them.

As part of an ongoing programme to protect and restore natural habitats on our land, we are actively measuring our impacts against a 2021 biodiversity baseline. We are undertaking ongoing analysis of soil nutrient levels that support a good habitat for soil micro-organisms.

LIVING

Labour rights

We are committed to helping people prosper, whether they are employed within our business, live in our communities, or work in our supply chains. More information on our food redistribution work can be found on page 65.

We strive to ensure that the people who work throughout our supply chain are treated with dignity and respect, and remain committed to tackling modern slavery and human trafficking throughout any part of our business through the implementation and enforcement of effective systems and controls. We also monitor ethical standards across the business on a regular basis, both internally and via external third-party audits.

We provide regular training on modern slavery to our staff, along with workshops and awareness sessions. This year 1,262 colleagues completed online courses in modern slavery, an increase of 4 per cent compared to the previous year. All of our managers have completed modern day slavery training. Our Modern Slavery Statement has been updated in line with the latest requirements of section 54 of the Modern Slavery Act 2015. For more details, see our Anti-Slavery Policy at www.cranswick.plc.uk.

Promoting inclusion

As an inclusive employer, we look to offer gainful employment to those from disadvantaged and underrepresented groups while making our workplace a fairer place to work for colleagues.

More information on our Diversity, Equity and Inclusion (DEI) strategy can be found on pages 54 to 57.

PRODUCING

We strive to be climate smart in how we manufacture our products, guided by our new Net Zero plans that focus on energy, water and waste reduction across our sites.

Energy

Our overall energy intensity increased during the year by 2.2 per cent, as a result of the commissioning of new facilities which has impacted the mix of cooked and uncooked product. We remain focused on reducing our overall energy intensity as well as on transitioning to clean energy and becoming more self-sufficient for our energy requirements. We continue to install solar generation projects across our sites, with a pipeline of projects underway across eleven sites.

We use renewable energy where viable across our farming operations including solar power at our hatchery and wind power generation on some of our farms. Five of our sites are operating Combined Heat and Power units, which are further driving operational efficiencies. Our Prepared Poultry facility features an award-winning factory design for energy and refrigeration efficiency.

Cool credentials
This year we commissioned a state-of-the-art refrigeration system at our Prepared Poultry site. The system uses ammonia, a natural refrigerant, to provide cooling for our process equipment, production area, factory and office air conditioning.
Hot water is provided to the site via a heat pump that maximises heat recovery when refrigeration demand is high, providing free energy to heat the office and defrost air coolers. The potential carbon footprint of the site has been reduced by 2,039 kgCO_2e/day as a result, and the project has won two leading industry awards in recognition of its energy efficiency.

Fuel

We are committed to combating our transport carbon emissions across our sites and are making good progress in switching our HGV fleets to renewable diesel (HVO). This will not only significantly reduce our vehicle CO_2 emissions, but result in fewer environmental pollutants. We have also started to replace our refrigerated trailers with fully electric versions and we are working to operate with fully electric forklift trucks.

Driving down transport emissions
This year the first four fully electric refrigerated trailers headed out on the road and added to the existing fleet that is powered by hydrogenated vegetable oil (HVO) which is ISCC-certified for added traceability. We estimate the switch to renewable diesel will save 800 CO_2 equivalent tonnes per year in our Preston site, representing a significant saving on our transport footprint.

Water

Our water intensity has increased by 3.4 per cent year-on-year with a longer term trend of 6.7 per cent reduction since our FY20 baseline. We continue to invest in initiatives to help conserve and reuse water across our operations. Our hygiene teams are working with our suppliers to explore solutions such as the use of rinse-free disinfectant.

Our Milton Keynes site has been running a long-term water reduction project, which has reduced water intensity from 3.66 to 3.08 cubic metres per tonne of product produced year on year. We have removed cooling towers from the site and installed sub-metering to enable targeted reduction plans to be implemented. Our Eye site also features an effluent treatment plant to recycle wastewater for various applications such as the washing of the vehicle fleet.

Waste

We operate as a zero waste to landfill business and have pledged zero edible food waste by 2030. Absolute edible food loss and waste has increased from 0.2266 per cent to 0.2437 per cent since FY18 baseline but there has also been significant expansion in the Group including numerous acquisitions since the baseline was calculated. On a like-for-like site basis the edible food loss and waste has decreased 6 per cent from 0.2266 per cent to 0.2134 per cent since FY18 baseline.

We continue to look for ways to map our food waste and loss in greater detail. At our Riverside site, we are running a project to monitor food waste by production line, rather than by department. This has enabled us to make annual waste savings of 93 tonnes by making amendments to some of our slicer outfeeds and butcher tables.

We continue to build on our surplus food redistribution efforts and during the year we redistributed over 495,000 meals through our partnership with FareShare, taking the total over 1,000,000 meals since 2017. This helped over 2,900 food charities while delivering more than 333 tonnes of carbon savings. We were also awarded FareShare Leading Food Partner status, an achievement we are incredibly proud of.

For more information on our impact on communities, refer to pages 64 to 65.

Packaging

Since 2017, we have reduced use of unnecessary plastic across our operations by 18.1 per cent (2,209 tonnes). Much of this work has focused on using lighter weight packaging, reducing usage of certain meat packaging materials and developing alternatives to plastic where feasible.

This year we introduced a load hog system at our Continental and Valley Park sites to reduce the amount of shrink wrap we use on our pallets. The system features a ratchet lid mechanism to secure the cases on the pallet instead, saving an estimated 38 tonnes of shrink wrap each year. We are undertaking trials with a supplier to determine whether we can use a similar system on our inbound pallet deliveries.

SOURCING

We place the utmost importance on working with our suppliers to provide the assurances that our customers and consumers need when it comes to food integrity and safety.

100 per cent of our meat, fish and egg suppliers are accredited to a national recognised farm assurance scheme.

We continue to work with suppliers and re-processors to develop solutions that tackle the issue of packaging waste more generally within our value chain. This includes closed-loop recycling systems for some of our food grade packaging as well as waste trays and tote liners. We are also progressing pulp-based tray trials with a view to phasing out plastic trays for some of our meat products.

OUR SUSTAINABILITY STRATEGY
CONTINUED

Our quest to Net Zero

Our overall target is to be an operational Net Zero business by 2040. This enables us to plan and build out initiatives that will be beneficial both now and over the longer term and means we can adapt our strategy in response to future risks and opportunities. As part of our Net Zero target, we are dedicated to reducing our absolute operational emissions (Scope 1 and 2) by at least 90 per cent by 2040 against our 2019/20 baseline. We are also striving to remove 100 per cent of our operational emissions but acknowledge there are likely to be residual emissions for which there are no feasible solutions and we will seek to offset these remaining emissions using high quality, verified carbon removal credits.

All of our operations, manufacturing and agricultural, are included in our target boundaries and all GHG types are measured in our footprint including methane and nitrous oxide generated in our agricultural operations.

The majority of our GHG emissions sit within our supply chain (Scope 3) and reducing these to Net Zero presents complex, multi-dimensional challenges. We are currently working towards our Science-Based Target to reduce our relative Scope 3 emissions by 50 per cent by 2030 against a 2019/20 baseline and are working towards a SBTi verified Net Zero target.

Our plan

To deliver our operational Net Zero goal, we need to tackle three key areas: decarbonising our purchased energy, reducing agricultural non-mechanical emissions, and reducing refrigerant emissions.

Decarbonisation of purchased energy
We started this journey in 2018 when we switched to 100 per cent green grid electricity for all of our operations and are now working hard to reduce the footprint of our other key fuels: gas, LPG and diesel.

Approximately one third of our energy emissions are from natural gas. Our first priority is to reduce our consumption and we have multiple projects underway investigating opportunities for heat recovery across our sites which could deliver significant reductions and we are also considering electrification where possible. We are also working to assess the best lower carbon alternatives, including procurement of green gas from anaerobic digestion and, in the long term, hydrogen. We are part of the East Coast Hydrogen Consortium which is working to deliver clean hydrogen into the Humber region by the mid 2030s.

Our main requirement for LPG is through our poultry agricultural division and we are working on two project streams to decrease our usage. This year we initiated a project with Lincoln University to look at methods of reducing thermal heat transfer in chicken sheds. We will also be trialling a new lower carbon alternative to LPG in Autumn 2023.

During FY23 we successfully trialled renewable diesel, a lower carbon alternative to standard diesel, for our largest fleet of HGVs which reduced associated CO_2 emissions by over 95 per cent and are planning to roll this out to other sites. We view using renewable diesel as a transitional step to the final solution which is likely to be electrification or the use of clean hydrogen.

Reducing agricultural non-mechanical emissions
Agricultural non-mechanical emissions are emissions from biological processes and, in the context of our direct operations, primarily arise from enteric fermentation and manure management in our livestock.

Key activity to reduce these emissions involves improving the efficiency of our livestock production through both natural genetic improvement and improvements in diets. During this year we performed multiple trials for pig and poultry diets, for more information please refer to the 'sustainable diets' section on page 34.

We have improved our slurry management infrastructure to enhance our manure management processes and will imminently be embarking on a trial of progressive technology with Leeds University which prevents the loss of ammonia and eliminates methane emissions from manure, making it a real solution, helping to achieve climate target commitments on an industrial scale.

Reducing refrigerant emissions
Over the last three years we have been working hard to reduce emissions from refrigerant gases by replacing older systems with ammonia and CO_2 alternatives, improving monitoring of our refrigerant systems and using HFCs with lower global warming potential. We still have work to do to fully eliminate these emissions but are proud to have reduced them by over 85 per cent since our 2019–20 baseline.

Our progress

Over the past 12 months, the Group's relative carbon footprint for Scope 1 and 2 emissions decreased by 7.6 per cent, down to 0.0856 tonnes of CO_2e per tonne of sales, compared to last year's figure of 0.0926 tonnes of CO_2e per tonne of sales. All of our sites' data is approved to the ISO 14064-3 standard.

Environmental performance data	2022/23^	2021/22*	Baseline
Scope 1 emissions (tonnes CO_2e)	**80,067**	85,863	80,443
Scope 2 emissions (location based) (tonnes CO_2e)	**33,499**	36,514	40,379
Total Scope 1 and Scope 2 emissions (location based) (tonnes CO_2e)†	**113,566**	122,378	120,822
Total Scope 1 and Scope 2 emissions (market based) (tonnes CO_2e)	**85,772**	91,529	87,600
Relative carbon footprint (location based) (tonnes CO_2e/sales tonnes**)	**0.0856**	0.0926	0.1219
Absolute energy use (kWh million)	**481**	468	359
Energy intensity (kWh/sales tonnes**)†	**362.24**	354.55	362.58
Absolute water use (m^3 millions)	**2.39**	2.30	1.91
Water intensity (m^3/sales tonnes**)	**1.80**	1.74	1.93
Absolute water use (m^3 million) – excluding farms	**1.70**	1.68	1.41
Water intensity (m^3/sales tonnes**) – excluding farms†	**1.55**	1.53	1.66
Total market-based emissions (tonnes CO_2e) minus carbon credits	**31,314**	43,102	81,981

^ 2022/23 data includes one month of forecasted data.

* Baseline as well as historical data has been updated to reflect acquisitions of new sites, forecast to actual variances and methodology changes, including the calculations of non-mechanical agricultural emissions.

** Sales tonnes includes intercompany sales, where products move between sites for further processing, as these sales best represent the activity of the business.

† Data for 2022/23 for Total Scope 1 and Scope 2 emissions (location based), Energy Intensity and Water Intensity excluding farms is subject to a Limited Assurance review by PwC. A copy of their Limited Assurance Opinion will be made available on our website, www.cranswick.plc.uk.

Our progress is monitored through our established governance mechanisms, ensuring robust accountability and, if necessary, timely strategy updates. For more information on our governance structure, refer to the TCFD disclosure on pages 38 to 46.

Our approach to carbon offsetting
Like many businesses who committed to Science-Based Targets (SBTs), we are choosing to offset some carbon emissions in the interim as we work towards achieving these ambitious and long-term goals, including using offsetting as part of our PAS 2060 carbon neutral certification work for our manufacturing sites. We recognise that carbon offsets are not a single solution, but rather part of a wider commitment to climate action within our Second Nature strategy and our priority remains to reduce our emissions before offsetting.

Offsetting enables us to support credible projects around the world that are looking to mitigate or remove emissions, which in turn helps to reduce the global carbon budget. We carefully select our portfolio of offset projects, so they not only align to our wider sustainability goals but also are sourced from reputable voluntary carbon registries such as VERRA, Gold Standard and Woodland Carbon Code.

OUR SUSTAINABILITY STRATEGY
CONTINUED

TCFD

We support the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD), which cover four key areas: Governance, Strategy, Risk Management, and Metrics and Targets. These areas are interlinked and are incorporated in the Group's Second Nature programme aimed at driving action on climate change.

Governance

Board's oversight of climate-related risks and opportunities

The Board meets regularly throughout the year and has overall responsibility for the oversight of our sustainability strategy and objectives. The Board is updated on climate related issues, risks and opportunities at least three times a year and is responsible for the Group's strategic plans, annual budget and the approval of sustainability-linked capital expenditure.

The Environmental, Social and Governance (ESG) Committee, led by our Chairman Tim Smith and attended by the Board and Head of Sustainability Strategy and ESG, meets three times per year. Key activities of the ESG Committee are detailed on pages 97 to 98.

The Audit Committee supports the Board by considering and assessing climate-related risks as part of the quarterly review of principal and emerging risks through the Group Risk Committee.

The Group Risk Committee oversees the operation of the Risk Management Framework and is responsible for directing the Group towards identifying, assessing and mitigating principal and emerging risks associated with climate change and sustainability.

The Remuneration Committee monitors the executive remuneration packages and incentive schemes and is responsible for setting targets which challenge and support management in achieving sustainability targets while maintaining shareholder value. Refer to pages 107 to 125 for more detail.

Management's role in assessing and managing climate-related risks and opportunities

The Group has a Second Nature Steering Committee underpinning the ESG Committee, which meets quarterly to review progress against action plans and is chaired by the COO and is attended by representatives from all aspects of the business.

Two Second Nature Committees, one for manufacturing and the other for the agricultural areas of the business meet regularly. These meetings continue to be chaired by representatives from the areas concerned with key stakeholders attending as required. Both Committees feed into the governance structure.

Quarterly Group Environmental Managers meetings are held with representation for each site and key Group stakeholders, who review climate-related legislation and discuss specific actions taken by sites. The meetings also ensure that site environmental teams are on track to complete the actions directed by both the ESG and Second Nature Committees.

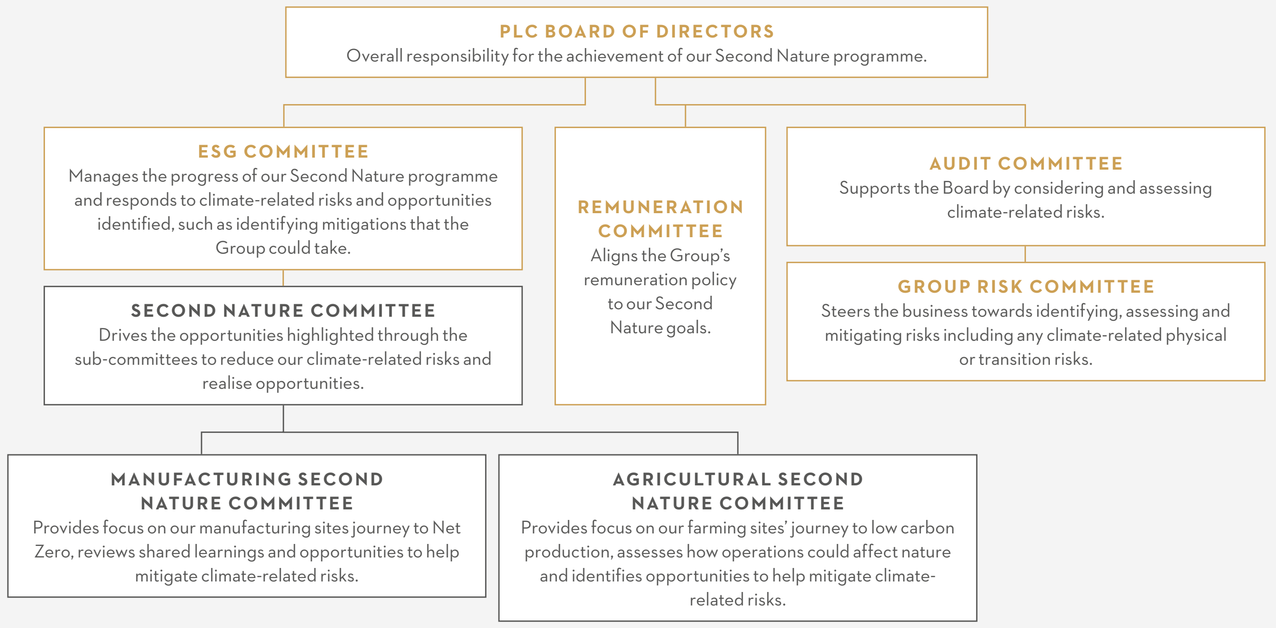
Environmental data and metrics are reported to the Board on a quarterly basis. Each site is responsible for submitting environmental data which is reviewed by the local site finance team and by the Group Compliance, Group Sustainability and Internal Audit teams. On a quarterly basis environmental data is reported to the ESG Committee.

Risk management

Processes for identifying and assessing climate-related risks

Identifying risks and opportunities around climate change is an integral part of our sustainability programme, Second Nature, and of our business continuity planning and risk management processes. As summarised on pages 68 to 70, we have an embedded and mature Risk Management Framework in place which captures climate related risks and opportunities. The Board recognises the significant impacts posed by climate change and these are shown within the climate change principal risk, see page 72 for more information.

Sustainability Governance Structure



Following the identification of risks, we determine materiality of a risk by assessing the likelihood of the risk occurring and the magnitude of the potential impact. When making this assessment, we consider financial and non-financial consequences to our business model as well as available mitigating actions that we could take to minimise the impact of a risk. This helps us to categorise and prioritise risks and to determine actions needed to manage each risk.

We assess climate-related risks against a numerical system using our climate change risk matrix, which determines if a risk is deemed minor, moderate or severe. The matrix that classifies these risks also identifies non-financial strategic impacts based on the time horizon of the lasting implications, reputation and business unit impacted.

Processes for managing climate-related risks

The Group has a structured and mature approach to risk management which is integrated into a multi-disciplinary company-wide risk management process in order to facilitate the identification, evaluation and mitigation of key risks facing the business.

The day-to-day management of climate-related risks and opportunities is undertaken by a number of key internal stakeholders including our risk and sustainability teams who update the Head of Sustainability Strategy and ESG as required.

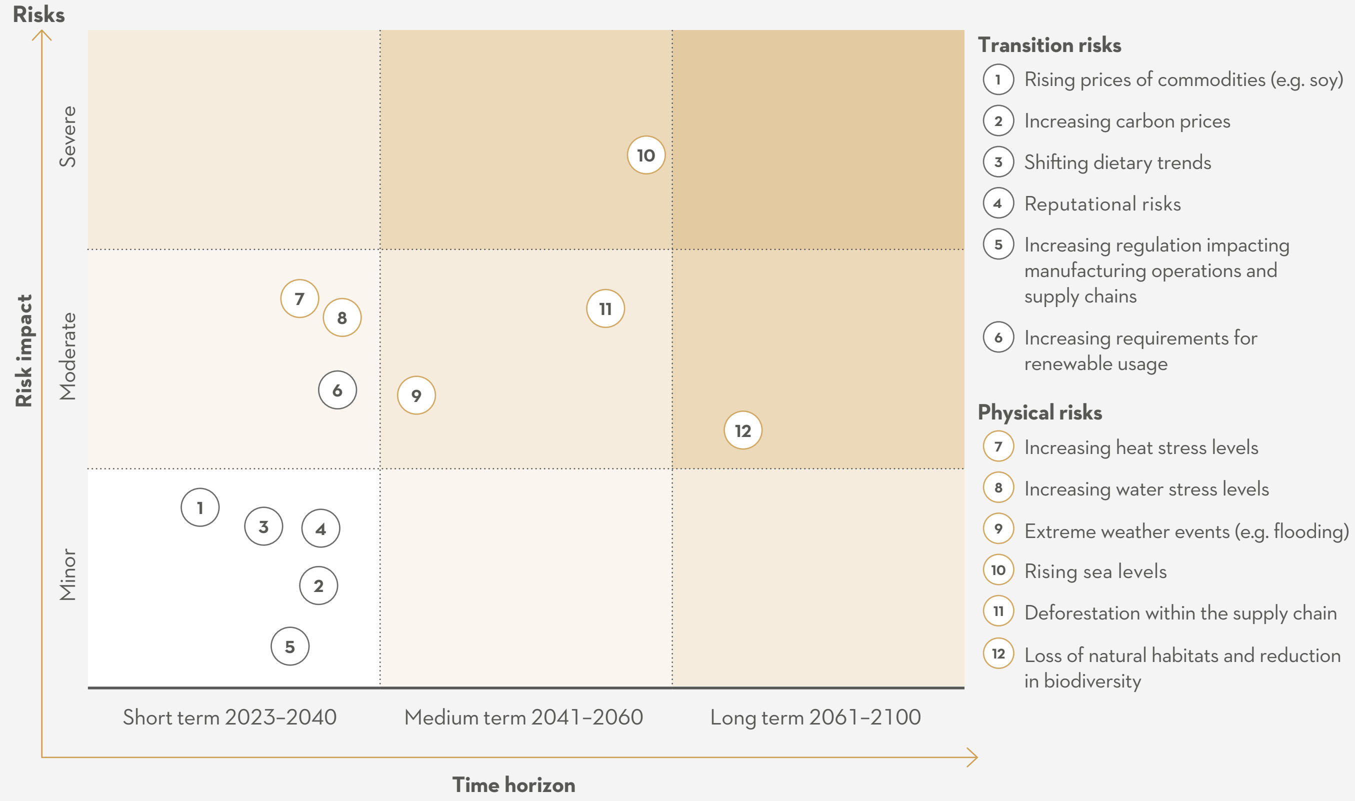
The Second Nature steering group conduct quarterly reviews of risks and opportunities which may impact on our ability to deliver our action plans and direct operations. There is a short-term focus to identify new and emerging climate-related risks. The ESG Committee are specifically responsible for identifying, managing and mitigating climate-related risks.

Integration of climate-related risks into the overall risk management

Risk management processes have a long-term focus through quarterly reviews of risks which have a direct impact on operations from broad sustainability issues. All risks are captured in a corporate risk register with appropriate mitigation listed alongside.

Business continuity planning ensures risks and mitigation measures and any impacts from short-term sustainability risks are incorporated into the business continuity planning process and procedures.

Where necessary climate related mitigation strategies and assurances are agreed and monitored on a regular basis by the Group. Each year the board reviews and challenges climate-related risks and assesses their potential impact on the business model, strategy, stakeholders and performance.



	Minor	Moderate	Severe
Financial	<1%–5% adjusted operating profit, or minor capital expenditure	<5%–20% adjusted operating profit, or moderate increase in capital expenditure	>20% adjusted operating profit, or significant increase in capital expenditure
Strategic	Minimal change in strategy	Considerable strategic change	Significant change in strategy
Reputational impact	No public concern, or minimal public awareness	National public concern	International public concern

OUR SUSTAINABILITY STRATEGY
CONTINUED

Risk type
- (P) Physical
- (T) Transition

Opportunity type
- (M) Markets
- (E) Efficiency
- (N) Nature

Likelihood
- Less likely
- Likely
- Very likely

CLIMATE-RELATED RISKS

Risk	Type	Time horizon	Likelihood	Risk impact	Business response
1 Rising prices of commodities (e.g. soy)					
We anticipate that increasing resource scarcity will drive up prices of feed and other raw materials.	T	Short term	Very likely	Minor	We are working with our suppliers to create sourcing plans to secure supply of raw materials as well as reviewing alternatives for key crops for use in animal feed. We are also constantly monitoring and reviewing our supply base to ensure we have multiple supplier options for our key raw materials.
2 Increasing carbon prices					
UK Energy legislation has seen a range of changes in the energy market due to a variety of factors, including climate change mitigation. Changes in energy regulation, carbon and energy taxes are likely to lead to increasing energy costs year-on-year.	T	Short term	Very likely	Minor	Legal matters and compliance requirements are always included in our risk planning, including non-compliance with climate-related legislation and litigation-related penalties, which may lead to fines or penalties. We have a number of current and proposed projects, which are focused on achieving the following Second Nature goals, that have a potential to mitigate any future carbon price increases: • Committing to reducing our Scope 1 and 2 absolute emissions by 50 per cent. • Committing to a 50 per cent relative reduction in Scope 3 emissions from the baseline year of 2019/20.
3 Shifting dietary trends					
Conscious about the environmental impact, consumers might change their eating habits, resulting in a reduction in demand for our core products.	T	Short term	Less likely	Minor	We are expanding our business offerings to meet changing customer requirements. For instance, growing Ramona's Kitchen and offering alternative protein options to our customers.
4 Reputational risks					
Increased scrutiny of climate change and sustainability performance by investors and other stakeholders has resulted in a stronger focus on carbon disclosures and transparency. Failure to meet our goals may result in additional pressure from stakeholders.	T	Short term	Very likely	Minor	We continuously assess reputational risk and how we can mitigate this risk through strong climate strategy, well developed targets and established governance structure. We promote effective disclosures of activity related to climate risks and opportunities through our annual reporting, CDP and other engagement such as our Second Nature programme.

CLIMATE-RELATED RISKS CONTINUED

Risk	Type	Time horizon	Likelihood	Risk impact	Business response
5 Increasing regulation impacting manufacturing operations and supply chains					
As the impacts of climate change and biodiversity loss become increasingly apparent and we move closer to the UK government's target of Net Zero by 2050 we anticipate increasing regulation and taxation in these areas.	T	Short term	Likely	Minor	Climate regulation is included within our risk assessments as non-compliance could result in financial and reputational damage. By always including current regulation in climate-related risk assessments, the business strategy has the ability to respond to climate risks appropriately and minimise the impacts of both climate challenges and non-compliance.
6 Increasing requirements for renewable usage					
With the UK government's aim to deliver UK Net Zero by 2050, this could increase requirements for renewable usage. This eventually may result in rising costs of carbon, which may include direct pricing on our Scope 1 and 2 emissions and/or an indirect increase in the prices of raw materials as the suppliers are passing their carbon costs along the supply chain.	T	Short term	Likely	Moderate	We are investing in projects that promote green energy and that help us to achieve our goal of reaching 100% renewable energy manufacturing sites and cold stores by 2030. This will ensure that we meet any new renewable usage requirements and avoid rising costs of carbon.
7 Increasing heat stress levels					
We expect increasing frequency of heat waves, which could result in higher animal mortality rates and increasing cooling costs.	P	Short term	Very likely	Moderate	We have ventilation systems in place within our poultry sheds and an increasing amount of our poultry sheds utilise evaporative cooling and/or misting systems which can reduce temperature by 4–5°C. Pig huts are insulated and have vents that allow our farmers to manage airflow. We monitor the weather and transport birds at cooler times of the day. Similarly, we feed pigs in the early morning to allow digestion before the heat rises.
8 Increasing water stress levels					
We are a relatively large user of water for both hygiene reasons and livestock consumption. Water stress may lead to additional costs to access a reliable water source and could also restrict water supply.	P	Short term	Very likely	Moderate	We have water storage on poultry farms for emergency situations and also some poultry farms have rainwater harvesting systems in place that allow us to preserve water. We are also investigating water recycling technology at pig farms and the current water reduction projects include moving to nipple drinkers for pigs. Soil stewardship work is also underway for long-term water loss mitigation at the pig farms. On a wider level, we are a signatory of the Courtauld 2025 Water Ambition partnership, working to improve water efficiency in key sourcing areas to help reduce water stresses and return water back to communities and nature.

STRATEGIC REPORT

OUR SUSTAINABILITY STRATEGY
CONTINUED

CLIMATE-RELATED RISKS CONTINUED

Risk	Type	Time horizon	Likelihood	Risk impact	Business response
9 Extreme weather events (e.g. flooding)					
Increased incidences of extreme weather events are expected to cause disruption to global supply chains and to impact the availability of agricultural commodities such as soya, wheat and barley.	P	Medium term		Moderate	We continuously monitor opportunities to minimise the impact of potential extreme weather events and invest in various projects that are designed to prevent the impact of extreme weather events.
10 Rising sea levels					
There is a chance of rising sea levels, which could impact some of our manufacturing sites and farms which are located around Hull and East Anglia.	P	Medium term		Severe	Flood protection systems are used at high risk locations. New production sites in Hull have been built with a minimum 600mm flood clearance within the foundations. We continue to review our supply base to ensure we have multiple supplier options to cover the eventuality where any key supplier sites are flooded for extended periods.
11 Deforestation within the supply chain					
There are multiple risks associated with deforestation which are wide reaching for both planet and people, most notably its effect on global warming. For Cranswick, the biggest risk sits with the use of soya both within our operations and embedded within other products we procure.	P	Medium term		Moderate	We are working with our farmers and protein suppliers to increase the usage of verified deforestation and conversion-free soya. We also require our suppliers of products with embedded soya to match our commitment to increasing the usage of verified deforestation and conversion-free soya. Our teams are also developing different animal feed blends which reduce our environmental footprint and increase animal welfare and productivity.
12 Loss of natural habitats and reduction in biodiversity					
Loss of natural habitats and reduction in biodiversity is expected to cause a reduction in the number and diversity of pollinators which in turn could affect food security with potential losses in agricultural yields.	P	Long term		Moderate	We are currently completing projects on our farms which promote improvement in biodiversity levels and restore and regenerate the local area. We work collaboratively with partners such as WWF and The Rivers Trust on projects to help drive the restoration of the natural world.

CLIMATE-RELATED OPPORTUNITIES

Opportunity	Type	Time horizon	Likelihood	Financial impact	Business response
1 Leadership					
Increased opportunity for leadership in sustainability.	M	Short term		Minor	Our ultimate climate-related aim is to make meat sustainable. The ability to do this represents our strongest opportunity to become industry leaders in sustainability and benefit from the associated reputational and market opportunities, and have an improved market valuation as a result of ESG performance and meeting analyst expectations. Within this year we have continued to push forward on being industry leaders as we are rated fifth out of 60 companies in the Coller FAIRR Protein Producer Index for 2022 and the only company in the UK to be present on this index.
2 Demand					
Growth in demand as we meet customer requirements for low carbon products.	M	Short to medium term		Minor/ Moderate	Shifting dietary preferences represents an opportunity to the Group that we continue to monitor closely. We have already diversified our product portfolio to include products such as houmous, pulses and grains, falafel, olives and antipasti. Within the year we continued to seek out opportunities acquiring Cranswick Mediterranean Foods and launching Ramona's houmous brand into major retailers.
3 Operational					
Reduced operational costs due to energy efficiencies.	E	Short to medium term		Minor/ Moderate	Increasing demand and focus on on-site renewable energy sources, such as solar and wind, coupled with our expanding efforts in operational efficiency, creates favourable conditions to reduce risk and costs across the business. In order to achieve our targets we invested in a range of sustainability initiatives including upgrading to more energy efficient equipment, installing solar panels, self-generating electricity, and sourcing all the Group's grid electricity provided to manufacturing sites from renewable sources.
4 Biodiversity					
Improved ecosystem and restored biodiversity levels.	N	Medium to long term		Moderate	We are gathering a deeper level of data across our farms and production facilities in order to monitor our biodiversity performance better. This includes undertaking Biodiversity Baseline Surveys to establish an ecological baseline for measuring any enhancement programmes we implement to increase the Biodiversity Net Gain (BNG) of our sites. We are exploring the opportunity to develop owned land to restore and regenerate local biodiversity and increase habitats. The majority of biodiversity loss associated with Cranswick sits in our supply chain and we have an opportunity to help drive change by working with our suppliers to reduce deforestation, report accurate emissions data, support and encourage them to reduce water wastage and water pollution and to identify and reverse their negative impacts on ecosystems and biodiversity.

OUR SUSTAINABILITY STRATEGY

CONTINUED

Strategy

Identified climate-related risks and opportunities

We treat climate change as an ongoing issue and therefore chose three separate time horizons to allow us to model the Group's immediate and long-term vulnerability to various risks and identify opportunities:

- Short term (2023–2040), which covers operational planning and goal setting phases.
- Medium term (2041–2060), allows us to assess the impact beyond our target time-frame.
- Long term (2061–2100), enables us to form a long-term view of the potential impact of climate-related risks and opportunities on the Group.

Impact of climate-related risks and opportunities on Cranswick's strategy and financial planning

We see business planning, strategy, development and financial analysis as a continuous and evolving process, which not only depends on actions taken by us as a business, but by the developments in the global economy as well. Climate-related risks and opportunities identified in the present day are expected to change over time, and therefore we remain aware of how these risks are prioritised and what outcomes are expected to be material in the future.

Insights from climate risk mapping and scenario analysis is used by the Board to prompt discussion, challenge thinking and make informed strategic decisions when evaluating a short-term business plan and when examining different long-term strategic and investment options.

The Group's financial planning mainly focuses on a three-year period due to the fast-moving nature of the food industry and the current financial and operational forecasting cycles of the Group. It takes into account the current position, future prospects and the potential impact of the principal risks, including climate-related risk, to the Group's business model and ability to deliver its strategy.

Resilience of the organisation's strategy

Environmental issues and climate change pose a potential significant impact to our business. In anticipation of these issues and in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, we continuously re-assess and manage long-term climate risks and opportunities.

In 2022, we assessed long-term mean temperature rise and water stress risks and opportunities against Intergovernmental Panel on Climate Change (IPCC) and International Energy Agency (IEA) scenario models. A detailed analysis can be found in our Annual Report 2022 at www.cranswick.plc.uk

This year we extended our analysis to cover two additional risks – sea level rise and agricultural commodities.

The physical risks associated with the sea level rise, and availability of agricultural commodities have the greatest impact potential on our business in the long term. We are particularly attentive to these risks and have developed preventive adaptation measures.

Sea level rise

Climate change will only increase the frequency and magnitude of sea level flood events and we have therefore identified the sites most at risk of damage or disruption to business operations.

Every Cranswick site was assessed for sea level rise and flood risk under two different climate scenarios at 2050 and 2070 on the Climate Centre platform:

- Low-carbon economy scenario assumes that the global response to the climate change is enough to limit the global temperature rise to below 2.0°C (SSP1-2.6 model by IPCC and Sustainable Development/Stated Policies scenarios by IEA).
- Business-as-usual scenario (the 4°C scenario) assumes that little or no mitigation is taken and the global response falls short of the required levels, resulting in the rapid increase in global temperature levels to a 4°C by 2050 (SSP2-4.5/ SSP5-7.0 models by IPCC and Current Policies scenario by IEA).

From a total of 199 of our own and critical supplier sites analysed, 36 have been identified as high risk from coastal flooding. Scenario analysis of sea level rise shows that the risk is currently low, and our assets and supplier relations are protected from possible negative events in the short and medium terms. However, our farms and manufacturing sites could be directly affected by a coastal flood event in 2050 and 2070.

Although we expect to manage the long-term risk through the usual asset lifecycle, we continue to build this risk into decision making and have a number of actions available to mitigate the risk in the long term. These include:

- Using flood protection systems at high-risk locations;
- Reviewing procedures of site selection for new sites and acquisitions and developing a long-term plan for adjusting existing operations;
- Reviewing our supply base to ensure we have multiple supplier options for an interim period if any key supplier sites are flooded for extended periods; and
- Engaging with local authorities to assist with future flood prevention development plans.

Agricultural commodities

Increased incidences of extreme weather events are expected to cause disruption to global supply chains and impact the availability of agricultural commodities. In our scenario analysis, we aimed to evaluate the availability of key agricultural ingredients, including wheat, soy, sunflower, rapeseed, olives and palm oil.

As part of the analysis, we identified the major production regions for each ingredient and assessed changes in suitability in two global warming scenarios (RCP 2.6 and RCP 8.5) for the period of 2041 to 2070 relative to the reference period from 1981 to 2010. From the analysis, we identified major production regions that will see a decrease in productivity.

The results have identified two regions which have a strong risk of reduced availability: the Mediterranean impacting olive production and South Asia impacting wheat production.

OUR SUSTAINABILITY STRATEGY
CONTINUED

Wheat modelling projects a strong decrease in availability in the tropics and subtropics and, in particular, in India, Pakistan and Australia. There is a potential for an increase in production at high northern latitudes, however, many of these northern areas are either occupied by forests or other crops.

Olive modelling is showing a substantial decrease in availability in the main production regions for olives. Irrigation to olives already puts stress on water resources in many countries and water scarcity is projected to increase around the Mediterranean under climate change. There is strong potential for an increase in production in central Europe, if production is expanded into areas where the climate is currently not suitable for olives. However, central European farmland is already occupied by other crops that might be economically more interesting.

Wheat availability and supply is of a particular interest to the Group as it is used in the livestock feed. Similarly, olives represent a key ingredient given the growing Mediterranean food category. We believe that rising global temperatures in the medium and long-term may affect our operations, resulting in a minor financial impact to the Group.

To build a resilience in the medium and long-term, we have considered a number of mitigating actions, including:

- Relocating the olive and wheat supply chain to the regions more suitable for these commodities; and
- Exploring alternative raw materials to use in production instead of wheat.

The Group has an established crisis management procedure in place to reduce the potential impacts and improve communication to key internal stakeholders.

Metrics and targets

We have set key targets to measure our performance against the impact of climate change, and to meet TCFD recommendations. Our main targets are:

- 50 per cent absolute reduction in Scope 1 and 2 emissions by 2030 with a baseline year of 2020.
- 50 per cent relative reduction in Scope 3 emissions by 2030 with a baseline year of 2020.
- 5 per cent year-on-year reduction in energy intensity (kWh/tonnes sold).
- 5 per cent year-on-year reduction in water intensity (m^3/tonnes sold) excluding farms.

These targets and commitments build on the actions taken in previous years to generate positive impacts across both the Group and our entire value chain.

Compliance with TCFD requirements
We comply with the FCA's Listing Rule 9.8.6R(8), with Strategy C and Metrics and Targets B pillars being partially compliant, and make disclosures consistent with 2017 and amended 2021 TCFD recommendations and recommended disclosures across all four of the TCFD pillars.

Strategy c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Business is working closely with the third party service provider to complete scenario analyses for the remaining climate-related risks and opportunities.
Metrics and targets b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	We are working closely with our total supply chain to identify and validate the Scope 3 emissions, however in the presence of data limitations, we are unable to disclose Scope 3 emissions in this year's TCFD report. We are currently working to resolve data limitations and once complete, we will be presenting Scope 3 emissions.

SASB disclosure

Measuring environmental performance
We are committed to reporting our environmental performance against the Meat, Poultry and Dairy Sustainability Accounting Standard published by the Sustainability Accounting Standards Board (SASB). The table below lists the topics under this standard and the accounting metrics applicable and material to us that we have disclosed against for the financial year.

	SASB standard	Our accounting metrics
Greenhouse gas emissions	Gross global Scope 1 emissions FB-MP-110a.1	2022/23 Scope 1 emissions: 80,067 tonnes CO_2e including non-mechanical agricultural emissions (2022: 85,863 tonnesCO_2e). Further disclosures on greenhouse gas emissions can be found on pages 35 to 37.
	Long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets FB-MP-110a.2	We have committed to Net Zero greenhouse gas (GHG) emissions across our operations by 2040. To help achieve this, we have committed to Science-Based Targets ('SBT') for Scope 1, 2 and 3 emissions in line with efforts to limit global warming to 1.5°C under the Paris Agreement. Further information on our strategy, targets, plans and progress can be found on page 36.
Energy management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable FB-MP-130a.1	2022/23 Absolute energy use: 481 million kWh (2022: 468m. kWh). 30 per cent of this was supplied from grid electricity (2022: 30 per cent). 31 per cent of the absolute energy use was renewable energy (2022: 30 per cent).
Water management	1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress FB-MP-140a.1	Total water withdrawn: 2.39 million m^3 (2022: 2.30 million m^3). 1.9 per cent of this was from an area of high baseline water stress (2022: 1.7 per cent). Total water consumed: 1.42 million m^3 (2022: 1.30 million m^3). 0.6 per cent of this was from an area of high baseline water stress (2022: 0.3 per cent).
	Description of water management risks and discussion of strategies and practices to mitigate those risks FB-MP-140a.2	Water is vital to our production processes, agricultural operations and our supply chain. During the year, we have continued to use the WWF Water Risk Filter to monitor our operational and basin risk. We are also on the oversight panel of the WRAP Water Stewardship Roadmap that helps us to explore risks associated with water management as part of our analysis of our climate change risk. We have a Reverse Osmosis Effluent treatment plant at the Eye facility. This allows us to return effluent as potable water which can be reused in our operations. During the year, 193,699 m^3 of water was reused using the new treatment plant (2022: 147,054 m^3). Our production facilities have been set a target to reduce water intensity by five per cent year-on-year against a 2019/20 baseline. We have updated our Water Policy during the year which pursues a number of objectives in relation to water. This can be found at www.cranswick.plc.uk.
	Number of incidents of non-compliance with water quality permits, standards, and regulations FB-MP-140a.3	During FY23 there were zero incidents of non-compliance with water quality permits, standards and regulations (2022: zero).
Land use and ecological impacts	Amount of animal litter and manure generated, percentage managed according to a nutrient management plan FB-MP-160a.1	All our pig and poultry manure and litter is managed under a nutrient management plan in accordance with the Red Tractor and Environment Agency's guidance. 'Straw for muck' arrangements are used, which ensures manure is utilised by local arable farmers for their crops in return for plentiful straw which supports animal welfare.
	Animal protein production from concentrated animal feeding operations (CAFOs) FB-MP-160a.3	79 per cent of pork produced on Cranswick-owned farms is certified to RSPCA standards and 100 per cent to Red Tractor standards. 100 per cent of poultry is produced in line with Red Tractor standards. Both of the above welfare standards have a stocking density that is a requirement rather than a recommendation. We operate in line with the required stocking densities as all our farms are accredited to either RSPCA or Red Tractor standards.

OUR SUSTAINABILITY STRATEGY
CONTINUED

	SASB standard	Our accounting metrics
Food safety	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances FB-MP-250a.1	The GFSI programme used is the BRCGS Food Safety Standard and BRCGS Storage and Distribution Standard. 19 facilities have a BRC graded A or above (2022: 17). The non-conformance rate is defined as the total number of non-conformances identified divided by the number of facilities audited. The rate for major non-conformances was zero and for minor non-conformances was 3.00 (2022: 3.35). The corrective action rate is calculated by taking the number of corrective actions divided by the total number of non-conformances, and for major non-conformances was zero and for minor non-conformances was 100 per cent.
	Percentage of supplier facilities certified to a (GFSI) food safety certification programme FB-MP-250a.2	100 per cent of our animal protein suppliers are certified to a GFSI programme. None of our independent producers are currently certified to a GFSI programme. 17 of our production and two non-production facilities are certified to BRC.
	(1) Number of recalls issued and (2) total weight of products recalled FB-MP-250a.3	During FY23, there were two food safety-related recalls issued (2022: one). In response to these recalls, we have implemented additional food safety checks and created additional internal training programmes.
	Discussion of markets that ban imports of the entity's products FB-MP-250a.4	There were no markets that banned imports of Cranswick products during the year. In October 2020, we voluntarily suspended our export licence to China from our Norfolk facility, which followed spikes of COVID-19 in communities in which we operated. This suspension remains in place pending recertification of the facility.
Antibiotic use in animal production	Percentage of animal production that received (1) medically important antibiotics and (2) not medically important antibiotics, by animal type FB-MP-260a.1	We are working with the industry to ensure that best practice is used on all species from all our suppliers and that antibiotics are only prescribed when absolutely necessary. Our objective is the reduction and avoidance of antibiotics for prophylactic use across all our supply base. The latest figures show that average sales of antibiotics in countries where our pork suppliers are based have reduced by over 69 per cent between 2015 and 2021. We are also monitoring the use of antibiotics in our own herds and flocks with a view to reducing the amount administered without compromising animal welfare. The average antibiotic use across our three pig farming businesses in 2022/23 was 57.1mg/pcu and across our poultry farms was 6.7mg/pcu. These averages are both well below the industry standard of 87mg/pcu for pigs and 14 mg/pcu for poultry. Responsible Use of Medicines in Agriculture Alliance's (RUMA) target for 2024 is 73mg/kg for pigs 25mg/kg for poultry.
Workforce Health and Safety	1) Total recordable incident rate (TRIR) and (2) fatality rate FB-MP-320a.1	2022/23 Total recordable incident rate: 1.77 (2022: 1.87) 2022/23 Fatality rate: 0.00 (2022: 0.00) Rates have been calculated in line with SASB guidance. For more information on our accident data, see Health and Safety on page 57.
	Description of efforts to assess, monitor, and mitigate acute and chronic respiratory health conditions FB-MP-320a.2	Our efforts to assess, monitor and mitigate acute and chronic respiratory health conditions are wide ranging. We have invested in dust extraction systems for welding, and for flour and other ingredients, which are also monitored through third-party inspections. We also have dust extraction tables for engineering workshops. Where extraction is not possible, filter masks and respirator masks are used. Our standard operating procedures instruct our colleagues and site audits are undertaken to ensure effective systems are in place for respiratory health. Spirometry testing through third-party occupational health services is also undertaken. Further information on wider Health and Safety practices can be found on page 57.

	SASB standard	Our accounting metrics
Animal care and welfare	Percentage of pork produced without the use of gestation crates FB-MP-410a.1	100 per cent of the pork that originated from Cranswick-owned farms is produced without the use of gestation crates (2022: 100 per cent). 96 per cent of total pork produced was without the use of gestation crates (2022: 95 per cent). This scope covers our EU third-party suppliers. We work closely with all our suppliers in order to improve welfare standards.
	Percentage of production certified to a third-party animal welfare standard FB-MP-410a.3	**Cranswick owned farms** 79 per cent of pork produced is certified to RSPCA standards and 100.0 per cent to Red Tractor standards. 100.0 per cent of poultry is produced in line with Red Tractor standards. **Wider supply chain** 34 per cent of pork produced is certified to RSPCA standards (2022: 34 per cent), 88 per cent to Red Tractor standards (2022: 88 per cent) and 22 per cent to other recognised EU welfare schemes (2022: 22 per cent). 13 per cent of poultry produced is certified to RSPCA standards (2022: 13 per cent), 59 per cent to Red Tractor standards (2022: 59 per cent) and 29 per cent to other recognised EU welfare schemes (2022: 29 per cent). Cranswick also sources poultry meat from suppliers both in the UK and in Europe. 100 per cent of the poultry meat sourced from the UK is assured to Red Tractor standards. 100 per cent of poultry sourced from the EU comes from farms assured to national recognised schemes such as QS and IKB.
Environmental and social impacts of animal supply chain	Percentage of supplier and contract production facilities verified to meet animal welfare standards FB-MP-430a.2	100 per cent of our meat, fish and egg suppliers are accredited to a national recognised farm assurance scheme or their welfare standards have been verified by a trained animal welfare officer against a recognised scheme or an in-house scheme.
Animal and feed sourcing	Percentage of animal feed sourced from regions with High or Extremely High Baseline Water Stress FB-MP-140a.1	We are working with industry bodies such as the Soy Transparency Coalition to overcome transparency challenges in the production of soya. With more visibility in the supply chain, we can ensure the supply of animal feed is more sustainable.
	Percentage of contracts with producers located in regions with High or Extremely High Baseline Water Stress FB-MP-140a.2	Less than one per cent of contracts are with producers that are located in regions with high or extremely higher water stress (2022: <1 per cent).
	Discussion of strategy to manage opportunities and risks to feed sourcing and livestock supply presented by climate change FB-MP-140a.3	There are many actions we have already taken in order to manage the risks to livestock supply identified to date. We have invested in new buildings that are climate controlled across our indoor farms and new sow huts that are thermally insulated, which reduces the temperature range within them. Automatic vents have been incorporated that operate when the temperature rises above a certain point. We are also working hard to reduce our reliance on imported soya and lower the risks associated with feed sourcing. This includes reducing the inclusion rate of soya in our feeds and investing in replacements to become more self-sufficient in this area.

OUR STAKEHOLDERS

OUR STAKEHOLDERS

We understand that our long-term growth and success are dependent on engagement with stakeholders. We value regular interaction to ensure we can consider their views and interests when making decisions.

WE ATTENDED THE DRIFFIELD SHOW, EAST YORKSHIRE, FOR THE FIRST TIME IN 2022, ENGAGING WITH THE LOCAL FARMING COMMUNITY AND TALKING ABOUT FUTURE OPPORTUNITIES

OUR STAKEHOLDERS
CONTINUED

Section 172(1) Statement

As a Board, we continue to operate in a balanced and responsible way and make decisions for the long-term success of the business.

We understand that our wide range of stakeholders is fundamental to the long-term growth and success of the Group. We focus on a regular interaction with various stakeholder groups, which allows us to include their respective needs and expectations into the key decision making. We have summarised our engagement with key stakeholders during the year below.

Detailed review of our stakeholders and engagement activities is covered on page 91.

Board activities
The key activities of our Board are set out in the Corporate Governance Report, which includes a summary of the key decisions made and the stakeholders considered.

Read more on pages 86 to 93.

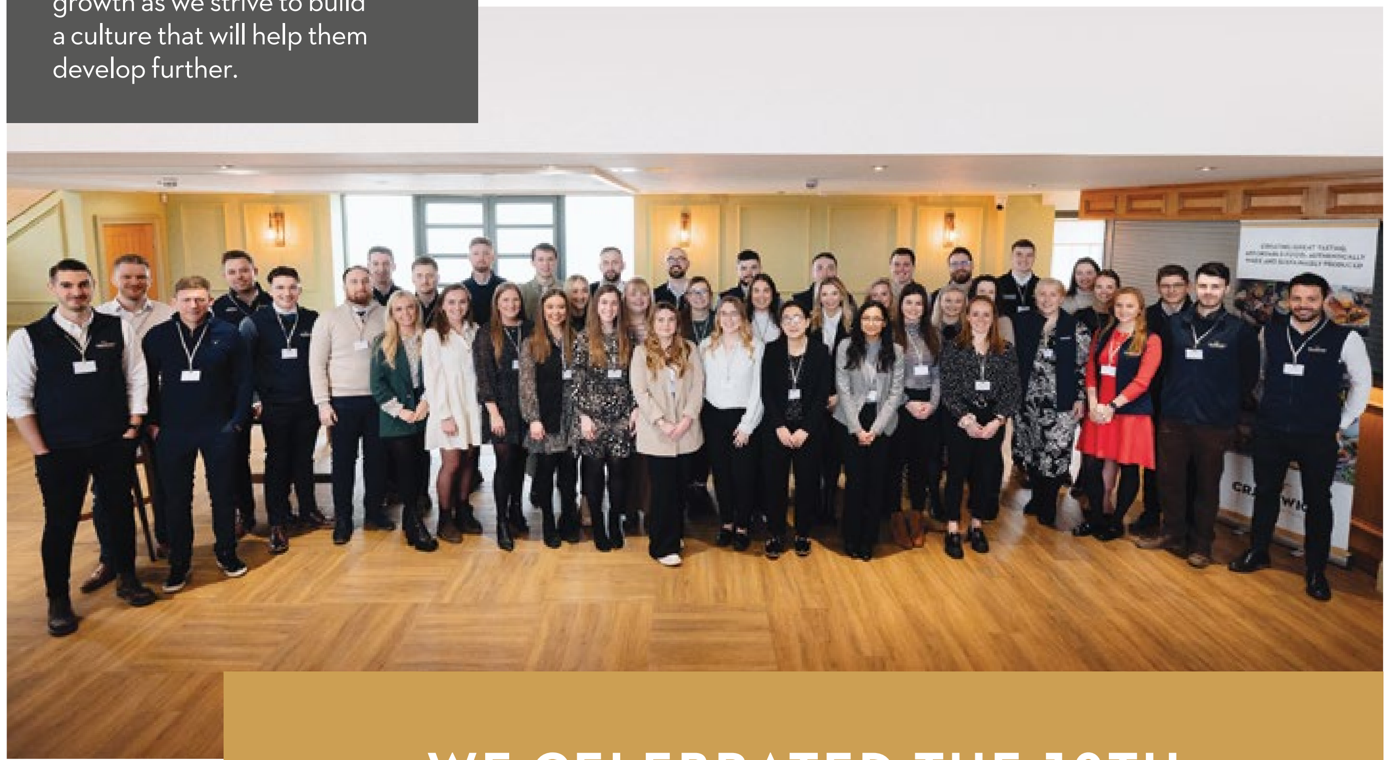
Stakeholder	How do we engage	What matters most to our stakeholders	How we are responding
Our people Our people are at the heart of our business and help us to achieve successful delivery of our strategy. We focus on their engagement and want our colleagues to feel valued so we can achieve our purpose together. Read more: see pages 54 to 57	• Regular staff surveys • 'Flavour' intranet site and newsletter • Appraisal process • Works councils	Our colleagues appreciate the opportunity to have their say about their working environment and share new ideas. Key topics raised this year included flexible working arrangements, remuneration, personal and career development opportunities, progress on staff survey action points and communication across the Group.	• During the year the Board has undertaken a number of site visits and met local management and workers. This also gave Board members an opportunity to assess the investment programme, which includes enhancements to our facilities such as changing rooms and canteens, which are impacting the daily working experience of our workforce. • The Board has responded to the cost of living crisis by reassessing our pay review process and approving unscheduled mid-year pay increases concentrating on our lower paid workers and increasing the average pay award to employees in line with the inflationary pressures. • Feedback from our Pulse survey has led to the further development of our flexible working policy, following a strong indication of a preference among the workforce to continue with hybrid ways of working.
Customers and consumers We are working together with our customers and consumers to understand key demands and to further improve customer satisfaction. Regular engagement allows us to build trustworthy and long-lasting relationships and to deliver innovative high-quality products. Read more: see pages 58 to 59	• Key teams such as product development, technical, agricultural and sales will all engage with customers to ensure communications are cross-functional • Online surveys • In-store interviews • Focus groups • Digital platforms and social media	Inflationary pressures and cost of living challenges are putting more significance on affordable proteins. High quality products and consistent service levels still remain a key priority for all our customers and consumers. Sustainability is also an important consideration as consumers focus on the impact of their food choices on the environment.	• The Board is regularly updated on customer initiatives and performance, and developing trends. • Active monitoring of performance at our sites enables the Board to understand the effectiveness of safety practices and behaviours and to ensure high-quality products are supplied to our customers and consumers.
Producers and suppliers By working closely with suppliers who share our values and beliefs, we can focus on food safety, technical integrity, provenance and, ultimately, produce high quality products. Read more: see pages 60 to 62	• Supplier surveys • Sedex • Industry events and forums • Audits and visits • Supplier policies	Suppliers want continual improvement with opportunities to innovate, grow their business and develop our relationship. Early forecasting is key and we aim to ensure raw materials, ingredients and packaging are supplied at the right time, to the right place and that the supply chain is transparent, ethical and sustainable.	• The Board regularly engaged with the procurement team regarding plans to tackle supply chain issues, inflation and the impact of the Ukraine war. • The Audit and Risk Committee provided timely updates on 'supply chain' principal risk developments. • The Board also reviewed plans for using an automated supplier assessment system that allows the Group to gather deeper data on supplier progress against key metrics, such as emissions reduction, that helps to inform our science-based targets.

Stakeholder	How do we engage	What matters most to our stakeholders	How we are responding
NGOs We work with various non- governmental organisations (NGOs) including the Agricultural and Horticultural Development Board (AHDB), the British Poultry Council (BPC), WRAP (Waste and Resource Action Programme), Red Tractor and RSPCA. This allows us to helpinform policies and improve industry standards. Read more: see page 63	• Trial new standards • Industry events • Digital platforms and social media to share important information	AHDB encourages pork consumption and helps shape policies for pig farming. BPC sets policies for the poultry industry. WRAP is focused on sustainability and manages initiatives such as The Plastics Pact. Red Tractor provides assurance that products are traceable, safe and farmed with care and the RSPCA certifies higher welfare farming systems.	• Cranswick Directors and Managers sit on steering committees, industry groups and boards and were providing regular updates to the Board on the new developments and upcoming new standards.
Communities We believe that the long-term success of our business is closely tied to the success of the communities in which we operate. Through cooperation with local communities, we create greater social, environmental and economic value. Read more: see pages 64 to 65	• Foodbank donations • Working with local schools and universities • Employment opportunities • Involvement in local projects • Charity fundraising	Local communities have an expectation that businesses operate ethically, safely and sustainably as well as contributing to the further development of a local area. There is additional focus placed on food producers who act as enablers to reduce edible food waste and increase food redistribution through the community.	• Regular updates were provided to the Board on our community initiatives and their progress, including key actions taken by Cranswick Charitable Trust. • During the year, the Board also received regular updates on the Group's sustainability programme, including the actions taken to reduce food waste and loss as well as efforts made to redistribute our surplus food.
Shareholders We focus on sustaining fair, balanced and honest relationships with our Shareholders as we strive to deliver long-term growth. Our aim is to educate Shareholders about the Group's purpose and strategy whilst yielding consistent returns over the long-term. Read more: see pages 66 to 67	• Annual General Meeting ('AGM') • Annual and Interim reports and presentations • Regular announcements and press releases • Website • Personal meetings, virtual roadshows and conferences.	Shareholders want to be kept up to date with current issues and are currently most focused on inflation and the impact of Ukraine-Russia war on commodity prices. During the year, further key matters were discussed which included investments, financial performance, environmental, social and corporate governance (ESG) strategy, targets and reporting.	• Throughout the year the Board engaged with both its institutional investors and individual Shareholders through a range of meetings and scheduled presentations. • During the year, the CEO and CFO kept regular contact with investors to discuss the effect market trends had on the Group's strategy and performance. • The Group also regularly updated investors through announcements and a wide range of information relating to the Group is available on our website (www.cranswick.plc.uk).

OUR STAKEHOLDERS
CONTINUED

OUR PEOPLE

We remain focused on building a diverse, talented and engaged workforce. It is through their dedication and skills that we continue to drive impactful growth as we strive to build a culture that will help them develop further.



WE CELEBRATED THE 10TH ANNIVERSARY OF THE GRADUATE TRAINING SCHEME THIS YEAR AND HELD A TEAM BUILDING EVENT FOR THOSE COLLEAGUES WHO HAVE JOINED THE BUSINESS THROUGH OUR AWARD WINNING PROGRAMME.

"I had never worked in business and having studied History and English; I was not sure what I wanted to do. I was attracted to the Cranswick Graduate Scheme as it allowed me to experience lots of different roles during my first two years and it gave me a real insight into the career opportunities available."

Harriet joined the Graduate Scheme in 2017, spending time in different roles within the Operations, Finance, Technical and New Product Development teams. Her final rotation was within the Commercial team, with projects in both Sales and Category Marketing. Having gained a solid grounding of the business, Harriet took a full-time role in the Category Marketing Team and now manages the customer and consumer insight strategy, developing the marketing plan for a key retail customer.

"I love going into a store and seeing my ideas and plans in place. It is really rewarding when you see consumers picking up a product and putting it in the trolley – it makes it all worthwhile".

Harriet is planning to develop her career within the Category Marketing team and will have opportunities to work with different customers and in different product category areas. "The scale and breadth of Cranswick means there are always new projects and roles available. Cranswick is certainly a fast paced business and the opportunity to progress and develop a varied career is really exciting."

Harriet Hutchinson
Category Marketing Manager

CHAMPIONING TALENT

Our business is powered by our colleagues. As such, we recognise that being an employer of choice enables us to effectively compete when it comes to attracting and retaining the best talent. Through our HR strategy we are taking a sector-leading position on pay, working conditions, professional development, Health and Safety, inclusivity and wellbeing for our 13,700 colleagues across the Group.

One of our key focus areas is succession planning given ongoing industry labour shortages. We are aware that people see professional and career development as a priority when choosing an employer and are responding to this by developing new training and upskilling programmes that will allow us to strengthen our recruitment and retention strategies.

Over the past 12 months, we have:

- Launched an Operational Talent Programme to develop leadership roles for our mid-managers, with 23 colleagues on the first intake.
- Enrolled 297 colleagues onto our Management Training Programmes.
- Recruited a further 12 graduates onto our Graduate Programme.
- Offered two scholarship placements to students studying Marketing and Agricultural Studies at Harper Adams University.
- Colleagues from our commercial and trading departments have been given further training to enhance their negotiation skills.

Most of our training is delivered through our online Cranswick Core platform, which features over 200 courses aimed at all tiers and functions of the business. This year more than 72,000 courses were completed through Cranswick Core including face-to-face learning and mentoring. Since its launch in 2020, over 166,000 courses have been completed on the platform. This blended learning gives colleagues greater autonomy over their professional development. We offer flexible working where job function permits. This includes hybrid working, family-friendly working hours and shifts.

Building our pipeline

Attracting and retaining talent is critical to securing our workforce. This year we recruited 12 more graduates, taking the total to 85 since 2013, with 25 of these individuals now promoted into management roles.

We continue to promote apprenticeships and have around 141 colleagues undertaking apprenticeship qualifications. We have recruited 25 apprentices into our engineering teams this year through our partnership with Humberside Engineering Training Association (HETA) and are exploring other recruitment opportunities with government-led programmes such as the new T Level qualifications.

Early careers

Our early careers strategy continues to scale through our Enterprise Advisory roles within local schools and involvement in local careers events, where we work to promote entry level opportunities within the food industry. We are also supporting new competencies that are being created such as the Level 4 Assistant Farm Manager qualification, which we played an active role in helping to shape.

We have teamed up with McDonalds Future Young Farmers programme for the second year running to offer a working placement to one of its candidates.

The Group HR Director chairs the local Humber and East Yorkshire Cornerstone Group, which aims to bring businesses together in the local area to forge better relationships with schools and give young people an understanding of the world of work and the different opportunities that are available to them.

OUR STAKEHOLDERS
CONTINUED

OPERATION TALENT

Our newly-launched Operational Talent Programme aims to enhance the skills and capabilities of middle managers within our operations teams who are looking to progress into more senior roles. The 18-month programme includes coaching and mentorship from senior managers and the opportunity to study an apprenticeship in Leadership and Management or enrolment onto the Lean Six Sigma training programme.

Securing skilled labour

Labour availability remains a strong focus for us, particularly across our factories. Our Group average employee turnover rate has increased from 2.91 per cent in the previous year to 3.34 per cent, primarily due to increased competition in the labour market. To respond to these challenges, this year we recruited 400 skilled colleagues from the Philippines to ensure our production processes could continue to meet demand. This enabled us to reduce our reliance on agency workers. Post-Brexit we continue to support our overseas colleagues who wish to work in the UK through the EU Settlement Scheme. We also undertake regular benchmarking on local pay rates to ensure our pay is competitive.

Reward and recognition

We endeavour to celebrate colleague achievement whenever possible, recognising the importance it plays in contributing to a positive workplace. This year our 'Going the Extra Mile' ('GEM') Awards were held as a live event for the first time, with over 100 colleagues attending. The awards, which recognise those who have gone above and beyond their job description, brought together 45 finalists from across the business for an Awards Dinner to celebrate their success, with Madelina from our Ballymena site receiving the overall winner award.

Colleague successes are also recognised through our intranet site, Flavour, which is integrated with our online Feed Your Wellbeing hub. Our recognition schemes are also informed by our two-way performance appraisals, which have increased visibility of the talent and innovation within our workforce.

We continue to monitor employee engagement levels through our annual Group-wide staff survey. Our latest survey achieved a 80 per cent completion rate with an engagement score of 72 per cent, up from last year's rating (64 per cent), driven by increased focus and drive for employee engagement.

Employee benefits

To date 73 per cent of permanent staff have signed up to our Feed Your Wellbeing hub, where they can access an enhanced benefits package. This includes additional holidays, Cycle to Work Scheme, electric car salary sacrifice schemes, enhanced maternity and paternity pay, retailer discounts, and financial services including our Salary Finance scheme.

Workplace wellbeing

As part of our drive to prioritise colleague health and wellbeing, we have increased the number of mental health champions across our sites from 164 to 220 this year. Our champions are supported by 89 mental health first-aiders, our Banish the Burnout programme, and wellbeing courses offered through Cranswick Core. Since FY21, 6,927 positive mental health at work courses have been completed including 3,716 this year.

In FY24 we plan to host a 'Time to Talk' day to refresh employee understanding of the role that our first aiders and champions play. Colleagues can also access additional support including counselling and crisis grants through our ongoing partnerships with GroceryAid and the Butchers' & Drovers' Chartered Institute.

Encouraging diversity

We are progressing our Diversity, Equity and Inclusion (DEI) strategy and have set up a steering group to drive our DEI goals and aspirations forward. With the addition of Yetunde Hofmann, our new Non-Executive Director who specialises in diversity, inclusion and culture topics, we are looking to deepen our understanding of colleague needs in this area through engagement exercises including staff surveys and supporting key campaigns such as National Inclusion Week.

We will also be increasing our focus on DEI training and education. This year 1,673 colleagues completed our DEI training programme and we are developing more inclusive hiring practices.

Across the Group, there are no differences in pay structure for males and females performing the same or similar roles. Our latest Gender Pay Gap report can be found on the Group's website www.cranswick.plc.uk.

HEALTH AND SAFETY

We have always prioritised a safety culture that puts our people first by protecting their health and striving to keeping them free from harm and injury so they can carry out their work confidently and responsibly. We act in accordance with all relevant Health & Safety ('H&S') standards and regulations and as we continue to make great strides in our overall safety procedures, we have committed to a zero accident and work-related illness approach.

Bold strategy

This commitment is reflected in our new three-year H&S strategy, which was launched in FY23. Based around our guiding principles – Leadership, Risk Management, Innovation and People – the strategy focuses on leadership, best available technology ('BAT') and behavioural safety as we look to reduce risk to as low as is reasonably practical.

As part of this, all of our sites are required to implement plans to reduce their top three causes of accidents. Our leadership teams are taking a more proactive approach to risk management and communication, undertaking H&S accountabilities and responsibilities training.

Technology

Technology will also help drive improvements to reduce risk. We are transitioning to integrated paperless Health and Safety reporting via our quality management system, which will be implemented across all of our sites and farms. This is assisting us with various procedures including hazard reporting, near miss reporting, safety inspections and accident investigation.

Accident rates

We continue to make good headway regarding the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR). Our RIDDOR frequency rate per 100,000 hours decreased by eleven per cent compared to FY22, and our lost time accidents fell by 6 per cent. The vast majority of our accidents (75 per cent) remain minor and mainly relate to return to work incidents.

Compliance

This year we introduced our 'Step Back and Take Five' initiative to encourage our H&S managers to reflect on site layout, working environment and housekeeping to better evaluate risks and determine if safety protocols can be improved upon. Proactive hazard reporting has enabled us to identify risk at the earliest opportunity, our hazard spotting year on year has increased by 76%. The number of non-conformance reports has also reduced by up to 20 compared to FY22.

There has been a significant 52 per cent improvement in H&S audit compliance this year compared to FY22 with most sites now green rated. Risk assessments are conducted using the quality management system and shared with department managers for review. All sites are accredited to the ISO45001 Health and Safety management system.

Succession planning

Cranswick employs 44 qualified H&S professionals who are based at all sites within the group, and this is overseen by the group H&S Department. We are prioritising upskilling at every level to develop the talent and capacity of our H&S teams. Mandatory training is undertaken in key disciplines including manual handling, risk and responsibilities, and slips and trips.

This year we recruited a H&S degree-level graduate who has been deployed at various sites assisting with group audits, and we plan to recruit another graduate into FY24. This will enable the Group to expand its H&S capability on the agricultural side of the business, as well as manufacturing.

OUR STAKEHOLDERS
CONTINUED

CUSTOMERS AND CONSUMERS

We work closely with our customers to create products that evolve with changing times in the markets we serve, but that are always centred around delivering quality, value and convenience for the consumer.

> **THE CRANSWICK KITCHENS ARE EXCITING PLACES TO BE. WE'VE GOT TOP QUALITY PRODUCTS AND WE'VE GOT TALENTED CHEFS PUSHING THE BOUNDARIES.**
>
> **Simon Woods**
> Head of Innovation

Who we serve

Retail customers account for the majority of our revenue (74 per cent in FY23) primarily through the supply of private label products. Despite inflationary and cost of living pressures, our customers and consumers continue to recognise and appreciate the quality, value and versatility of our pork and poultry product ranges.

This year, sales increased across our food service and wholesale categories particularly in the quick service restaurant ('QSR') sector, which is proving resilient despite constrained consumer spending in the out-of-home market. We have invested in capacity building and extended our product portfolio to ensure we can meet growing demand for QSR products, especially those that can offer taste inspiration and value for consumers.

Our buoyant performance in retail and QSR helped to offset a slowdown in export sales due to ongoing COVID-19 related disruption and weakened demand in some of our key export markets, such as China. This year exports accounted for 7 per cent of our revenue, a slight decrease on the previous year, but we continue to look for opportunities to diversify our customer base into international markets where it makes commercial sense to do so.

Cost resilience

Consumers have been switching to lower cost protein such as pork and poultry, both of which continue to add significant value for money over beef, lamb and fish. This has been reflected by strong category sales for our fresh pork (+15.6 per cent) and chicken (+6.7 per cent).

We continue to control and recover cost pressures well for our key input commodities including animal feed, fertiliser and wheat. We increased the prices we pay our British pig farmers to support the rising production costs.

Building capacity and capability

We are prioritising consistency and innovation as we broaden our business model. This year we invested over £85 million in capital expenditure across our factories and farms to boost our capability in these areas. Our Milton Keynes Cooked Meats site has been expanded to incorporate new lines, we commissioned our Hull Breaded Poultry facility to build on consumer demand for convenient and inspiring meal solutions, and secured a new customer for our Cranswick Pet Products business as we look to drive growth through the newly acquired business.

We have also invested further in our non-meat portfolio with Cranswick Mediterranean Foods, Ramona's Kitchen and Atlantica UK, which complement our existing range of Mediterranean foods and allow us to tap into new meal occasion opportunities.

Sustainable eating

Last year we signed up with the Foundation Earth pilot eco-labelling scheme to help consumers make better food purchasing choices. We have since completed carbon impact scores for nine of our products as part of the trial and will be feeding into future development work as the scheme progresses.

We continue to work with our customers to remove plastics from our packaging through streamlining and materials innovation. This includes undertaking supplier trials to replace some of our plastic trays with a pulp material and introducing a new system to reduce the use of shrink wrap when products are stored and moved internally.

We also developed a shrink wrap featuring 30 per cent recycled content, which is fully recyclable, for our whole chicken products, reduced the thickness of our chicken fillet packaging and reduced the number of vacuum bags we use to supply customers by maximising bag fill weights where possible.

Maintaining integrity

We embedded our own Cranswick Manufacturing Standard ('CMS') across all of our production sites so that they automatically comply with any new customer specifications or standards. This ensures greater consistency in the work we do to assure the safety, traceability, quality and provenance of our raw ingredients and manufacturing processes.

Innovation

Christmas continues to be a very successful trading period with retailer emphasis on premium private label helping to boost festive sales. This year's performance was one of the best ever for the Group with sales growing by 15.7 per cent compared to FY22, underpinned by strong demand for our fresh pork, convenience and gourmet festive range of products. Likewise, our Mediterranean selection packs and Continental tapas style boxes retained their popularity as complementary festive treats.

We continue to focus on ways to take the stress out of Christmas cooking. This includes scoring crackling for our pork joints and slow cooking turkey crowns, both of which resulted in two very successful product launches. We also invested in a fully automated tri-slicing/packing line solution at our Bury Continental Foods site, enabling us to deliver our biggest ever Christmas programme for the division.

OUR STAKEHOLDERS
CONTINUED

PRODUCERS AND SUPPLIERS

We work with a broad network of production and supply chain partners to deliver food that promotes shared values around trust, nutrition, quality and low carbon manufacturing excellence.

“

HERBS UNLIMITED HAVE BEEN ONE OF OUR KEY SUPPLIERS SINCE 1995, WHEN WE STARTED THE CRANSWICK GOURMET SAUSAGE. THEY CONTINUE TO PROVIDE US WITH A VARIETY OF GREAT QUALITY, LOCALLY GROWN FRESH HERBS EVERY DAY, WHICH PROVIDE A MAJOR POINT OF DIFFERENCE IN THE SAUSAGES WE PRODUCE.

Marcus Hoggarth, MD at Cranswick Gourmet Sausage

Responsible sourcing

We place the utmost importance on working with our suppliers to provide the assurances that our customers and consumers need when it comes to food integrity and safety.

Our procurement processes take account of a wide range of social, ethical and environmental considerations and suppliers are expected to meet high standards across all of these areas.

Our supplier policy sets this out in detail with a clear set of commitments. These include following the Ethical Trading Initiative ('ETI') Base Code on labour practice, undertaking Sedex Member Ethical Trade Audits ('SMETA') if operating in a high-risk country, sourcing certified palm oil and soya from reputable certification schemes and measuring greenhouse gas emissions. For more details, see our Group Sustainable Procurement Policy at www.cranswick.plc.uk

Supplier assurance

This year our Group Technical Services ('GTS') team has further strengthened supply chain assurance as the business continues to grow. An additional 106 raw material suppliers were approved, bringing the total to 959, along with 7,282 products and associated specifications. Suppliers are approved through audits carried out by GTS or through third-party audits such as the Supplier Ethical Data Exchange ('Sedex') and BRCGS Food Safety Standard.

Suppliers are continuously monitored to ensure they are performing to the highest standards. Automated supplier risk assessments are undertaken via our centralised supplier management system and this year we launched seven new models on the platform including supply chain mapping and auditing. We are also using the system to gather deeper data on supplier progress against key metrics such as emissions reduction work to help inform our Science-Based Targets.

Going forward, we will continue to strengthen our vigilance on food fraud as we look to take an industry leading position on this. We are working with Lincoln University to predict food fraud using commodity prices and historical incident reporting and are active members of the Food Industry Intelligence Network ('FIIN').

During the past 12 months, 340 supply chain audits were carried out to assure the safety, traceability, quality and provenance of the raw materials we use (352 in FY22). This figure is down on FY22 due to COVID-19 entry restrictions at supplier sites. Currently 915 out of our 959 total suppliers are registered on Sedex including all 606 direct suppliers and more than 88 per cent of indirect suppliers, a significant increase on FY22 (76 per cent).

Internal compliance

We continue to streamline our internal auditing processes against our Cranswick Manufacturing Standard (CMS), ISO14001, ISO45001, ISO50001 quality standards, and various ethical standards. Our CMS has been relaunched to cover the latest version of the BRCGS Food Safety Standard and updated customer technical codes of practices.

This year 384 internal audits were carried out across the Group compared to 481 in FY22. The reduction was driven by an additional support required to one of our sites following a recall incident. As such, Cranswick compliance team completed larger audits covering more areas, with 96 per cent of planned audits completed across technical, environmental, energy, ethical and Health and Safety areas.

17 of our production sites were audited against the BRCGS Food Safety Standard with three achieving an AA rating, twelve receiving an AA+ rating, one an A+ rating and one A rating. Our Lazenby's and Milton Keynes sites were rated 'outstanding' for food safety and integrity while our Katsouris business gained accreditation to a traded goods standard from a key retail customer. This year, Cranswick Pet Products were awarded a grade A in their first ever BRC audit. The business was acquired by Cranswick in January 2022 and this marks a significant achievement as well as a change of working for the team at the site.

Our auditing and Group Sustainability and Compliance teams undertake regular training as we look to further improve our reporting and analysis. We launched a Technical Training Academy as part of a wider upskilling programme. This course featured key fundamentals relating to different aspects of job role and function including auditing, inspection, food hygiene, safety and traceability. Over 766 colleagues were trained in 80 courses mainly relating to technical, ethical and Health and Safety issues, but also other areas such as animal welfare.

OUR STAKEHOLDERS
CONTINUED

Animal welfare

We prioritise the health and wellbeing of our animals through our industry-leading welfare standards, supported by our vertically integrated supply chain. Nearly 50 per cent of the pork we process, and 100 per cent of the chicken processed at our primary processing facilities is sourced through our own farms, giving us a greater level of control over how our animals are reared and cared for.

We are working with suppliers to improve welfare standards where we do not have direct control, such as our partnership with a Spanish pork supplier to align farm husbandry to British standards. We are also collaborating with key European Charcuterie suppliers to develop and report on specific animal welfare metrics. Where possible we look to affiliate our producers with specific customer supply chains to drive upstream price support for quality meat.

Caring for our chickens

Our fully integrated poultry model means we can offer higher welfare chicken to customers. We use the NestBorn on-farm hatching system for all of our eggs, which allows chicks to be born in natural and stress-free conditions with immediate access to sheds, feed and water as soon as they hatch. This process not only results in healthier and calmer flocks with improved immunity, but also helps us to reduce our carbon footprint by using less vehicles.

All of our chickens are reared indoors in conditions that either comply with, or go beyond, Red Tractor welfare standards. Our poultry sheds provide more space for chickens to freely roam and include environmental enrichments in the form of fresh bales, perches with toys and windows to allow in natural light.

Our sheds also feature climate control systems, enabling us to optimise the indoor temperature to suit the needs of our chickens all year round and cooling sprinklers to make them more comfortable during the summer months.

Caring for our pigs

Our integrated pig farms are approaching 50 per cent of our total pig processing operations and are located close to our processing sites to reduce transportation times and minimise stress. The majority of pigs supplied to us are also associated with outdoor bred or outdoor reared production methods in line with industry assurance standards.

GETTING SMART WITH PIG WELFARE

This year we won funding from Innovate UK to run commercial trials of FarmSense, an artificial intelligence project that aims to deliver a step change in pig husbandry by improving animal welfare, increasing efficiency and improving quality in the pork supply chain. FarmSense learns to automatically detect any changes in pig herds that could indicate problems such as tail biting, abnormal eating or the onset of early disease, providing real-time insights into their behaviour, health and weight. The project will run until April 2024 when we plan to report back on our findings in more detail.

Across our indoor farms, we continue to increase non-confinement farrowing sow herd numbers to allow 40 per cent more space for breeding sows. We are aiming for 100 per cent of our breeding units to be non-confinement by 2030. All of our pig lairages are designed to accommodate the pig's natural curiosity and behaviour as well as reduce stress levels.

Following successful trials, we have installed 3D cameras at our Cherry Tree site to monitor the behaviour and performance of our finishing pigs as part of a government-funded project, FarmSense. The data we gather from the cameras will enable us to use artificial intelligence to optimise livestock production whilst assuring the highest animal welfare standards.

Reducing antibiotic use

Our averages for antibiotic use across our pig and poultry farms remain well below the industry average, despite usage rates increasing this year for our pigs due to labour and supply chain issues. The average antibiotic use across our three pig farming businesses was 57.1mg/pcu and across our poultry farms was 6.7mg/pcu. We are Board members of Food Industry Initiative on Antimicrobials ('FIIA') and continue to work with FIIA to develop industry best practice in this field. For more information on antibiotic use, please refer to SASB disclosure on pages 47 to 49.

NGOs AND PARTNERSHIPS

By taking collective action we can have an even bigger impact in forging a more sustainable food system. Increasingly our collaboration is goal-driven as we look to prioritise outcomes that can deliver meaningful change.

Shared ambition

We engage with a range of non-governmental organisations (NGOs) and strategic partners to achieve mutually beneficial objectives, whether it is sharing best practice, testing innovative trials, scaling up positive solutions, advancing industry standards or shaping future policy. Much of this work involves addressing some of the world's most pressing issues that no one business can solve alone.

Tackling deforestation

This year through our work with the UK Soy Manifesto, we helped launch a landmark set of actions to ensure all soy used in animal feed in the UK is deforestation and conversion free. This is significant given UK Soy Manifesto signatories represent nearly two million tonnes of soy purchases each year. We have started to engage with our feed suppliers on this as we continue to transition all of the feed used on our farms to 100 per cent verified deforestation and conversion-free soya.

We continue to support global efforts to work towards zero deforestation through our membership of the UK Roundtable on Sustainable Soya and the Soya Transparency Coalition, and we are also a signatory to the Cerrado Manifesto, led by the FAIRR Initiative, which is calling for a halt to deforestation in the Brazilian ecoregion. On a local level, we are involved with a conservation project with The Deep to make Hull and East Yorkshire one of the UK's first sustainable palm oil regions.

Driving decarbonisation

We have committed to the Science-Based Target initiative ('SBTi') and are working hard towards our approved SBTs. We are encouraging our suppliers to follow suit, over 50 of them now have verified SBTs or have committed to setting them. We are also a signatory of the Climate Pledge, a commitment co-founded by Amazon and Global Optimism, which is working with over 400 companies to meet the goals of the Paris Agreement 10 years early.

One of the areas where we can make most impact is in encouraging people to make low carbon food choices. We have worked with Foundation Earth to assess selected products across the portfolio in line with it's front-of-pack eco-labelling scheme and have technical representation on the IGD's consultation committee, which is looking to develop a harmonised solution for environmental labelling of food products.

We continue to explore ways to utilise clean energy and have joined the East Coast Hydrogen Consortium group, which is looking to scale up hydrogen production in the region by connecting supply to demand.

Reducing food and plastic waste

Our work with multiple stakeholders under the UK Plastics Pact, led by the Waste and Resources Action Programme ('WRAP'), continues to tackle the issue of plastic waste at scale, and we remain active signatories of high-level coalitions such as Champions 12.3 and Courtauld 2030, which are focused on driving down food waste through the supply chain. This year, we have actively supported the Food Waste Action Week in March 2023, which is a consumer facing campaign designated to make consumers consider the impact of food waste.

Alongside our work with suppliers that tackle packaging waste within our value chain, we have been reducing plastic pollution off site by teaming up with local charities to undertake beach cleans and litter picks. This year our Gourmet Sausage factory supported World Oceans Day by integrating Prevented Ocean Plastic ('POP') into retail sausage packaging trays.

Harvesting better farming

Through our partnerships with food producers, charities and community organisations, we are helping to safeguard critical agricultural resources. This year we part-funded a WRAP water stewardship project in southern Spain, which is addressing water stress in olive growing regions that are central to our supply chain. In the UK, we continue to build on our water stewardship work through WRAP's Courtauld Commitment Water Ambition and the Cam and Ely Ouse Catchment Partnership Water Stewardship Board.

On a broader level, we are involved in a supply chain pilot with Department for Environment, Food & Rural Affairs ('Defra'), Natural England and WWF, which will trial sustainable farming approaches to inform future policy and to have a positive impact on pigs within field rotation. One of these schemes involves undertaking a more regenerative rotational grazing method for our outdoor pig farms.

Improving animal welfare

We work with several industry bodies and assurance schemes to help set policies and improve standards around meat integrity and animal welfare. This year we have been working closely with Red Tractor to develop its new Greener Farms commitment and are involved with Defra's Animal Health and Welfare Pathway project which seeks to improve the standards of welfare for farmed animals.

We continue to work closely with industry assurance schemes and groups to improve welfare outcomes across the industry. Our Technical Director sits on the British Meat Processors Association's Animal Welfare Committee and our Director of Agricultural Strategy is a member of the Red Tractor Pig Board and the National Pig Association's Industry Group. We are also active members of the Agriculture & Horticulture Development Board with Board and Committee level representation shaping the industry agenda. For more details, see our Animal Welfare policy at www.cranswick.plc.uk.

We are also involved in sector-leading trials with retailers and universities and recently won funding from Innovate UK for our FarmSense project, a technology-led solution that aims to minimise waste in pork production.

OUR STAKEHOLDERS
CONTINUED

OUR COMMUNITIES

We place great emphasis on improving the quality of people's lives, both at home and abroad. We continue to support the regions in which we operate while strengthening our philanthropy work to provide humanitarian assistance for those facing conflict.

GOLD STANDARD IN FIGHTING HUNGER

The products we supply have always been in high demand from FareShare's network of charities and through our continued diversification of the business, we offer a wider range of surplus product to the network. In total, we have now provided enough food to make one million meals and support those suffering with food poverty. We have also been awarded Leading Food Partner status which means we have been recognised by FareShare as achieving the gold standard when it comes to tackling food waste within our operations – an achievement we are immensely proud of.

Assisting communities in need

The cost of living crisis is exposing the harsh realities many of our communities face, particularly when it comes to accessing good food and basic support. Our strong focus on food redistribution, education and other outreach work means we can make a real difference to helping those in need.

This year we were delighted to be awarded FareShare Leading Food Partner status. During this year we have continued to build on our surplus food redistribution efforts and reached a milestone with FareShare of 1 million meals redistributed to vulnerable people. Our Bury Continental Foods site donated over 51,000 meals to the charity while colleagues at our Valley Park site attended an Experience Day at FareShare Yorkshire to help sort and deliver food parcels.

On a regional level, we work with Hull charity EMS to tackle food and fuel poverty in the local area and all of our Hull based sites now donate fresh product to EMS on a weekly basis. We continue to divert surplus products from more of our sites to increase the range of products we can offer for redistribution.

Our Milton Keynes site continues to partner with The Winter Night Shelter charity, which provides assistance to rough sleepers, supporting them with regular food donations and staff volunteer hours. This year we raised £5,000 for the charity and seven colleagues took part in the Winter Night Shelter Sleep Out.

Fundraising activities

We support a number of charities across the Group, placing a strong emphasis on staff volunteering to help raise money for good causes. This year our colleagues collectively raised more than £30,000 through various fundraising activities including Macmillan Coffee Mornings and Wear It Pink Days cake sales and raffles. This included £20,000 for the Disaster Emergency Committee's humanitarian appeal to support families in Ukraine, a fantastic achievement which complements our philanthropy work through the Cranswick Charitable Trust. Our sites and teams also undertook challenges including the Yorkshire Three Peaks, which raised over £3,000 for the Hull 4 Heroes veteran campaign, bringing our total fundraising for the campaign to date to over £60,000.

As a Group, we retained our GroceryAid Gold Award supporter status for a fourth consecutive year. Gold Award winners have participated in eight activities across all three of the critical pillars: Awareness, Fundraising and Volunteering. Two of our management team also sit on the GroceryAid committee, enabling us to increase awareness of its work.

Cranswick Charitable Trust

Last year the Group donated £500,000 to the Cranswick Charitable Trust ('CCT'), a grant-making charity governed by a separate Board of trustees, to help with ongoing relief and aid efforts related to the Ukraine conflict. This includes sending aid to those affected in Ukraine as well as supporting refugees repatriated to the UK. So far the CCT has donated a total of £150,000 to seven charities – the UN Refugee Council, The Refugee Council, UNICEF, Red Cross, Plan UK, The Norfolk Community Foundation and The Lincolnshire Community Foundation – with the remaining sum to be distributed throughout FY24.

The CCT has also made a number of smaller donations to UK-based charities to help ease food poverty, support eating disorders and provide respite for families with children that are suffering from life-limiting illnesses. These include Magic Breakfast, The Felix Project, the Beverley Cherry Tree Centre, SEED Eating Disorder Support and Ruddi's Retreat.

Educational outreach

We continue to focus on future skills building through our partnerships with schools, colleges and universities to provide sponsorship, education and mentoring. For the second year running, our Hull poultry site hosted basic butchery lessons for secondary school students, teaching them about the benefits of scratch cooking, carcass meat utilisation and prevention of food waste. Our Cranswick Country Foods Environment Officer was also invited to talk to students about sustainability in the food industry and how Cranswick is addressing these issues through its Second Nature strategy. Our Pastry site hosted a product concept day for primary school pupils, giving them an insight into a career in the food industry, while our Hull Fresh Pork team welcomed back FeedYourFuture students to progress their product concepts to the next stage.

SANTA'S LITTLE HELPERS

Our sites hosted various appeals over the festive period to bring a little cheer to families and children in need. Cranswick Fresh Pork donated 150 Christmas bags for local school children while Sutton Fields supplied food hampers to help support women and children who have been displaced. Both sites also participated in the Women's Aid Christmas Stocking Appeal to donate gifts for children.

150
Christmas bags were donated by Cranswick Fresh Pork.

OUR STAKEHOLDERS
CONTINUED

SHAREHOLDERS

Shareholder engagement on a regular basis is important to us to capture and embrace feedback and ensure the Group responds to developing themes.

STRATEGIC REPORT

Individual Shareholders

The Group has a significant number of individual Shareholders many of whom have been Shareholders for many years. The Group engages with individual Shareholders through our website and at the Annual General Meeting when a presentation, similar to the presentation made to institutional Shareholders, is made to those attending. The Company Secretary also coordinates communications with individual Shareholders to make sure that we respond appropriately to individual matters raised in conjunction with our registrars, Link Group, where this relates to matters regarding shareholdings.

Institutional Shareholders

The Group engages with institutional Shareholders through regular meetings. Presentations are made by the Chief Executive Officer, the Chief Financial Officer and the Chief Commercial Officer to analysts and institutional Shareholders on the half year and full year results and on Company strategy. We also periodically organise investor days when investors get the opportunity to visit our facilities and engage with our wider management team. The Chairman, Chief Executive Officer and Chief Financial Officer also discuss governance and strategy with major Shareholders from time to time. The Senior Independent Director and Committee Chairs are also available for direct meetings with Shareholders where required. Significant matters relating to the trading or development of the business are disseminated to the market by way of Stock Exchange announcements.

Ways we engage with Shareholders

AGM	The AGM will take place on Monday 24 July 2023 at the Mercure Hull Grange Park Hotel, Grange Park Lane, Willerby, Hull, HU10 6EA at 10.30 am. The Board welcomes the attendance and questions of Shareholders at the AGM, which is also attended by the Chairs of the Audit, Remuneration, Nomination and ESG Committees. We encourage Shareholders who cannot attend to vote by proxy on all resolutions proposed.
Annual Report	We publish our Annual Report & Accounts each year which contains a Strategic Report, Corporate Governance section, Financial Statements and Shareholder Information. The report is available in paper format and online. We encourage Shareholders to opt for our online format to help reduce the amount of paper we use.
Investor days	We hold periodic investor days at facilities where there has been significant development and investment, when investors are given the opportunity to tour the relevant site and receive presentations from the wider management team.
Press releases	We issue press releases for all substantive news relating to the Group's financial and operational performance, which can be found on our website at www.cranswick.plc.uk.
Results announcements	We release full financial and operational results at the interim and full year stage in November and May respectively. The Group also releases a trading update at the first and third quarter with reduced disclosure. The interim and full year results are accompanied by presentations by the CEO, CFO and CCO, which are also available on our website.
Website	Our website (www.cranswick.plc.uk) is regularly updated and contains a wide range of information relating to the Group. The Investor section includes our investor calendar, financial results, presentations, Stock Exchange Announcements and contact details. Shareholders can make enquires through our website, which the Company responds to promptly.

Shareholder engagement themes

Inflation and cost of living	Shareholders have been focused on inflation and its impact on consumer demand and on the Group's ability to recover inflationary increases. During the year, the Group has continued to implement measures to address the impact of inflation which have included realising further operational efficiencies and mitigating this by working in partnership with customers. Further details are included in the Operational and Financial Review on pages 27 to 31.
Succession planning	Shareholders have looked for greater understanding of the Group's long term succession planning in relation to key executive functions. Details of our succession planning are set out in the Nomination Committee Report on pages 104 to 106.
Financial performance	The Group discussed its financial performance in meetings with institutional Shareholders and analysts with significant interest on identifying potential for further growth. Matters focused on also included inflation recovery and the development of the Group's new Pet Products business and the impact of the product recall at the Group's Cooked Poultry facility in Hull, which are covered in further detail in the Strategic Report on pages 27 to 31.
ESG	In addition to sustainability, the Group has engaged with Shareholders and various interest groups regarding its policies in relation to a wide range of ESG related matters including workforce engagement, the development of the Group's culture and increasing diversity at all levels. Further details relating to workforce engagement and culture are set out on page 91 of the Governance Report and details of our policy and performance relating to diversity are included in the Nomination Committee Report on pages 104 to 106.

MANAGING OUR RISKS

To ensure the successful delivery of our strategic objectives the Group has a mature and embedded Risk Management Framework that identifies, assesses and prioritises risks. It is through this structured approach that we are able to effectively mitigate and monitor the impact and probability of these risks materialising.

Due to the current UK and global economic volatility, it is vital more than ever that the Group has a structured and mature approach to risk management that ensures a systematic and planned method to identifying, assessing, prioritising, mitigating and monitoring risks across the business.

Our culture of effective risk management is based upon a balance of risk and reward, established through an assessment of the likelihood and impact of the risk, whilst considering the Group's risk appetite. As shown opposite, the Group's risk management framework incorporates both a top-down approach to identify our principal risks and a bottom-up approach to identify our operational risks.

The Board receives regular risk updates which include emerging risks facing the Group, analysis of risk trends and the subsequent actions taken to mitigate risks. The Board also performs an annual review of the Group's principal risks. In the intervening period risks are reviewed by the Group Risk Committee which met four times during the course of this year.

The delivery of our strategic objectives and the sustainable growth of our business is dependent on effective risk management. The Board is responsible for maintaining the Risk Management Framework to ensure that the Group has appropriate mitigating actions and treatments for its risks. The Board delegates this responsibility to the Group Risk Committee which is chaired by the Chief Financial Officer and consists of a number of key internal stakeholders including Heads of Departments and the Head of Risk and Internal Audit.

The Audit Committee provides further independent assurance over the Group's Risk Management Framework and system of internal controls through the established in-house Internal Audit team who during the year completed a number of reviews across the Group and reported no significant failings or weaknesses in the system of internal controls or the Risk Management Framework.

LINES OF DEFENCE

1st Line	2nd Line	3rd Line
Operational Management	**Group Functional Teams including Committees and the Board**	**Internal Audit**
Risks are managed and controlled on a day-to-day basis by site management and operational teams through the creation of policies and procedures that implement an effective control framework.	Key risk areas are monitored by Group functional teams to challenge the effectiveness of the first line of defence, manage current and emerging risks and respond to changes in our risk landscape.	Internal Audit provide objective and independent assurance over the internal control framework by identifying weaknesses and agreeing remedial actions.

PRINCIPAL RISKS

Board

Responsible for approving the principal risks, setting the tone and influencing the culture of risk management as reflected in the Group's risk appetite statement.

Audit Committee

Provide assurance to the Board that an effective system of integrated governance, internal control and risk management is maintained within the Group.

Group Risk Committee

Provide oversight and advice to the Audit Committee and Board in relation to current and potential emerging risks and mitigation strategies.

Internal Audit

Coordinate risk management activity and report on the effectiveness of the risk management framework. Provide assurance to the Audit Committee and the Board that internal controls are adequate.

OPERATIONAL RISKS

Operational Management

Deploy site level risk management processes to ensure risks are adequately identified, mitigation actions are implemented, and risks are controlled.

Principal risks and uncertainties

The Group is exposed to a variety of risks, however, in common with other businesses, it only reports on those risks with a higher likelihood and greater current or near-term impact on strategic objectives, operational plans, or reputational damage. The Board has carried out a detailed assessment of the principal risks facing the Group, being those risks that could compromise its business model, future performance, solvency or liquidity.

These risks are represented on the risk assessment map on page 71 along with a description of the risk, connection to our strategic enablers. A summary of key mitigations and actions taken can be found on pages 72 to 76. No new risks have been identified during the year however, movements within existing risks have been noted, as described in the 'Principal risk trends' section on page 70.

Risk appetite

The Group determines its risk appetite in line with the UK Corporate Governance Code which defines risk appetite as the nature and extent of risk that a business will accept in order to achieve its operational and strategic objectives. The delivery of the Group's strategic objectives requires an appropriate balance between risk and reward, especially when considering business acquisitions or capital expenditure, where a higher level of risk may be accepted to achieve strategic growth.

This year, the Board set some dedicated time aside to refresh risk appetite statements for each of our principal risks. Appetite ratings that correspond to our five-by-five risk matrix have been used alongside a new five-point risk appetite template (Averse, Cautious, Tolerate, Open and Entrepreneurial). Going forward, this approach will enable an efficient application of risk appetite thresholds to risks managed at both a Group and operational level and will allow the Group to identify areas where further mitigation is required.

The Board's overall approach, summarised by the defined level of risk appetite, is to minimise significant risks that may impact the Group's reputation, product quality, Health and Safety standards or compliance with laws and regulations. Risk appetite is considered in decision making across the Group to ensure that mitigating actions are efficient, appropriate and in line with our strategic goals and priorities.

Emerging risks

Emerging risks are areas of uncertainty which, while not having a significant impact currently on the business, have the potential to adversely impact the Group in the future. The Group considers emerging risks during the course of the year through its embedded Risk Management Framework and risk processes, with any key emerging risks being reviewed by both the Group Risk Committee and the Board.

Key emerging risks included: inflationary impacts to energy prices, geopolitical tensions in China potentially impacting pork exports, availability of CO_2 in light of plant closures, drought levels affecting the supply of raw materials in Europe and High Fat Sugar and Salt ('HFSS') Legislation. The Group is also aware of the economic volatility that the ongoing war between Russia and Ukraine brings to its operations. Emerging risks continue to be discussed and reviewed with appropriate action taken when required to mitigate any impact.

The Group's principal risks and uncertainties are summarised in the risk profile tables as shown on pages 72 to 76.

Key areas of focus this year

Risk Management Framework

Identifying risks is a continual process and risk registers are in place at both a Group and individual site level. As part of our risk assessment process, risk registers are regularly reviewed and we document both the inherent risk before consideration of any mitigations and residual risk after consideration of mitigations. A five-by-five risk scoring matrix is used to ensure risks are evaluated on a consistent basis across the Group which considers likelihood based on the probability of occurrence and impact on several key areas including cash flow, profit, operational disruption, reputational damage or industry wide issues.

We have successfully integrated a new risk management IT system across the business to ensure the ongoing improvement to the quality and integrity of reported risk information and the Group's ability to respond promptly to existing and emerging risks. This system has replaced the historical outdated approach, achieved all identified pre-implementation goals, consolidated risk registers into one place and therefore allowed for more efficient real-time management and reporting of risks. Going forward, the Group will focus on using analysis functionality within the system to continuously develop our risk assessment process.

Risk updates are regularly reviewed by the Audit Committee, on behalf of the Board, over the course of the year to summarise the risks facing the Group and the effectiveness of internal controls, in accordance with the requirements of the UK Corporate Governance Code. The Audit Committee Chair also attended a Group Risk Committee meeting during the year to ensure that risk processes and the Risk Management Framework were appropriate and that risks are effectively identified and managed.

Cost of living crisis

During the year economic uncertainty and a rise in energy prices, inflation and interest rates has put significant pressure on household budgets. As the duration of the current cost of living crisis remains uncertain, the Group is actively tracking retail data in categories in which we operate to ensure that suitable strategies are developed to minimise the effect of any potential economic downturn. In light of this, innovation and product development remain integral and production of items such as coated poultry that offer everyday value for money have been increased whilst the ongoing expansion of slow cook ranges helps to offer restaurant quality budget friendly meals in the home.

Supply chain uncertainties

Over the course of the year the Group has experienced disruptions within our supply chain as a result of external events such as the ongoing war between Russia and Ukraine, COVID-19 and Brexit. The Group continues to closely monitor these situations to ensure our end-to-end supply chain resilience remains strong.

A year on, the war between Russia and Ukraine continues to create economic uncertainty across all markets in which we operate, impacting the cost and availability of materials in our supply chain. As a key step to managing these uncertainties, the Group identified potential future scenarios and assessed the associated impacts that these might have on our operations. This included key utilities and commodities either increasing in cost or being limited in supply, general supply chain disruption and higher wheat costs increasing the cost of pork and poultry production. This allowed the Group to implement timely and appropriate mitigations to secure raw materials and maintain planned production levels. Due to the unpredictable nature of the war, the Group continues to implement robust measures to ensure that issues are discussed and managed appropriately as they evolve.

MANAGING OUR RISKS
CONTINUED

African Swine Fever and Avian Influenza
During the year, the Group continued to closely monitor the risk of African Swine Fever ('ASF') spreading from overseas, predominantly eastern Europe, following a large rise in the number of locations with cases of the disease. ASF is a notifiable disease within pigs which is transferred directly from animal to animal through infected feed, clothing, equipment and vehicles. If ASF arrived in the UK, this could significantly impact the Group's operations and our ability to export overseas for a sustained period of time.

The Group recognises that the risk of discovering ASF within the UK remains possible due to non-commercial or illegal imports and will therefore continue to closely monitor cases. During the year the Group has thoroughly reviewed its farm bio-security protocols and worked with industry bodies to identify further mitigation strategies.

This year the UK has faced the largest ever outbreak of Avian Influenza ('AI') in commercial and domestic birds which has escalated rapidly and continues to pose a significant threat to our poultry supplies. Similar to previous years, a national housing order came into force across the UK in November 2022, making it a legal requirement to keep birds indoors and follow strict bio-security protocols to limit the spread of the disease.

Whilst the Group has experienced a small number of outbreaks at our farms, our robust bio-security measures and immediate management of outbreaks has ensured that cases were contained, minimising disruption to our operations. Our poultry farms have further enhanced their bio-security measures this year to help reduce the spread including restricting non-essential visitors and movement between sites, disinfecting vehicles before entry and providing further training to staff. The Group continues to closely monitor the situation with frequent industry updates and communications shared on a regular basis.

Climate-related risks
The Group recognises the significant impacts posed by climate change and these are captured within the Group's climate change principal risk which considers physical risks caused by climate change and transitional risks associated with the shift to a carbon zero business. Climate-related mitigation strategies and assurances are agreed and monitored on a regular basis by the Group.

Our risk and sustainability teams work closely to ensure that all climate related risks are monitored and updated on a regular basis with regular updates on all climate-related matters provided to the Group Risk Committee throughout the year.

Our TCFD disclosure, which can be found on pages 38 to 46, outlines our key disclosures on the four areas recommended by TCFD: governance, strategy, risk management and metrics and targets.

COVID-19
Whilst the COVID-19 pandemic has presented challenges for the Group over the last few years, our response and planning ensured that employees were kept safe, production was able to continue, and any arising risks were managed effectively. The Group recognises that the world has now entered a post-pandemic state and therefore the effects of COVID-19 have diminished with the disruption caused by the pandemic now being managed as part of our day-to-day activities.

Brexit
In a post-Brexit environment, the Group continues to successfully navigate the increased range of legislation whilst operating with no significant issues or trading disruptions. Towards the end of this year, the agreement of the Windsor Framework has helped to address the issues associated with the movement of goods between the European single market and the UK under the Northern Ireland Protocol. This has provided the Group with guidance over the movement of goods between UK borders and reassurance that current export requirements will remain broadly unchanged.

Principal risk trends

During the year, given the volatile economic conditions and the ongoing war between Russia and Ukraine, the Group has seen movement in a number of its principal risks, as shown in the risk assessment map on page 71.

Specifically there has been increases in the following risks:

- 'Consumer Demand' due to uncertainty over the impact of the current cost of living crisis on demand.
- 'Interest Rate, Currency, Liquidity and Credit' due to higher UK interest rates and potential future borrowing costs, both as a result of the current economic conditions and recent events in global banking.
- 'Reliance on Key Customers and Exports' due to the continued rise of ASF cases in Europe making an outbreak in the UK possible.
- 'Adverse Media Attention' due to an increase in animal rights activities and campaigns.
- 'IT Systems and Cyber Security' where, in common with other businesses and industries, the Group has seen increased cyber threats.
- 'Climate Change' has also increased as the Group now has a deeper understanding of our climate change challenges and targets due to evolving work on our Second Nature and TCFD programmes.

Decreases have been seen in both the 'Labour Availability and Cost' and 'COVID-19' risks due to the easing of external labour pressures and COVID-19 Government isolation requirements. Furthermore, the 'Brexit Disruption' risk has also decreased as the Group has successfully dealt with the implementation of all new measures and the recently published Windsor Framework has provided clarity over the movement of goods to and from Northern Ireland and into the EU.

Going forward, 'COVID-19' and 'Brexit Disruption' principal risks will be removed at the September half year end as they no longer pose a material risk to the Group. Management of these two risks will be dealt with as part of our day-to-day operations.

Key priorities for next year

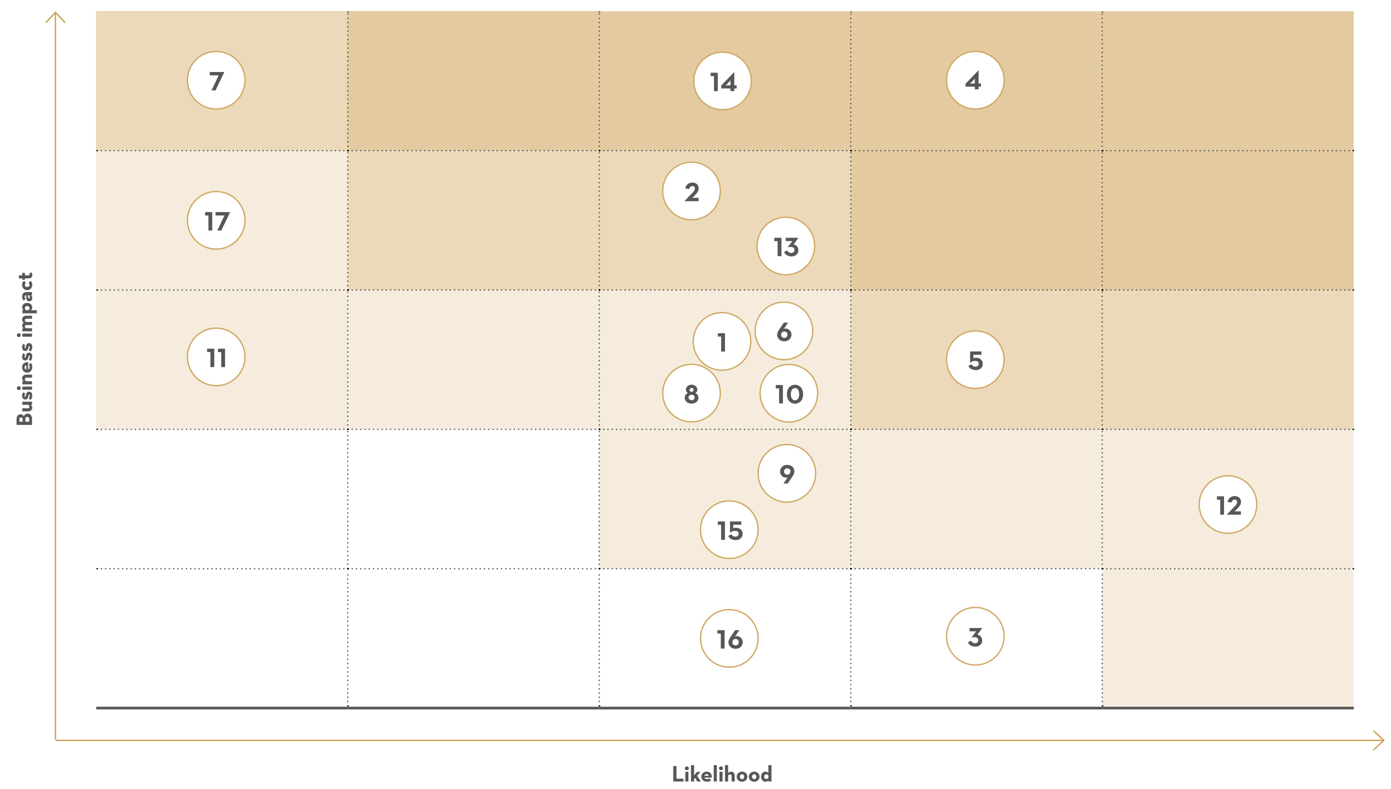
The Group continuously reviews and improves our approach to risk management in order to identify new opportunities to support effective and appropriate decision making. In particular, next year we plan to:

- Develop a road map of deep dive risk reviews and training workshops across each of our sites to ensure that controls and actions documented within the new risk management IT system are being managed consistently;
- Ensure that climate related considerations become part of our longer-term strategic thinking and decision making by supporting the integration of the existing Risk Management Framework into sustainability decision making;
- Continue to enhance and simplify our existing risk management processes in order to help embed the framework into our day-to-day business activities and decision making; and
- Further assess our lines of defence model to ensure that robust levels of assurance are in place.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk assessment map

Category		Principal risks	Risk owner	Risk trend
Strategic	1.	Competitor Activity	Group Marketing Director	↔
	2.	Climate Change	Head of Sustainability, Strategy and ESG	↑
	3.	Growth and Change	Group Marketing Director	↔
Commercial	4.	Reliance on Key Customer and Exports	Export Director	↑
	5.	Consumer Demand	Group Marketing Director	↑
	6.	Pig Meat Availability and Price	Pork Procurement Director	↔
	7.	Adverse Media Attention	Group Marketing Director	↑
Financial	8.	Interest Rate, Currency, Liquidity and Credit Risk	Director of Group Reporting and Control	↑
Operational	9.	Health and Safety	Head of Health and Safety	↔
	10.	Food Scares and Product Contamination	Group Technical Director	↔
	11.	Disruption to Group Operations	Group Technical Director	↔
	12.	IT Systems and Cyber Security	Group IT Director	↑
	13.	Labour Availability and Cost	Group HR Director	↓
	14.	Disease and Infection within Livestock	Group Technical Director	↔
	15.	COVID-19	Group HR Director	↓
	16.	Brexit Disruption	Head of Tax	↓
	17.	Recruitment and Retention of Key Personnel	Group HR Director	↔



In preparation for the introduction of the new risk management IT system, the Group revised the likelihood and impact matrix (which includes a number of financial and non-financial parameters) at the start of the year. This has had an impact on the ability to make direct comparisons and track movements to prior year risks.

PRINCIPAL RISKS AND UNCERTAINTIES

CONTINUED

The principal risks and uncertainties facing the Group are summarised below:

Risk trend

- Risk increased
- Risk unchanged
- Risk decreased

Strategic enablers

- Supply chain
- Iconic and relevant products
- Lean processing
- Customer relationships

STRATEGIC

Competitor activity

Risk description and impact

Product innovation, changing consumer trends and operating in highly competitive markets provide a constant challenge to the future success of the Group.

Mitigation strategy

The Group maintains and develops strong working relationships with its customers which are underpinned by delivering high levels of customer service, quality products and by continued focus on product development and innovation. Emerging trends and risks associated with competitor activity are regularly discussed by the Board with appropriate actions developed.

Actions in 2022/23

- We have renewed a number of long-term contracts with key customers based on product quality, supply chain security, commercial terms and reputation.
- We have benchmarked our performance with key customers to other operators as part of the Advantage Survey.

Climate change

Risk description and impact

The impacts that climate change and sustainability have on the Group's regulatory compliance, financial performance and operational activities including supply chain, farming and manufacturing operations, communities and customers need to be continually addressed.

Mitigation strategy

The Group continues to develop its Second Nature programme with a focus on improving production efficiency, reducing carbon emissions, reducing weight of packaging and identifying alternative options to decrease reliance on imported soya for feed.

Actions in 2022/23

- We continued to disclose our climate change performance through the globally recognised CDP system. Specifically in 2022 our grade increased to A for Climate (grade B for 2021).
- We continued to invest in on site generation to drive self sufficiency and efficiency which included the installation and roll out of solar panels on sites that can accommodate them.

Growth and change

Risk description and impact

The continued growth of the Group is underpinned by securing contracts with new customers, obtaining additional contracts with existing customers and reviewing acquisition opportunities. In addition, the Group continues to navigate through both internal and external change requirements such as regulatory changes, which could present operational and compliance challenges.

Mitigation strategy

The Board receives regular updates on the contractual position of all key customers and where required, implements necessary actions. Rigorous pre-acquisition due diligence reviews are carried out for any business aquisitions. Internal and external change requirements are appropriately considered to ensure operational excellence and compliance, with performance being monitored by senior management and operational staff.

Actions in 2022/23

- The business has continued to invest in capability across the Group, both within existing facilities and newly acquired businesses.
- We have further developed new revenue streams including pet food, breaded poultry and 'slow cook' categories, and the expansion of Ramona's brand has secured distribution in the retail channel.

COMMERCIAL

Reliance on key customers and exports

Risk description and impact

A significant proportion of the Group's results are generated from a small number of major customers and export sales. Loss of all or part of the Group's business with one or more of these customers or loss of an export licence for a prolonged period of time, could adversely impact the Group's financial performance.

Mitigation strategy

The Group continually pursues opportunities to expand its customer base across all product categories and works closely with UK and export customers to ensure service, quality, food safety and new product developments are of the highest standard.

Actions in 2022/23

- We continue to work closely with the Government and associated trade bodies to help improve relationships with China and other countries that the Group exports to.
- We have continued to strengthen relationships with major customers and proactively engaged with potential new customers and markets.

Consumer demand

Risk description and impact

A significant deterioration in the UK economy, or a change in food consumption patterns could lead to a fall in demand for the Group's products.

Mitigation strategy

The Group works closely with its key customers to adapt to changing consumer requirements and constantly reviews emerging trends in consumer eating habits. The Group offers a range of products across premium, standard and value tiers which it is able to flex accordingly. Pig and poultry meat remain extremely competitively priced and sought-after products even in volatile economic conditions.

Actions in 2022/23

- We have worked with our customers to continue to promote our product ranges and adapted our offerings including entry level product ranges.
- We continue to work with retailers and industry bodies to promote the role of meat as part of a healthy, balanced and sustainable diet.

Pig meat availability and price

Risk description and impact

The Group is uniquely exposed to issues associated with the pricing and availability of pig meat. An increase in pig prices or a lack of availability of pig meat could adversely impact the Group's operations and the ability to supply key customers.

Mitigation strategy

The Group has a trusted long-standing farming supply base that is complemented by supply from the Group's own farms, which have been increased by acquisitions and investment over recent years. These arrangements help to mitigate the risks associated with pig price volatility and the availability of supply.

Actions in 2022/23

- We have developed our operations at Wold, White Rose and Wayland Farms to increase the number of pigs supplied from our own farms to help uplift our own self sufficiency of supply.
- We continue to develop relationships with local farmers to buy pigs on short-term agreements when required.

Adverse media attention

Risk description and impact

The Group may be subject to reputational damage from adverse media and or social media coverage, as a result of alleged animal welfare incidents, protests, vigils or other operational challenges.

Mitigation strategy

The Group closely monitors media attention relating to both our business and the industry we operate in. We have arrangements in place to identify, escalate and respond to media coverage in a consistent and appropriate manner.

Actions in 2022/23

- We have enhanced our internal media monitoring processes and collaborated with other organisations to identify key issues.
- Additional training has been completed at sites to ensure colleagues are able to deal with any potential incursions appropriately.

PRINCIPAL RISKS AND UNCERTAINTIES
CONTINUED

FINANCIAL

Interest rate, currency, liquidity and credit risk ↑

Risk description and impact

The Group is exposed to interest rate risk on borrowings and, in specific areas, foreign currency fluctuations. In addition, the Group needs continued access to funding for current business activities, future growth and acquisitions.

Mitigation strategy

The Group uses currency hedging arrangements to mitigate risks associated with foreign currency movements. Sites have access to the Group's overdraft facility and bank balances are monitored on a daily basis by the Group Finance Team. All bank debt is arranged centrally, and appropriate headroom is always maintained.

Actions in 2022/23

- The Group has successfully extended its £250 million borrowing facility for an additional 12 months through to November 2026.
- We have continued to proactively monitor our currency, liquidity, interest and customer credit risks during the year.

OPERATIONAL

Health and Safety ↔

Risk description and impact

A significant breach of Health and Safety legislation could lead to reputational damage and regulatory penalties, including restrictions on operations, fines or personal litigation claims.

Mitigation strategy

The Group has robust Health and Safety processes and procedures in place which are periodically independently reviewed and conform to all relevant standards and regulations, as well as embracing industry best practice. All sites are subject to frequent audits by internal teams, customers, and regulatory authorities to ensure standards are being adhered to.

Actions in 2022/23

- Site verification audits have taken place across the business to ensure that Health and Safety is being managed appropriately and consistently.
- Sites have been aligned to both the Group's five-year Health and Safety and the Food and Drink Manufacture Forum (FDMF) strategies.

Food scares and product contamination ↔

Risk description and impact

The Group is subject to the risk of accidental or deliberate product or raw material contamination, and potential health related industry-wide food scares. Such incidents could lead to product recall costs, reputational damage, and regulatory penalties.

Mitigation strategy

The Group ensures that all raw materials are traceable to original source and site manufacturing, storage and distribution systems and our suppliers are continually monitored. In addition, the Group has an established crisis management procedure in place to reduce potential impacts and improve communication to key internal stakeholders.

Actions in 2022/23

- The Group's manufacturing standard has been updated and re-issued to sites alongside the roll out of standardised signage across the Group.
- We have introduced Food Safety and Quality Committees at sites with representatives from all functions and shifts.

Disruption to group operations ↔

Risk description and impact

The Group faces the risk of significant incidents such as fire, flood or loss of key utilities, together with the risk of disruption to day-to-day operations from issues such as the breakdown of key equipment. Such issues could result in the prolonged disruption to site operations.

Mitigation strategy

Robust continuity plans are in place across the Group and insurance arrangements exist to mitigate financial loss. Potential business disruption is minimised through multi-site operations across many of the Group's core product lines.

Actions in 2022/23

- We have continued to enhance existing crisis management and site continuity plans to minimise the impact of any disruption.
- In line with prior years, we continue to undertake preventative maintenance and test key items of plant and machinery to minimise breakdowns.

STRATEGIC REPORT

OPERATIONAL CONTINUED

IT systems and cyber security ↑

Risk description and impact

In common with other businesses, the Group is susceptible to cyber-attacks resulting in the risk of a financial loss and threat to the overall confidentiality and availability of systems data. Whilst no material cyber security breaches have occurred over the course of the year, the Board is mindful of the ongoing risks in this area given the increasing sophistication and evolving nature of this threat.

Mitigation strategy

The Group has a robust IT control framework in place which is reviewed and tested on a frequent basis by internal teams and specialist third parties. Detailed procedures are also in place to reduce the potential risk of fraudulent supplier payment requests being processed, together with cyber insurance which provides specialist technical and legal support in the event of a significant cyber incident.

Actions in 2022/23

- We have enhanced segmentation of our networks which has allowed greater visibility of network traffic.
- We have introduced immutable backups to reliably and effectively protect critical data from cyber threats and ensure its availability and integrity in case of an issue.

Labour availability and cost ↓

Risk description and impact

Due to political and economic pressures, there is a risk that the Group's operations could be adversely impacted by either the lack of labour or specialist skills, and the associated increased cost.

Mitigation strategy

The Group is continually reviewing and improving its recruitment processes and relationships with third-party agency providers to reflect changing market conditions and levels of pay. In addition, the Group is actively progressing options to employ more permanent members of staff and consider alternative methods of production, which embrace emerging technological advancements.

Actions in 2022/23

- We have focused on recruiting agency staff onto permanent contracts and onboarded colleagues from the Philippines via specialist visa schemes.
- Automation continues to play a key role in our operations and enables the deployment of staff in other areas of the business to fill gaps and encourage efficiencies.

Disease and infection within livestock ↔

Risk description and impact

A significant infection or disease outbreak such as African Swine Fever ('ASF') or Avian Influenza ('AI') could result in the loss of supply of pig or poultry meat or affect the free movement of livestock, which may impact the Group's operations.

Mitigation strategy

The Group's pig farming activities, and other farms from which third-party pig meat is sourced, have a broad geographical spread to avoid reliance on a single production area. The Group's poultry flock is housed indoors therefore reducing the risk of disease. In addition, robust vaccination and bio-security protocols mitigate the risk of disease and infections within the Group's pig and poultry farms.

Actions in 2022/23

- To prevent contamination, all non-essential visits to farms have been prohibited.
- We have re-issued our Pig Standard, highlighting our updated biosecurity measures.
- We continue to closely monitor and discuss with key industry stakeholders the global spread of both ASF and AI.

COVID-19 ↓

Risk description and impact

The COVID-19 pandemic has led to unprecedented challenges and issues. Whilst labour pressures relating to COVID-19 have eased this year, the Group may still experience disruption to its supply chain or operations as a result of a pandemic.

Mitigation strategy

COVID-19 mitigations remain in place and are monitored for appropriateness as the Group navigates through the post-pandemic world.

Actions in 2022/23

- We continue to monitor COVID-19 Government advice and the general health and wellbeing of our colleagues across the business by ensuring welfare measures are in place across our sites.

PRINCIPAL RISKS AND UNCERTAINTIES
CONTINUED

OPERATIONAL CONTINUED

Brexit disruption

Risk description and impact	Mitigation strategy	Actions in 2022/23
Failure to prepare for the final elements of the UK's departure from the EU and its associated regulatory changes could result in disruption to Group operations and impact our ability to supply customers.	The Group Customs Team continuously monitor news and legislative developments to ensure that we react in a timely manner and prevent disruption to our operations and supply chains. During the year, the introduction of the Windsor Framework has provided the Group with more certainty on the requirements surrounding the movement of goods to and from Northern Ireland.	• We have robust customs processes and procedures in place which the Group Customs Team update to reflect latest developments, such as the Windsor Framework. • We have worked with our UK suppliers that export to Northern Ireland to provide them with assurance that goods are of UK origin.

Recruitment and retention of key personnel

Risk description and impact	Mitigation strategy	Actions in 2022/23
As the Group continues to pursue its growth strategy, the success of the business is dependent on attracting and retaining quality, skilled and experienced personnel.	Across the Group robust recruitment processes, competitive remuneration packages and ongoing training and development plans are in place, with formalised succession planning in place for key personnel.	• We have recruited 12 graduates through our assessment centre this year across Commercial, IT, Technical and generalist schemes. • Management training and succession planning continues at all levels up to and including the Board to secure our talent pipelines and ensure ongoing development for the future.

VIABILITY STATEMENT

In accordance with the provisions of the UK Corporate Governance Code, the Board has assessed the viability of the Group over an appropriate time period, taking into account the current position, future prospects and the potential impact of the principal risks to the Group's business model and ability to deliver its strategy.

The Board has determined that a three-year period to March 2026 is an appropriate period over which to provide its Viability Statement. This timeframe has been specifically chosen due to the fast-moving nature of the food industry, the current financial and operational forecasting cycles of the Group and the average duration of customer contracts.

In making this assessment of viability, the Board carried out a robust assessment of the principal and emerging risks and uncertainties facing the Group as well as considering material macroeconomic conditions and geopolitical challenges. Detailed assessment of the principal risks is detailed in pages 72 to 76 of this report.

Principal risks which were assessed to have the highest likelihood of occurrence or the severest impact, crystallising both individually and in combination, were considered. These risks included: reliance on key customers and exports; labour availability and cost; adverse media; disease and infection within livestock, in particular focusing on an outbreak of Avian Influenza and African Swine Fever in the UK and Europe; the loss of customer demand; and the potential impact of climate change.

Having considered the magnitude of the principal risks, the linkage between them and potential mitigation, as well as the level of uncertainty surrounding the risk, the conclusion was reached that extensive modelling was only required on the loss of customer demand, especially during the cost-of-living crisis, and the impact of disease and infection in livestock, in particular focusing on the risk of both an outbreak of Avian Influenza impacting our chicken flock and a widespread outbreak of African Swine Fever in the UK and Europe.

In establishing relevant severe but plausible downside scenarios, the Board has considered the impact of a significant reduction in customer demand for premium and added-value products and an outbreak of Avian Influenza and African Swine Fever on the Group. The viability assessment has been performed by completing a sensitivity analysis of severe but plausible scenarios materialising and comparing them to a base case.

Modelling the loss of consumer demand considers a scenario where demand for premium and value-add products falls by 15 per cent as these products are usually more expensive and considered as a treat, rather than necessity, but it also included an overall 5 per cent reduction in demand for pork and poultry.

In respect of African Swine Fever, the most severe but plausible downside scenario identified was the inability to sell pork products in the UK during the whole viability period. This scenario also included the loss of our export licence and the resulting temporary closures of our fresh pork and farming operations whilst also considering the mitigation expected as a result of increased sales of other proteins and actions which would be taken to manage discretional expenditure.

The Avian Influenza severe but plausible scenario has been modelled based on the latest UK Government's guidance, observations from current UK AI cases and the experience of the Group over the past 12 months. This scenario assumes that all UK poultry farms, including both broilers and breeders, are infected and, as a result, the Group is unable to sell any fresh poultry products during the impacted period. Given the UK's experience with Avian Influenza however, it is expected that the disease could be actively managed with chicken flocks replenished within a six month period.

The sensitivity analysis utilised the Group's robust three-year budget and forecasting process to quantify the financial impact on the strategic plan and on the Group's viability against specific measures including liquidity, credit rating and bank covenants.

Given the strong liquidity of the Group; the committed banking facilities which are in place beyond the viability period; and the diversity of operations; the results of the sensitivity analysis highlighted that the Group would, over the three-year period, be able to withstand the impact of the most severe combination of the risks modelled by making adjustments to its strategic plan and discretionary expenditure, with strong over £170 million headroom against current available facilities and full covenant compliance in all modelled scenarios.

Based on the results of this analysis, the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 28 March 2026.

NON-FINANCIAL INFORMATION STATEMENT

The table below is intended to set out where stakeholders can find information on key areas in accordance with the Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006.

Reporting requirement	Policies	References
Environmental matters	Group Environmental and Energy Policy Group Water Policy Group Deforestation Policy Group Sustainability Procurement Policy	A description of the Group's work on our sustainability strategy Second Nature can be found on pages 33 to 37.
Employees	Health and Safety Policy Group Equal Opportunities, Harassment and Dignity at Work Policy	A description of the Group's activities in relation to employees, including our Health and Safety activities can be found on page 57.
Human Rights	Group Human Rights Policy Anti-slavery and Human Trafficking Policy Group Equal Opportunities, Harassment and Dignity at Work Policy	We remain vigilant when it comes to excluding modern slavery and human trafficking from our supply chains. For further information, please see below.
Social Matters	Group Ethical Trading Policy Group Corporate Responsibility Policy Group Sustainable Procurement Policy	Cranswick is committed to doing business in an ethical way and our policies apply to all operations. For more details, see pages 52 to 67.
Anti-corruption and anti-bribery	Anti-Bribery Policy Group Ethical Trading Policy	The Group's policies set out the high standards expected when it comes to doing business fairly and interacting with stakeholders. See below for further information.
Description of principal risks and impact of business activity		See pages 72 to 76.
Description of the business model		See pages 6 to 9.
Non-financial KPIs		See pages 24 and 25.

Human Rights

Respect for human rights is fundamental to the sustainability of our business. We have a responsibility to ensure that our colleagues, our customers, the communities we operate in and the people who work throughout our supply chain are treated with dignity and respect. We are committed to creating a safe, equal and diverse workplace with fair terms and conditions for all our employees. We provide our employees with information, guidance, training and equipment to carry out their duties safely, and the mental wellbeing of our people is just as important as their physical safety. We are also a member of Sedex which helps us manage supplier performance on business ethics. This helps us make informed business decisions and drive continuous improvement across the supply chain.

Anti-slavery and human trafficking

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our Anti-Slavery and Human Trafficking Policy reflects our commitment to acting ethically and with integrity in all our business relationships. We have implemented and enforce effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains. We monitor ethical standards across the business on a regular basis both internally and via external third-party audits. Robust technical and traceability systems ensure that our products are responsibly sourced from suppliers whose values are aligned with our own. We provide training to our staff and all our HR teams and our Group Technical team have attended workshops and awareness sessions.

Anti-bribery

It is Cranswick's policy to conduct business in an open and honest way, without the use of corrupt practice or acts of bribery. Cranswick has a zero-tolerance attitude towards acts of bribery. We expect all customers, suppliers and business associates to support us in this policy. The policy is mandatory to all individuals working for, or on behalf of, the Group, regardless of where they are based and whether they are directly employed by the Group.

Whistleblowing policy

The Group utilises an independent third-party whistleblowing hotline system, which enables employees and third parties to report, anonymously if required, any concerns. The whistle-blowing line is available 24 hours per day, 7 days per week and 365 days a year. It is also available for translation into most languages. Following an internal review of the Group's whistleblowing procedures it was identified that, whilst all whistleblowing reports are appropriately investigated, enhancements to documenting each stage of an investigation could be made together with changes to the Cranswick website i.e., to specify a point of contact for Cranswick's broader supply chain to report, where required, any concerns. Further steps were also taken during the year to publicise the availability of the hotline to the Group's employees.

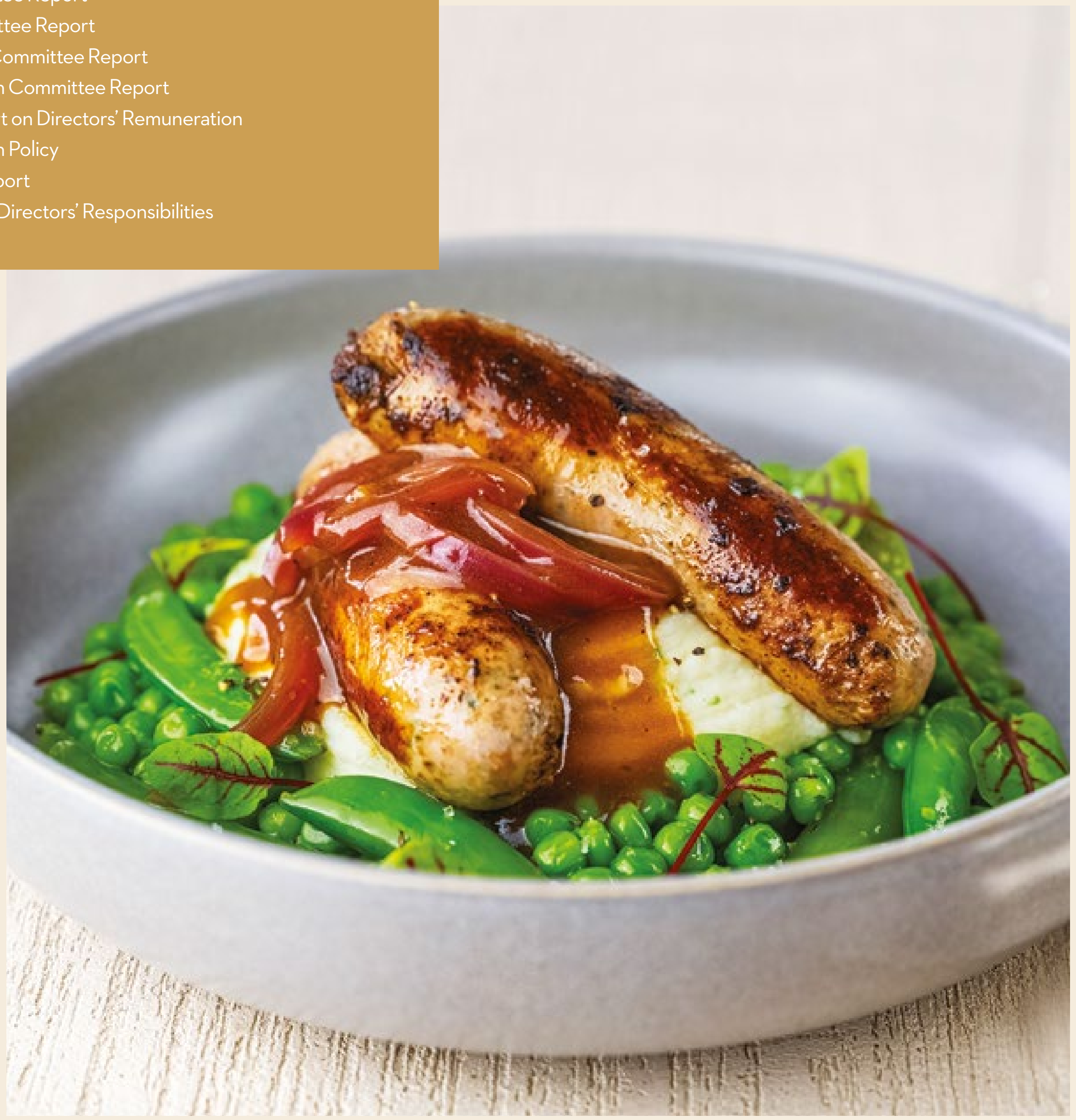
Whistleblowing Reports are reviewed quarterly by the Audit Committee and are subject to an annual review by the Board. During the 52 weeks ended 25 March 2023, fourteen whistleblowing reports were received by the independently operated hotline, which related predominantly to human resource related matters.

Our Strategic Report for the 52 weeks ended 25 March 2023, from the inside front cover to page 78, has been reviewed and approved by the Board and is signed by order of the Board.

Steven Glover
Company Secretary

23 May 2023

CORPORATE GOVERNANCE



CHAIRMAN'S OVERVIEW

The Board has faced into the current economic challenges taking into account their impact on our stakeholders whilst remaining committed to delivering the Group's strategy.

TIM J SMITH CBE
Chairman

Facing the future

Having been appointed as the Chairman in July 2021, we have since experienced recovery from the COVID-19 pandemic and from the stresses this created for our business, followed rapidly by the escalating Ukrainian crisis and resulting inflation and cost of living crisis which created significant new challenges for the Group to face over the last year.

The impact of inflation has been wide ranging and has had a profound effect on consumers, the UK food sector, the communities we operate in and our colleagues. This has required decisive leadership from our executive team and our corporate governance processes to take into account and balance a wide range of resulting considerations relating to our stakeholders. Against this backdrop we have also continued to keep in mind our long-term commitments to the environment and sustainability and the Group's long-term targets relating to these.

The Board is responsible for corporate governance and this report describes how we have applied the principles of the 2018 UK Corporate Governance Code (the 'Code') throughout the year and considered the often-competing interests of our stakeholders. Our detailed compliance statement is set out on page 96 which explains those areas where we have deviated from the Code and, where appropriate, actions taken to address these.

Operation of the Board

During the year the Board met regularly, with a number of Board meetings and related site tours being undertaken at the Group's facilities to enable Directors to gain first-hand experience of the Group's operations and engage with our wider workforce.
Topics considered by the Board during the year are set out on pages 86 to 91 of the Governance Report. The Board continued to consider the interests of all of its stakeholders when making its decisions and further explanation identifying the Group's various stakeholders and how their interests have been taken into account is set out in our Section 172(1) Statement on pages 52 and 53 of the Strategic Report.

The Board and its Committees considered a wide range of matters arising during the year including the impact of inflation, particularly on our lowest paid workers and on the Group's financial performance, the ongoing shortage of workers in the food and agriculture sector following Brexit and our long-term programme of investment to achieve our sustainability goals. Our approach to these is set out in this report and the following Committee reports. We also undertook a review of our long-term strategy to ensure that it took into account the development of the markets served by the Group and remained financially strong in light of changing economic circumstances.

The Remuneration Committee has reviewed executive incentives and, given current levels of inflation, has adjusted the performance element of the Group's Long Term Incentive Plan (LTIP) that is measured by reference to RPI to long-term inflation rates so that the LTIP continues to incentivise management and remains challenging but achievable and reflective of the long-term performance delivered for Shareholders. Changes have also been made to the Group's pension arrangements for its wider workforce through a matched contribution scheme, which I am pleased to say means that Executive Director pension contribution rates will now reflect contribution rates available to the Group's wider workforce earlier than originally planned. Further details of these changes are set out in the Remuneration Committee report on page 109.

This year, Board effectiveness was reviewed through an independent external process by Clare Chalmers who also undertook the last independent review of the Board three years ago. I am pleased to confirm that Clare concluded that we operate effectively in a collegiate manner with a strong sense of common purpose and have taken significant steps since the last external review to enhance the governance of the Company and independence of the Board. Further details can be found on page 94 of the Governance Report.

Board succession and diversity

During the year we appointed Yetunde Hofmann as a Non-Executive Director who brings experience in business operating model transformation, organisational capability development and growth and has food sector experience having worked in the past for Northern Foods and having also recently been a non-executive director of Treatt plc. Yetunde has also joined our Audit, Nomination, ESG and Remuneration Committees.
We have also recently announced that we will be appointing Alan Williams as an additional

Non-Executive Director with effect from the Company's AGM on 24 July 2023. Alan is the Chief Financial Officer of Travis Perkins plc with significant experience of the food sector having previously had senior roles at Greencore and Cadbury. Alan will also be joining the Audit, Nomination and ESG Board Committees.

Details of the process undertaken during the year in relation to the appointment of Yetunde are set out in the Nomination Committee Report on page 104 to 105.

This year the Board also promoted the Group's Chief Operating Officer, Chris Aldersley, to the Board. Chris has worked for many years in a number of senior roles in the Group and is key to the efficient operation of our facilities. Details of Chris's terms of appointment and remuneration are set out in the Nomination and Remuneration Reports on pages 104 and 110 respectively.

Mark Reckitt will be retiring as a Director at the Company's forthcoming AGM in July, having served nine years as a Non-Executive Director. Mark will be succeeded as Senior Independent Director by Liz Barber who has significant previous governance experience at other listed companies. We thank Mark for his contribution to the Group and wish him well for the future.

The Company will actively look to enhance the experience and diversity of the Board when appointing further Directors. We are conscious of the recent changes to the Stock Exchange Listing Rule requirements relating to diversity reporting which are addressed on pages 105 and 106 of the Nomination Committee Report.

Sustainability

This year represents the first full year of our ESG Committee operating as a Committee of our Board, reflecting our commitment to the Group's ESG agenda and related governance, which has been enhanced further during the year by the appointment to our senior management team of a new Head of Sustainability Strategy and ESG to support the Committee. Further details of our ESG Committee and its activities are set out in the ESG Committee Report on pages 97 to 98.

Governance

The Board is committed to continuing to maintain a high standard of governance and adopting best practice as this develops.
This report explains how we have applied the principles of good governance and have aligned these during the year to our strategic plans and the interests of Shareholders.

Tim J Smith CBE
Chairman

23 May 2023

> **"THE BOARD CONSIDERED A WIDE RANGE OF MATTERS INCLUDING THE IMPACT OF INFLATION, PARTICULARLY ON OUR LOWEST PAID WORKERS, THE ONGOING SHORTAGE OF WORKERS IN THE FOOD AND AGRICULTURE SECTOR, AND OUR LONG-TERM PROGRAMME OF INVESTMENT TO ACHIEVE OUR SUSTAINABILITY GOALS.**
>
> **Tim J Smith CBE**
> Chairman

BOARD OF DIRECTORS

TIM J SMITH CBE
Non-Executive Chairman

Term of office

Tim was appointed as an independent Non-Executive Director in 2018 and was appointed as Chairman in 2021.

Committee membership

R E Chair N Chair

Independent

Yes

Skills and experience

Tim has experience in the UK food sector having worked in food manufacturing, government regulation and supermarket retail. Tim was the Group Quality Director at Tesco plc between 2012 and 2017. Prior to joining Tesco plc, Tim was the Chief Executive of the Food Standards Agency ('FSA'), during which time he led a strategic review of the agency. Before joining the FSA, Tim led a number of food businesses. Tim was appointed a CBE in 2022 for services to the food and agriculture sector.

External appointments and commitments

Non-Executive Director of Pret a Manger (Europe) Limited.

ADAM COUCH
Chief Executive

Term of office

Adam was appointed to the Board in 2003 as Managing Director of Fresh Pork and became Chief Executive in 2012.

Committee membership

E

Independent

Not applicable

Skills and experience

Adam joined Cranswick's Fresh Pork business in 1991 and was appointed to the Board in 2003 as Managing Director of Fresh Pork. He was appointed as Chief Operating Officer in 2011 and then Chief Executive in 2012. Under his leadership, Cranswick has continued to expand and become a major player in the food processing industry.

Adam was a committee member of the British Pig Executive between 2005 and 2013.

External appointments and commitments

Member of the UK Government's Agri-Food Trade Advisory Group.

MARK BOTTOMLEY
Chief Financial Officer

Term of office

Mark was appointed to the Board in 2009 as Finance Director.

Committee membership

E

Independent

Not applicable

Skills and experience

Mark joined Cranswick in 2008 as Group Financial Controller and was appointed to the Board as Finance Director in 2009. Before joining the Company, Mark held a number of senior finance roles in the food sector. Mark is responsible for overseeing the financial operation of the Group and setting financial strategy. Mark is a Chartered Accountant.

External appointments and commitments

Non-Executive Director of Vp plc.

JIM BRISBY
Chief Commercial Officer

Term of office

Jim was appointed to the Board in 2010 as Sales and Marketing Director and became Commercial Director in 2014.

Committee membership

E

Independent

Not applicable

Skills and experience

Jim joined Cranswick in 1995. He was appointed Sales and Marketing Director in 2010 and Commercial Director in 2014 and has been a key member of the team responsible for the growth of the Group and the development of its commercial strategy.

External appointments and commitments

None

CHRIS ALDERSLEY
Chief Operating Officer

Term of office

Chris was appointed to the Board as Chief Operating Officer in 2022.

Committee membership

E

Independent

Not applicable

Skills and experience

Chris joined Cranswick in 1998 and since then has undertaken a variety of senior management roles, becoming the Group's Chief Operating Officer in 2015. Chris has responsibility for manufacturing operations at the Group's primary processing and added-value facilities and also for its agricultural operations, which support the Group's vertically integrated supply chain.

External appointments and commitments

None

CORPORATE GOVERNANCE

MARK RECKITT
Senior Independent Non-Executive Director

Term of office

Mark was appointed as an independent Non-Executive Director in 2014.

Committee membership

A E N R

Independent

Yes

Skills and experience

Mark has experience across a number of sectors. He was Group Strategy Director of Smiths Group plc between 2011 and 2014. Prior to joining Smiths, Mark was interim Managing Director of Green & Black's and before that held a number of finance and strategy roles at Cadbury plc. Mark is a Chartered Accountant.

External appointments and commitments

Non-Executive Director of Hill & Smith Holdings plc.

Non-Executive Director of Mitie Group plc between 2015 and 2018

PAM POWELL
Non-Executive Director

Term of office

Pam was appointed as an independent Non-Executive Director in 2018.

Committee membership

A E N R Chair

Independent

Yes

Skills and experience

Pam has international experience in strategy, marketing and innovation in fast moving consumer goods, including food and beverages. Pam spent nine years at SABMiller plc, holding the position of Group Director of Strategy and Innovation, and prior to this, worked at Coty Europe in France, Unilever plc in London, and Lever Brothers in New York.

External appointments and commitments

Non-Executive Director of Origin Enterprises plc.

Non-Executive Director of A.G. Barr plc between 2013 and 2021 and of Premier Foods plc between 2013 and 2022.

LIZ BARBER
Non-Executive Director

Term of office

Liz was appointed as an independent Non-Executive Director in 2021.

Committee membership

A Chair E N R

Independent

Yes

Skills and experience

Liz has experience of the UK utility sector. She was Chief Executive of Kelda Group where she undertook various senior management roles between 2010 and 2022. Prior to joining Kelda Group, Liz was with Ernst & Young where she was made a partner in 2001 and was the senior partner for audit for the north of England. Whilst at Ernst & Young, Liz was the Company's audit partner between 2003 and 2007. Liz is a Chartered Accountant.

External appointments and commitments

Non-Executive Director of Renew Holdings plc, HICL Infrastructure PLC and Encyclis Limited.

Non-Executive Director of KCOM PLC between 2015 and 2019.

YETUNDE HOFMANN
Non-Executive Director

Term of office

Yetunde was appointed as an independent Non-Executive Director in 2022.

Committee membership

A E N R

Independent

Yes

Skills and experience

Yetunde has experience gained in mergers and acquisitions, business operating model transformation, organisational capability development and growth and international expansion. Yetunde is the Managing Director of Synchrony Development Consulting, an international leadership and change consultancy that partners with leaders to facilitate strategy, change, diversity and inclusion and the founder of Solaris Global Executive Leadership Development. She is also a visiting fellow at the University of Reading's Henley Business School of Marketing and Reputation.

External appointments and commitments

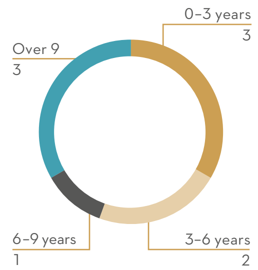
Board Trustee at the Institute of Business Ethics.

Managing Director of Synchrony Development Consulting and The Enjoyable Life Series CIC.

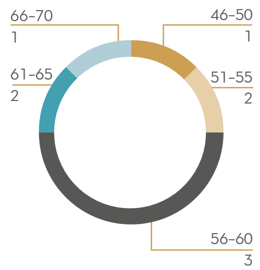
Founder of Solaris Global Executive Leadership Development.

Non-Executive Director of Treatt PLC between 2019 and 2023.

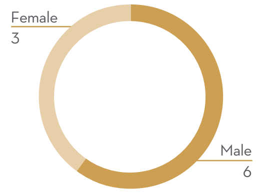
Board by Tenure



Board by Age



Board by Gender



Committee Membership

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- E Environment, Social and Corporate Governance Committee

HOW WE ARE GOVERNED

Attendance

There were ten scheduled Board meetings held during the year and a number of other meetings and conference calls were convened for specific business matters. All Directors are expected to attend the scheduled Board meetings and relevant Committee meetings in addition to the AGM unless they are prevented from doing so by prior work or extenuating personal commitments. Where a Director is unable to attend a meeting, they have the opportunity to review relevant papers and discuss any issues with the Chairman in advance of the meeting. Following the meeting, the Chairman, or Committee Chair as appropriate, also briefs any Director not present to update them on key matters discussed and decisions taken.

Details of Board membership and attendance at scheduled Board meetings are set out below:

	Board	Audit Committee	Nomination Committee	Remuneration Committee	ESG Committee
Meetings held during the year	10	4	2	4	3
	Meetings attended	Meetings attended	Meetings attended	Meetings attended	Meetings attended
Executive Directors					
Chris Aldersley	6/10*	N/A	N/A	N/A	2/3*
Mark Bottomley	10/10	N/A	N/A	N/A	3/3
Jim Brisby	10/10	N/A	N/A	N/A	3/3
Adam Couch	10/10	N/A	N/A	N/A	3/3
Non-Executive Directors					
Kate Allum	4/10**	1/4**	N/A	1/5**	1/3**
Liz Barber	10/10	4/4	2/2	5/5	3/3
Yetunde Hofmann	6/10***	3/4***	2/2***	3/5***	2/3***
Pam Powell	10/10	4/4	2/2	5/5	3/3
Mark Reckitt	10/10	4/4	2/2	5/5	3/3
Tim Smith	10/10	4/4****	2/2	5/5	3/3

* Chris Aldersley was a appointed as a Director from the Company's AGM on 1 August 2022 and attended all relevant meetings following appointment.

** Kate Allum retired as a Director at the Company's AGM on 1 August 2022 and attended all relevant meetings prior to retirement.

*** Yetunde Hofmann was appointed as a Director from the Company's AGM on 1 August 2022 and attended all relevant Board, Nomination and Audit Committee meetings following appointment, but was unable to attend the November Remuneration Committee meeting due to a long-standing conflicting commitment prior to her appointment as a Director, which was approved by the Board.

**** Tim Smith attends the Audit Committee as an observer

N/A – not applicable (where Director is not a member of the Committee). Executive Directors attend the various Committee meetings by invitation as required.

Operation

Conflicts of interest

The Board has completed its annual review of the register relating to potential conflicts of interest with its Directors and reviewed Tim Smith's potential conflict of interest arising as a result of his directorship of Pret a Manger (Europe) Limited (which is a customer of the Group) in relation to which controls previously agreed remain in place. No other potential conflicts exist.

In cases where any conflict arises, it has been agreed that the relevant Director does not receive any confidential information relating to the relevant matter or participate in the relevant deliberations of the Board. Appropriate consideration would also be given to any further measures required depending on the materiality and duration of any conflict situation. The Board confirms that no actual conflicts occurred during the course of the year.

Risk management and internal control

It is the Board's role to protect the business from operational and financial risks and it has established a system of internal control which safeguards the Shareholders' investment and the Group's assets. Such a system provides reasonable but 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 Board is responsible for reviewing the effectiveness of internal controls. The Audit Committee supports the Board in this process by reviewing the Group's principal risks, and the report on pages 99 to 103 outlines further this process.

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 in order to develop, plan, execute, monitor and control the Group's objectives effectively and to ensure that internal control is embedded within the operations.

The Board confirms that the key ongoing processes and features of the Group's internal, risk-based, control system have been fully operative throughout the year and up to the date of approval of the Annual Report.

Financial reporting

The culture of the business extends to the provision of financial information.
Operational management provide weekly reviews, monthly trading reports, and annual budgets and these are forwarded to Group management and are discussed at monthly site operating board meetings. Group Executive Directors attend most of these meetings and the information is consolidated and reported at Board meetings. The Group prepares an annual budget and half year re-forecast that are agreed by the Board, with the budget including a three-year forecast for consideration to support the Viability Statement. The use of standard reporting software by all Group entities ensures that information is presented in a consistent manner which facilitates the preparation of the consolidated financial statements. Site directors and finance heads are required to sign a monthly confirmation that their business has complied with the Group's accounting policies and procedures, with a more detailed confirmation provided for half year and year end reporting.

Remuneration

The Remuneration Committee monitors the executive remuneration packages and incentive schemes and believes the incentives provide a strong alignment between Shareholders, the Executive Directors and the wider Senior Executive Management team.

The Remuneration Policy was agreed at the AGM in 2021. A summary of the policy is included in the Remuneration Committee Report on pages 107 to 125 which provides further details on Directors' remuneration, together with the activities of the Remuneration Committee during the year.

Stakeholders

The Board engages with the Company's stakeholders to enable it to understand their interests and to facilitate effective decision making and discharge its duties under section 172(1) of the Companies Act 2006.
Further details of how the Board engages are set out on page 91 and in our Section 172(1) Statement on pages 52 to 53.

Relations with Shareholders

Regular engagement with investors provides the Group with the opportunity to discuss certain areas of interest and to ascertain any areas of concern they may have. Further details of steps taken by the Group to engage with its Shareholders are set out on pages 66 to 67. Details of the Company's major Shareholders are set out on page 186.

BOARD ACTIVITIES

The Board met regularly throughout the year to discharge its duties. There were ten scheduled meetings throughout the year which were held at the Group's head office and at a number of operational sites (which were combined with site tours and meetings with operational management). Details of attendance at meetings can be found on page 84.

During the year additional ad hoc Board calls and a number of Committee meetings were held to manage matters that arose outside the scheduled meetings. Directors also attended a number of meetings of the Group's Risk Committee and Second Nature Committee.

The Chairman sets the agenda for meetings with assistance from the Company Secretary. A collaborative approach is taken by the Board in relation to determining any non-standard agenda items appropriate for consideration by the Board. The Chairman is responsible for ensuring the efficient running of the Board and that appropriate priority and sufficient time is given in relation to matters being considered to enable effective decision making. The Company Secretary supports the Chairman in annual agenda planning to ensure that matters are scheduled for consideration at appropriate meetings throughout the year reflecting the Group's annual business cycle.

Meetings are also attended on an ad hoc basis by the Group's advisers and members of senior management to assist the Board in relation to the consideration of relevant matters and to provide the opportunity to engage with the Group's broader management team.

Details of the Board's activities are set out in the table on page 88, linking these to the Group's Principal Risks.

The Board considers our purpose, culture and strategy to ensure all decisions have a clear and consistent rationale. This involves balancing the interests of all of our stakeholders, including any competing stakeholder interests. Details of our key stakeholders, how we engage with them, how we foster relationships and factors considered when the Board discharges its duties as set out in Section 172(1) of the Companies Act 2006 can be found on pages 52 to 53 of the Strategic Report. In addition to these factors, the Board also considers the interests and views of other stakeholders, including our pensioners, regulators and government bodies.

Further details of some of the more significant matters considered by the Board during the year are as follows:

Inflation

During 2022/23, inflation has had a significant impact on the Group, its supply chains, customers and employees and has influenced many of the Board's major decisions and activities. During the year, the Board has had to balance competing pressures and stakeholder interests when deciding how to address challenges faced resulting from inflation.

The Board has carefully monitored inflation recovery throughout the Group regularly to ensure that the impact of inflation on the Group's financial performance and its investors has been managed where possible. The Board also approved a number of initiatives where, working with the Group's retail customers, additional financial support has been provided to the Group's supply chain to ensure security of supply has been maintained despite the financial stress of low pig prices and high feed costs during 2022.

Recognising the difficulties faced by many of our employees in the current financial climate, during the year, the Board has closely monitored the impact of the rising cost of living. This has resulted in an increase in the pay rates of Group's workers with a range of unscheduled mid-year pay increases concentrating on the Group's lower paid workers and sites where the local cost of living crisis has been particularly acute (in addition to scheduled annual pay reviews). In addition, the Group has also introduced and promoted benefits such as discount voucher schemes available to help further mitigate daily living expenses, along with continuing to provide other benefits such as subsidised canteens, transport and discounted staff sales.

The Group has also continued to support a range of charities that help alleviate the cost of living crisis in its local communities with a particular focus on food poverty, further details of which are set out on pages 64 to 65.

Strategy

During October, the Board held a Strategy Day during which members of the senior management team presented on various aspects of the Group's strategy. The focus of the day included the following matters:

- Financial performance of the Group and long-term forecasts.
- Market trends and macro-economic factors likely to impact the Group and related horizon scanning.
- Risks and opportunities likely to be faced by the Group over coming years and actions required to address these.
- Growth opportunities and strategies for pursuing these.

Further follow-up Board sessions are planned during the coming year to further review various aspects of the Group's strategy, with a focus on sustainability and measures required to achieve incremental growth and return on investment over the medium to long-term.

Labour

The Board has continued to focus throughout the year on the shortage of labour in the food and agriculture sector following Brexit and the COVID-19 pandemic and potential impact of this on the Group's operations and received regular reports from the Group HR Director on challenges faced. During the year, the Board has considered and approved a number of measures to mitigate this, ranging from local recruitment initiatives to sponsoring colleagues from overseas to fulfil key vacancies for skilled workers under Government approved sponsorship schemes.

During 2022, the Board also reviewed the Group labour strategy which is focused on addressing labour shortages and retaining our existing colleagues. The strategy promotes greater transparency and enhanced training and career opportunities. The Board has also approved the Cranswick Diversity Equality and Inclusion Initiative to help promote diversity within the Group's workforce, so that it becomes more reflective of society and to broaden the available talent pool from which we recruit.

In addition to unscheduled mid-year pay increases for our lowest paid workers, described above, the Board also approved enhancements to benefits available to colleagues. These included increasing the life assurance cover of our factory based workers by 50% and increasing pensions contributions available to colleagues from three per cent to ten per cent of salary by introducing a matched contribution scheme.

Sustainability

The Board is committed to the Group's sustainability agenda which has continued to develop throughout the year.

Sustainability, biodiversity and the environment remain matters of focus for the Group's investors and its wider stakeholders. The Group's Second Nature strategy underpins its approach in this area and is a key consideration in relation to major decisions considered by the Board. The monitoring of key environmental measures and assessment against performance targets is regularly reviewed and reports presented to the Board. The Environment, Social and Corporate Governance Committee, whose remit includes environmental and sustainability matters has met regularly and the Board has also approved the recruitment of a new Head of Sustainability,

Strategy and ESG to the senior management team to bring added resource and focus to the Group's ESG initiatives.

During the year, the Board has approved a number of targeted investments which have included the installation of solar panels at eleven sites and a trial anaerobic digestion facility to be operated in connection with the Group's poultry processing facility at Eye, Suffolk. The Board has also approved an investment programme to ensure that all of the Group's facilities are F-gas compliant, which will be undertaken over the coming year.

In each case the Board has carefully considered the efficiencies achieved, positive impact on the local environment, greater self-reliance and security provided, the enhanced regulatory compliance and extent to which such investments assist in achieving the Group's environmental targets. The Board is also mindful of the importance to its employees of working for a business with an ambition to make meat sustainable, and need to continue taking positive steps to achieve this.

The Board is aware that the financial benefits of many of the investments approved and steps being undertaken will only be realised over the medium to long-term. In some cases, the financial benefits may also vary considerably depending on prevailing utility prices. However, climate change and sustainability are important to all of the Group's stakeholders and the actions taken are increasingly important to maintaining the Group's reputation as a leading responsible food producer, which underpins the Group's performance and is therefore considered to be in the long-term interest of the Company and its stakeholders.

Our Non-Executive Directors engage with teams across the business

BOARD ACTIVITIES
CONTINUED

Link to Principal Risks
See pages 72 to 76 for more information.

Strategy

- Reviewing Group strategy at Board meetings throughout the year.
- Receiving presentations from operational management on future strategic opportunities.
- Considering potential acquisition opportunities and other strategic initiatives.
- Reviewing the Group's investment programme to enhance its facilities and strengthen its supply chains.

Link to Principal Risks:
- Competitor Activity
- Climate Change
- Growth & Change
- Reliance on Key Customers & Exports
- Consumer Demand

Performance monitoring

- Considering monthly reports from the Group's Executive Directors.
- Receiving reports from Board Committee Chairs.
- Approving the Group's budget.
- Reviewing and approving the Group's Annual Report and Accounts, financial and interim results and trading updates.
- Approving capital expenditure proposals and leases in excess of £2m and certain key contracts.
- Approving the Company's dividend strategy and recommending the 2021/22 final dividend and 2022/23 interim dividend.

Link to Principal Risks:
- Brexit Disruption
- Pandemic
- Disease & Infection within Livestock
- Interest Rate, Currency, Liquidity & Credit Risk
- Pig Meat Availability & Price

Governance and risk

- Reviewing three-year forecasts and other factors in support of the Viability Statement (viability is considered in detail on page 77).
- Considering Group's Risk Appetite Statement and principal non-financial risks to which the Group is exposed (supported by the Audit Committee).
- Reviewing the Board Committee's effectiveness and Directors' conflict of interest.
- Reviewing quarterly Health & Safety, Risk, ESG and Technical updates.
- Overseeing of the Group's whistleblowing arrangements and reports.

Link to Principal Risks:
- Adverse Media Attention
- Disruption to Group Operations
- Food Scares & Product Contamination
- Health & Safety
- IT Systems & Cyber Security

Sustainability

- Considering the Group's sustainability strategy, Second Nature.
- Reviewing the Group's Science-Based Targets and Net Zero 2040 commitment.
- Reviewing the Group's TCFD and SASB disclosures.
- Reviewing and approving ESG investments.

Link to Principal Risks:
- Climate Change
- Growth & Change

People and succession

- Approving the appointment of a new Non-Executive and Executive Director.
- Approving the appointment of Senior Executives.
- Reviewing the Group labour strategy.
- Reviewing proposals on senior executive succession planning.
- Reviewing the structure, size, composition and diversity of the Board and its Committees (supported by the Nomination Committee).
- Reviewing behaviours to ensure these are consistent with the Group's culture.

Link to Principal Risks:
- Labour Availability & Cost
- Recruitment and retention of key personnel

Promoting our culture

The promotion of the Group's culture across its businesses to achieve our purpose of feeding the nation with authentically made, sustainably produced food is one of the key responsibilities of the Board. Our culture is based on our four guiding principles of dedication to delivering the highest quality products, an unwavering commitment to driving value, adapting to the needs of consumers through innovation and being proud of our passionate and committed colleagues. These four guiding principles are bound together by our Second Nature sustainability strategy.

Each of our guiding principles and Second Nature Strategy is referenced to a range of measures that are monitored and regularly reviewed by the Board to ensure that the Group's activities are aligned with our purpose, culture and strategy and is reinforced through the key decisions that the Board takes. A key feature of our culture is that each of the Group's facilities operate with a significant degree of autonomy and reflect the communities they operate in and their history within the Group. Local responsibility and drive promote our success, but are nevertheless underpinned by our common guiding principles.

We monitor a range of measures that underpin our culture. Our colleagues' support is critical to the delivery of the Group's purpose and ensuring a safe and supportive environment, where colleagues are given the opportunity to develop and fully participate in our business, is a key area of Board review. We actively monitor our Health and Safety performance and promote a Health and Safety culture at work to ensure colleague safety, taking prompt action to address any concerns. Details of Health and Safety performance are set out on page 57 of the Strategic Report.

Likewise, we focus on producing the highest quality food without compromising the heritage and integrity of our products by monitoring and investigating any complaints received thoroughly. The food safety standards at each of our sites are reviewed regularly by our own technical teams and externally by the British Retail Consortium, with action being taken to address any issues if we fail to achieve an A Grade at any of our sites. Further details of complaints per million units sold and BRC Grades awarded are set out on page 25 of the Strategic Report.

Underpinning our culture

We have developed various means of engagement to underpin our culture and to ensure that our colleagues understand and contribute to this at a practical level. All employees participate in online training to ensure that they understand the expectations and standards that define the Group across a wide range of areas, including food safety, anti-bribery and corruption and Health and Safety, which are refreshed and supplemented at regular intervals.

Our Board is kept informed through engagement across the workforce through regular site visits, engagement with works councils and from feedback on presentations to our colleagues on the Group's performance and strategy.

BOARD ACTIVITIES
CONTINUED

How the Board monitored culture in 2022/23

Action taken	Link to culture
Directors undertook site visits as a Board and individually.	Visits enable the Board to gain a direct understanding of the working environment of colleagues and the challenges that they face, together with the practical impact of the Group's policies and initiatives and understanding of the Group's purpose. Where individual visits are undertaken by Directors, feedback is provided to the Board to assist the understanding of the Group's culture and ways in which this is understood and driven at a local level.
Sponsored Group-wide colleague surveys and considered responses provided.	These facilitate the Board obtaining feedback from colleagues on how we operate our business and its leadership and enable us to critically review our culture. The Board review and monitor response rates which helps its understanding of engagement by our colleagues and their understanding of our culture and guiding principles.
Reviewed Health & Safety performance trends and statistics.	Active monitoring of performance at our sites enables the Board to monitor the effectiveness of safety practices and behaviours and to identify issues that require addressing to promote a Health and Safety culture to ensure colleague safety.
Reviewed data on food safety and reports on related technical matters.	Provides the Board with insight into how the delivery of high quality food is undertaken at a site level and, where issues were identified, improvement plans required and the implementation of learnings across the Group.
Attended Second Nature Group meetings, visited various Second Nature projects and reviewed regular progress reports on initiatives being undertaken.	Allowed the Board to develop further insight into the Group's sustainability strategy and vision to become the world's most sustainable meat business and ways this is embraced throughout the Group by colleagues and individual sites.
Participated in product development reviews, tastings and monitored the development of new product categories and their commercial introduction into the market.	Enabled the Board to understand new recipes and culinary ideas being developed to ensure our products remain relevant and are adapted to the needs of the modern consumer and, more broadly, the extent to which our workforce take an interest and pride in the products they help to produce.
Reviewed details of internal audits where performance was considered to fall short of Group standards (through Audit Committee reviews reported to the Board).	Reports highlighted to the Board matters where behaviours and practices were not consistent with the promotion of the Group's culture and provided details of learnings applicable to the Group more generally and actions being taken to rectify matters.
Reviewed a broad range of matters related to business integrity across the Group, including the operation of an independent whistleblowing line and the implementation of policies relating to modern slavery, equal opportunities and diversity and anti-bribery and corruption.	This provided the Board with an understanding and the opportunity to review practices and behaviours across the Group and extent to which these promote Group's purpose and culture.
Reviewed and approved major capital expenditure proposals across the Group.	Facilitated the Board's understanding of how the Group is supporting its purpose and culture through investment by reference to a number of linked criteria including its impact on our efficiency, environmental performance and ability to offer value to customers.

BOARD ACTIVITIES STAKEHOLDER ENGAGEMENT

The Board engages with the Group's stakeholders to ensure that it understands their interests and can balance these appropriately when discharging its duty under section 172(1) of the Companies Act 2006. We value interaction with our stakeholders and regularly review how to make our decision-making process more inclusive in relation to our stakeholders.

Stakeholder engagement is conducted through a number of channels which include established engagement processes with our employees and investors and individual engagement by Directors directly with the Group's customers and suppliers. Directors also participate in various Government advisory bodies such as the UK Government's Agri-Food Trade Advisory Group and regularly engage directly with Government departments and agencies such as the Department for Environment, Food and Rural Affairs (Defra) and the Animal and Plant Health Agency. Directors also engage with industry bodies such as the National Pig Association, Red Tractor Pig Board and Agriculture and Horticulture Development Board. The views of the Group's wider stakeholders are then reported to the Board by regular updates to ensure that stakeholder interests can be appropriately taken into account and balanced.

Given the scope of the Group's activities, broader stakeholder engagement is also undertaken by the Group's senior management, who have long established business-led relationships with both national and local stakeholders and regularly engage directly with retailer sponsored producer groups, our local communities, councils and interest groups. Any concerns or emerging stakeholder issues identified by management are then reported in regular monthly management meetings attended by the Executive Directors who, where appropriate, will themselves engage directly and are also reported at scheduled Board meetings.

Details of Board engagement with our colleagues and investors is as follows.

Workforce engagement

Our colleagues is key to the delivery of our strategy, and we believe is one of the key differentiators between Cranswick and its competitors. Workforce engagement is therefore a particular focus of the Board and is undertaken through a number of channels. These include reviewing the results of our staff surveys and feedback from site Works Councils and crucially from site visits by Directors.

During the year the Board have undertaken a number of site visits when, as part of their tour, they meet both members of local management and workers. Non-Executive Directors also undertake individual site visits where they are encouraged to engage directly with colleagues at all levels following which they feedback to the Board. The individual visits and related agendas are determined by the Non-Executive Directors who are encouraged to visit any of our sites, which are then facilitated by the Group.

Various topics have been raised by the workforce over the course of the year relating to our Second Nature initiatives, which remains well understood and supported. The workforce also remains engaged with the Group's investment programme and implications of this for the workforce in relation to the wider opportunities created and, in particular, enhancements to our facilities such as changing rooms and canteens which impact their daily working experience.

Understandably, the cost of living crisis has been an area of particular focus for our workforce and ways in which the Group can help to address this for our colleagues. The Board has responded to this by reassessing our pay review process and approving unscheduled mid-year pay increases concentrating on our lower paid workers and increasing the average pay award to employees to take account of inflationary pressures.

Going forward we have decided to revise our workforce engagement following a Board review. The Board has agreed that following Tim Smith's appointment as Chairman, and following the relaxation of COVID-19 restrictions, it would be appropriate for Tim to step back from the role of designated Non-Executive Director and for this to be taken forward by Yetunde Hofmann. The Board's intention is that the process will be strengthened by enabling broader involvement by Non-Executive Directors whilst retaining a consistent and coordinated approach.

Members of the Board will engage with a broader and more diverse element of the workforce that goes beyond (though not excluding) Works Council, to ensure a two-way dialogue conducted in an atmosphere of trust that bridges any gaps between the Board and the wider workforce. Yetunde will coordinate visits to individual sites by Non-Executive Directors and will be responsible for ensuring that appropriate feedback is received by the Board and reported on. In addition to undertaking site visits (along with the other Non-Executive Directors), Yetunde will also conduct a number of online cross company forums and will meet regularly with the Group's Diversity, Equality and Inclusion Initiative.

Investors

Shareholder engagement on a regular basis is important to the Board. Throughout the year the Board engages with both its institutional investors and individual Shareholders through a range of meetings and scheduled presentations. The Group also regularly updates investors through announcements and a wide range of information relating to the Group is available on our website www.cranswick.plc.uk.

Further details of how we have engaged with our Shareholders and key themes that have been raised and how these have influenced the Board in its decision making are set out on pages 52 to 53.

CORPORATE GOVERNANCE

BOARD ACTIVITIES GOVERNANCE FRAMEWORK

The Board is responsible for the long-term success and stewardship of the Company, overseeing its conduct and affairs to create sustainable value for the benefit of its Shareholders and other stakeholders, including customers, suppliers, employees and the communities in which the business operates.

The Board is ultimately responsible for the business strategy and the financial robustness of the Group, for monitoring performance and for establishing a governance structure and practice that facilitates effective decision making and good governance.

The Board consists of Executive Directors alongside a strong team of experienced Non-Executive Directors. All Non-Executive Directors are deemed to be independent. The Executive Directors have responsibility for particular functions which are set out on page 95, and further delegate management to the wider senior management team throughout the Group based on their experience and seniority.

To enable the members of the Board to discharge these responsibilities, they have full and timely access to all relevant information. Board meetings are regularly held at the Group's sites allowing the Directors to review the operations and meet the management teams of those particular sites.

BOARD OF DIRECTORS

- Establishes the Company's strategy, purpose and values.
- Promotes the long-term success of the Company.
- Engages with stakeholders to ensure their interests are appropriately balanced.
- Reviews the principal risks faced by the Company and establishes its risk appetite.
- Maintains a framework of effective and prudent controls.
- Reviews and promotes the Group's culture.
- Approves the Company's budgets, financial reports and dividends.
- Oversees matters delegated to Board Committees.

BOARD COMMITTEES

NOMINATION COMMITTEE | AUDIT & RISK COMMITTEE | REMUNERATION COMMITTEE | ESG COMMITTEE

The Board delegates certain roles and responsibilities to its various committees and to Senior Executives. The Committees ensure that there is independent oversight of internal controls and risk management and assist the Board by fulfilling their obligations and reporting back to the Board on the outcomes from their respective activities.

The terms of reference for each Board Committee are available on the Company's website at www.cranswick.plc.uk.

The key responsibilities of the Nomination Committee, Audit Committee, Remuneration Committees and Environment, Social & Corporate Governance (ESG) Committee are set out on pages 104, 99, 107 and 97 respectively.

EXECUTIVE COMMITTEES

Executive Committees are constituted on an ad hoc basis to address particular strategic, operational and commercial matters affecting the business.

These consist of Executive Directors and relevant Senior Executives from the business. The feedback from any such committees is shared with the Board.

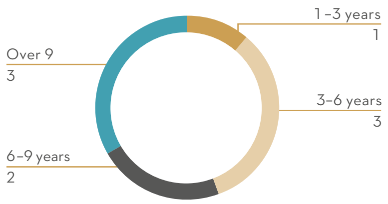
OPERATING BOARDS

FRESH PORK | CONVENIENCE | GOURMET PRODUCTS | POULTRY | PET PRODUCTS

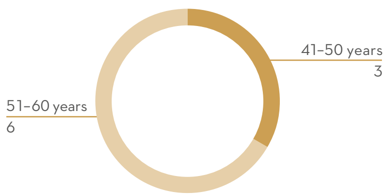
Operating boards (or sub-boards) consisting of Senior Executives from each of the relevant businesses meet regularly to discuss operational and commercial matters affecting such businesses. Operating boards are also attended by the Executive Directors and relevant members of the Group's Food Central Division, which provides technical and administrative support across the Group. The feedback from the operating boards is shared with the Board.

EXECUTIVE MANAGEMENT

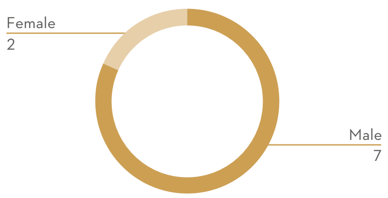
Executive Management by tenure



Executive Management by age



Executive Management by gender



Succession planning

During the year, the Nomination Committee reviewed the Board and Senior Management Succession Plans, which incorporated contingency planning relating to sudden and unforeseen departures, together with longer term planning. Whilst appointments continue to be made on the basis of merit, without the adoption of specific diversity targets, the Board recognises the importance of ensuring that it is not composed exclusively of like-minded individuals with similar backgrounds and has a policy of increasing diversity at all levels .

During the year, Kate Allum retired as a Non-Director after nine years of service and Chris Aldersley and Yetunde Hofmann were appointed as an Executive Director and Non-Executive Director respectively. The Company also announced on 23 May 2023 that Alan Williams will be joining the Board as a Non-Executive Director with effect from the Company's AGM on 24 July 2023. Further details relating to appointments to the Board during this year are set out in the Nomination Committee Report on pages 104 to 106.

Director reappointment

All Non-Executive Directors undertake a fixed term of three years subject to annual re-election by Shareholders at the AGM. The fixed term can be extended and consistent with Corporate Governance best practice, would not exceed nine years except in the case of exceptional circumstances. The current length of tenure for the Chairman and each of the Non-Executive Directors as at 25 March 2023 is set out below.

Professional development and support

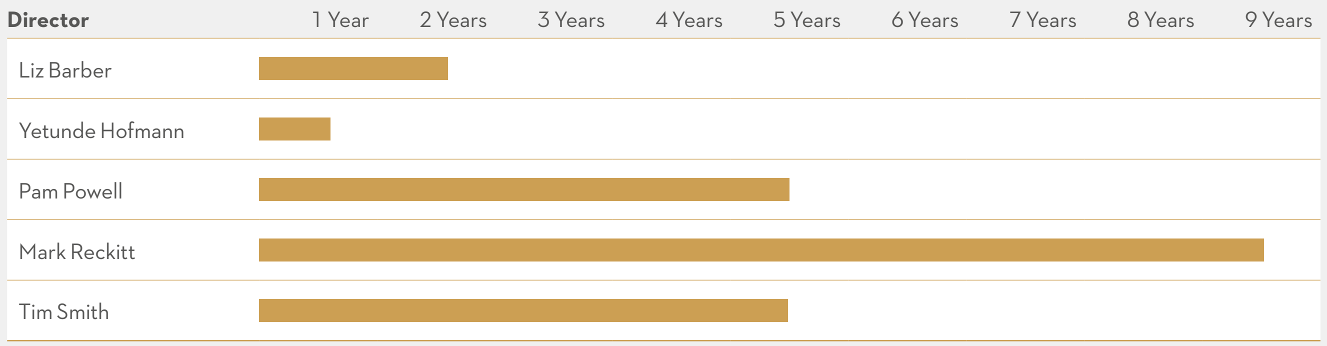
All Directors are provided with the opportunity for ongoing training to keep up to date with relevant legislative changes, including covering their duties and responsibilities as Directors and the general business environment. Directors can obtain independent advice at the expense of the Company.

Training is provided at training sessions delivered at Board meetings which all Directors attend and also by way of focused meetings and site visits undertaken by individual Non-Executive Directors. Training is delivered by senior executives and, where appropriate, by external advisors and other professional bodies.

In the past year the Board received updates and training on a number of topics including the Takeover Code, UK consumer trends, the UK poultry market and cyber security along with other market perspectives from management. The Company Secretary also provides briefings during the year on material developments in legal, governance and compliance matters.

During the year, Non-Executive Directors also attended a number of Group Risk Committee and Second Nature Committee meetings to further enhance their understanding of the Group's operations.

Tenure as at 25 March 2023 for Non-Executive Directors



BOARD EFFECTIVENESS

A performance evaluation process is undertaken annually based on a questionnaire that includes questions about Board administration, the role of Chairman, risk oversight, succession planning and the Board Committee structure. Whilst this is normally facilitated by the Company Secretary who is considered a suitable and independent person to conduct this process, in line with corporate governance best practice which requires an independent external assessment to be undertaken triennially, this year the Board and Committee evaluation was externally facilitated by Clare Chalmers Ltd.

The Board considered Clare Chalmers appointment appropriate given she is independent and had undertaken the previous externally facilitated evaluation and would therefore be best placed to comment on progress achieved since the Board's last external evaluation.

External evaluation

Following appointment, Clare Chalmers met with the Chairman and Company Secretary to gain a greater understanding of the strategy of the business and context within which the evaluation was being undertaken and to agree the scope of the evaluation process.

In person meetings were then held by Clare Chalmers with each Director and Company Secretary during which a range of agreed topics were discussed, including:

- Board Composition
- Leadership and succession planning
- Board dynamics and decision making
- Strategy, purpose, values and culture
- Operation of Board Committees
- Board logistics and secretariat support

In addition, Clare Chalmers reviewed Committee Terms of Reference and a range of Board papers and also interviewed a number of Senior Executives who interact regularly with the Board and the Board's remuneration advisers and auditors in relation to the operation of the Remuneration Committee and Audit Committee. Additional insight was also provided by observing the February Board and Committee meetings.

Clare Chalmers then discussed her initial conclusions with the Chairman and a report was prepared which was circulated to all members of the Board which included Clare Chalmers findings and a number of recommendations. The report was then presented to the Board by Clare Chalmers and discussed at its March meeting.

Findings

Clare Chalmers' evaluation report was robust and informative and provided a valuable independent external perspective on the Group's governance. In particular, Clare found that:

- The Board operates effectively in a collegiate manner with a strong sense of common purpose.
- The Board provides a good balance of challenge and support to management.
- Significant steps have been taken since the last external review to enhance the governance of the Company and independence of the Board.

In connection with the presentation of the evaluation report Clare made a number of recommendations where there was scope for further improvement which the Board considered, including the following:

- The need for a more formal, structured approach to long-term executive succession planning.
- A more central role for the Board in articulating and overseeing strategic aims of the business.
- A deeper understanding of certain risks faced by the Group and to test the Board's appetite for risk.
- Further development of the ESG Committee in relation to the social aspects of its remit.
- Consideration of the frequency and duration of Board and Committee meetings with less emphasis on operational matters.

Actions

The Board considered the recommendations and approved an action plan at its April meeting prepared by management to address these. The principal actions covered by the plan include:

- The development and maintenance of a formal long-term succession plan based on existing capacity and future needs by the CEO and Group HR Director.
- Greater focus in Board reports on strategic objectives by the Executive Directors and other Senior Executives and review of forward agendas by the Chairman and Company Secretary to maintain attention to strategic priorities.
- Continuing to review risk appetite and deepen the understanding of the Board in relation to certain risks faced by the Group by the Risk Committee and through Board presentations.
- Chairman and Company Secretary to review the Board and Committee forward calendars to reduce scheduled Board meetings to eight per annum and include greater focus on Committee Meetings.

The summary of the Board Performance Evaluation set out above has been reviewed and approved by Clare Chalmers.

BOARD LEADERSHIP AND PURPOSE

The division of roles and responsibilities between our Chairman, Executive Directors and Non-Executive Directors is explained below, together with the support they receive from the Company Secretary to enable them to meet their responsibilities under the UK Corporate Governance Code.

Non-Executive Chairman

Tim Smith

- Primarily responsible for the leadership of the Board, ensuring that it is effective and promoting critical discussion.
- Chairs the Nomination Committee and ESG Committee and the AGM.
- Sets the Board meeting agendas in consultation with the Chief Executive and Company Secretary, ensuring they are aligned to the business strategy.
- Leads the performance evaluation of the Board and ensures its effectiveness in all aspects of its role.
- Sponsors and promotes the highest corporate governance and ethical standards.
- Facilitates contribution from all Directors to the discussions of the Board.
- Provides a sounding board for the Chief Executive on key business decisions and challenges proposals where appropriate.
- Ensures effective communication with our Shareholders and other stakeholders.

Chief Executive Officer

Adam Couch

- Develops and implements the Group's strategy with input from the rest of the Board and its advisers.
- Responsible for the overall operational activity of the Group.
- Manages the day-to-day business of the Group, leads its direction and promotes its culture and values.
- Brings matters of particular significance or risk to the Chairman for discussion and consideration by the Board where appropriate.
- Responsible for overseeing the delivery of the sustainability agenda within the Group.

Executive Directors

Mark Bottomley, Jim Brisby and Chris Aldersley

- Provide specialist knowledge and experience to the Board.
- Support the Chief Executive Officer in the implementation of the Group's strategic policies.
- Responsible for the budgeting process and reporting of the financial performance of the Group.
- Responsible for the commercial affairs of the Group.
- Responsible for the operational performance of the Group
- Responsible for the leadership and management of commercial, risk, treasury, tax and finance functions across the Group.

Senior Independent Director (SID)

Mark Reckitt

- Provides a sounding board for the Chairman and supports him in his leadership of the Board.
- Is available if Shareholders want to raise concerns that normal channels have failed to resolve.
- Heads up the Non-Executive Directors on the Board.
- Reviews the Chairman's annual performance appraisal along with the other Non-Executive Directors.

Non-Executive Directors

Kate Allum, Pam Powell, Liz Barber and Yetunde Hofmann

- Bring complementary skills and experience to the Board.
- Constructively challenge the Executive Directors on matters affecting the Group.
- Chairs the Audit Committee (Liz Barber).
- Chairs the Remuneration Committee (Pam Powell).
- Satisfy themselves as to the accuracy of the financial performance of the Group and the robustness and effectiveness of financial controls and risk management processes.
- Help develop strategy with an independent outlook.
- Together with the SID, review management's performance.
- Engage directly with employees.

Company Secretary

Steven Glover

- Responsible to the Board.
- Acts as secretary to the Board and each of its Committees ensuring compliance with procedures.
- Responsible, under the direction of the Chairman, for ensuring the Board receives timely and accurate information.
- Provides support to the Non-Executive Directors.
- Responsible for advising the Board on all governance matters.

COMPLIANCE STATEMENT

This report, together with the ESG Report on pages 97 to 98, the Audit Committee Report on pages 99 to 103, the Nomination Committee Report on pages 104 to 106, and the Remuneration Committee Report on pages 107 to 125, describes how the Board applies the principles of good governance and best practice as set out in the 2018 UK Corporate Governance Code (the 'Code') which can be found on the Financial Reporting Council's website: www.frc.org.uk

The Board is pleased to report that it has complied with the requirements of the Code during the 52 weeks ended 25 March 2023, with the following exceptions:

Executive Director pension contributions alignment with the Group's workforce (Code Provision 38).

As part of the Company's review of its Remuneration Policy in 2021, the requirement for Executive Director pension contribution alignment with the Group's workforce was addressed by the Remuneration Committee agreeing with the Executive Directors that their contractual entitlement to a contribution rate of 20 per cent of salary would be progressively aligned with the 5 per cent contribution rate applicable to the wider workforce. It was agreed that Executive Directors' contractual entitlements would be frozen at their monetary value for two years and then reduced to 10 per cent of salary from 1 April 2023 and then further reduced to 5 per cent over the course of the following triennial Remuneration Policy review in 2024. The progressive alignment agreed was considered fair and appropriate by the Remuneration Committee, accepting that there would be a resulting delay to full compliance with Code Provision 38. The Company has since increased the pension contribution rate available to its wider workforce to 10 per cent of salary through the introduction of a matching contribution scheme in 2023 and, consequently, there will be no further reduction to Executive Director pension contribution rates. Following the increase to the pension contribution rate available to the wider workforce, the Company will comply fully with Code Provision 38. Further details of Executive Director pension contributions are set out in the Remuneration Committee Report on page 109.

Workforce engagement relating to alignment of executive remuneration with wider Company pay policy (Code Provision 40 and 41).

The Remuneration Committee does not directly consult with employees regarding the remuneration of the Executive Directors. However, when considering remuneration levels to apply, the Committee takes into account base pay increases, bonus payments and share awards made to the Company's employees generally. Details of how Executive Director pay is considered in the context of the broader workforce is set out on page 110 of the Remuneration Committee Report.

The Board has reviewed the financial statements and, taken as a whole, considers them to be fair, balanced and understandable, providing sufficient and appropriate information for Shareholders to assess the Company's position and performance, business model and strategy. The Audit Committee provided guidance to the Board to assist it in reaching this conclusion.

By order of the Board

Steven Glover
Company Secretary

23 May 2023

ESG COMMITTEE REPORT

The Environment, Social and Corporate Governance ("ESG") Committee reviews and recommends to the Board the Group's ESG strategy taking into account its stated purpose, strategy, culture, vision and values. As Chair of the ESG Committee, I am pleased to introduce the ESG Committee Report for the 52 weeks ended 25 March 2023.

TIM J SMITH CBE
Chairman

Composition of the ESG Committee

Committee Members	Meetings attended
Tim Smith – Chair	3/3
Kate Allum*	1/3
Mark Reckitt	3/3
Pam Powell	3/3
Liz Barber	3/3
Yetunde Hofmann**	2/3
Adam Couch	3/3
Mark Bottomley	3/3
Jim Brisby	3/3
Chris Aldersley***	2/3

* Kate Allum retired as a Director at the Company's AGM on 1 August 2022 and attended all relevant meetings prior to retirement.

** Yetunde Hofmann was appointed as a Director at the Company's AGM on 1 August 2022 and attended all relevant Committee meetings following appointment.

*** Chris Aldersley was appointed as a Director at the Company's AGM on 1 August 2022 and attended all relevant meetings following appointment. Prior to appointment Chris Aldersley attended the Committee Meetings by invitation as the Group Chief Operating Officer.

Other regular attendees

- The Group Head of Sustainability Strategy and ESG and other senior executives attend by invitation as required.
- The Company Secretary also attends meetings as secretary to the Committee.

Frequency of meetings

The Committee meets as necessary and at least three times a year.

Independence

A majority of the Members of the Committee are independent.

Key Activities in 2022/23

Second Nature

- Reviewed the Group's Second Nature Strategy.
- Received reports from and reviewed the activities of the Group's Second Nature Committee.

TCFD/Climate related targets

- Reviewed TCFD and climate-related targets.
- Reviewed and approved the Group's manufacturing Net Zero, Energy Intensity and Water Intensity reduction plans.
- Reviewed TCFD, SASB and other climate-related disclosures included in the Strategic Report.

Climate Risks

- Reviewed climate related risks and related plans to manage and mitigate such risks.
- Considered impact of COP15 and future of biodiversity targets in relation to the Group's agricultural operations.

Stakeholders

- Engaged with investor bodies and significant shareholders relating to the Group's ESG performance and related disclosures.
- Reviewed engagement and outcomes in relation to a range of investor indices and ratings.

Social

- Reviewed impact of labour shortages in the food supply chain and the Group's participation in Defra initiatives to mitigate the impact of such shortages.

Remuneration

- Reviewed progress against the ESG performance conditions for the LTIP awards which were granted in 2022.
- Reviewed LTIP targets linked to reductions in emissions, water intensity and energy intensity for LTIPs granted in 2023.

Other activities

- Reviewed the Group's policies on Environment and Energy, Waste and Deforestation.
- Reviewed the ESG Committee Report.
- Approved the Committee's terms of reference.

ESG COMMITTEE REPORT
CONTINUED

The Committee

The Committee coordinates the Group's activities relating to ESG matters and, in particular, considers and recommends the Group ESG strategy to ensure that short-term and long-term objectives for the Group's ESG activities are in place and key metrics are reported on to support this.

We have developed a number of focused committees which support the ESG committee and now have a developed ESG governance structure which is described in detail on page 38 of the Strategic Report. Members of the Committee have a broad range of business experience relevant to various aspects of our ESG strategy. In particular, Liz Barber has significant experience relating to sustainability and environmental aspects relating to water usage from her previous role as Chief Executive of Kelda Group, which is particularly relevant to the Group. Yetunde Hofmann also has a broad background in organisational capacity and growth, with a focus on facilitating strategy development, change, diversity and inclusion, which are also relevant to the development of our social agenda, which we recognise needs to develop further.

In addition, whilst Group Quality Director at Tesco plc, my role included responsibility for overseeing Tesco's responsible sourcing and I therefore have significant experience of overseeing supply chain compliance with ESG and other ethical related requirements, which is an important element of our wider ESG agenda.

Our Commitments

During the year the Committee reviewed the Group's commitments and targets including the reduction in greenhouse gasses, water use, food waste and packaging and our performance against these. Whilst progress is being made in most areas, this is not linear and the review has underlined the challenge in meeting these targets by their stated dates. Details of progress to date is set out in more detail in the Strategic Report on pages 34 to 37.

The Committee considered the areas of priority for the Group's environmental strategy and, in particular, commitments to reduce greenhouse gas emissions in relation to which a further understanding of key interventions, their cost, timescales and resulting carbon savings has been developed and reviewed. Further details of our quest to Net Zero are set out on pages 36 to 37 of the Strategic Report.

The Committee also considered whether it would be appropriate to further extend the Group's sustainability targets relating to biodiversity given the focus on this following COP15 and the resulting commitment that 30 per cent of land globally would be "protected" by 2030. Whilst biodiversity will clearly be a key sustainability measure for the Group given its agricultural operations, the Committee was concerned that a clear baseline had not yet been established against which to judge performance. Consequently, whilst we intend to evolve our strategy to incorporate biodiversity, the Group is currently measuring its biodiversity against a 2021 baseline to understand measures that can be taken and their likely impact prior to incorporating this into the Second Nature strategy and establishing appropriate targets against which future performance can be judged.

Increasing Social Focus

As a leading UK food company there has historically been significant focus on Cranswick's sustainability agenda and its Second Nature strategy. However, the Committee recognises the need to develop its Social agenda, which is less well developed at a Group level, to complement this.

The Group already has well defined policies in relation to matters such as diversity, inclusion and human rights. Much is already being done across the Group at a site level, where there are long-established initiatives which are concerned with health, employee wellbeing, food poverty, communities and partnerships.

The Committee recognises that environmental and social sustainability issues are intertwined and the challenges in both areas are interconnected. We will be establishing a Social Strategy Committee to complement our existing ESG governance structure explained on page 38 of the Strategic Report to help the Committee identify and articulate the social elements of our strategy that are distinctive to Cranswick and against which we should be judged as part of our overall ESG strategy.

Risk

A key function of the Committee is to identify, manage and mitigate climate-related risks an analysis of which is set out on pages 40 to 43 of the Strategic Report and includes details of actions being taken by the business to address risks identified. The Committee's work also encompasses considering the allocation of the Group's resources and capital to ensure that these have a material impact mitigating our risks, whilst also delivering value to shareholders. In particular, the Group faces significant challenges addressing greenhouse gas emissions given the very significant impact of our Scope 3 emissions (which encompasses the majority of our greenhouse gas emissions) given they derive from the Group's supply chain and are therefore less easy to influence directly – work on establishing our Science-Based Target relating to this and the development of effective mitigation strategies is ongoing.

Governance

The Committee's terms of reference were reviewed by the Committee during the year. A copy of the Committee's terms of reference is available on the Company's website at www.cranswick.plc.uk.

On behalf of the Committee

Tim J Smith CBE
Chairman
23 May 2023

THE AUDIT COMMITTEE

The Audit Committee's primary role is to assist the Board in providing effective governance over the Group's financial reporting, risk management and internal control systems. This includes oversight of the Group's Internal Audit Function, the Risk Committee and the External Audit.

LIZ BARBER
Chair of the Audit Committee

Principal responsibilities of the Audit Committee

The Committee's principal responsibilities include reviewing and monitoring:

- The integrity of the Group's financial statements and related narrative reporting;
- The Group's accounting policies and the impact of new and amended accounting standards;
- The effectiveness of the Group's financial reporting, internal control and risk management systems in support of the Board;
- The effectiveness of the Internal Audit function in the context of the Company's overall risk management framework;
- The effectiveness, scope, cost and independence of the Group's external auditor;
- The Company's whistleblowing and anti-bribery policies; and
- The Group's viability, and its disclosure within the Annual Report.

The Committee makes recommendations to the Board on the removal, appointment or reappointment of the Group's external auditor.

The Audit Committee terms of reference, which are reviewed and approved by the Board annually, are available on Group's website at www.cranswick.plc.uk within the Corporate Governance section.

Composition of the Audit Committee

The Audit Committee comprises the following Non-Executive Directors:

Committee Members	Meetings attended
Liz Barber – Chair	4/4
Kate Allum*	1/4
Yetunde Hofmann**	3/4
Pam Powell	4/4
Mark Reckitt	4/4

* Kate Allum retired as a Director at the Company's AGM on 1 August 2022 and attended all meetings prior to retirement.

** Yetunde Hofmann was appointed as a Director at the Company's AGM on 1 August 2022 and attended all meetings following appointment.

All members of the Committee have extensive managerial experience in large, complex organisations and have a wide range of financial, commercial and operational expertise. It is a requirement of the UK Corporate Governance Code that at least one Committee member has recent and relevant financial experience. Both Liz Barber and Mark Reckitt meet this requirement.

Other regular attendees

The Chair, Chief Executive, Chief Financial Officer, Head of Risk and Internal Audit, External Audit Partner and External Audit Director attend by invitation as required. The Group Company Secretary also attended meetings as secretary to the Committee.

Frequency of meetings

The Committee is required to meet at least three times a year and its agenda is linked to the Group financial calendar. Both the external auditor and the Head of Risk 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 auditor and the Head of Risk and Internal Audit independently, at least once a year. In addition to formal meetings, the Chair of the Audit Committee has one-on-one updates with the Chief Financial Officer to discuss ongoing matters and approve any non-audit fees undertaken by the external auditor.

Independence

All members of the Committee are independent.

THE AUDIT COMMITTEE
CONTINUED

Key activities in 2022/23

Integrity of Financial Statements

- Reviewed and challenged the key financial reporting judgements and estimates and concluded that accounting treatments were appropriate.
- Reviewed and concluded that the Group is both a going concern over a one-year period and viable over the three-year review period, including: consideration of the impact of the Group's principal risks and, specifically, the impact of a reduction in consumer demand for premium and added-value products; and the risk of disease within livestock; and that the relevant disclosures are appropriate.
- Reviewed and concluded that the Financial Statements and narrative reporting are fair, balanced and understandable.

Accounting policies

- Reviewed the Group's accounting policies to ensure they remain appropriate and have been consistently applied.
- Reviewed the impact of new and forthcoming accounting standards and concluded that disclosures in this year's Financial Statements are appropriate.
- Reviewed the disclosure of Alternative Performance Measures (APMs) and concluded that they are appropriate for monitoring the Group's underlying performance.
- Reviewed the change of basis of reporting the Company accounts to Financial Reporting Standard 101 Reduced Disclosure Framework.

Internal audit

- Reviewed and challenged the work of the Group's Internal Audit function and concluded that it is operating effectively and is appropriately resourced.
- Reviewed and approved the Internal Audit Charter.
- Reviewed and approved the Internal Audit plan for the coming year.

External audit

- Approved the terms of engagement and remuneration of the external auditor.
- Reviewed and was satisfied with the effectiveness of the external audit process.
- Monitored the independence of the external auditor and concluded that PricewaterhouseCoopers LLP (PwC) is independent.

Whistleblowing and anti-bribery

- Reviewed and approved the Group's whistleblowing policy.
- Reviewed and approved the Group's anti-bribery policy.
- Reviewed, on behalf of the Board, whistleblowing reports and their resolution.

Internal controls and risk management

- Reviewed the Group's internal controls and risk management systems including those for assessing emerging risks and concluded that they are operating effectively.
- Reviewed and challenged the work and associated reporting of the Group Risk Committee.
- Reviewed and updated the Board's risk appetite statement.
- Reviewed and challenged the Group's response to the ongoing UK Corporate Governance Reform on Internal Controls.
- Reviewed and updated, where necessary, the Committee's terms of reference.

Group viability and related disclosures

- Reviewed and concluded that a three-year time horizon for the Group's Viability Statement remained appropriate.
- Reviewed the Group's budget, forecasts and downside sensitivity analysis, including the loss of consumer demand for premium and added-value products and the risk of disease within livestock, and concluded that the Group is viable over the three-year time horizon.
- Reviewed and approved the Viability Statement disclosure in the Financial Statements.

Statement by the Chair of the Audit Committee

On behalf of the Audit Committee, as the newly appointed Chair of the Audit Committee, the Audit Committee Report for the 52 weeks ended 25 March 2023 which provides an overview of the key activities and the areas of focus of the Committee during the year.

The Committee met formally four times this year with meetings in advance of half year and year-end financial reporting in November and May respectively, and additional meetings in September and March in preparation for the half year and year-end processes.

Across these four meetings the Committee focused on its primary responsibilities of supporting the Board and protecting the interests of Shareholders in relation to financial reporting and internal control. This was achieved by ensuring the Group operates a robust risk management process and an effective internal control framework to manage risk.

Risk management is a complex area of critical importance to the Group. The Committee facilitated strategic discussions on risk appetite and the adequacy of mitigation and controls to manage risk to an acceptable level.
The importance of these discussions was demonstrated through the Group's response to the product recall at Cooked Poultry which was resolved quickly and with no material financial impact on the Group.

The Committee also monitored and challenged actions taken in respect of the upcoming UK Corporate Governance reform and continued to focus on ensuring the integrity, quality and compliance of the Group's external financial and non-financial reporting. An important aspect of financial reporting is the external audit process. During the year the Committee reviewed the appropriateness of the external audit including the experience, resource and value provided by the Group's auditor.
The Committee concluded this to be appropriate for the size and complexity of the Group.

Over the next 12 months the Committee will continue to focus on key areas of financial judgement and reporting as well as further enhancing the Group's Internal Control environment. Certain principal risks will be strategically reviewed by the Committee to ensure mitigating controls remain adequate against an evolving risk landscape.
The Committee will also review the adequacy of other sources of assurance in areas such as ESG and the developing requirements of the International Sustainability Standards Board (ISSB) and Corporate Sustainability Reporting Directive (CSRD).

Liz Barber
Chair of the Audit Committee

23 May 2023

Performance evaluation of the Audit Committee

An independent external evaluation of the effectiveness of the Committee is conducted every three years. This year the review was performed by Clare Chalmers Limited and the review concluded the Committee was operating effectively.

Financial reporting

During the year, the Audit Committee reviewed accounting papers prepared by management and considered, with input from the external auditor, the appropriateness of the main accounting policies, estimates and judgements made in preparing the financial statements. The key matters considered by the Committee in review of the financial statements for the 52 weeks ended 25 March 2023 are set out below.

Biological assets

- In accordance with IAS 41, biological assets are valued at fair value in the Group balance sheet, with the net valuation movement disclosed separately on the face of the income statement. The valuation requires judgement involved in the classification of biological assets within the fair value hierarchy, and is sensitive to key assumptions which include growth rates and the fair value of livestock at the various stages of development. The Audit Committee reviewed the assumptions used within the models and management's proposed accounting treatment and was satisfied that the standard had been fairly and consistently applied and the required disclosures made in the financial statements (See Note 14).

Investment carrying value (Company only)

- The Committee reviewed the assumptions used in determining the carrying value of investments in subsidiaries in the parent company. These were considered reasonable.

The Audit Committee also considered a number of other reporting matters relevant to the financial statements:

Goodwill

- In accordance with IAS 36, the carrying value of goodwill is reviewed annually for impairment. For each cash generating unit (CGU) the recoverable amount is determined as the higher of either the fair value less cost of disposal or the value in use. The Audit Committee reviewed the judgements applied and assessed the reasonableness of the assumptions used in determining the recoverable amounts including discount rates and market data. The Committee was satisfied that the assumptions used and the recoverable amounts determined were appropriate. (See Note 10)

Defined Benefit Pension Scheme

- The Group operates a legacy defined benefit final salary pension scheme which closed to new members and future accrual in June 2004. During the year the trustees purchased an insurance policy to secure certain benefits provided by the scheme. The Audit Committee reviewed the accounting for the scheme 'buy-in' and were satisfied with the appropriateness of the accounting treatment adopted.

Change in Financial Reporting Framework

- During the year basis of preparation of the Company financial statements was changed from UK-Adopted International Accounting Standards ('UK-Adopted IAS') to Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). The Audit Committee considered the basis for and impact of the change and concluded that the proposed change was appropriate (See page 177).

Going concern and viability

At the request of the Board, and reflecting the requirement of the UK Corporate Governance Code, the Audit Committee reviewed and reported to the Board that it was satisfied with the risk disclosures set out on pages 72 to 76 and the Viability Statement presented on page 77.

To perform this review the Audit Committee:

- Reviewed risk reporting disclosures in detail;
- Considered the appropriateness of the three-year time horizon selected for testing the Group's viability;
- Reviewed the Group's annual budget and extended three-year forecast and the assumptions therein for reasonableness;
- Agreed appropriate downside sensitivities to be applied to the forecasts for stress testing, based on the Group's principal risks and the work of the Risk Committee (in the current year focused on the risk of disease within livestock and a reduction in consumer demand for premium and added-value products);
- Reviewed the availability of debt funding for the Group across the three-year forecast period; and
- Reviewed the TCFD disclosure, the risks disclosed and the forecast impact of climate change on the business.

The Board and the Committee concluded that, based on the results of the analysis provided, they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over a three-year time horizon (see page 77).

Fair, balanced and understandable

At the request of the Board, the Audit Committee reviewed whether the financial statements taken as a whole are fair, balanced and understandable and provide the necessary information for Shareholders to assess the Company's position and performance, business model and strategy.

The Board and the Committee understand that 'fair' should mean reasonable and impartial, 'balanced' should mean even-handed with both positive and negative messages being portrayed and 'understandable' should mean simple, clear and free from jargon or unnecessary clutter.

In performing this review, the Audit Committee:

- Reviewed and assessed key judgement areas detailing management's accounting treatment, and discussed key points with the Chief Financial Officer outlining reasons for considering the disclosures to be fair, balanced and understandable;
- Obtained confirmation from the preparers of the Annual Report that they had reviewed the fairness and completeness of their sections;
- Considered the Annual Report & Accounts in the context of the Audit Committee's knowledge and experience of the business;
- Reviewed the disclosure of Alternative Performance Measures (APMs) and considered their appropriateness for monitoring the Group's underlying performance; and
- Discussed this evaluation with the Internal and External Auditors.

The Committee also established through reports from management that there were no indications of fraud relating to financial reporting matters.

The Audit Committee is pleased to report that it reported to the Board that the financial statements taken as a whole are fair, balanced and understandable.

THE AUDIT COMMITTEE

CONTINUED

Risk management and internal control

The Committee conducted its annual review of the effectiveness of the Company's internal control and Risk Management Framework through the work of Internal Audit, the external auditor's control recommendations on the Group's financial control environment following their audit and thorough review and challenge of monthly Board reports. The Committee also reviewed the Group's whistleblowing and bribery prevention policies and regular whistleblowing reports on behalf of the Board.

The Group Risk Committee chaired by the Chief Financial Officer and including representatives from all areas of the business met regularly and reported its outputs directly to the Audit Committee and updated the Board accordingly. Members of the Audit Committee were invited to attend Risk Committee meetings to gain an understanding of how the Risk Committee operates and to assess its overall performance.

The Committee reviewed the key conclusions from work performed by the Group Risk Committee to gain assurance over the Risk Management Framework in place which is designed to identify, assess, prioritise, monitor and mitigate risk. Particular emphasis was placed on the review and challenge of the work of the Risk Committee in respect of new and emerging risks. The Committee was satisfied that all principal risks, including emerging risks, had been identified (see pages 72 to 77) and that the Risk Management Framework, including processes for assessing and reporting emerging risks, was operating effectively.

This year, the Committee expanded their support to the Board on the preparation of the Risk Appetite Statement (see page 69). With the support of the Risk Committee, an assessment was performed to document the level of risk the Group was willing to tolerate in order to achieve its strategic objectives, which in turn determined the depth and extent of actions and resources required to mitigate risk to an agreed acceptable level. The results from this exercise were mapped to each of the Group's strategic risks to determine how each risk was operating in relation to the risk appetite, with action plans put in place to align mitigated risk with risk appetite where necessary.

The Committee also oversaw the Group's progress to enhance its internal controls following the Department for Business, Energy and Industrial Strategy (BEIS) March 2021 paper on Restoring Trust in Audit and Corporate Governance. Whilst the full details of the proposed reform are yet to be finalised, the Group sought to continue to enhance its internal controls in line with guidance issued by the Financial Reporting Council (FRC) in March 2022. The Committee reviewing the proposed enhancement plan, reviewed and challenged the outcome of the first two stages of the project and received regular progress updates from the Project Team. As the scope of the proposed reform is finalised, the Committee will tailor its oversight to ensure the required reform is embedded within the business well before the required implementation date

Internal audit

The Audit Committee is responsible for monitoring the performance and effectiveness of Internal Audit. The Committee reviewed and approved the annual Internal Audit plan, ensuring that it was aligned to the principal risks of the business and received regular updates on the delivery of the plan objectives at each of its meetings during the year. The Committee also reviewed and approved the Group's Internal Audit Charter which sets out the role and mandate of the Internal Audit function.

The Internal Audit approach considered the overall Group Risk Management Framework as well as risks specific to individual operations and was regularly updated to consider changes to the risk profile of the Group. Internal Audit findings, together with responses from management, were considered by the Audit Committee and challenged where necessary. The Audit Committee also reviewed progress by management in addressing the issues identified on a timely basis.

During the year, Internal Audit performed a core financial controls review at the majority of the Group's sites. In common with prior years, Internal Audit also reviewed specific Group non-financial risk areas including whistleblowing procedures and the roll out of a new group people system. Overall, no control failings or weaknesses were identified that would have a significant impact on the Group, however recommendations were raised where necessary at specific sites to strengthen existing processes and controls and follow-up audit visits were carried out to ensure that agreed corrective actions were being progressed by management.

The Audit Committee takes control weaknesses identified at site level seriously given the decentralised structure of the Group. The Audit Committee sought to understand that the cause of these weaknesses are understood and that appropriate mitigating action was taken to prevent recurrence. In the current year the Audit Committee engaged directly with senior management at one site to seek this understanding and to satisfy themselves that appropriate actions had been implemented. In view of the work of Internal Audit, external audit, Group Finance and Site management teams, it was considered unlikely that a weakness at an individual site would have a significant impact on the Group.

The Audit Committee keeps the performance and effectiveness of the Internal Audit function under review and in doing so it also assesses the quality, experience, and expertise within the department. The Audit Committee is satisfied that in all material areas the Internal Audit function is compliant with Institute of Internal Audit (IIA) standards and in the view of the Committee is appropriately resourced, has clarity of purpose, has a good understanding of the business, is taken seriously and respected across the Group, and benefits from strong engagement with the Board and Audit Committee.

External audit

PricewaterhouseCoopers LLP (PwC) has been the Group's auditor since 2017. The Audit Committee assesses annually the qualifications, expertise, resources and independence of the auditor as well as the quality and effectiveness of the audit process. This exercise was performed through a questionnaire completed by Audit Committee members and the Group's senior finance team.

In assessing audit quality, the Committee evaluated four key areas: the mindset and culture of the auditor; the auditor's approach to quality control; the skills, character and knowledge of audit staff; and the judgements they make during the audit process. The Committee also considered the following factors in assessing the effectiveness of the external audit process:

- The experience and expertise of the audit partner and the audit team;
- The level of professional scepticism displayed throughout the audit process;
- The extent to which the audit plan was met and the quality of its delivery and execution;
- The robustness and perceptiveness of work performed on key accounting and audit judgements and estimates; and
- The content of the reports on audit findings and other communications.

The output from the process for the 2022 audit was reviewed and discussed by the Audit Committee and with the external auditors. Having considered these factors and having noted the observations made in the auditor's reporting, the Committee was satisfied with the effectiveness of the external audit process and recommended to the Board that PricewaterhouseCoopers LLP (PwC) be reappointed as external auditor to the Group and a resolution to this effect will be proposed at the 2023 AGM.

For the 52 weeks ending 25 March 2023, the Board elected to provide a parental guarantee in respect of certain of its subsidiary companies and therefore not require an audit of those subsidiary accounts. By virtue of this, the work of PwC has focused on the consolidated Group and the parent company, Cranswick plc, and did not extend to the other subsidiary statutory accounts. The Audit Committee considered the appropriateness of this election and concluded that the work performed by PwC provided sufficient assurance to the Audit Committee and the Group's Shareholders that the election of the Board was appropriate in balancing the cost and benefit of third party assurance.

Auditor independence

The Audit Committee approves the terms of engagement and remuneration of the external auditor and monitors their independence. The Committee confirms that it has complied with the requirements of the CMA Order 2014 as regards audit tendering, auditor appointment, negotiation and agreement of audit fees and approval of non-audit services.

To maintain independence the Group's auditor is required to rotate the audit partner every five years. This was the first year for the Group's new audit partner, Hazel Macnamara, who replaced Ian Morrison on his rotation following five years as audit partner. The Committee were happy with PwC's Hazel Macnamara's appointment given her relevant audit experience with large, complex organisations.

The Group meets its obligations for maintaining an appropriate relationship with the external auditor through the Audit Committee, whose terms of reference include a requirement to oversee the commissioning and monitoring of the level of non-audit work performed by the external auditor, to ensure objectivity and independence is safeguarded. There is an established policy to avoid compromising the external auditors' independence that the auditor shall be excluded from all non-audit work specified as such in the Ethical Standard 2019.

The Audit Committee Chair's approval is required prior to awarding to the external auditor any permissible non-audit services in excess of £30,000 and in practice all non-audit services are reviewed and agreed by the Audit Committee. Any such work will be on an exceptional basis only and additionally subject to PwC's own rules on ethical standards.

In the current year, non-audit services provided by PwC included both the review of Interim Financial Statements and the provision of a Limited Assurance Report over selected environmental metrics disclosed on page 37 of this report. Although the Committee do not encourage the external auditor to carry out non-audit work, with the exception of their review of the Interim Financial Statements, this assurance engagement is specifically permitted by the FRC's ethical standards, given its coverage of material included within this Annual Report. The Audit Committee did not consider the provision of these services to be a threat to PwC's independence.

During the year, the Audit Committee reviewed and considered the following factors to assess the objectivity and independence of PwC:

- The auditor's 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;
- The degree of challenge to management and the level of professional scepticism shown by the audit partner and the audit team throughout the process;
- The auditor's policies for rotation of the audit partner every five years, and regular rotation of key audit personnel;
- The nature of non-audit work undertaken during the year and its approval in accordance with the Audit Committee's guidelines for ensuring independence;
- Adherence to the Group's internal policy that, other than in exceptional circumstances, the fees paid to the external auditor for non-audit work in any one year should not exceed the lower of £500,000 and 50 per cent of the external audit fee on average over the last three years; and
- A report from PwC confirming that they have adequate policies and safeguards in place to ensure that auditor objectivity and independence is maintained.

Details of the fees paid for non-audit services are set out below:

Non-audit fees	£'000
Interim review	45
Other services	32
Total Non-Audit Fees	**77**

Audit fee for year ended 25 March 2023	1,026
Audit fee related to year ended 26 March 2022	103
Total Audit Fees	1,129
Ratio of Non-Audit Fees to Audit Fees	0.07:1

The ratio of non-audit fees to audit fees on average over the last three years was 7 per cent, well below the 50 per cent limit set out in the Group's policy.

Following consideration of the performance and independence of the external auditor at its meeting in May 2023, the Audit Committee recommended to the Board that the reappointment of PwC as the Company's external auditor should be proposed to Shareholders at the 2023 Annual General Meeting.

Liz Barber
Chair of the Audit Committee

23 May 2023

THE NOMINATION COMMITTEE

The Nomination Committee 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. As Chair of the Nomination Committee, I am pleased to introduce its report for the 52 weeks ended 25 March 2023.

TIM J SMITH CBE
Chairman

Composition of the Nomination Committee

Committee Members	Meetings attended
Tim Smith – Chair	2/2
Yetunde Hofmann	2/2
Mark Reckitt	2/2
Pam Powell	2/2
Liz Barber	2/2

Other regular attendees
- The Chief Executive and Chief Financial Officer attend by invitation as required.
- The Company Secretary also attends meetings as secretary to the Committee.

Frequency of meetings
The Committee meets as necessary and at least twice a year.

Independence
All members of the Committee are independent.

Key activities in 2022/23

Board composition
- Recommended the appointment of Chris Aldersley as an Executive Director.
- Recommended the appointment of Yetunde Hofmann as an independent Non-Executive Director.
- Reviewed ongoing training requirements for Non-Executive Directors and development of industry knowledge.

Succession planning
- Reviewed and updated succession plans for the Board and Senior Management.
- Reviewed Group talent management programme.

Non-Executive Directors
- Reviewed the continued independence of the Non-Executive Directors.
- Reviewed Non-Executive Director time commitments and overboarding.

Diversity
- Reviewed the Group's diversity policy.
- Reviewed compliance with the 2018 UK Corporate Governance Code for the Group.

Governance and evaluation
- Reviewed the Governance Section of the 2023 Annual Report and recommended it to the Board for approval.
- Reviewed the Committee's terms of reference.
- Appointed Clare Chalmers to undertake an external Board evaluation and reviewed her report.

Board appointments

I can confirm that in compliance with the requirements of the 2018 UK Corporate Governance Code at least half of the Board are independent Non-Executive Directors.

This year, Chris Aldersley was appointed to the Board as Chief Operating Officer in August 2022. Chris joined the Group in 1998 and has fulfilled a number of senior management roles within the Group during that time and has latterly performed the role of Chief Operating Officer reporting to the Chief Executive Officer. In recent years Chris has also regularly attended Board meetings at the invitation of the Board to address operational matters relating to the Group. Over the course of the COVID-19 pandemic, Chris performed a vital role in ensuring the continued operation of the Group's business and welfare of our colleagues. As the Group has expanded Chris' responsibilities have increased and his role has become more prominent, such that the Board considered it appropriate to appoint Chris as an Executive Director. Chris was also appointed a member of the ESG Committee.

CORPORATE GOVERNANCE

During 2022/23, the Company also commenced a search for an additional Non-Executive Director which resulted in the appointment of Yetunde Hofmann in August 2022. The Committee, in consultation with other Board members, undertook a structured assessment of the Board's composition needs through the development of a skills matrix and agreed the key experience and skills required in December 2021. Teneo (an independent search consultancy) was then engaged to also assist with this recruitment search, which involved the preparation of a long and short list for consideration. A number of candidates were interviewed by the Chair and Chief Executive and members of the Committee following which Yetunde was recommended to the Board as the Committee's preferred candidate. During the process Yetunde met individually with other members of the Board following which the proposed appointment was unanimously approved by the Board. Yetunde was appointed to the Board with effect from conclusion of the 2022 AGM and has also become a member of the Nomination, Audit, Remuneration and ESG Committees.

Mark Reckitt retires at the Company's forthcoming AGM having served nine years as a Non-Executive Director and as the Senior Independent Director and will be replaced as Senior Independent Director by Liz Barber who has been a Non-Executive Director of the Company since 2021. Liz has significant management and non-executive experience having previously been the Chief Executive of Kelda Group and having also served on the Board of a number of listed companies.

All Directors (other than Mark Reckitt) will be standing for re-election at the AGM. The Board has set out in the Notice of the Meeting its reasons for supporting the re-election of the Directors and their biographical details on pages 82 and 83 demonstrate the range of experience and skills which each brings to the benefit of the Company.

Succession

The Committee reviewed the Group's succession plan which relates to executive members of the Board and key management throughout the Group. The Committee's review included arrangements relating to contingency planning for sudden and unforeseen departures together with longer term planning focused on identifying potential candidates within the Group for progression and areas where external recruitment may be required.

During the year the Committee has also overseen the promotion of a number of candidates from within the Group to Senior Executive positions as part of ensuring an orderly succession.

In relation to the appointment of any new Non-Executive Directors or Chairman, the Group's policy is to engage independent external search consultants to assist with appointments, who are required to have adopted the Voluntary Code of Conduct for Executive Search Firms on gender diversity and best practice. The Group does not advertise Non-Executive positions, but keeps developments in market practice in relation to this under review.

Independence of Non-Executive Directors

Consideration was given by the Committee to the continued independence of the Non-Executive Directors, including their term in office, the time commitment required from each of them taking into account the number of meetings and preparation and attendance at those meetings. It was concluded that all Non-Executive Directors remained independent and devoted an appropriate amount of time to fulfil their responsibilities.

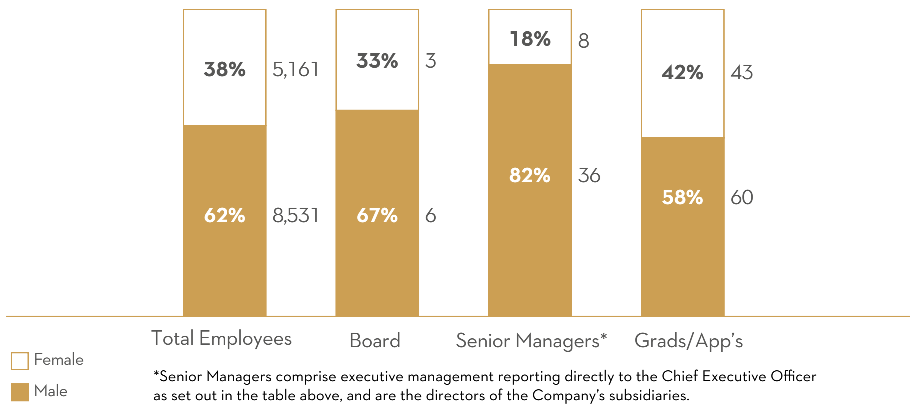
Overboarding

The Committee has considered Director 'overboarding' and it is pleased to note that there are no issues at the current time. It believes that the Non-Executive Directors have sufficient time and energy to be effective representatives of Shareholders' interests.

In March 2023, we announced that Pam Powell would be appointed to the Board of Origin Enterprises plc from 3 April 2023. The Board was satisfied that, taking into account her other commitments, Pam continues to have sufficient capacity to properly fulfil her role as a Non-Executive Director of the Company and Chair of its Remuneration Committee.

In January 2023, Mark Bottomley became a Non-Executive Director of Vp plc, which the Company was satisfied Mark could undertake whilst continuing to have sufficient capacity to properly fulfil his role as Chief Financial Officer. The Company adheres to shareholder guidance in relation to its Executive Directors holding no more than one Non-Executive position in another listed company.

Gender breakdown



*Senior Managers comprise executive management reporting directly to the Chief Executive Officer as set out in the table above, and are the directors of the Company's subsidiaries.

Board Structure

Consideration was given to Board and Committee structure and operation as part of the external Board evaluation which made a number of recommendations in relation to the scheduling and duration of Board and Committee Meetings which will be adopted in the coming year, further details of which are set out on page 94 of the Corporate Governance review. Consideration was also given to whether a formal Executive Committee should be established, however, we concluded that the current operating board structure explained on page 92 of the Corporate Governance review remained effective and appropriate.

Diversity

Cranswick recognises the potential benefits of bringing together a wide variety of backgrounds and experiences and is pursuing the development of a diverse workforce that is representative of all sections of society. Our Group Diversity Policy requires that all appointments, including recruitments and internal promotions, are based on merit, qualification and abilities, and are not influenced or affected by race, colour, nationality, religion or belief, gender, marital status or civil partnership, family status, pregnancy or maternity, sexual orientation, gender reassignment, disability or age. The policy applies at all levels across the Group, including the Board and its Committees.

The gender breakdown of the Group's workforce is set out below. Having improved significantly over recent years, the proportion of females overall, in management, graduate and apprentice positions remained largely static over the last 12 months.

The Food and Agriculture Sector has historically had low levels of female participation in management. Whilst we have been actively taking steps to promote greater gender diversity including through our recruitment and our graduate programme (where 40 per cent of recruits are female), this

THE NOMINATION COMMITTEE
CONTINUED

represents a longer-term approach which will result in improvement over time as careers develop and our colleagues move into more senior management positions. We have also explained on page 57 of the Strategic Report various further measures we are undertaking to encourage diversity, which apply across the Group at all levels, including senior management.

Details of Board and executive management diversity are set out at the end of this report in accordance with new Listing Rule requirement. The Listing Rules now also require that companies explain where they do not meet the following targets:

- At least 40 per cent of the Board are women.
- At least one senior Board position (Chair, Chief Executive, Senior Independent Director, Chief Financial Officer) is a woman.
- At least one Board member is from an ethnic minority background.

Cranswick does not meet the target relating to women on the Board (where 33 per cent of the Board are women) or that at least one senior board position is occupied by a woman. Whilst we have made significant progress over recent years in relation to diversity with the appointment of women to the Board and other senior positions across the Group, we recognise that there is more to achieve. As indicated above, on Mark Reckitt's retirement at the AGM, Liz Barber will be appointed as Senior Independent Director following which the Company will also have a senior Board position is occupied by a woman.

The Nomination Committee considers that diversity can strengthen the Board and that it is important that the Board is not made up exclusively of like-minded individuals with similar backgrounds. Whilst management appointments will continue to be made on the basis of merit, without the adoption of specific diversity targets, the Group recognises the potential benefits of a more diverse management and has a policy of increasing diversity at all levels. The Board remains mindful of the need to promote wider forms of diversity when considering future appointments to the Board and Senior Management.

Successful delivery of the Group's strategy and planned growth depends on the recruitment and retention of a motivated and skilled workforce in an increasingly competitive and mobile labour market. The Board recognises that broadening diversity to ensure that our workforce is more reflective of society maximises our available talent pool and the attractiveness of a career with the Group both at a senior level and more generally.

Board performance evaluation

An external Board performance evaluation process was undertaken in early 2023 by Clare Chalmers, who also undertook the previous external board evaluation in 2020. Given the significant changes to the Company's governance since its last external Board evaluation, the Committee considered it appropriate to appoint Clare given her ability to comment on progress achieved. Details of the Board evaluation undertaken by Clare Chalmers are set out on page 94 of the Corporate Governance review.

The Chairman also evaluated the performance of individual Directors and the chairs of each Board Committee. The Board considered the performance of each Director to be effective and concluded that both the Board and its Committees continue to provide effective leadership and exert the required levels of governance and control. Following the external Board evaluation, the Board will review its procedures, effectiveness and development in the year ahead as explained in the Corporate Governance review.

Governance

The Committee's terms of reference were reviewed by the Committee and updated during the year. A copy of the Committee's terms of reference is available on the Company's website at www.cranswick.plc.uk.

On behalf of the Committee

Tim J Smith CBE
Chairman

23 May 2023

Board and executive management diversity

	Gender Identity or Sex				
	Number of board members	Percentage of board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	6	67	4	7	78
Women	3	33	0	2	22
Not specified/prefer not to say	0	0	0	0	0

	Gender Identity or Sex				
	Number of board members	Percentage of board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	8	89	4	9	100
Mixed/Multiple Ethnic Groups	0	0	0	0	0
Asian/Asian British	0	0	0	0	0
Black/African/Caribbean/Black British	1	11	0	0	0
Other ethnic group, including Arab	0	0	0	0	0
Not specified/prefer not to say	0	0	0	0	0

Notes:
1. The tables above reflect relevant data at a reference date of 25 March 2023.
2. Executive management are the most senior level of managers reporting to the Chief Executive Officer, including the Company Secretary, but excluding administrative and support staff.
3. Diversity data was collated by the Company Secretary to meet the disclosure requirements of LR 14.3.33(1) and LR 14.3.33(2) by the individuals concerned self-reporting in response to a written questionnaire requiring self-identification by reference to the ethnic groups, categories of gender identity and sex adopted by the UK Office for National Statistics for the 2021 Census of England and Wales (and included an option not to specify in response). The Company's approach to data collection was consistent for the purposes of making disclosures under LR 14.3.33 and across all individuals in relation to data is reported.

THE REMUNERATION COMMITTEE

"PAY SHOULD APPROPRIATELY REFLECT THE PERFORMANCE OF THE GROUP'S BUSINESS AND DELIVERY FOR SHAREHOLDERS

The Remuneration Committee establishes the Remuneration Policy for Executive Directors' remuneration and determines the appropriate performance conditions for the annual cash bonus and long-term incentive awards. The Remuneration Committee also sets remuneration for the Chair, Executive Directors and Senior Executives. The Remuneration Committee is mindful of consistency and fairness in Executive Directors' remuneration, taking into account the performance of the Company and experience of Shareholders and the wider workforce.

PAM POWELL
Chair

This report contains the following separate sections;

- Part 1 – The Chair's annual statement on pages 108 to 111.
- Part 2 – Remuneration at a glance on page 112.
- Part 3 – The Annual Report on Remuneration on pages 113 to 120 which discloses how the existing Remuneration Policy has been applied during the year. Those elements of Part 3 subject to external audit are clearly identified.
- Part 4 – A summary of our Remuneration Policy.

The Remuneration Committee

The Remuneration Committee (the Committee) is a formal Committee of the Board. Its remit is set out in the terms of reference adopted by the Board. The Committee's terms of reference were reviewed by the Committee during the year. A copy of the terms of reference is available on the Group's website at www.cranswick.plc.uk within the Corporate Governance section. The Committee's performance against these terms of reference is reviewed on an annual basis and the Committee is satisfied that it has acted in accordance with its terms of reference during the year.

The primary purpose for the Committee, as set out in its terms of reference, is to set the Remuneration Policy for the Chair, Executive Directors and Senior Executives (including the Company Secretary).

Committee meetings during the year
The attendance of members at the meetings was as follows:

Committee Members	Meetings attended
Pam Powell* – Chair	5/5
Kate Allum*	1/5
Mark Reckitt	5/5
Tim Smith	5/5
Liz Barber	5/5
Yetunde Hofmann**	3/5

* Pam Powell was appointed Chair of the Committee with effect form 1 August 2022 when Kate Allum retired as a Director at the Company's AGM on 1 August 2022. Kate Allum attended all relevant meetings prior to retirement.

** Yetunde Hofmann was appointed as a Director following the Company's AGM on 1 August 2022 and was unable to attend the November Remuneration Committee meeting due to a long-standing conflicting commitment that was approved by the Board.

Other regular attendees

- The Chief Executive, Chief Financial Officer and Group HR Director attend by invitation as required (no individual is involved in decisions relating to their own remuneration).
- The Company Secretary also attends meetings as secretary to the Committee.

Frequency of meetings
The Committee meets as necessary and at least twice a year.

Independence
All members of the Committee are independent.

THE REMUNERATION COMMITTEE
CONTINUED

Key activities in 2022/23

Executive Director and Senior Executive remuneration
- Reviewed Executive Directors' and other Senior Executives' base salaries.
- Reviewed the Senior Executives' annual bonus structure.

Approval of bonuses
- Set objectives for the annual bonus arrangements for 2023 for Executive Directors and Senior Executives.
- Reviewed the achievement of the Executive Directors' bonus arrangements against the 2022 target.

LTIP awards
- Reviewed the outcome of performance conditions for the LTIP awards which were granted in 2020.
- Revised EPS targets for LTIPs granted in 2020 and 2021 following consultation with major Shareholders.
- Approved LTIP awards granted in 2022, including targets linked to reductions in emissions, water intensity and energy intensity and revised approach to EPS targets as described below.

Shareholder engagement
- Engaged with major shareholders in March 2023, in relation to proposed adjustments to EPS targets for 2020 and 2021 LTIPs, Executive Director salary increases for 2024 in May 2023 and alignment of Executive Directors' pension arrangements with those for the wider workforce, each as discussed further below.

Other activities
- Reviewed the Annual Remuneration Report for 2022/23.
- Reviewed employee benefit structures and approved the issue of the SAYE share scheme for 2022/23.
- Reviewed Committee effectiveness.
- Approved the Committee's terms of reference.

Statement by the Chair of the Remuneration Committee

On behalf of the Remuneration Committee and the Board, I am pleased to present the Remuneration Committee Report for the 52 weeks ended 25 March 2023, which is my first report since appointment as Chair on 1 August 2022. I would like to thank my predecessor, Kate Allum, on behlaf of the Committee for her contribution as Chair.

As with prior years, Shareholders will be asked to pass an advisory vote on the Remuneration Report at the forthcoming AGM. We will also be seeking Shareholder approval for a new all-employee SAYE scheme as a replacement for our existing SAYE scheme, which expires this year.

Company performance

Over the course of 2022/23, the Group has continued its strong performance across our core product categories delivering growth ahead of pre-pandemic levels, with adjusted profit before tax increasing by 2.3 per cent and adjusted earnings per share increasing by 2.2 per cent. Furthermore, as discussed in the Chairman's Statement on page 11, the Company is also proposing an increased dividend payment to Shareholders.
The Remuneration Committee believes it is important that the Executive Directors' interests are aligned with the Company's strategic vision, the interests of Shareholders and that the incentive outcomes reported are appropriate given the performance of the Group.

Recognising the difficulties faced by many of our employees in the current financial climate, during the year, the Group has closely monitored the impact of the rising cost of living. This has resulted in a range of unscheduled mid-year pay increases (in addition to scheduled annual pay reviews) concentrating on its lower paid workers and sites where the local cost-of-living crisis has been particularly acute. In addition, the Group also introduced and promoted benefits such as discount voucher schemes to help further mitigate daily living expenses, along with continuing to provide other benefits such as subsidised canteens, transport and discounted staff sales.

Adjustment of EPS targets relating to the 2020 LTIP and 2021 LTIP

The LTIP Awards granted in 2020 and 2021 are based on earnings per share (EPS) (50 per cent) and relative total shareholder return (TSR) (50 per cent) targets measured over three-year performance periods from April 2020 to March 2023 and April 2021 to March 2024 respectively. As originally set, vesting of the EPS component is based on outperforming the average annual increase in UK RPI, at an average annual outperformance of three per cent for threshold vesting and nine per cent for full vesting of this element. The Committee has considered the use of an inflation linked measure, recognising that the UK RPI benchmark is wholly uncontrollable by the management team, and did not include the RPI link for the 2022 LTIP, as described below.

Whilst Cranswick's historic EPS growth has been very strong (with outperformance of 10 per cent over the increase in RPI over the three years up to March 2022), the very significant increases in RPI over 2021 and 2022 (with annualised RPI growth increasing to 13.5 per cent by March 2023) means that the inflationary benchmark to Cranswick's EPS growth will be far in excess of that anticipated when the EPS targets for the 2020 LTIP and 2021 LTIP were originally set and would not result in the EPS component vesting this year.

The Committee firmly believes that retaining the existing inflation-linked EPS targets for the 2020 LTIP and 2021 LTIP is not a fair reflection of the strong underlying earnings growth that will nevertheless have been delivered for Shareholders over the relevant performance periods.

The Committee is mindful that the Company's LTIP is an important incentive to align the Executive Directors and other senior management to the Group's strategy and long-term performance. In order to maintain the level of stretch in the EPS targets based on expected inflation levels when the targets were originally set, and to assess performance on a fair and consistent basis, the Committee has exercised its discretion to substitute the three-year average growth in RPI over the five-year period from 2017 to 2021 (being 2.56 per cent) for the UK RPI benchmark. Using 2.56 per cent as the expectation over the performance period for the 2020 and 2021 LTIPs results in the following EPS targets.

Vesting level	Original targets	Varied targets
Threshold	Average annual growth in EPS of RPI + 3 per cent.	Average annual growth in EPS of 5.56 per cent (i.e., 2.56 per cent +3 per cent.)
Maximum	Average annual growth in EPS of RPI + 9 per cent.	Average annual growth in EPS of 11.56 per cent (i.e., 2.56 per cent +9 per cent.)

The Committee understands that adjustments to incentives should only be undertaken in exceptional circumstances and was satisfied that the recent increases in UK RPI represent such circumstances, when it would be appropriate to exercise its discretion.

The Committee was also mindful that removing RPI as a benchmark is consistent with market practice and reflects the approach approved by the Committee for the awards granted in 2022. This took into account the Group's financial plans, market conditions and the impact of the increase in the corporate tax rate, in connection with which the Committee determined that it was appropriate to set an absolute EPS target linked to the achievement of Group forecasts (rather than continuing to set EPS targets using a three-year average percentage growth rate linked to three-year average RPI).

Rebasing inflation to historic levels for the 2020 LTIP results in 83.7 per cent of the maximum vesting level for the EPS element of this award. However, it remains very unlikely that the EPS element of 2021 LTIP (which vests in 2024) will result in an EPS related award given the EPS base year for that award is significantly higher and the proposed 6% increase in the UK corporation tax rate will also further reduce EPS. No further adjustments are proposed by the Committee in relation to the 2021 LTIP.
The Committee has also considered movements in the share price noting the Company has not suffered any significant share price depreciation over the period.

Taking into account the strong performance of the Group and that the 2020 and 2021 LTIPs were granted at share prices of 3,563p and 4,041p respectively, the Committee did not consider that there would be any windfall gains for the Executive Directors as a result of the exercise by the Committee of its discretion. The Committee did not consider that any changes were required to the formulaic TSR outcome for either award (which accounts for 50% of each LTIP award).

Directors pension contribution entitlement

As disclosed in the previous Directors Remuneration Report, Mark Bottomley, Jim Brisby and Adam Couch have existing contractual pension entitlements which have been frozen at their current monetary value for two years and were due to be reduced to 10 per cent of salary (in line with other senior executives) with effect from 1 April 2023. It was intended that pension entitlements would then be reduced to 5 per cent of salary (in line with the wider workforce rate) over the course of the next tri-annual policy review in 2024.

However, in the meantime, the Group has reviewed pension entitlements across its workforce with a view to enhancing these and has introduced a matching scheme for employees which would increase the rate available for the wider workforce from 5 per cent to 10 per cent of salary. The Committee believes this represents a progressive approach to workforce pension contributions and a significant improvement to the benefits available to the Group's employees. Consequently, Executive Director pension entitlements will remain at 10 per cent of salary from 1 May 2023 without further future reduction. This remains consistent with the Directors Remuneration Policy and will also mean that the Company becomes fully compliant with the requirements of the Corporate Governance Code 2018.

Total Shareholder Return (TSR) Group Review

The Committee reviewed the current TSR comparator group used for the purposes of LTIP Awards which consists of 11 companies: Associated British Foods plc, A.G. Barr plc, Britvic plc, Carrs Group plc, Devro plc, Greencore Group plc, Hilton Food Group plc, Kerry Group plc, McBride plc, Premier Foods plc and Tate and Lyle plc. This is a relatively small group and the Committee considered that in relation to future LTIP awards measuring the Company's TSR performance against a broader index would be more appropriate and avoid the risk of more volatile outcomes and would also be more reflective of prevailing market practice. The Committee therefore decided that the Company's TSR performance in relation to future LTIP awards would be measured against companies in the FTSE 250 Index (excluding investment trusts).

2023 bonuses

Bonus awards for 2023 reflect the performance delivered in the year outlined below. A bonus of 46.8 per cent of maximum (i.e. 77.2 per cent of base salary) has been awarded to each of the Executive Directors. In accordance with the Company's Remuneration Policy, because Chris Aldersley has been appointed since the adoption of our current Remuneration Policy, one-third of his bonus since appointment as a Director on 1 August 2022 will be deferred into shares for two years. Further details are shown on page 114. The Committee considers the level of pay-out is reflective of the overall performance of the Group in the year and is appropriate.

LTIP awards vesting in respect of the period ended 25 March 2023

The LTIP Awards granted in 2020 were based on the three-year performance period from April 2020 to March 2023 and were subject to earnings per share (EPS) (50 per cent) and total shareholder return (TSR) (50 per cent) targets. The Committee's approach to the EPS targets for these awards is described above. Performance over the three-year period as measured against EPS has been strong with average annual EPS growth of 10.36 per cent and vesting at 83.7 per cent of the maximum in accordance with the revised targets referred to above. Performance in relation to TSR measured over a three-month averaging period, which the Committee considered an appropriate measure to apply, has been reasonably strong with the Company being ranked in the 58th percentile of its comparator group and, consequently, 38.0 per cent of the TSR element of the award has vested this year. Overall, 60.9 per cent of the maximum award will vest in July 2023 (i.e. 121.8 per cent of salary) for each Executive Director, versus 100 per cent of the maximum award which vested in June 2022 (i.e. 200 per cent of salary). This is reflected in the table on page 114.
The Committee considers the level of pay-out is reflective of the overall performance of the Group over the three-year performance period ended 25 March 2023 and is appropriate.

Other than as described above in relation to the LTIP, the Committee did not consider it necessary to exercise its discretion in relation to the annual bonus outcome and LTIP outcome and believes that the measures used to judge performance explained in our Remuneration Policy summarised on page 123, remain appropriate and reflect the performance of the Group throughout the period under review.

LTIP award granted during the period ended 25 March 2023

The Committee also awarded nil-cost share options under the existing LTIP scheme to Senior Executives, including the Executive Directors, during the year. The number of shares awarded to each Executive Director was equivalent to 200 per cent of base salary based on the market value of the Company's shares at the date of award (1 July 2022). Vesting will be after a three-year performance period over which TSR and EPS performance measures (each accounting for 42.5 per cent of the award) and reduction of emissions, energy intensity and water intensity performance measures (each accounting for five per cent of the award) will be assessed. The awards will then be subject to a two-year holding period.

THE REMUNERATION COMMITTEE
CONTINUED

Targets for the reduction of emissions, water intensity and energy intensity have been set based on the Group's published 2019/20 baseline performance and are consistent with the achievement of the Group's long-term target of achieving a 50 per cent reduction in such measures by 2029/30 (after taking into account performance achieved to date).

These awards and details of the performance conditions are set out on page 115.

Salary increases for the year ending 30 March 2024

During our consultation with our major shareholders in March 2023, the Committee set out its approach to Executive Director proposed salary increases for 2023/24. Whilst the Committee is aware of guidance to exercise pay restraint in relation to salary increases for Executive Directors, the Group's performance has nevertheless continued to be impressive and has delivered significant value to its shareholders.

The Committee believes it is important that the Executive Directors' pay should appropriately reflect the performance and complexity of the Group's business and delivery for shareholders. In addition, the Committee does not believe there is a critical flight risk but is mindful of the need to retain and recognise the outstanding performance and contribution of a very experienced, long standing executive team taking into account the competitive market for talent in our sector which includes a number of international businesses which are not subject to the same constraints on pay. The Committee has therefore awarded Executive Directors an increase of 7 per cent, which considered the annual increase for 2023/24 for the wider workforce (which for the majority of employees ranged from 5 per cent to 9 per cent, with an increase of at least 7 per cent for a significant proportion of the workforce, taking into account unscheduled mid-year pay increases focused on our lower paid workers and sites where the cost-of-living crisis has been particularly acute).

Following the increase in pay, which will be applicable from 1 May 2023, the Executive Directors' base salaries will be:

Director	New salary
Chris Aldersley	£532,975
Mark Bottomley	£532,975
Jim Brisby	£532,975
Adam Couch	£806,250

Director changes

Kate Allum retired as a Non-Executive Director at the Company's AGM on 1 August 2022.

Yetunde Hofmann and Chris Aldersley were, respectively, appointed as Non-Executive Director and Executive Director following the Company's AGM on 1 August 2022.
Chris Aldersley was employed by the Group in a senior executive position as Chief Operating Officer prior to being appointed an Executive Director. A summary of Chris Aldersley's remuneration arrangements following his appointment is set out below.

Notice period	12 months
Salary on appointment	£498,100
Pension	£88,680 per annum (reducing to 10 per cent of salary from 1 May 2023)
Annual bonus	165 per cent of base salary
LTIP	200 per cent of base salary

Remuneration for the year ended 30 March 2024

Details of the implementation of the Policy for the year ended 30 March 2024 are disclosed on pages 113 to 120.

Alignment of the Remuneration Policy with the Code

The Remuneration Policy takes into account the principles of clarity, simplicity, risk, predictability, proportionality and alignment to culture, as set out in the Code.

Executive Director pay and the broader workforce

The Committee recognises that an understanding of broader workforce pay and conditions can be helpful in relation to considering executive pay along with other relevant factors. The Committee receives information on the annual salary review across the Group, gender pay and CEO pay ratios together with the principles that are applied in relation to broader incentive schemes operated in the Group.
The Committee also considers outcomes in relation to the wider Senior Management team when considering outcomes for the Executive Directors. The Group also operates works committees and employee surveys to obtain employee feedback on all areas of the Group's business and has appointed Yetunde Hofmann as its designated Non-Executive Director to enhance existing engagement methods.

I have described earlier in this report our approach to pensions for the wider workforce and how the Executive Directors pensions are aligned with them and have also the described actions taken by the Group to recognise the difficulties faced by our employees in the current financial climate.

CEO pay ratios

The Company aims to provide a competitive remuneration package which is appropriate to promote the long-term success of the Company and applies this policy fairly and consistently to attract and motivate staff. The Company considers the CEO median pay ratio is consistent with the Company's wider policies on employee pay, reward and progression and is reflective of the sector that the Company operates in. Further information is given on page 117.

Shareholder approval and engagement

Ongoing engagement by the Chairman, Chief Executive, Chief Financial Officer and myself has ensured that key Shareholders have been regularly updated on progress and performance throughout the year. As noted above, the Remuneration Committee engaged with Shareholders during the year on the changes to the 2020 and 2021 Long Term Incentive Plan (LTIP) inflation linked earnings per share (EPS) targets, Executive Directors' base salary increases and the alignment of Executive Directors' employer pension contributions with the rate available for the wider workforce for the financial year ending 30 March 2024. We were pleased that the Shareholders consulted were supportive of our proposals.

CORPORATE GOVERNANCE

Principle	Commentary
Clarity: remuneration arrangements should be transparent and promote effective engagement with Shareholders and the workforce.	We operate simple variable pay arrangements, which are subject to clear performance measures aligned with the Group's strategy and the interests of all stakeholders.
Simplicity: remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	Details of our remuneration arrangements are disclosed clearly and concisely.
Risk: remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	Both the annual bonus and LTIP are subject to malus and clawback provisions. This allows the Committee to have appropriate regard to risk considerations. Annual bonus deferral has been introduced for new Executive Directors from 2021/22 onwards, providing longer term alignment with Shareholders' interests. The Executive Directors' current shareholdings (other than Chris Aldersley, who was appointed a Director from 1 August 2022) are each in excess of 619 per cent of salary and provides sufficient alignment between Executive Director and Shareholder interests in the long term. The Committee also has discretion to override formulaic outcomes, which may not accurately reflect the underlying performance of the Group.
Predictability: the range of possible values of rewards to individual Directors and other limits or discretions should be identified and explained at the time of approving the Remuneration Policy.	Details of the range of possible values of rewards and other limits or discretions can be found on page 95 of the 2020/21 Directors' Remuneration Report.
Proportionality: the link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.	We believe that total remuneration should fairly reflect performance of the Executive Directors and the Group as a whole, taking into account underlying performance and shareholder experience. The Committee considers the approach to wider workforce pay and policies when determining the Directors' Remuneration Policy to ensure that it is appropriate in this context.
Alignment to Culture: incentive schemes should drive behaviours consistent with Company purpose, values and strategy.	In determining the Remuneration Policy, the Committee was clear that this should drive the right behaviours, reflect our values and support the Company purpose and strategy. The Committee will review the remuneration framework regularly so that it continues to support our strategy.

On behalf of the Board, I would like to thank Shareholders for their continued support. Should you have any questions on, or would like to discuss any further aspect of, our remuneration strategy I can be contacted at **pam.powell@cranswick.co.uk.**

Pam Powell
Chair of the Remuneration Committee

23 May 2023

2023 bonuses

Measure	Threshold	Maximum	Actual
Adjusted Group profit before tax	£132.5m	£149.8m	£141.9m
Bonus payable (% of salary)	20%	165%	77.2%

Note: Adjusted Group profit before tax targets are stated before deduction of bonuses paid to Executive Directors, associated employers NI and non-trading items.

ANNUAL REPORT ON DIRECTORS' REMUNERATION

Remuneration at a glance

Our performance during the year

+14.4%

Like-for-like revenue increase to £2,297.9m.

-(16.0)%

Share price decrease to 3,014p at 25 March 2023.

Adjusted profit before tax

£140.1m

Adjusted earnings per share

210.0p

Targets

Bonus

100%

Adjusted profit before tax

LTIP

50%

Relative TSR

50%

EPS

>92%

of total votes cast in favour of the Remuneration Committee's Policy and Report at last year's AGM.

Read more:
see page 114 for more details

Remuneration in 2023

The Committee ensures that executive remuneration targets are stretching, aligned with business strategy to drive long-term Shareholder value and reflect the performance of the business during the period under review. Executive Directors' rewards (excluding base salary and benefits) are two-fold: short term by way of a cash bonus (part of which is deferred into shares in the case of Chris Aldersley); and longer term by way of share awards under the Company's Long Term Incentive Plan (LTIP).

	Adam Couch	Mark Bottomley	Jim Brisby	Chris Aldersley*
Salary	751	496	496	331
Benefits	36	33	32	23
Pension	134	89	89	59
Bonus	580	383	383	256
LTIP	711	470	470	94
SAYE	–	4	–	–
Total	**2,212**	**1,475**	**1,470**	**763**

* Chris Aldersley was appointed as a Director on 1 August 2022.

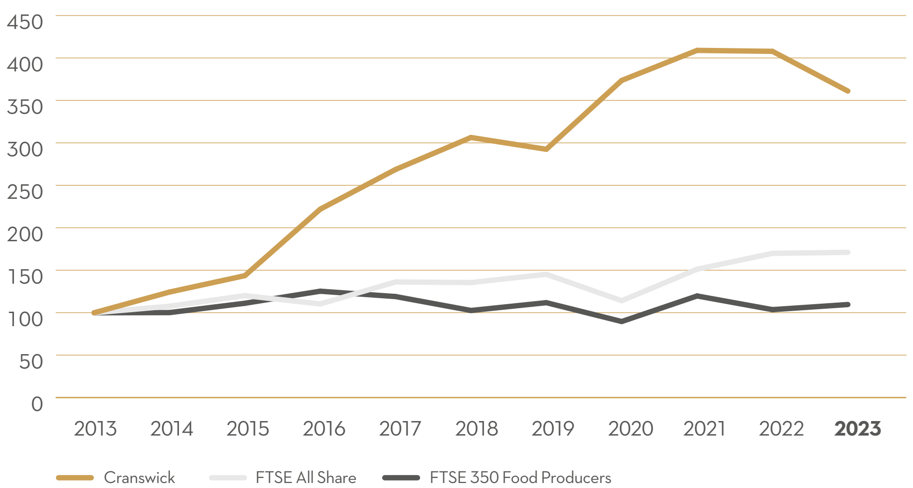
Outcomes

Achieved adjusted Group profit before tax of £140.1 million – 46.8 per cent of the maximum bonus opportunity achieved (77.2 per cent of salary). Performance measured over the three-year period ended 25 March 2023, EPS growth was 10.4 per cent, and TSR was ranked in the 58th percentile of its comparator group. LTIP awards made in July 2020 will therefore vest in July 2023 in relation to 83.7 per cent in respect of the EPS element and 38.0 per cent in respect of the TSR element, in aggregate 60.9 per cent of the maximum (121.8 per cent of salary).

Remuneration for 2024

Salary	7 per cent increase to Directors salaries taking into account annual increases for the wider workforce which was at least 7 per cent for a significant proportion of the workforce (including unscheduled mid-year pay increases focused on our lower paid workers and sites where the cost-of-living crisis has been particularly acute).
Bonus	Opportunity unchanged at 165 per cent of salary for 2023/24. Stretching target – unchanged from previous years at 100 per cent on adjusted Group profit before tax. One-third of any bonus earned by Chris Aldersley will be deferred into shares for two years.
LTIP awards	Opportunity unchanged at 200 per cent of salary for 2023/24. Stretching targets – unchanged from previous year at 42.5% EPS, 42.5% relative TSR, 15% ESG.

Total Shareholder Return



Directors' Remuneration (audited)

The remuneration Policy operated as intended in 2022/23. The table below sets out the single figure remuneration details of the Directors for the reporting year:

	Salary and fees		Benefits		Bonus		LTIP*		Pension		SAYE		Total		Total fixed		Total variable	
£'000	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Executive Directors																		
Chris Aldersley**	331	–	23	–	256	–	94	–	59	–	–	–	763	–	413	–	350	–
Mark Bottomley	496	476	33	33	383	399	470	980	89	88	4	–	1,475	1,976	618	597	857	1,379
Jim Brisby	496	476	32	32	383	399	470	980	89	88	–	–	1,470	1,975	617	596	853	1,379
Adam Couch	751	720	36	33	580	604	711	1,482	134	134	–	17	2,212	2,990	921	887	1,291	2,103
	2,074	**1,672**	**124**	**98**	**1,602**	**1,402**	**1,745**	**3,442**	**371**	**310**	**4**	**17**	**5,920**	**6,941**	**2,569**	**2,080**	**3,351**	**4,861**
Non-Executive Directors																		
Tim Smith	250	190	–	–	–	–	–	–	–	–	–	–	250	190	250	190	–	–
Mark Reckitt	66	63	–	–	–	–	–	–	–	–	–	–	66	63	66	63	–	–
Pam Powell	63	54	–	–	–	–	–	–	–	–	–	–	63	54	63	54	–	–
Kate Allum***	22	63	–	–	–	–	–	–	–	–	–	–	22	63	22	63	–	–
Liz Barber	63	49	–	–	–	–	–	–	–	–	–	–	63	49	63	49	–	–
Yetunde Hofmann**	37	–	–	–	–	–	–	–	–	–	–	–	37	–	37	–	–	–
	501	419	–	–	–	–	–	–	–	–	–	–	501	419	501	419	–	–
Total	**2,575**	**2,091**	**124**	**98**	**1,602**	**1,402**	**1,745**	**3,442**	**371**	**310**	**4**	**17**	**6,421**	**7,360**	**3,070**	**2,499**	**3,351**	**4,861**

* The values of the LTIP awards which vested in June 2022 have been updated for the actual share price on the date of vesting. In line with the regulations, the values for 2023 are based on the average share price over the three-month period to 25 March 2023 as these awards will not vest until July 2023 (see tables on page 114).

** Appointed to the Board on 1 August 2022. The 2023 figures reflect their remuneration for the period from 1 August 2022.

*** Retired from the Board on 1 August 2022.

As reported last year, the Executive Directors had pay awards in the year effective from 1 May 2022 which were consistent with the average increase awarded to Senior Executives and below average increases applied to the wider workforce as set out below:

	From 1 May 2022		
Mark Bottomley	£498,100	4%	Below wider workforce
Jim Brisby	£498,100	4%	Below wider workforce
Adam Couch	£753,500	4%	Below wider workforce

Chris Aldersley's salary on appointment was set at £498,100.

Benefits principally comprise health and life insurance, personal tax advice, pension advice and Company car allowance.

Our approach to Executive Director pension with effect from 1 April 2023 is described in the Committee Report on page 109.

The number of Directors who were active members of the money purchase pension scheme in the year was two (2022: two).

The Non-Executive Chairman is paid a fee of £250,000 for chairing the Company, which is reviewed triennially. No additional fees are payable to the Chairman for chairing any committees or undertaking workforce engagement.

Non-Executive Directors are paid a basic fee of £56,000 with additional fees of £11,000 paid for chairing Committees, for the role of Senior Independent Director and for undertaking the role as designated Non-Executive Director for workforce engagement, which are reviewed triennially.

CORPORATE GOVERNANCE

ANNUAL REPORT ON DIRECTORS' REMUNERATION
CONTINUED

Annual bonus arrangement (audited)

The bonus scheme in operation is based on the achievement of adjusted Group profit before tax targets which are set with regard to the Company's budget, historical performance and market outlook for the year. There are four bonus profit targets triggering awards of 20 per cent, 50 per cent, 100 per cent and 165 per cent of base salary with a straight line, pro-rata award for profits falling between the targets.

In accordance with the Company's Remuneration Policy, one-third of the bonus earned by Chris Aldersley apportioned to the period since he was appointed a Director on 1 August 2022 will be deferred into shares for two years. The single figure table includes the bonus related to the portion of the year for which Chris Aldersley was an Executive Director.

The performance in the year, before charging bonus awards made to the Executive Directors and the Chief Operating Officer, was £141.9 million. This resulted in a bonus award of 77.2 per cent of salary as shown below. The Committee considers the level of pay-out is reflective of the overall performance of the Group in the year and is appropriate.

	Threshold	Target to stretch		Maximum	Actual
Group profit targets	£132.5m	£138.8m	£144.5m	£149.8m	£141.9m
Bonus payable (% of salary)	20%	50%	100%	165%	77.2%

This award is reflected in the table above.

LTIP award vesting in respect of the 52 weeks ended 25 March 2023 (audited)

The Remuneration Committee makes awards under the LTIP in order to ensure that Executive Directors and Senior Management are involved in the longer term success of the Group. Options awarded can only be exercised if certain performance criteria are achieved by the Group. The performance criteria for the 2020 LTIP awards that will vest in June 2023 are as follows:

- After taking into account the changes to the EPS targets described in the Committee's statement on page 108, 50 per cent of each award is subject to an EPS target requiring average annual growth in EPS of 5.56 per cent for threshold vesting and average annual growth in EPS of 11.56 per cent for full vesting, with average annual growth between 5.56 and 11.56 per cent rewarded pro-rata.
- 50 per cent is aligned to a TSR target measured against a comparable group of companies over a three-year period. The TSR target allows 22.5 per cent of the shares subject to the target to vest at the 50th percentile and 100 per cent at the 90th percentile with performance between the 50th and 90th percentiles rewarded pro-rata.

The comparison companies used are: Associated British Foods plc, A.G. Barr plc, Britvic plc, Carrs Group plc, Devro plc, Greencore Group plc, Hilton Food Group plc, Kerry Group plc, McBride plc, Premier Foods plc and Tate and Lyle plc.

The value of the LTIP for the year ended 25 March 2023 relates to awards made in July 2020 with a performance criteria based on the three years ended 25 March 2023 that will vest in July 2023 calculated at the average price for the three months ended on 25 March 2023 of 3,099 pence. Over the three-year performance period the EPS element of the award, based on the criteria set above, gave an outperformance of 7.8 per cent over the adjusted average annual growth (referenced above) and vesting at 83.7 per cent of the maximum. Performance in relation to TSR measured over a three-month averaging period has been reasonably strong with the Company being ranked in the 58th percentile of its comparator group and, consequently, 38 per cent of the TSR element of the award has vested this year. The total award of 60.9 per cent of maximum (121.8 per cent of salary) is reflected in the table on page 113, and below. The Committee considers the level of pay-out is reflective of the overall performance of the Group over the three-year performance period ended 25 March 2023 and is appropriate.

	Date of grant	Options granted	Vesting performance	Shares awarded	Average share price	Value of shares
Chris Aldersley*	1 July 2020	22,450	60.9%	13,662	3,099	£94,086
Mark Bottomley	1 July 2020	24,900	60.9%	15,154	3,099	£469,622
Jim Brisby	1 July 2020	24,900	60.9%	15,154	3,099	£469,622
Adam Couch	1 July 2020	37,700	60.9%	22,944	3,099	£711,035

* Chris Aldersley's LTIP award was made whilst employed by the Group in a senior executive position as Chief Operating Officer prior to being appointed a Director on 1 August 2022. The value of the award vesting, included in the figure above and the single figure table, is the value of 8/36 of the vesting shares, reflecting the proportion of the three year performance period for which Chris Aldersley was a Director.

The 2020 LTIP awards with a performance period ended 25 March 2023, were granted on 1 July 2020 when the share price was 3,664 pence. The three-month average share price ended on 25 March 2023 was 3,099 pence. This equated to a decrease in value for each Executive Director of 565 pence per share due to vest in July 2023. The proportion of the value attributable to share price growth is therefore -15.4 per cent. The Committee did not exercise discretion in respect of the share price depreciation.

True-up of awards vested in respect of the 52 weeks ended 26 March 2022 for share price on vesting date (audited)

The value of the LTIP for the 52 weeks ended 26 March 2022 relates to awards, made in 2019, with a performance criteria based on the three years ended 26 March 2022 that vested in June 2022, updated for the actual vesting share price of 3,082 pence. The EPS element of the award achieved 100 per cent of its performance target and 100 per cent was achieved under the TSR measure giving an overall award of 100 per cent and this is reflected in the 2022 column of the table on page 113 and in the table below.

The 2019 LTIP awards with performance period ended 26 March 2022, were granted on 1 June 2019 when the share price was 2,684p. Based on the vesting share price, this equated to an increase in value of 398 pence per share.

	Date of grant	Options vested	Value of award as at 26 March 2022 based on an average price of 3,612p	Value of award when vested in July 2022 at the market price of 3,082p
Mark Bottomley	1 June 2019	31,800	£1,148,616	£980,012
Jim Brisby	1 June 2019	31,800	£1,148,616	£980,012
Adam Couch	1 June 2019	48,100	£1,737,372	£1,482,346

LTIP awards granted during the year ended 25 March 2023 (audited)

Details of the nil-cost LTIP options granted in the year under the LTIP are set out below:

	Date of grant	Basis of award	Number of shares	Share price at grant* (p)	Face value of shares	Vesting at minimum performance	End of performance period
Chris Aldersley**	1 July 2022	200% of salary	31,900	3,124	£996,556	25%	30 March 2025
Mark Bottomley	1 July 2022	200% of salary	31,900	3,124	£996,556	25%	30 March 2025
Jim Brisby	1 July 2022	200% of salary	31,900	3,124	£996,556	25%	30 March 2025
Adam Couch	1 July 2022	200% of salary	48,250	3,124	£1,507,330	25%	30 March 2025

* Based on the average of the quoted market price of the Company's shares on the three dealing days prior to the date of grant.

** Chris Aldersley's LTIP award was made whilst employed by the Group in a senior executive position as Chief Operating Officer prior to being appointed a Director on 1 August 2022 and is in line with the limits in the LTIP as approved by Shareholders.

Each person has also been granted a tax qualifying option over 320 shares at an exercise price of 3,124p per share as part of their award. These tax qualifying options are linked to the LTIP nil-cost options such that, at the time of exercise, to the extent that there is a gain in the tax qualifying option, the LTIP nil-cost option will be forfeited to the value of that gain.

Details of the performance targets for the LTIP granted during the year ended 2023 are as follows:

EPS as at 30 March 2025	Vesting percentage
211.1 pence per ordinary share	25%
Growth between 211.1 pence and 237.5 pence per ordinary share.	Straight-line vesting
237.5 pence per ordinary share.	100%

TSR performance	Vesting percentage
Median	25%
Between median and upper decile	Straight-line vesting
Upper decile	100%

Emissions reduction (tonnes CO_2e)*	Vesting percentage
14.8 per cent	25%
Between 14.8 per cent and 19.7 per cent	Straight-line vesting
19.7 per cent	100%

Water Intensity reduction (m3/sales tonnes)**	Vesting percentage
10.7 per cent	25%
Between 10.7 per cent and 14.3 per cent	Straight-line vesting
14.3 per cent	100%

Energy Intensity reduction (kWh/sales tonnes)	Vesting percentage
13.8 per cent	25%
Between 13.8 per cent and 18.4 per cent	Straight-line vesting
18.4 per cent	100%

* Emissions are total Scope 1 and Scope 2 emissions (location based).

** Water intensity excludes farms.

The Committee has discretion to reduce the extent of vesting in the event that it considers that performance against any measure is inconsistent with the overall financial or non-financial performance of the Group over the performance period.

ANNUAL REPORT ON DIRECTORS' REMUNERATION
CONTINUED

SAYE (audited)

The value of the SAYE options relates to awards granted three or five years ago that have had their full contribution paid by the Executive Director and have been exercised in the year. The awards exercised in 2022 by Mark Bottomley had an exercise price of 2,239 pence and a market value of 3,270 pence respectively. The notional gain is shown in the 2023 column of the table on page 113.

Payments to past Directors (audited)

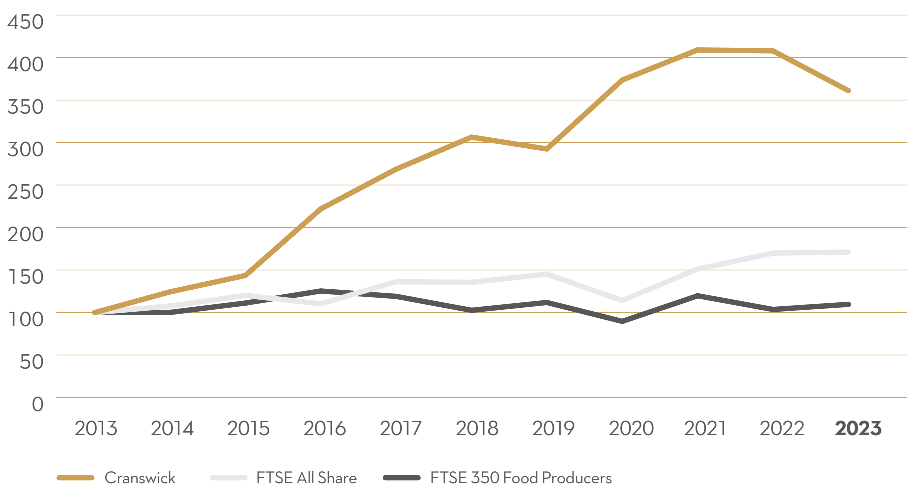
There have been no payments made for loss of office during the year. As reported last year, Martin Davey remained with the Company in an advisory capacity until May 2022, with remuneration arrangements disclosed in last year's report.

No other payments have been made to past Directors during the year.

Performance graph – total shareholder return (unaudited)

The graph below shows the percentage change (from a base of 100 in March 2013) in the TSR (with dividends reinvested) for each of the last 10 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.

Total shareholder return



The table below illustrates the change in the total CEO remuneration over a period of 10 years, with the bonus awards in those years and the LTIP vesting awards set against a percentage of the maximum available.

£'000	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Base salary	542	562	588	599	616	635	651	669	720	751
Benefits	31	29	29	31	32	33	34	32	33	36
Pension	108	112	118	120	123	127	130	134	134	134
Bonus	252	843	882	898	925	240	979	1,004	604	580
LTIP	149	825	1,148	1,341	1,793	840	1,118	1,200	1,482	711
SAYE	–	–	38	–	–	–	49	–	17	–
CEO total remuneration	1,082	2,371	2,803	2,989	3,489	1,875	2,961	3,039	2,990	2,212
Bonus award against maximum opportunity	31%	100%	100%	100%	100%	25%	100%	100%	51%	47%
LTIP vesting against maximum opportunity	25%	87%	100%	100%	100%	81%	99%	77%	100%	61%

Annual percentage change in remuneration of Directors and employees (unaudited)

The table below shows the percentage change in each Director's salary/fees, benefits and bonus between the year ended 27 March 2021, the year ended 26 March 2022 and the year ended 25 March 2023, and the average percentage change in the same remuneration over the same period in respect of the employees of the Company on a full-time equivalent basis.

The average employee change has been calculated by reference to the mean of employee pay. During the year ended 25 March 2023, Yetunde Hofmann and Chris Aldersley were appointed to the Board, and accordingly they have been excluded from the analysis.

		Average employee*	Mark Bottomley	Jim Brisby	Adam Couch	Kate Allum**	Mark Reckitt	Pam Powell	Tim Smith****	Liz Barber	Martin Davey***
Salary/fees	2022/23	+19.1%	+4.2%	+4.2%	+4.3%	+4.8%	+4.8%	+16.7%	+31.6%	+28.6%	n/a
	2021/22	+0.3%	+7.7%	+7.7%	+7.6%	+6.8%	+6.8%	+5.9%	+222.0%	–	–
	2020/21	+6.6%	+2.8%	+2.8%	+2.8%	–	–	–	–	n/a	–
Benefits	2022/23	+1.7%	0.0%	0.0%	+9.1%	n/a	n/a	n/a	n/a	n/a	n/a
	2021/22	-11.6%	+6.5%	+3.2%	+3.1%	n/a	n/a	n/a	n/a	n/a	–
	2020/21	-2.3%	-3.7%	-0.7%	-5.7%	n/a	n/a	n/a	n/a	n/a	+2.6%
Bonus	2022/23	+35.3%	-4.0%	-4.0%	-4.0%	n/a	n/a	n/a	n/a	n/a	n/a
	2021/22	-18.1%	-39.9%	-39.9%	-39.9%	n/a	n/a	n/a	n/a	n/a	–
	2020/21	+12.1%	+2.8%	+2.8%	+2.6%	n/a	n/a	n/a	n/a	n/a	–

* Includes the impact of pay awards, growth in employee numbers and restructuring of plc support functions.

** Retired from the Board and as a Director on 1 August 2022, in order for the numbers to be comparable the 2022 value has been annualised.

*** Retired from the Board and as a Director on 26 July 2021, in order for the numbers to be comparable the 2021 value has been annualised.

**** Increase in remuneration during 2020/21 is due to being appointed as Chairman on 26 July 2021.

Chief Executive pay ratio (unaudited)

The table below shows the pay ratio based on total remuneration and salary of the Chief Executive to the 25th, 50th and 75th percentile of all permanent UK employees of the business.

Year	Method*	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2020	Option A	120:1	101:1	79:1
2021	Option A	112:1	95:1	77:1
2022	Option A	119:1	100:1	80:1
2023	Option A	77:1	68:1	54:1

2023	Chief Executive	25th percentile	Median	75th percentile
Salary	751	22	26	34
Total Remuneration	2,212	28	33	41

* The Company used Option A as defined in The Companies (Miscellaneous Reporting) Regulations 2018, as the calculation methodology for the ratios was considered to be the most accurate method. The 25th, median and 75th percentile pay ratios were calculated using the full-time equivalent remuneration for all UK employees as at the financial year end and incorporated all components of employee remuneration. Employees' involvement in the Group's performance is encouraged, with all employees employed on the relevant offer date eligible to participate in the SAYE schemes. Certain employees also participate in discretionary bonus schemes.

The Chief Executive remuneration for the year ended 26 March 2022 is the total single figure remuneration figure as disclosed on page 113, which has been adjusted to reflect the actual LTIP vesting (further information on page 115). This adjustment has reduced the CEO pay ratios for the year ended 26 March 2022 as follows: 25th percentile 129:1 to 119:1; median 108:1 to 100:1; and 75th percentile 87:1 to 80:1.

The workforce comparison is based on the payroll data for the financial year for all employees (including the Chief Executive but excluding Non-Executive Directors) as at 25 March 2023. The workforce comparison has not excluded any component of total pay and benefits.

A substantial proportion of the Chief Executive's total remuneration is performance-related. The ratios will therefore depend significantly on the Chief Executive's annual bonus and LTIP outcome, and may fluctuate year-to-year. In respect of the median employee (50th percentile), total remuneration has increased to at £33,000. The Group considers the median pay ratio to be consistent with the Group's wider policies on employee pay, reward and progression. In 2021, a special bonus was paid to all site-based colleagues which resulted in a decrease in the median pay ratio 2021, with no further special bonuses having been paid in subsequent years. The variation in the median pay ratio reflects the greater proportion of the Chief Executives' total remuneration being performance based and dependent on the Company's share price.

Relative importance of the spend on pay (unaudited)

The table below shows the total remuneration paid across the Group together with the total dividend paid and share buybacks in respect of 2023 and the preceding financial year. There have been no share buybacks during 2023 and 2022.

Pay against distributions £'m	2023	2022	Change %
Remuneration paid to all employees*	335.9	291.1	+15.4%
Total dividends paid and share buybacks in the year	40.7	37.7	+8.0%

* Includes the impact of pay awards, growth in employee numbers and corporate activity.

ANNUAL REPORT ON DIRECTORS' REMUNERATION
CONTINUED

Outstanding share awards (audited)

The interests of the Executive Directors in the LTIP and SAYE schemes were as follows:

Long Term Incentive Plan (audited)

	Year of award	At 26 March 2022 Number	Granted in the year Number	Exercised in the year Number	Lapsed in the year Number	At 25 March 2023 Number	Exercise price p	Market price at grant p
Chris Aldersley**	2019	26,300	–	(26,300)	–	–	nil	2,674
	2020	22,450	–	–	–	22,450	nil	3,664
	2021	23,700	–	–	–	23,700	nil	4,050
	*2022	–	31,900	–	–	31,900	nil	3,034
Mark Bottomley	2019	31,800	–	(31,800)	–	–	nil	2,674
	2020	24,900	–	–	–	24,900	nil	3,664
	2021	23,700	–	–	–	23,700	nil	4,050
	*2022	–	31,900	–	–	31,900	nil	3,034
Jim Brisby	2019	31,800	–	(31,800)	–	–	nil	2,674
	2020	24,900	–	–	–	24,900	nil	3,664
	2021	23,700	–	–	–	23,700	nil	4,050
	*2022	–	31,900	–	–	31,900	nil	3,034
Adam Couch	2019	48,100	–	(48,100)	–	–	nil	2,674
	2020	37,700	–	–	–	37,700	nil	3,664
	2021	35,850	–	–	–	35,850	nil	4,050
	*2022	–	48,250	–	–	48,250	nil	3,034

* Each of the Executive Directors, was also granted a tax qualifying option over 320 ordinary shares at an exercise price of £31.24 per ordinary share which is linked to the LTIP awards such that, at the time of exercise. To the extent that there is a gain in the tax qualifying option, the LTIP was scaled back by the value of that gain.

** Chris Aldersley's LTIP awards were made whilst employed by the Group in a senior executive position as Chief Operating Officer prior to being appointed a Director on 1 August 2022.

The performance periods run for three years from the commencement of each financial year and conclude at the end of the financial year three years later and are exercisable on the attainment of certain performance criteria detailed on pages 114 and 115. The range of exercise dates are 1 July 2023 to 1 June 2032.

The LTIP, issued in 2020, which vests in July 2023, will achieve 83.7 per cent of the EPS target and 38 per cent of the TSR target giving a share vesting of 60.9 per cent of the maximum award.

The following Directors exercised LTIP share options during the year:

	Number	Date exercised	Exercise price p	Market price p	Gain on exercise £
Chris Aldersley*	26,300	27 June 2022	nil	3,082	810,513
Mark Bottomley	31,800	27 June 2022	nil	3,082	980,012
Jim Brisby	31,800	27 June 2022	nil	3,082	980,012
Adam Couch	48,100	27 June 2022	nil	3,082	1,482,346

* Chris Aldersley's LTIP award was made whilst employed by the Group in a senior executive position as Chief Operating Officer prior to being appointed a Director on 1 August 2022.

Savings-related share option scheme (audited)

	Year of award	At 26 March 2022 Number	Granted in the year Number	Exercised in the year Number	Lapsed in the year Number	At 25 March 2023 Number	Exercise price p	Range of exercise dates
Chris Aldersley	2017	584	–	–	–	584	2,565	1 Mar 2023 – 1 Sept 2023
	2020	535	–	–	–	535	2,800	1 Mar 2026 – 1 Sept 2026
	2022	–	600	–	–	600	2,498	1 Mar 2028 – 1 Sept 2028
Mark Bottomley	2018	401	–	(401)	–	–	2,239	1 Mar 2022 – 1 Sept 2022
	2020	321	–	–	–	321	2,800	1 Mar 2024 – 1 Sept 2024
	2022	–	360	–	–	360	2,498	1 Mar 2026 – 1 Sept 2026
Jim Brisby	2018	669	–	–	–	669	2,239	1 Mar 2024 – 1 Sept 2024
	2020	535	–	–	–	535	2,800	1 Mar 2026 – 1 Sept 2026
Adam Couch	2017	205	–	–	–	205	2,565	1 May 2023 – 1 Nov 2023
	2019	591	–	–	–	591	2,534	1 Mar 2025 – 1 Sept 2025
	2020	347	–	–	–	347	2,800	1 Mar 2026 – 1 Sept 2026

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 Director exercised savings related share options during the year:

	Number	Date exercised	Exercise price p	Market price p	Gain on exercise £'000
Mark Bottomley	401	10 August 2022	2,239	3,270	4.1

Minimum shareholding

The Remuneration Committee has recommended that the Executive Directors hold shares in the Company worth at least 200 per cent of base salary.The Executive Directors' (other than Chris Aldersley, who was appointed as a Director on 1 August 2022) current holdings and value are all in excess of the 200 per cent target and are shown below. In accordance with the Company's Remuneration Policy, Chris Aldersley will hold shares acquired through the LTIP and any deferred bonus award (after sales to cover tax and costs) until the value of his total shareholding is equal to 200 per cent of his annual base salary.

Directors' interests (audited)

	LTIP (Unvested, subject to performance)*	LTIP (Vested unexercised)**	SAYE (Non-performance related)	Number of shares held as at 25 March 2023	Value of shares held as a % of base salary	Target %
Chris Aldersley***	55,600	13,662	1,719	29,066	164	200
Mark Bottomley	55,600	15,154	681	109,410	619	200
Jim Brisby	55,600	15,154	1,204	118,777	672	200
Adam Couch	84,100	22,944	1,143	196,641	735	200
Mark Reckitt	–	–	–	1,615	–	–
Tim Smith	–	–	–	5,000	–	–
Pam Powell	–	–	–	1,000	–	–
Liz Barber	–	–	–	1,000	–	–

* Not including tax qualifying options granted to each of the Executive Directors.

** LTIP awards are due to vest in July 2023 with the performance criteria now completed.

*** Chris Aldersley's LTIP awards were made whilst employed by the Group in a senior executive position as Chief Operating Officer prior to being appointed a Director on 1 August 2022.

The share price at 25 March 2023 of 3,014 pence was used in calculating the percentage figures shown above. Kate Allum had no interests in the Company while a director. Yetunde Hofmann has no interests in the Company at the present time. There have been no further changes to the above interests in the period from 25 March 2023 to 23 May 2023.

Remuneration for the year ending 30 March 2024 (unaudited)

Salaries and pension

Our approach to Executive Directors' salaries and pension for 2023/24 are described in the Committee Chair's Statement on pages 108 to 110.

Bonus

The 2024 bonus scheme in operation will be based on the achievement of Group profit targets which are set having regard to the Company's budget, historical performance and market outlook for the year. The actual 2024 targets are not disclosed as they are considered to be commercially sensitive. The targets will be declared retrospectively in the 2024 Annual Report & Accounts, provided they are not considered commercially sensitive at that time. There will be four bonus profit targets triggering awards of 20 per cent, 50 per cent, 100 per cent and 165 per cent of base salaries with a straight line pro-rata award for profits falling between the targets.

LTIP

LTIP awards, equivalent to 200 per cent of basic salary, will be made in June 2023 and vesting will be after a three-year performance period. 42.5 per cent of the award will be based on a TSR performance measure, 42.5 per cent on an EPS performance measure, and 15 per cent on sustainability measures.

ANNUAL REPORT ON DIRECTORS' REMUNERATION
CONTINUED

Details of the performance targets for the LTIP awards to be granted are as follows:

EPS as at 30 March 2026	Vesting percentage
215.6 pence per ordinary share	25%
Growth between 215.6 pence and 249.8 pence per ordinary share	Straight-line vesting
249.8 pence per ordinary share	100%

Emissions reduction (tonnes Co2e)*	Vesting percentage
12.4 per cent	25%
Between 12.4 per cent and 16.5 per cent	Straight-line vesting
16.5 per cent	100%

Water Intensity reduction (m3/sales tonnes)**	Vesting percentage
12.2 per cent	25%
Between 12.2 per cent and 16.3 per cent	Straight-line vesting
16.3 per cent	100%

Energy Intensity reduction (kWh/sales tonnes)	Vesting percentage
14.0 per cent	25%
Between 14.0 per cent and 18.7 per cent	Straight-line vesting
18.7 per cent	100%

* Emissions are total Scope 1 and Scope 2 emissions (location based).

** Water intensity excludes farms.

The TSR performance measure will be the same as for the awards granted in 2022 as disclosed on page 115 measured against the revised TSR comparator group described on page 114. Threshold vesting for the LTIP award is intended to be 25 per cent of maximum in line with the Remuneration Policy.

Awards are subject to a two-year holding period.

Advisers to the Committee (unaudited)

The Committee keeps itself fully informed on the developments within the industry and in the field of remuneration, and seeks advice from external advisers where appropriate. Deloitte LLP was reappointed by the Committee to advise it during 2023 and has provided general remuneration advice and share scheme advice to the Company. Deloitte is a member of the Remuneration Consultants Group and as such voluntarily operated under the Code of Conduct in relation to executive remuneration consulting in the UK. Deloitte's fees for providing remuneration advice agreed by the Committee were £42,030 for the year ended 25 March 2023. Deloitte also provides consultancy services to the Group but otherwise has no connection to the Company or its directors. However, the Committee have reviewed any potential conflicts of interest and judged that Deloitte's advice is both objective and independent.
The Committee have also been provided advice during the year in relation to its consideration of matters relating to Directors' remuneration by the Chief Executive Officer, Chief Financial Officer and Company Secretary.

Statement of Shareholders voting (unaudited)

The resolution to approve the 2022 Remuneration Committee Report was passed on a poll at the Company's last AGM held on 1 August 2022.
The votes cast in respect of the resolution were:

Remuneration Committee Report	Number	%
For	40,566,242	92.53
Against	3,276,024	7.47
Withheld	11,473	–

The resolution to approve the Remuneration Policy was passed on a poll at the Company's 2021 AGM held on 26 July 2021. The votes cast in respect of the resolution were:

Remuneration Policy	Number	%
For	36,982,645	86.78
Against	5,632,533	13.22
Withheld	568,001	–

Remuneration disclosure

This report complies with the requirements of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended, the principles and provisions of the 2018 UK Corporate Governance Code and the Listing Rules of the Financial Conduct Authority.

Pam Powell
Chair of the Remuneration Committee

23 May 2023

REMUNERATION POLICY

This part of the Directors' Remuneration Report sets out a summary of the Directors' Remuneration Policy (Policy). The full Policy is available in the 2020/21 Annual Report & Accounts on the Group's website at **www.cranswick.plc.uk**.

Link between Policy, strategy and structure

Our Remuneration Policy is principally designed to align the interests of Executive Directors and Senior Executives with the Company's strategic vision and the creation of sustainable long-term value for our stakeholders without encouraging excessive levels of risk taking. The Policy is intended to remunerate our Executive Directors competitively and appropriately for effective delivery of this and allows them to share in this success and the value delivered to Shareholders. The principles and values that underpin the remuneration strategy are applied on a consistent basis for all Group employees. It is the Group's policy to reward all employees fairly, responsibly and by reference to local market practices, by providing an appropriate balance between fixed and variable remuneration.

The remuneration package is in two parts, to provide competitive total remuneration:

- a non-performance part represented by fixed remuneration (basic salary, pension and benefits); and
- a significant performance-related element in the form of an annual bonus and long-term share-based awards.

The details of individual components of the remuneration package are set out below:

Purpose and link to strategy	Operation	Performance metrics	Maximum entitlement
Base salary			
To provide a market competitive base salary to attract and retain executives.	Base salaries are ordinarily reviewed annually taking into account a number of factors including (but not limited to): • the individual's skills, experience and responsibilities; • pay increases within the Group more generally; and • performance, group profitability and prevailing market conditions. Any changes will usually take effect from 1 May.	While no formal performance conditions apply, an individual's performance in role is taken into account in determining any salary increase.	Whilst there is no maximum salary, increases will normally be within the range of salary increases awarded (in percentage of salary terms) to other employees in the Group. However, higher increases may be awarded in appropriate circumstances, such as: • an increase in scope of the role or the individual's responsibilities; • where an individual has been appointed to the Board at a lower than typical market salary to allow for growth in the role, in which case larger increases may be awarded to move salary positioning to a typical market level as the individual gains experience; • change in size and complexity of the Group; and/or • significant market movement. Such increases may be implemented over such time period as the Committee deems appropriate.
Pension			
To provide a framework to save for retirement.	Executive Directors are entitled to non-contributory membership of the Group's defined contribution pension scheme. Alternatively, at their option, Executive Directors may receive a cash payment in lieu of pension contribution, subject to the normal statutory deductions (or a combination thereof). Pension contributions may also be made in lieu of salary.	N/A	For Executive Directors appointed after 1 April 2021, a Company contribution and/or cash payment in lieu not exceeding the contribution available to the majority of the Group's wider workforce. For Executive Directors appointed before 1 April 2021, a Company contribution and/or cash payment in lieu will be fixed at their entitlements as at 31 March 2021 for two years, then reduced to 10 per cent of salary by 1 April 2023.

REMUNERATION POLICY
CONTINUED

Purpose and link to strategy	Operation	Performance metrics	Maximum entitlement
Benefits			
To provide market competitive benefits as part of the remuneration package.	Market competitive benefits principally comprise health insurance (which may include coverage for the Director's spouse/partner and dependent children), life insurance, income protection insurance, personal tax advice, pension advice and company car allowance or the provision of a company car and running costs. Additional benefits might be provided from time to time if the Committee decides payment of such benefits is appropriate. Reimbursed expenses may include a gross-up to reflect any tax or social security due in respect of the reimbursement. Benefits are not pensionable.	N/A	Whilst the Committee has not set an absolute maximum on the level of benefits Executive Directors may receive, the value is set at a level which the Committee considers to be appropriately positioned, taking into account relevant market levels based on the nature and location of the role and individual circumstances.
Annual bonus			
To incentivise and reward Executive Directors and Senior Executives for performance in the year against targets linked to the delivery of the Company's strategic priorities. Where deferral applies, this provides a retention element and direct alignment to Shareholders' interests.	Measures and targets are reviewed annually and any pay-out is determined by the Committee after the year end, based on performance against targets set for the financial period. The Committee has discretion to amend the pay-out if it considers that the formulaic outcome does not reflect the Committee's assessment of business performance, is not appropriate in the context of circumstances that were unexpected or unforeseen at the start of the relevant year, or is not appropriate in the context of other factors considered relevant by the Committee. For Executive Directors appointed on or after the date on which this Policy becomes effective, one-third of any bonus earned will be deferred into shares for up to two years. Deferral of any bonus is subject to a de minimis limit of £10,000. A greater proportion of the bonus may be deferred with the agreement of the Executive Director. Additional shares may be awarded in respect of shares subject to deferred bonus awards to reflect the value of dividends which would have been paid on those shares during the period from grant to release date (this payment may assume that dividends had been reinvested in shares on a cumulative basis). Bonuses are non-pensionable. Recovery provisions apply as referred to on page 124.	The bonus will be based on the achievement of targets with stretching performance measures and respective weightings (where more than one measure is used) set each year dependent on the Group's strategic priorities.	The maximum opportunity is 165 per cent of base salary. Subject to the Committee's discretion to override formulaic outcomes, the bonus for achieving threshold performance is 20 per cent of maximum opportunity, rising up to 50 per cent of the maximum for on-target performance. Subject to the Committee's discretion to override formulaic outcomes, vesting of the bonus in respect of strategic measures or individual objectives will be between 0 per cent and 100 per cent based on the Committee's assessment of the extent to which the relevant metric or objective has been met.

Purpose and link to strategy	Operation	Performance metrics	Maximum entitlement
Share-based awards			
A Save As You Earn (SAYE) share scheme is available to all eligible employees.	Subject to approval by the Board, SAYE options are made available to eligible staff, including Executive Directors, in accordance with the scheme rules that reflect the applicable legislation with an option exercise price which may be set at a discount of up to 20 per cent to the share price when the option is offered.	N/A	The limit on monthly savings and maximum discount that may be applied in setting the exercise price will be determined in accordance with the applicable tax legislation from time to time and will be the same for the Executive Directors as for other eligible employees. At the date of approval of this Policy, the maximum saving is £500 per month and the maximum discount is 20 per cent.
LTIP			
Long Term Incentive Plan (LTIP) awards provide a clear link between the remuneration of Executive Directors and the creation of value for Shareholders by rewarding the achievement of longer term strategic priorities aligned to Shareholder interests.	The LTIP awards may take the form of nil (or nominal) cost share options or conditional awards. The Committee may at its discretion structure awards as qualifying LTIP awards, consisting of a tax qualifying CSOP option with an exercise price equal to the market value of a share at the date of grant and an ordinary nil-cost LTIP award, with the ordinary award scaled back at exercise to take account of any gain made on exercise of the CSOP option. Awards will usually vest following the assessment of the applicable performance measures. Awards held by Executive Directors are then subject to a two-year holding period which may be structured as either: (1) the Executive Director being entitled to acquire the shares once vested, but, other than as regards sales to cover tax, being prevented from selling shares until the end of the holding period; or (2) the Executive Director being prevented from acquiring shares until the end of the holding period. If a holding period is structured on the latter basis, additional shares may be awarded in respect of vested shares to reflect the value of dividends paid on shares from the start of the holding period until the date on which the Executive Director is entitled to acquire shares (this payment may assume that dividends have been reinvested in shares on a cumulative basis). The Remuneration Committee has discretion to amend pay-outs if it considers that the formulaic output does not reflect its assessment of performance, is not appropriate in the context of circumstances that were unexpected or unforeseen at the date of grant, or is not appropriate in the context of other factors considered relevant by the Remuneration Committee.	Performance measures for LTIP awards are typically assessed over a period of three years and will include financial measures (which may include, but are not limited to EPS growth and relative TSR) and may include strategic/individual performance measures (which may include ESG measures). At least 80 per cent of the award will be subject to performance measures based on financial measures. Where more than one measure is used, the weightings will be determined by the Committee taking into account the Company's key strategic priorities. Subject to the Committee's discretion to override formulaic outturns, threshold vesting will not be at more than 25 per cent of maximum. The award vests in full for maximum performance.	The normal maximum award level under the LTIP in respect of any financial year is 200 per cent of base salary. In exceptional circumstances, this can be increased to 250 per cent of base salary. If a qualifying LTIP award is granted, the value of shares subject to the CSOP option will not count towards the limits referred to above, reflecting the provisions for scale back of the ordinary LTIP award.

REMUNERATION POLICY
CONTINUED

Purpose and link to strategy	Operation	Performance metrics	Maximum entitlement
Fees and benefits payable to Non-Executive Directors			
To pay fees at a level that reflects market conditions and are sufficient to attract and retain individuals of the appropriate calibre.	The fees of the Non-Executive Directors are determined by the Board and reviewed periodically. On appointment, a Non-Executive Chairman's, fees would be determined by the Committee. Non-Executive Directors are paid a basic fee with additional fees paid for other Board responsibilities or roles or time commitment, such as chairing Committees, for holding the role of Senior Independent Director or designated Non-Executive Director with responsibility for engaging with the workforce. Non-Executive Directors are not eligible to participate in any of the Group's share schemes, incentive schemes or pension schemes. Non-Executive Directors may be eligible to receive benefits such as travel costs and other reasonable expenses. Reimbursed expenses may include a gross-up to reflect any tax or social security due in respect of the reimbursement.	N/A	Fees are set taking into account the responsibilities of the role and the expected time commitment.

Recovery provisions
The annual bonus and LTIP are subject to recovery provisions as set out below.

Malus provisions apply which enable the Remuneration Committee to determine before the payment of an annual bonus or the vesting of an LTIP award, that the bonus opportunity or LTIP award may be cancelled or reduced.

Clawback provisions apply which enable the Remuneration Committee to determine for up to two years following the payment of a cash bonus or the vesting of an LTIP award, that the amount of the bonus paid may be recovered (and any deferred bonus award may be reduced or cancelled, or recovery may be applied to it if it has been exercised) and the LTIP award may be cancelled or reduced (if it has not been exercised) or recovery may be applied to it (if it has been exercised).

The malus and clawback provisions may be applied in the event of misstatement, performance error and misconduct by a participant, material risk management failure, serious reputational damage or material corporate failure.

Malus and clawback may be applied to any CSOP option granted under the LTIP to the extent permitted by the applicable tax legislation.

Differences in Policy on remuneration of Executive Directors from policy on remuneration of employees generally
The Company aims to provide a remuneration package that is market competitive and which reflects responsibility and role scope. Accordingly, Executive Directors have a greater weighting towards long-term and performance-based remuneration.

Shareholding requirement during employment
To promote alignment between Executive Directors' and Shareholders' interests, the Committee has adopted a formal shareholding requirement for Executive Directors. Each Executive Director is required to hold shares acquired through the LTIP and any deferred bonus award (after sales to cover tax and costs) until the value of their total shareholding is equal to 200 per cent of their annual base salary.

Where an LTIP is subject to a holding period on the basis that the Executive Director is prevented from acquiring shares until the end of the holding period, the vested shares count towards the shareholding requirement, on a net of assumed tax basis.

Shares subject to a deferred bonus award count towards the shareholding requirement, on a net of assumed tax basis.

Shareholding requirement post-employment
The Committee has adopted a post-employment shareholding requirement. Shares are subject to this requirement only if they are acquired from LTIP or deferred bonus awards granted after 1 April 2021. Shares purchased by an Executive Director are not subject to this requirement.

For the first 12 months after cessation of employment, such of their relevant shares as have a value at cessation equal to 200 per cent of salary (or if less all of their relevant shares) and in the following 12 months, retain such of their relevant shares as have a value at cessation equal to 100 per cent of salary (or if less all of their relevant shares).

Service contracts
The Committee's current policy is not to enter into employment contracts with any element of notice period in excess of one year. Accordingly, each of the following Executive Directors has a one year rolling contract: Adam Couch commencing 1 May 2006 (revised 1 August 2012), Mark Bottomley from 1 June 2009, Jim Brisby from 26 July 2010 and Chris Aldersley commencing 1 August 2022.

Non-Executive Directors
Each Non-Executive Director has an appointment letter – Mark Reckitt for three years from 1 May 2020, Pam Powell and Tim Smith for three years from 1 April 2021, Liz Barber for three years from 1 May 2021 and Yetunde Hofmann from 1 August 2022. The continuing appointments are subject to annual re-election at the Company's AGM.

Copies of the service contracts and letters of appointment are held at the Company's Registered Office and will be available for inspection at the AGM.

Legacy remuneration arrangements
The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above where the terms of the payment were agreed: (i) before the Policy set out in this 2023 Annual Report & Accounts came into effect, provided that the terms of payment were consistent with the Shareholder-approved Directors' Remuneration Policy in force at the time they were agreed, or (ii) at a time when the relevant individual was not a director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a director of the Company. For these purposes, 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted.

Pay and conditions elsewhere in the Group
The Committee does not directly consult with employees regarding the remuneration of the Executive Directors. However, when considering remuneration levels to apply, the Committee will take into account base pay increases, bonus payments and share awards made to the Company's employees generally.

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 to individual businesses;
- the Group offers employment conditions that are commensurate with a medium-sized quoted company, including high standards of Health & Safety and equal opportunities; and
- the Group operates Save As You Earn share schemes which are open to all eligible employees including Executive Directors. (Approximately 20 per cent of the workforce participate in the SAYE scheme).

Consideration of Shareholders' views
The Committee believes that ongoing dialogue with major Shareholders in relation to Executive Director remuneration is of key importance.
The Committee will consider Shareholder feedback received on remuneration matters including issues raised at the AGM as well as any additional comments received during any other meeting with Shareholders. The Committee will seek to engage directly with major Shareholders and their representative bodies should any material changes be proposed to be made to the Remuneration Policy or made to the way the Remuneration Policy is implemented.

DIRECTORS' REPORT

The Directors' Report required under the Companies Act 2006 comprises this Directors' Report (pages 126 to 131), the Corporate Governance Report (pages 80 to 125), the Sustainability Report set out in the Strategic Report (pages 33 to 46) and the Statement of Directors Responsibilities (page 131). The management report required under Disclosure Guidance and Transparency Rule 4.1.8R comprises the Strategic Report (pages 1 to 78) and this Directors' Report. This Directors' Report meets the requirements of the corporate governance statement required under Disclosure Guidance and Transparency Rule 7.2. As permitted by legislation, some of the matters required to be included in the Directors' Report have been included in the Strategic Report by cross reference.

Annual General Meeting

The AGM of Cranswick plc will be held at the Mercure Hull Grange Park Hotel, Grange Park Lane, Willerby, Hull HU10 6EA on Monday 24 July 2023. A notice convening the AGM can be found in the separate Notice of Annual General Meeting accompanying this Annual Report & Accounts.

Details of the Special Business to be transacted at the AGM are contained in the separate letter from the Chairman which also accompanies this Annual Report & 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.

Results and dividends

The profit from continuing operations for the financial year, after taxation amounts to £111.4 million (2022: £103.5 million). The Directors have declared dividends as follows:

	2023	2022
Interim dividend per share paid on 27 January 2023	**20.6p**	20.0p
Final dividend per share proposed	**58.8p**	55.6p
Total dividend	**£41.0m**	£40.2m

Subject to approval at the AGM, the final dividend will be paid in cash or scrip form on 1 September 2023 to members on the register at the close of business on 21 July 2023. The shares will go ex-dividend on 20 July 2023. The proposed final dividend for 2023 together with the interim paid in January 2023 amount to 79.4 pence per share which is 5 per cent higher than the previous year.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements together with the biographies of all Directors serving at the date of this Annual Report are shown on pages 82 and 83.

Directors' interests in the Company's shares

The interests of the Directors of the Company and their connected persons at 25 March 2023 in the issued share capital of the Company (or other financial instruments) which have been notified to the Company in accordance with the Market Abuse Regulation are set out in the Remuneration Report on page 119. Details of Directors' interests in shares are provided in the Directors' Remuneration Report on page 119.

Appointment and removal of Directors

The Articles of Association of the Company, the UK Corporate Governance Code and the Companies Act 2006 govern the appointment and replacement of Directors. Our Articles of Association are available on our website (www.cranswick.plc.uk). The Articles of Association include rules such as the limitation on the number of Directors to 15. Directors may be appointed by an Ordinary Resolution of the Shareholders or by a resolution of the Directors. A Director appointed by the Board during the year must retire at the first AGM following their appointment and such Director is eligible to offer themselves for election by the Company's Shareholders. Notwithstanding the retirement provisions in the Company's Articles of Association, it is the Company's current practice that all Directors retire from office at each AGM in accordance with the recommendations of the UK Corporate Governance Code.

CORPORATE GOVERNANCE

Directors indemnities

The Company has in place directors' and officers' liability insurance which gives appropriate cover against the costs of defending themselves in civil proceedings taken against them in their capacity as a Director or officer of the Company and in respect of damages resulting from any unsuccessful defence of any proceedings.

Directors conflicts of interest

Procedures are in place to ensure compliance with the Directors' conflict of interest duties set out in the Companies Act 2006. The Company has complied with these procedures during the year and the Board believes that these procedures operate effectively. During the year, details of any new conflicts or potential conflict matters were submitted to the Board for consideration and, where appropriate, these were approved. Authorised conflict or potential conflict matters are reviewed by the Board at least on an annual basis.

Share capital

The Company has a single class of shares in the form of ordinary shares with a nominal value of ten pence per share which have a Premium Listing on the London Stock Exchange and trade as part of the FTSE 250 Index under the symbol CWK. The Company has one class of shares, being ordinary shares of ten pence each. There are no special rights pertaining to any of the shares in issue; each share carries the right to one vote at general meetings of the Company. The allotted and fully paid up share capital is shown in Note 22 on page 168. During the year, the share capital increased by 523,771 shares. The increase comprised 382,925 of shares issued relating to share options exercised during the year and 140,846 of shares issued in respect of scrip dividends.

Details of share option schemes are summarised in Note 23 to the financial statements. The information in Notes 22 and 23 to the financial statements is incorporated into this Directors' Report by reference and is deemed to form part of this Directors' Report.

Rights and obligations attaching to shares

The rights and obligations attaching to shares are set out in the Company's Articles of Association which are available on the Company's website (www.cranswick.plc.uk). The holders of ordinary shares are entitled to receive dividends when declared, to receive the Company's Annual Report & Accounts, to attend and speak at general meetings of the Company, to appoint proxies and to exercise voting rights.

No shares carry any special rights with regard to control of the Company and there are no restrictions on transfer or limitations on the holding 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 Executives and staff which are imposed by laws and regulations relating to insider trading laws and market requirements relating to close periods. The Company is not aware of agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights and no known arrangements under which financial rights are held by a person other than the holder of the shares.

Amendment of Articles of Association

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

Major interests in shares

The following information has been disclosed to the Company pursuant to the Financial Conduct Authority's Disclosure Guidance and Transparency Rules and is published on a Regulatory Information Service and on the Company's website. The following has been received, in accordance with DTR 5, from holders of notifiable interests in the Company's issued share capital as at 25 March 2023:

	At 25 March 2023		
	Number of shares	% of issued share capital	Nature of holding
BlackRock Inc	3,385,507	6.30	Direct & Indirect
Franklin Resources	2,883,113	5.37	Direct & Indirect
Invesco Perpetual	2,780,971	5.18	Direct & Indirect
The Vanguard Group , Inc.	2,480,941	4.62	Direct & Indirect
abrdn plc	2,375,515	4.42	Direct & Indirect
Wellington Mgt Company	2,084,096	3.88	Direct
Royal London Mutual Assurance Society	1,942,483	3.62	Direct & Indirect
Legal & General Investment Mgt	1,794,217	3.34	Direct

The positions stated above represent the holdings in shares either in their own right or on behalf of third parties and may not represent the total voting rights (or authority to vote) as at 25 March 2023. There have been no notifications of any significant changes, or percentage movements, to these shareholdings as at 23 May 2023.

DIRECTORS' REPORT
CONTINUED

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 52 weeks ended 26 March 2022 and 25 March 2023. Group's capital structure is as follows:

	2023 £'m	2022 £'m
Net debt/(funds) (Note 25)	**101.4**	106.0
Cranswick plc Shareholders' equity	**842.9**	768.9
Capital employed	**944.3**	874.9

Powers of the Directors in relation to share capital

The powers of the Directors are determined by the Company's Articles of Association, UK legislation including the Companies Act 2006 and any directions given by the Company in a general meeting.

Allotment of shares

The Company's Directors were granted authority at the AGM in 2022 to allot shares in the Company or to grant rights to subscribe for or to convert any securities into shares in the Company (a) up to a maximum aggregate nominal amount of £1,772,000 (being approximately one-third of the issued share capital prior to that AGM) in any circumstance and (b) a further maximum aggregate nominal amount of £1,772,000 (being approximately one-third of the issued share capital prior to the AGM) in connection with a rights issue only. 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 and the Company's share option plans. This authority is due to lapse at the 2023 AGM. At the 2023 AGM, Shareholders will be asked to renew the authority. Specific details of the resolution and the number of shares covered by the renewed authority can be found in Resolution 14 of the Notice of Annual General Meeting.

Disapplication of pre-emption rights

The Directors were empowered at the 2022 AGM to make non-pre-emptive issues for cash up to a maximum aggregate nominal amount of £266,000 (being approximately 5 per cent of the issued share capital prior to that AGM). This power is also due to lapse at the 2023 AGM and Shareholders will be asked to grant a similar power (Resolution 15 of the Notice of Annual General Meeting).

In addition, as supported by the Pre-Emption Group's Statement of Principles, as updated in March 2015, the Directors were empowered at the 2022 AGM to allot shares for cash or sell shares out of treasury up to a further nominal amount of £266,000, representing approximately five per cent of the issued ordinary share capital as at 3 June 2022 (the latest practicable date before the publication of the Notice of Annual General Meeting), other than to existing Shareholders without first having to offer them to existing Shareholders in proportion to their holdings for the purposes of financing (or refinancing) a transaction which is an acquisition or other capital investment. In respect of this, the Board confirms that it will only allot shares or sell shares out of treasury pursuant to this authority where the relevant acquisition or specified capital investment is announced contemporaneously with the allotment, or has taken place in the preceding six-month period and is disclosed in the announcement of the allotment. The Directors have no current intention of exercising this authority. If this authority is used, the Company will publish details of the placing in its next Annual Report & Accounts. This power is also due to lapse at the 2023 AGM and Shareholders will be asked to grant a similar power (Resolution 16 of the Notice of Annual General Meeting).

Own share purchases

The Directors were also authorised at the 2022 AGM under a Special Resolution to make market purchases of the Company's own ordinary shares up to a maximum aggregate number of 5,321,000 shares (being approximately ten per cent of the issued share capital prior to that Annual General Meeting) and subject to the conditions as to pricing set out in the authority. This authority is also due to lapse at the 2023 AGM when it is proposed that Shareholders grant a similar authority.

The authority to make market purchases of the Company's own ordinary shares will expire at the earlier of 1 February 2024 or the conclusion of the 2023 AGM. It is the current intention of the Directors to renew this authority annually. In the event that shares are purchased pursuant to the authority granted under this resolution, the shares would either be cancelled (and the number in issue would be reduced accordingly) or retained as treasury shares. The Directors will only make purchases after consideration of the possible effect on earnings per share and the long-term benefits to Shareholders and in consultation with advisers.

Own shares held

The Company did not repurchase any shares during the year and at the year end the Group held no treasury shares.

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 30 working days' notice;
- the Company is party to an agreement with WM Morrison Supermarkets plc ("WM Morrison") for the supply of poultry products from its facility at Eye, Suffolk, which upon a change of control of the Company is terminable by WM Morrison upon the provision of notice;
- 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 occur because of a takeover bid; and
- there are certain provisions in the Company's Save As You Earn share option plan and the Long Term Incentive Plan that may cause options and awards granted to vest on a takeover. The proportion of the awards that are capable of exercise will depend on the time in the scheme and as far as the LTIP is concerned the extent to which the performance targets (as adjusted or amended) have been satisfied.

Tax contribution

Within the UK, our tax contribution to the UK treasury takes two forms: direct contributions, being a cost to the Company which includes corporation tax on profits, employer's National Insurance on wages paid, business rates and apprenticeship levy; and indirect contributions, being income tax and employee's National Insurance on wages paid. The total paid in the year amounts to £115.4 million and is analysed as follows:

Direct tax	
Corporation tax	£20.4m
Employer's National Insurance	£29.0m
Business rates	£2.3m
Apprenticeship levy	£1.4m

Indirect tax	
Income tax	£42.1m
Employee's National Insurance	£20.2m

Financial instruments

Functional currency

The functional currency of all Group undertakings is Sterling.

Foreign currency risk

The main foreign exchange risk facing the Group is in the purchasing of olives and charcuterie products and fresh pork cuts from continental Europe in Euros and the sale of fresh pork to the USA and China denominated in US Dollars. 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. The Chief Financial Officer is consulted about the key decisions on currency cover.

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 decreased its borrowings over the past 12 months with the net debt decreasing to £101.4m (2022: £106.0). At 25 March 2023 gearing was 12.0 per cent (2022: 13.8 per cent). Given this conservative debt structure and low market interest rates, 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 borrowings 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 historical 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 and/or commercial awareness. Every attempt is made to resist advance payments to suppliers for goods and services; where this proves commercially unworkable, 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 members of the main Board are present and reported at the subsequent monthly main Board meeting. Major projects, in excess of £2 million 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. During 2021, the Group refinanced its banking facilities with five major banks and has a core bank facility which (following the exercise of an option to extend for a further year in 2022) runs to November 2026 comprising a revolving credit facility of £250 million, including a committed overdraft facility of £20 million. The facility also includes an accordion feature which allows an additional £50 million to be drawn down on the same terms at any point during the term of the facility. 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 arrangement provides the Group with reduced liquidity risk and medium-term funding to meet its objectives. The unutilised element of the facilities at 25 March 2023 was £208.0 million (2022: £213.6 million).

Note 21 (Financial Instruments) to the financial statements is incorporated into the Directors' Report by reference.

Research and development

The Group remains at the forefront of new product development offering consumers a wide range of products, with the research and development expenditure in the year reaching £10.8m. Through innovative use of existing and emerging technologies, there will continue to be successful development of new products and processes for the Group.

Political donations

No contributions were made to political parties during the year ended 25 March 2023 (2022: £nil).

Employee and other stakeholder considerations

Details of the Company's arrangements for engaging with employees and actions taken during the year can be found on pages 54 to 57 of the Strategic Report and page 91 of the Corporate Governance Report. Details of the arrangements in place under which employees can raise any matter of concern are set out on page 78. Disclosures relating to the Group's human rights and anti-bribery policies are contained on page 78. The Group's non-financial information statement is set out on page 78. Details of employee involvement in Company performance through share scheme participation can be found on pages 56, 169 and 170. Details of how the Directors have engaged with employees and how the Directors have had regard to employee interests and the effect of that regard on the principal decisions taken by the Company during the financial year can be found in the section 172(1) statement on pages 52 and 53. These are deemed to form part of this Directors' Report.

A summary of how the Company has engaged with suppliers, customers and other third parties can be found on pages 60 to 62. Details of how the Directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard on the principal decisions taken by the Company during the financial year are contained in the Section 172(1) statement on pages 52 and 53. Further information on our payment practices with suppliers can be found on the UK Government's reporting portal. In addition, during the year, the Company supported a range of causes in local communities requiring assistance. Further details can be found on pages 64 and 65. These are deemed to form part of this Directors' Report.

DIRECTORS' REPORT
CONTINUED

Employment policies
The Group's employment policies can be found on page 78. A description of actions the Group has taken to encourage greater employee involvement in the business are set out on pages 54 to 57. Such information is incorporated into this Directors' Report by reference and is deemed to form part of this Directors' Report.

As an employer, the Group takes reasonable steps to ensure that recruitment processes and terms of employment do not discriminate for reasons related to disability and that opportunities offered for promotion, transfer, training or other benefits are the same for all employees and that a disabled person is not put at a disadvantage because of their disability.

Environmental matters
Information on our greenhouse gas emissions energy consumption and energy efficiency actions required to be disclosed by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008/410 is set out in the Sustainability Report on page 37.
Such information is incorporated into this report by reference and is deemed to form part of this Directors' Report.

Information included in the Strategic Report
Certain information required to be included in the Directors' Report has been set out in the Strategic Report, including information to be disclosed pursuant to section 414C(11) of the Companies Act 2006. The Strategic Report required by the Companies Act 2006 can be found on pages 1 to 78. The report sets out the business model (pages 6 to 9), strategy and likely future developments (pages 18 to 23).
It contains a review of the business and describes the development and performance of the Group's business during the financial year and the position at the end of the financial year. It also contains a Viability Statement and description of the principal risks and uncertainties facing the Group (pages 71 to 77). Such information is incorporated into this report by reference and is deemed to form part of this Directors' Report.

Information required by LR 9.8.4R
There is no information required to be disclosed under LR 9.8.4R save for details of the Company's Long Term Incentive Plan which can be found in the Remuneration Committee Report on pages 114 to115.

Going concern
The UK Corporate Governance Code 2018 requires the Directors to assess and report on the prospects of the Group and whether the Group is a going concern. Management has produced forecasts that have been sensitised to reflect severe yet plausible downside scenarios which considers the principal risks faced by the Group, including but not limited to a loss of consumer demand, an outbreak of Avian Influenza impacting our chicken flock and a widespread outbreak of African Swine Fever in the UK and Europe, as well as the Group's considerable financial resources and strong trading relationships with its key customers and suppliers. These forecasts, which have been reviewed by the Directors, lead the Directors to believe that the Group is well placed to manage its business risk successfully. The assumptions supporting these sensitivities have been set out in more detail in the Viability Statement on page 77. After reviewing the available information, including business plans and downside scenario modelling and making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of signing Group financial statements. For this reason, they continue to adopt the going concern basis for preparing these financial statements.

Post balance sheet events
There have been no significant post balance sheet events to report.

Independent auditors
A resolution to reappoint PricewaterhouseCoopers LLP as independent external auditor will be proposed at the AGM, together with the authority for the Audit Committee to determine their remuneration. A statement on the independence of the external auditors is included in the report of the Audit Committee on page 103.

The Directors' Report was approved by a duly authorised Committee of the Board on 23 May 2023 and is signed by order of the Board by:

Steven Glover
Company Secretary

23 May 2023

Company number: 1074383

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report & Accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The directors consider that the Annual Report & Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and company's position and performance, business model and strategy.

Each of the directors, whose names and functions are listed in the Board of Directors section on pages 82 and 83 confirm that, to the best of their knowledge:

- the group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the group;
- the company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the company; and
- the Strategic Report on pages 1 to 78 of this document includes a fair review of the development and performance of the business and the position of the group and company, together with a description of the principal risks and uncertainties that it faces.

In the case of each director in office at the date the directors' report is approved:

On behalf of the Board

Tim J Smith CBE
Chairman

Mark Bottomley
Chief Financial Officer

23 May 2023

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CRANSWICK PLC

Report on the audit of the financial statements

Opinion

In our opinion:

- Cranswick plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 25 March 2023 and of the group's profit and the group's cash flows for the 52 week period then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report & Accounts (the "Annual Report"), which comprise: the group and company balance sheets as at 25 March 2023; the group income statement, the group statement of comprehensive income, the group statement of cash flows, and the group and company statements of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in the Audit Committee Report, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- The group is organised into 26 reporting units, all within the UK. The group financial statements are a consolidation of these reporting units and the consolidation journals.
- Of the 26 reporting units, we identified 12 which, in our view, required an audit of their complete financial information, either due to their size or risk characteristics.
- This covered 83.9 per cent of the group's revenue and 81.1 per cent of the group's adjusted profit before tax.
- Specific audit procedures over biological assets were performed for a further 3 reporting units and cash for a further 2 reporting units due to their contribution towards the overall biological assets and cash financial statement line items.

Key audit matters

- IAS 41 – Biological assets (group).
- Risk of impairment of investments in subsidiary undertakings and amounts owed by group undertakings (company).

Materiality

- Overall group materiality: £7.0 million (2022: £6.8 million) based on 5% of adjusted profit before tax.
- Overall company materiality: £2.4 million (2022: £2.4 million) based on 1% of total assets capped due to group materiality allocation.
- Performance materiality: £5.3 million (2022: £5.1 million) (group) and £1.8 million (2022: £1.8 million) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CRANSWICK PLC

CONTINUED

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Risk of impairment of goodwill in relation to the Livestock cash generating unit "CGU" (group), which was a key audit matter last year, is no longer included because of the significant headroom in this CGU in the current year. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
IAS 41 – Biological assets (group) Refer to note 2 (Accounting Policies) and note 14 (Biological Assets) of the financial statements. Due to the nature of the group's operations, biological assets consisting of pigs and chickens are measured on initial recognition and at the balance sheet date. These biological assets have been measured at their fair value less costs to sell, in line with IAS 41. The net IAS 41 valuation movement recognised in the period is a credit of £7.6 million (2022: charge of £2.8 million). We have deemed this to be a key audit matter due to the valuation of these biological assets requiring multiple inputs and judgements, changes in which can have a material impact on the valuation, and the judgement involved in the classification of biological assets within the fair value hierarchy.	In auditing management's valuation of biological assets, we performed the following procedures: • Gained an understanding of, and evaluated the key processes used to calculate the fair value of the biological assets; and • Performed a recalculation of both the pig and chicken valuation models to assess the accuracy of the calculation. We evaluated management's key inputs used in relation to the valuation of the biological assets as follows: • We have agreed the quantity of biological assets, by category, back to operational data obtained from the farms. We have also attended a sample of counts at pig farms and obtained third party confirmations for a further sample; • We have compared the fair value price of the assets at the various stages of their life cycle to supporting third party data; • We have compared the mortality assumptions within the models to the operational data obtained from the farms; and • We have corroborated the growth rate of the chickens to third party source data and have assessed the reasonableness of the straight line growth assumption used for pigs. We have performed a sensitivity analysis over the mortality and growth rate assumptions and confirmed significant movements would be required to result in a material misstatement. We have also considered management's judgement in relation to the classification of biological assets within the fair value hierarchy. We found, based on the results of our testing, that the calculation and disclosures made in the financial statements in relation to the IAS 41 valuation of biological assets were consistent with the supporting evidence obtained.

Key audit matter	How our audit addressed the key audit matter
Risk of impairment of investments in subsidiary undertakings and amounts owed by group undertakings (company) Refer to note 2 (Accounting Policies), note 9 (Investments) and note 10 (Trade and other receivables) of the company financial statements. The company has investments in subsidiary undertakings of £152.1 million (2022: £179.3 million) and amounts owed by group undertakings of £161.3 million (2022: £115.3 million). Given the magnitude of both of these balances, and the management judgement involved in determining whether any impairment triggers exist, we have considered the risk of impairment of these assets as a key audit matter.	In assessing the appropriateness of valuation of investments in subsidiary undertakings we have performed the following procedures: • We obtained a schedule of investments in subsidiary undertakings and ensured this is reconciled to the financial statements; • We challenged management's assertion that no impairment triggers were identified that would necessitate a full impairment review to be performed; • We performed a review of net assets of the subsidiary entity against the carrying value, compared the carrying value to the group's market capitalisation and also our review of the discounted cash flow models prepared for the purpose of testing overall group goodwill for impairment; and • We have reviewed the disclosures included within note 2 of the company accounts and consider these to be appropriate. Based on these procedures we concluded that there were no triggers that would indicate the directors were required to perform a full impairment test of the carrying value of investments in subsidiary undertakings. In respect of the amounts owed by group undertakings: • We performed a reconciliation of the amounts owed by group undertakings and ensured this agrees with the counterparty; • We evaluated management's assessment of the recoverability of amounts owed by group undertakings including assessing the ability of other group companies to settle the intercompany balances; and • We also assessed the adequacy of the disclosure provided in note 2, note 9 and note 10 of the company financial statements in relation to the relevant accounting standards. We found no exceptions as a result of our testing and consider the recoverability of investments in subsidiary undertakings and amounts owed by group undertakings to be appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group is organised into 26 reporting units all within the UK. The group's financial statements are a consolidation of these reporting units and the consolidation journals. The reporting units vary in size and we identified 12 components that required an audit of their complete financial information due to their individual size or risk characteristics. We also audited material consolidation journals.

Specific audit procedures over biological assets were performed for a further 3 reporting units, and cash for a further 2 reporting units due to their contribution towards the overall biological assets and cash financial statement line items.

The 12 components where we performed an audit of their complete financial information, and work performed centrally by the group team, accounted for 81.1% of the group's adjusted profit before tax and 83.9% of the group's revenue.

The work was performed by a component audit team on 6 of the 12 components. All other work was completed by the group audit team. All components were audited by PwC in the UK. The group audit team supervised the direction and execution of the audit procedures performed by the component teams. Our involvement in their audit process, including attending component clearance meetings, review of their supporting working papers, together with the additional procedures performed at group level, gave us the evidence required for our opinion on the financial statements as a whole.

On the remaining 9 components we performed analytical procedures to respond to any potential risks of material misstatement to the group financial statements.

Based on our group scoping procedures we identified the parent entity, Cranswick plc, as a component and determined that it required an audit of its complete financial information due to its individual size and risk characteristics.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the process management adopted to assess the extent of the potential impact of climate risk on the Group's financial statements and support the disclosures made within the Strategic Report. We also read the Group's governance process in response to climate risk.

Management have made commitments to be an operational Net Zero business by 2040.

Management considers the impact of climate risk does not give rise to a potential material financial statement impact.

The key areas of the financial statements where management evaluated that climate risk has a potential significant impact are the assumptions in relation to future cash flows used in impairment assessments of the carrying value of non-current assets and revision of the useful economic lives and related net book values of tangible assets.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CRANSWICK PLC

CONTINUED

Using our knowledge of the business we evaluated management's risk assessment, its estimates as set out in note 2 of the financial statements and resulting disclosures where significant. We considered the following areas to potentially be materially impacted by climate risk and consequently we focused our audit work in these areas: cash flows relating to the impairment assessment of goodwill, intangible assets and property plant and equipment.

To respond to the audit risks identified in these areas we tailored our audit approach to address these, in particular we:

- Challenged management on how the impact of climate commitments made by the Group would impact the assumptions within the discounted cash flows prepared by management that are used in the Group's impairment analysis;
- Challenged whether the impact of climate risk in the Directors' assessments and disclosures of going concern and viability were consistent with management's climate impact assessment; and
- Where appropriate, performed independent sensitivity analysis to determine to what extent reasonably possible changes in these assumptions could result in material changes to the goodwill and other intangible assets balance and assessed the appropriateness of the associated disclosures.

We also considered the consistency of the disclosures in relation to climate change (including the disclosures in the Task Force on Climate-related Financial Disclosures (TCFD) section) within the Annual Report with the financial statements and our knowledge obtained from our audit.

Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or our key audit matters for the year ended 25 March 2023.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – group	Financial statements – company
Overall materiality	£7.0 million (2022: £6.8 million).	£2.4 million (2022: £2.4 million).
How we determined it	5% of adjusted profit before tax	1% of total assets capped due to group materiality allocation
Rationale for benchmark applied	Adjusted profit before tax excludes the net IAS 41 valuation movement on biological assets and amortisation and impairment of intangible assets. We have chosen this as our benchmark as it is a key performance measure disclosed to users of the financial statements. This figure takes prominence in the Annual Report, as well as the communications to both the Shareholders and the market, and an element of management remuneration is linked to this performance measure. Based on this we considered it appropriate to use the adjusted profit before tax figure for the period as an appropriate benchmark.	We believe that total assets is the primary measure used by the Shareholders in assessing the performance of a holding company, and is a generally accepted auditing benchmark.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was £0.5 million to £5.5 million.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to £5.3 million (2022: £5.1 million) for the group financial statements and £1.8 million (2022: £1.8 million) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £0.3 million (group audit) (2022: £0.3 million) and £0.2 million (company audit) (2022: £0.2 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern
Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining from management their latest assessments supporting their conclusions with respect to the going concern basis of preparation of the financial statements;
- Testing the mathematical integrity of management's going concern forecast model;
- Evaluating the historical accuracy of the budgeting process to assess the reliability of the data;
- Evaluating management's base case forecast and downside scenarios, and challenged the adequacy and appropriateness of the underlying assumptions, including corroborating these to appropriate sources of audit evidence;
- Assessing the appropriateness of downside scenarios including an outbreak of Avian Influenza ("AI") in all UK poultry farms, an outbreak of African Swine Fever ("ASF") in the UK and Europe, and loss of customer demand. Our evaluation also included incorporating further sensitivities to management's downside scenarios;
- In conjunction with the above we have also reviewed the terms of the Revolving Credit Facility ("RCF"), and management's analysis of both liquidity and covenant compliance to satisfy ourselves that no breaches are anticipated over the period of assessment. We agreed the opening cash position within the forecast;
- Reviewing management accounts for the financial period to date and checked that these were consistent with the starting point of management's forecasts, and supported the key assumptions included in the assessment; and
- Reviewing the disclosures made in respect of going concern included in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information
The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information, which includes reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the period ended 25 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Annual Report on Directors' Remuneration to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement
The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CRANSWICK PLC

CONTINUED

Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements
As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Listing Rules, pensions legislation, employment regulation, health and safety legislation and other legislation specific to the industry in which the group operates including food safety legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Discussions with management, in house legal team and those charged with governance including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Understanding and evaluation of management's controls designed to prevent and detect irregularities;
- Review of board minutes throughout the year and post year end;
- Identifying and testing unusual journal entries which could represent a heightened risk of manipulation of the financial performance of the business to ensure they are appropriate;
- Testing over period end adjustments; and
- Challenging assumptions and judgements made by management in their significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

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

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

We have no exceptions to report arising from this responsibility.

Appointment
Following the recommendation of the Audit Committee, we were appointed by the members on 24 July 2017 to audit the financial statements for the year ended 31 March 2018 and subsequent financial periods. The period of total uninterrupted engagement is 6 years, covering the years ended 31 March 2018 to 25 March 2023.

Other matter
As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

H. Macnamara

Hazel Macnamara (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

23 May 2023

GROUP INCOME STATEMENT

FOR THE 52 WEEKS ENDED 25 MARCH 2023

	Notes	2023 £'m	2022 £'m
Revenue	3	**2,323.0**	2,008.5
Adjusted Group operating profit		**146.5**	140.6
Net IAS 41 valuation movement on biological assets	14	**7.6**	(2.8)
Amortisation of intangible assets	10	**(5.2)**	(4.2)
Impairment of intangible assets	10	**(3.0)**	–
Group operating profit	4	**145.9**	133.6
Finance costs	6	**(6.4)**	(3.7)
Profit before tax		**139.5**	129.9
Taxation	7	**(28.1)**	(26.4)
Profit for the year		**111.4**	103.5
Earnings per share			
Basic	9	**208.3p**	195.7p
Diluted	9	**207.8p**	194.8p

An analysis of costs within Group operating profit is presented in Note 4.

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE 52 WEEKS ENDED 25 MARCH 2023

	Notes	2023 £'m	2022 £'m
Profit for the year		**111.4**	103.5
Other comprehensive income/(expense)			
Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent periods:			
Cash flow hedges			
Gains/(losses) arising in the year	19	**0.1**	(0.3)
Reclassification adjustments for gains included in the income statement	19	**0.3**	–
Income tax effect	7	**(0.1)**	0.1
Net other comprehensive income/(expense) to be reclassified to profit or loss in subsequent periods		**0.3**	(0.2)
Other comprehensive (expense)/income not to be reclassified to profit or loss in subsequent periods:			
Actuarial (losses) /gains on defined benefit pension scheme	24	**(12.5)**	0.7
Income tax effect	7	**2.8**	(0.5)
Net other comprehensive (expense)/income not to be reclassified to profit or loss in subsequent periods		**(9.7)**	0.2
Other comprehensive expense		**(9.4)**	–
Total comprehensive income		**102.0**	103.5

GROUP BALANCE SHEET

AT 25 MARCH 2023

	Notes	2023 £'m	2022 £'m
Non-current assets			
Intangible assets	10	**223.2**	231.3
Defined benefit pension scheme surplus	24	**0.2**	8.3
Property, plant and equipment	11	**464.1**	434.8
Right-of-use assets	12	**76.3**	65.5
Biological assets	14	**6.3**	2.7
Total non-current assets		**770.1**	742.6
Current assets			
Biological assets	14	**72.8**	50.7
Inventories	15	**113.0**	105.2
Trade and other receivables	16	**288.5**	244.4
Financial assets	17	**0.1**	–
Cash and short-term deposits	25	**20.3**	0.2
Total current assets		**494.7**	400.5
Total assets		**1,264.8**	1,143.1
Current liabilities			
Trade and other payables	18	**(268.5)**	(238.7)
Financial liabilities	19	**(0.1)**	(3.1)
Lease liabilities	12	**(14.4)**	(13.8)
Provisions	20	**(0.8)**	(1.8)
Income tax payable		**(4.3)**	(2.4)
Total current liabilities		**(288.1)**	(259.8)
Non-current liabilities			
Other payables	18	**(0.4)**	(0.6)
Financial liabilities	19	**(43.2)**	(36.4)
Lease liabilities	12	**(66.8)**	(56.0)
Deferred tax liabilities	7	**(20.7)**	(19.7)
Provisions	20	**(2.7)**	(1.7)
Total non-current liabilities		**(133.8)**	(114.4)
Total liabilities		**(421.9)**	(374.2)
Net assets		**842.9**	768.9
Equity			
Called-up share capital	22	**5.4**	5.3
Share premium account		**123.9**	115.9
Share-based payments		**49.0**	44.3
Hedging reserve		**–**	(0.3)
Retained earnings		**664.6**	603.7
Total equity attributable to owners of the parent		**842.9**	768.9

The financial statements on pages 140 to 174 were approved by the Board of Directors on 23 May 2023 and signed on its behalf by

Tim J Smith CBE
Chairman

Mark Bottomley
Chief Financial Officer

23 May 2023

GROUP STATEMENT OF CASH FLOWS

FOR THE 52 WEEKS ENDED 25 MARCH 2023

	Notes	2023 £'m	2022 £'m
Operating activities			
Profit for the year		**111.4**	103.5
Adjustments to reconcile Group profit for the year to net cash inflows from operating activities:			
Income tax expense	7	**28.1**	26.4
Net finance costs	6	**6.4**	3.7
Gain on sale of property, plant and equipment		**(0.5)**	(0.1)
Depreciation of property, plant and equipment	11	**54.1**	47.9
Depreciation of right-of-use assets	12	**14.7**	13.2
Amortisation of intangible assets	10	**5.2**	4.2
Impairment of intangible assets	10	**3.0**	–
Share-based payments		**4.7**	6.9
Difference between pension contributions paid and amounts recognised in the income statement		**(4.4)**	(1.9)
Release of government grants		**(0.2)**	(0.2)
Net IAS 41 valuation movement on biological assets	14	**(7.6)**	2.8
Increase in biological assets		**(18.1)**	(12.7)
Increase in inventories		**(7.7)**	(21.3)
Increase in trade and other receivables		**(44.8)**	(20.1)
Increase in trade and other payables		**29.1**	17.5
Cash generated from operations		**173.4**	169.8
Tax paid		**(20.4)**	(9.8)
Net cash from operating activities		**153.0**	160.0
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	13	**0.1**	(38.5)
Purchase of property, plant and equipment		**(85.1)**	(93.7)
Proceeds from sale of property, plant and equipment		**1.2**	1.3
Net cash used in investing activities		**(83.8)**	(130.9)
Cash flows from financing activities			
Interest paid		**(3.8)**	(1.6)
Proceeds from issue of share capital		**3.7**	4.6
Issue costs of long-term borrowings		**(0.4)**	(1.8)
Proceeds from/(repayment of) borrowings		**4.0**	(22.0)
Dividends paid		**(36.3)**	(32.8)
Payment of lease capital		**(13.8)**	(12.1)
Payment of lease interest		**(2.5)**	(2.2)
Net cash used in financing activities		**(49.1)**	(67.9)
Net increase/(decrease) in cash and cash equivalents	25	**20.1**	(38.8)
Cash and cash equivalents at beginning of year	25	**0.2**	39.0
Cash and cash equivalents at end of year	25	**20.3**	0.2

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 25 MARCH 2023

	Share capital Note[a] £'m	Share premium Note[b] £'m	Share-based payments Note[c] £'m	Hedging reserve Note[d] £'m	Retained earnings £'m	Total equity £'m
At 27 March 2021	5.3	106.4	37.4	(0.1)	537.1	686.1
Profit for the year	–	–	–	–	103.5	103.5
Other comprehensive income	–	–	–	(0.2)	0.2	–
Total comprehensive income	–	–	–	(0.2)	103.7	103.5
Share-based payments	–	–	6.9	–	–	6.9
Scrip dividend	–	4.9	–	–	–	4.9
Share options exercised	–	4.6	–	–	–	4.6
Dividends	–	–	–	–	(37.7)	(37.7)
Deferred tax related to changes in equity	–	–	–	–	(0.1)	(0.1)
Current tax related to changes in equity	–	–	–	–	0.7	0.7
At 26 March 2022	5.3	115.9	44.3	(0.3)	603.7	768.9
Profit for the year	–	–	–	–	111.4	111.4
Other comprehensive income	–	–	–	0.3	(9.7)	(9.4)
Total comprehensive income	–	–	–	0.3	101.7	102.0
Share-based payments	–	–	4.7	–	–	4.7
Scrip dividend	–	4.4	–	–	–	4.4
Share options exercised	0.1	3.6	–	–	–	3.7
Dividends	–	–	–	–	(40.7)	(40.7)
Deferred tax related to changes in equity	–	–	–	–	(0.9)	(0.9)
Current tax related to changes in equity	–	–	–	–	0.8	0.8
At 25 March 2023	**5.4**	**123.9**	**49.0**	**–**	**664.6**	**842.9**

Notes:

a) Share capital

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

c) Share-based payments

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 23). A portion of the share-based payment reserve is distributable.

d) 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

NOTES TO THE ACCOUNTS

1. Authorisation of Financial Statements and Statement of Compliance with IFRSs

The Group financial statements of Cranswick plc for the 52 weeks ended 25 March 2023 were authorised for issue by the Board of Directors on 23 May 2023 and the Balance Sheet was signed on the Board's behalf by Tim Smith and Mark Bottomley.

Cranswick plc is a public limited company incorporated and domiciled in England, United Kingdom (Company number: 1074383, registered office: Crane Court, Hesslewood Country Office Park, Ferriby Road, Hessle, East Yorkshire, HU13 0PA). The Company's ordinary shares are traded on the London Stock Exchange.

The Group financial statements have been prepared in accordance with UK-Adopted International Accounting Standards ('UK-Adopted IAS') and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The principal accounting policies adopted by the Group are set out in Note 2.

2. Accounting Policies

Basis of preparation

The consolidated financial statements of Cranswick plc have been prepared under the historical cost convention except where measurement of balances at fair value is required as explained in the accounting policies below. The Group's financial statements have been prepared in accordance with UK-Adopted International Accounting Standards ('UK-Adopted IAS'). The Group's financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The Financial Statements of the Group are prepared to the last Saturday in March. Accordingly, these Financial Statements are prepared for the 52 week period ended 25 March 2023. Comparatives are for the 52 week period ended 26 March 2022. The Balance Sheets for 2023 and 2022 have been prepared as at 25 March 2023 and 26 March 2022 respectively.

A summary of the principal accounting policies, which have been consistently applied throughout the year and the preceding year, is below.

Going concern

The UK Corporate Governance Code 2018 requires the Directors to assess and report on the prospects of the Group and whether the Group is a going concern. Management has produced forecasts that have been sensitised to reflect severe yet plausible downside scenarios which considers the principal risks faced by the Group, including but not limited to a loss of consumer demand, an outbreak of Avian Influenza impacting our chicken flock and a widespread outbreak of African Swine Fever in the UK and Europe, as well the Group's considerable financial resources and strong trading relationships with its key customers and suppliers. These forecasts, which have been reviewed by the Directors, lead the Directors to believe that the Group is well placed to manage its business risk successfully. The assumptions supporting these sensitivities have been set out in more detail in the longer-term viability statement on page 77. After reviewing the available information, including business plans and downside scenario modelling and making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the twelve months from the date of signing Group financial statements. For this reason, they continue to adopt the going concern basis for preparing these financial statements.

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 acquisition method of accounting.

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries for the 52 week period ended 25 March 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or right, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Judgements and key sources of estimation uncertainty

The preparation of the Group 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.

In the process of applying the Group's accounting policies, management has made the following estimations and judgements, which will most likely have a significant effect on the amounts recognised in the financial statements in the next 12 months:

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS
CONTINUED

2. Accounting Policies (continued)

Significant estimates and assumptions:

Share-based payments	Note 23 – measurement of share-based payments. The fair value of share-based payments is estimated using inputs including expected share price volatility, the expected life of the options and the number of awards that will ultimately vest. This estimate is not expected to have a material impact on the next 12 months.
Pensions	Note 24 – pension scheme actuarial assumptions. The valuation of the defined benefit pension scheme is determined using assumptions including mortality, discount rates and inflation. The assumptions are not expected to have a material impact on the next 12 months.
Goodwill	Note 10 – intangible assets The carrying value of Goodwill is tested annually for impairment. For each cash generating unit (CGU) the recoverable amount is determined as the value in use. Judgement is applied in selecting appropriate assumptions for use in the model. For value in use models, the most sensitive assumptions are the future cash flows which are derived from Board approved budgets and the discount rate applied which represents management's estimate of the weighted average cost of capital (WACC). This is considered to use inputs classified as Level 3 of the fair value hierarchy.

Significant judgements:

Biological assets	Note 14 – growth rate assumptions used in the fair value model. The Group's valuation model for finished pigs, sucklers and weaners utilises and correlates to quoted (unadjusted) prices in an active market. The prices are then adjusted to reflect the growth of the pigs through interpolation between prices to provide a value for the pigs at a particular stage of growth. The valuation for broiler birds uses recent transaction prices at various stages of development. The prices are then adjusted to reflect the growth of the birds through interpolation between the transaction prices. Interpolation is used as an approximate growth rate and there is therefore a level of judgement as to whether this is Level 2 or Level 3 within the fair value hierarchy. Management have applied judgement that interpolation is a reasonable derivation for an animal at any particular point within the interpolation period and therefore concluded the input is Level 2. This judgement is not expected to have a material impact on the next 12 months.
Share-based payments	Note 23 – measurement of share-based payments. The selection of valuation models requires the use of management's judgement. The fair value of share-based payments is estimated as at the date of grant using a Black-Scholes option pricing model or a stochastic option pricing model. This judgement is not expected to have a material impact on the next 12 months.
Pensions	Note 24 – defined benefit pension scheme. The Group has the right to recover any remaining surplus on the winding up of the pension scheme. The expected method of recovery of the recognised pensions surplus is through reduction in future contributions. If the reduction in contributions is not sufficient to eliminate the surplus before the scheme is wound up, the Group has the right to recover any remaining surplus through a refund. Management have applied judgement on the scheme rules to conclude the Group has the right to a refund. The rules state that any surplus remaining in the hands of the Trustees may, at the discretion of the Trustees, be used to increase the pensions payable or contingently payable to Members and/or their Dependents. Any surplus remaining in the hands of the Trustees after making such provision (if any) shall be paid to the Employers. Management have formed the judgement, based on paragraph BC10 of IFRIC 14, that the right to the surplus is not affected by future acts that could change the amount of surplus that could ultimately be recovered. The Trustees ability to use discretion and choose to grant benefit improvements (thus reducing the surplus) has therefore not been anticipated and does not remove the company's unconditional right to the surplus.
Alternative performance measures	Note 29 – alternative performance measures. Management apply judgement to identify the significant non-cash items to exclude when calculating adjusted performance measures. The Board believe alternative measures are useful as they exclude volatile, one-off and non-cash items.

2. Accounting Policies (continued)

Other estimates and judgements have been applied by management in producing the Annual Report & Accounts including, but not limited to, depreciation and amortisation rates. However, these are not considered to have a significant risk of material adjustment.

Consideration of climate change
In preparing the financial statements, the Directors have considered the impact of climate change, particularly taking into account disclosures made in the Strategic Report including those made in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures. This included an assessment of goodwill and other intangible assets and how they could be impacted by measures taken to address global warming.

There has not been a material impact on the financial reporting judgements and estimates in the current year, which is consistent with conclusions reached that climate change is not expected to have a material impact on the Group's cash flows in the short to medium term including those considered in the going concern and viability assessments. When making this assessment, the Directors have considered assumptions in relation to the future cashflows used in impairment assessments of the carrying value of non-current assets; estimates of future profitability in assessment of the recoverability of deferred tax asset and revision of the useful economic lives and related net book values of our tangible assets.

Ongoing capital projects, relating to our Second Nature sustainability strategy and targets, such as solar panels, ammonia plant and effluent treatment projects, are, to the extent known, included in the annual budgets for each business and the carrying values of assets they may replace have been reviewed for appropriateness.

New and revised standards and interpretations not applied
In these Financial Statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

International Accounting Standards (IAS/IFRSs)	Effective date
Narrow scope amendments to IAS 1 and IAS 8	1 January 2023
IFRS 17 Insurance contracts	1 January 2023
IAS 12 Deferred tax (amendment)	1 January 2023
IAS 1 Presentation of Financial Statements (amendment)	1 January 2024
IFRS 16 Leases (amendment)	1 January 2024

None of these are expected to have a significant effect on the Financial Statements of the Group.

Revenue
Revenue is recognised as the performance obligation is satisfied and is recorded based on the amount of consideration expected to be received in exchange for satisfying the performance obligation. The performance obligation is satisfied when control of the goods has passed to the buyer which, depending on the contract, is either on despatch of goods or on delivery of goods. Revenue represents the value of sales to customers net of discounts, similar allowances and estimates of returns and excludes value added tax. The Group does not adjust any of the transaction prices for the time value of money due to the nature of the Group's transactions being completed soon after the transaction is entered into.

Sales related discounts and similar allowances comprise (commercial accruals):

- Volume rebates and similar allowances – which are sales incentives to customers to encourage them to purchase increased volumes and are related to total volumes purchased and sales growth.
- Advertising and marketing contributions – which are directly related to promotions run by customers.

For commercial accruals that must be earned, management make estimates related to customer performance, sales volume and agreed terms, to determine total amounts earned and to be recorded in deductions from revenue.

Alternative performance measures
The Board monitors performance principally through the adjusted performance measures. Adjusted profit and earnings per share measures exclude certain non-cash items including the net IAS 41 valuation movement on biological assets, and amortisation and impairment of intangible assets. Free cash flow is defined as net cash from operating activities less interest paid, and like-for-like revenue excludes the benefit of acquisitions in the current year and the current year contribution of prior year acquisitions, prior to the anniversary of purchase. Return on capital employed is a key performance indicator for the Group and is defined as adjusted operating profit divided by the sum of average opening and closing net assets, net debt/(funds), pension liability/(surplus) and deferred tax.

The Board believes that such alternative measures are useful as they exclude volatile (net IAS 41 valuation movement on biological assets), one-off (impairment of intangible assets) and non-cash (amortisation of intangible assets) items which are normally disregarded by investors, analysts and brokers in gaining a clearer understanding of the underlying performance of the Group when making investment and other decisions. Equally, like-for-like revenue provides these same stakeholders with a clearer understanding of the organic sales growth of the business. (Reconciliations of alternative performance measures can be found in Note 29).

NOTES TO THE ACCOUNTS
CONTINUED

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.

Business combinations
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value. Acquisition costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss.

For each business acquired during the year separate disclosure will be made detailing the name of each business, the principal activity, the date of acquisition and the percentage of share capital acquired. Further disclosures will be detailed separately for those acquisitions that are considered to be material, and disclosures will be given in aggregate for any individually immaterial acquisitions.

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.

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. Customer relationships and trademarks are amortised evenly over their expected useful lives of five years, with amortisation charged through administration expenses in the income statement.

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.

2. Accounting Policies (continued)

Useful economic lives are principally as follows:

Freehold buildings	30–50 years
Plant, equipment and vehicles	4–11 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.

Accounting for leases
The Group leases various offices, farming units, equipment and motor vehicles. Rental contracts are typically made for fixed periods of 2 to 15 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

From 31 March 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if that lease term and payments includes options that are reasonable certain to be exercised.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Group's weighted average incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost, comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of Assets and any impairment is provided for by writing down the asset value.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets primarily comprise IT equipment.

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, where applicable, based on a normal level of activity.

Biological assets
The Group's biological assets consist of pigs in the form of breeding sows (classified as non-current assets) and their progeny for processing within the Group and externally (classified as current assets) and chickens in the form of breeder stocks (classified as non-current assets) and their progeny for processing within the Group and externally (classified as current assets). On initial recognition and at the balance sheet date biological assets have been measured at their fair value less costs to sell, in line with IAS 41. Gains and losses in relation to the fair value of biological assets are recognised in the income statement, within 'cost of sales', in the period in which they arise.

NOTES TO THE ACCOUNTS
CONTINUED

2. Accounting Policies (continued)

Cash and cash equivalents
Cash and cash equivalents are defined as cash at bank and in hand, including short-term deposits with original maturity within three 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.

Cash and cash equivalents includes BACS receipts in flight at the reporting date for transactions where control is considered to have passed to the Group. BACS payments in flight at the reporting date are excluded from cash and cash equivalents as control is deemed to have passed from the Group.

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.

The nature of the draw downs under the Revolving Credit Facility are high volume and quick turnover and therefore the Group has elected to illustrate the drawdowns and repayments net within the Cashflow statement.

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 IFRS 9 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 IFRS 9, any gains or losses arising from changes in fair value are taken directly to profit or loss for the period.

Trade receivables
Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds trade receivables with the objective of collecting the contractual cash flows so they are subsequently measured at amortised cost using the effective interest method, less loss allowance. Gains and losses are recognised in the income statement when receivables are derecognised or impaired.

The Group uses a model to calculate expected credit losses (ECL). The provision is calculated by reviewing the lifetime expected credit losses using both historic and forward looking data. Balances are written off when the probability of recovery is assessed as being remote.

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 the 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.

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 asset 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.

With a buy-in, the insurance policy asset is valued at an amount equal to the present value of the defined benefit obligation. The difference between the value of the liabilities and the asset valuation at the point in time the insurance policy is acquired is recognised in Other Comprehensive Income as it is an actuarial loss arising on the exchange of one plan asset for another.

The Group also operates 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.

2. Accounting Policies (continued)

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 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.

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 Black-Scholes or stochastic option pricing models. 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. Alongside 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.

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 principally through adjusted profit measures consistent with those disclosed in the Annual Report and Accounts.

The reporting segments are organised based on the nature of the end markets served. The 'Food' segment entails manufacture and supply of food products to UK grocery retailers, the food service sector and other UK and global food producers. The 'Other' segment represents all other activities which do not meet the above criteria, principally Cranswick Pet Products Limited.

The reportable segment 'Food' represents the aggregation of four operating segments which are aligned to the product categories of the Group; Fresh Pork, Convenience, Gourmet Products and Poultry, all of which manufacture and supply food products through the channels described above. These operating segments have been aggregated into one reportable segment as they share similar economic characteristics. The economic indicators which have been assessed in concluding that these operating segments should be aggregated include the similarity of long-term average margins; expected future financial performance; and operating and competitive risks. In addition, the operating segments are similar with regard to the nature of the products and production process, the type and class of customer, the method of distribution and the regulatory environment.

NOTES TO THE ACCOUNTS
CONTINUED

3. Business and Geographical Segments (continued)

	2023			2022		
£'m	**Food**	**Other**	**Total**	Food	Other	Total
Revenue	**2,296.4**	**26.6**	**2,323.0**	2,004.6	3.9	2,008.5
Adjusted operating profit	**146.3**	**0.2**	**146.5**	140.7	(0.1)	140.6
Finance costs	**(6.3)**	**(0.1)**	**(6.4)**	(3.7)	–	(3.7)
Adjusted profit before tax	**140.0**	**0.1**	**140.1**	137.0	(0.1)	136.9
Assets	**1,248.4**	**16.4**	**1,264.8**	1,132.2	10.9	1,143.1
Liabilities	**(410.6)**	**(11.3)**	**(421.9)**	(368.3)	(5.9)	(374.2)
Net assets	**837.8**	**5.1**	**842.9**	763.9	5.0	768.9
Depreciation	**67.5**	**1.3**	**68.8**	60.9	0.2	61.1
Non-current asset additions	**105.4**	**3.5**	**108.9**	139.5	0.2	139.7

Geographical segments

The following table sets out revenues by destination, regardless of where the goods were produced:

	2023 £'m	2022 £'m
UK	**2,236.2**	1,924.9
Continental Europe	**36.7**	31.9
Rest of world	**50.1**	51.7
	2,323.0	2,008.5

In addition to the non-UK sales disclosed above, the Group also made sales to export markets through UK-based meat trading agents totalling £73.2 million (2022: £71.3 million). Including these sales, total sales to export markets were £160.0 million for the year (2022: £154.9 million).

The Group's non-current assets were all located within the UK during both 2023 and 2022.

Customer concentration
The Group has three customers (2022: three) which individually account for more than ten per cent of the Group's total revenue. These customers account for 21 per cent, 16 per cent and 11 per cent respectively. In the prior year, these same three customers accounted for 22 per cent, 17 per cent and 11 per cent respectively.

4. Group Operating Profit

Group operating costs comprise:

	2023 £'m	2022 £'m
Cost of sales excluding net IAS 41 valuation movement on biological assets	**2,022.1**	1,727.5
Net IAS 41 valuation movement on biological assets*	**(7.6)**	2.8
Cost of sales	**2,014.5**	1,730.3
Gross profit	**308.5**	278.2
Selling and distribution costs	**94.8**	80.3
Administrative expenses excluding amortisation and impairment of intangible assets	**69.5**	60.1
Impairment of intangible asset	**3.0**	–
Amortisation of intangible assets	**5.2**	4.2
Administrative expenses	**77.7**	64.3
Other operating income	**(9.9)**	–
Total operating costs	**2,177.1**	1,874.9

- This represents the difference between operating profit prepared under IAS 41 and operating profit prepared under historical cost accounting, which forms part of the reconciliation to adjusted operating profit.

Included within other operating income is a credit of £9.9 million for an insurance claim received in the period (2022: nil). The net impact of the claim is not material.

4. Group Operating Profit (continued)

Group operating profit is stated after charging/(crediting):

	2023 £'m	2022 £'m
Depreciation of property, plant and equipment	**54.1**	47.9
Depreciation of right-of-use assets	**14.7**	13.2
Amortisation of intangible assets	**5.2**	4.2
Impairment of intangible asset	**3.0**	–
Release of government grants	**(0.2)**	(0.2)
Operating lease payments	**1.2**	1.0
Net foreign currency differences	**(0.6)**	(0.3)
Cost of inventories recognised as an expense	**1,249.0**	1,065.2
Decrease in provision for inventories	**(1.5)**	(1.2)
Decrease in provision for impairment of receivables	**(0.3)**	(0.9)
Research and development expenditure	**10.8**	9.1
Auditors' remuneration		
Fees payable to the Company's auditors in respect of the audit		
Audit of these financial statements	**1.0**	0.4
Local statutory audits of subsidiaries and Company audit	**0.1**	0.5
Total audit remuneration	**1.1**	0.9
Other services	**0.1**	0.1
Total non-audit related remuneration	**0.1**	0.1

Further details of audit and non-audit fees can be found on page 103.

5. Employees

	2023 £'m	2022 £'m
Staff costs:		
Wages and salaries	**335.9**	291.1
Social security costs	**30.9**	28.5
Other pension costs	**8.6**	6.6
	375.4	326.2

Included within wages and salaries is a total expense for share-based payments of £4.7 million (2022: £6.9 million), all of which arises from transactions accounted for as equity-settled share-based payment transactions.

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Production	**9,194**	8,650
Selling and distribution	**586**	643
Administration	**642**	637
	10,422	9,930

NOTES TO THE ACCOUNTS
CONTINUED

5. Employees (continued)

The Group considers the Directors to be the key management personnel. Details of each Director's remuneration, pension contributions and share options are detailed in the Remuneration Committee Report on pages 107 to 125. The employee costs shown on page 153 include the following remuneration in respect of Directors of the Company:

	2023 £'m	2022 £'m
Directors' remuneration	**4.7**	4.0
Aggregate gains made by Directors on exercise of share options	**1.7**	4.0
Number of Directors receiving pension contributions under money purchase schemes	**2**	2

Details of Directors' remuneration can be found in the Remuneration Committee Report on page 113. The total Directors' remuneration of £4.7 million (2022: £4.0 million) comprises salary and fees £2.6 million (2022: £2.2 million), benefits £0.1 million (2022: £0.1 million), bonus £1.6 million (2022: £1.4 million) and pension £0.4 million (2022: £0.3 million). The difference between pension contributions noted above and pension contributions on page 113 is cash paid in lieu of pension.

6. Finance Costs

	2023 £'m	2022 £'m
Finance costs:		
Bank interest paid and similar charges	**4.0**	1.6
Total interest expense for financial liabilities not at fair value through profit or loss	**4.0**	1.6
Net finance income on defined benefit pension surplus (Note 24)	**(0.1)**	(0.1)
Lease interest	**2.5**	2.2
Total finance costs	**6.4**	3.7

The interest relates to financial assets and liabilities carried at amortised cost.

7. Taxation

a) Analysis of tax charge in the year
Tax charge based on the profit for the year:

	2023 £'m	2022 £'m
Current income tax:		
UK corporation tax on profit for the year	**20.2**	13.1
Adjustments in respect of prior years	**5.6**	0.1
Total current tax	**25.8**	13.2
Deferred tax:		
Origination and reversal of temporary differences	**5.1**	9.7
Deferred tax rate change	**2.4**	3.1
Adjustments in respect of prior years	**(5.2)**	0.4
Total deferred tax	**2.3**	13.2
Tax on profit	**28.1**	26.4

7. Taxation (continued)

Tax relating to items charged or credited to other comprehensive income or directly to equity:

	2023 £'m	2022 £'m
Recognised in Group statement of comprehensive income		
Deferred tax on revaluation of cash flow hedges	**0.1**	(0.1)
Deferred tax on actuarial (losses)/gains on defined benefit pension scheme	**(2.3)**	0.5
Corporation tax credit on actuarial losses on defined benefit pension scheme	**(0.5)**	–
	(2.7)	0.4
Recognised in Group statement of changes in equity		
Deferred tax charge on share-based payments	**0.9**	0.1
Corporation tax credit on share options exercised	**(0.8)**	(0.7)
	0.1	(0.6)
Total tax credit recognised directly in equity	**(2.6)**	(0.2)

b) Factors affecting tax charge for the year
The tax assessed for the year is higher (2022: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2023 £'m	2022 £'m
Profit before tax	**139.5**	129.9
Profit multiplied by standard rate of corporation tax in the UK of 19 per cent (2022: 19 per cent)	**26.5**	24.7
Effect of:		
Disallowed expenses	**0.8**	1.5
Deferred tax rate change	**2.4**	3.1
Non-taxable income	**(0.3)**	–
Super deduction	**(2.0)**	(3.4)
Adjustments in respect of prior years	**0.4**	0.2
Share-based payments	**0.3**	0.3
Total tax charge for the year	**28.1**	26.4

c) Deferred tax
The deferred tax included in the Group balance sheet is as follows:

	2023 £'m	2022 £'m
Deferred tax liability in the balance sheet		
Accelerated capital allowances	**19.5**	17.2
Business combinations	**3.8**	3.9
Losses	**(0.5)**	(0.3)
Biological assets	**(1.2)**	(3.1)
Other temporary differences	**(0.3)**	(0.2)
Share-based payments	**(2.7)**	(3.9)
Deferred tax on defined benefit pension scheme	**(0.4)**	2.0
Customer relationships intangibles	**2.5**	4.1
Deferred tax liability	**20.7**	19.7

NOTES TO THE ACCOUNTS
CONTINUED

7. Taxation (continued)

The deferred tax included in the income statement is as follows:

	2023 £'m	2022 £'m
Deferred tax in the income statement		
Accelerated capital allowances	**2.3**	14.0
Business combinations	**(0.1)**	0.8
Biological assets	**1.9**	(1.3)
Losses	**(0.2)**	–
Other temporary differences	**(0.2)**	0.2
Share-based payments	**0.3**	(0.5)
Deferred tax on defined benefit pension scheme	**(0.1)**	0.5
Customer relationships intangibles	**(1.6)**	(0.5)
Deferred tax charge	**2.3**	13.2

The deferred tax liability is not expected to be settled within the next 12 months.

d) Change in corporation tax rate
An increase in the UK corporation rate from 19 per cent to 25 per cent (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax liability as at 25 March 2023 has been calculated based on these rates, reflecting the expected timing of reversal of the related temporary differences.

8. Equity Dividends

	2023 £'m	2022 £'m
Declared and paid during the year:		
Final dividend for 2022 – 55.6p per share (2021: 51.3p)	**29.7**	27.1
Interim dividend for 2023 – 20.6p per share (2022: 20.0p)	**11.0**	10.6
Dividends paid	**40.7**	37.7
Proposed for approval of Shareholders at the Annual General Meeting on 24 July 2023:		
Final dividend for 2023 – 58.8p per share (2022: 55.6p)	**30.0**	29.6

9. 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 £111.4 million (2022: £103.5 million) 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:

	2023 Thousands	2022 Thousands
Basic weighted average number of shares	**53,461**	52,923
Dilutive potential ordinary shares – share options	**129**	246
	53,590	53,169

Adjusted earnings per share
Adjusted earnings per share are calculated using the above weighted average number of shares for both basic and diluted amounts (see Note 29).

10. Intangible Assets

	Goodwill £'m	Trademark £'m	Customer relationships £'m	Total £'m
Cost				
At 28 March 2021	193.2	2.5	24.7	220.4
Additions	20.6	3.2	7.9	31.7
At 27 March 2022	213.8	5.7	32.6	252.1
Fair value adjustments*	(0.8)	–	0.9	0.1
At 25 March 2023	213.0	5.7	33.5	252.2
Amortisation				
At 28 March 2021	–	0.6	16.0	16.6
Amortisation	–	0.7	3.5	4.2
At 27 March 2022	–	1.3	19.5	20.8
Amortisation	–	1.1	4.1	5.2
Impairment*	–	–	3.0	3.0
At 25 March 2023	–	2.4	26.6	29.0
Net book value				
At 27 March 2021	193.2	1.9	8.7	203.8
At 26 March 2022	213.8	4.4	13.1	231.3
At 25 March 2023	**213.0**	**3.3**	**6.9**	**223.2**

* see Note 13 Acquisitions for movement on fair value adjustments and customer relationship impairment in the year.

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	2023 £'m	2022 £'m
Fresh Pork	**21.8**	21.8
Livestock	**20.2**	20.2
Cooked Meats	**90.2**	90.2
Continental Fine Foods	**39.1**	39.1
Premium Cooked Poultry	**9.2**	9.2
Fresh Chicken	**13.7**	13.7
Cranswick Pet Products*	**15.1**	15.9
Other	**3.7**	3.7
	213.0	213.8

* see Note 13 Acquisitions for movement on goodwill in the year.

Assumptions used
The recoverable amount for all cash-generating units 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 three years calculated for the Viability Statement, extended for a further two years. Forecast replacement capital expenditure is included from budgets and thereafter capital expenditure is assumed to represent 100 per cent of depreciation. Subsequent cash flows are forecast to grow by 2 per cent, reflecting management's best view, based on market and operational experience, of the expected long-term growth in the market.

A pre-tax discount rate of 11.9 per cent has been used (2022: 8.3 per cent) being management's estimate of the weighted average cost of capital adjusted for risks specific to the CGUs. An adjustment has also been made in arriving at the pre-tax discount rate to reflect the fact that the weighted average cost of capital is a post-tax rate.

When assessing for impairment of goodwill, management have considered the impact of climate change, particularly in the context of the risks and opportunities, and have not identified any material short-term impacts from climate change that would impact the carrying value of goodwill. Ongoing capital projects relating to our Second Nature sustainability strategy are, to the extent known, included in the annual budgets for each business, such as solar panels, heat recovery and recycling projects. The impact of climate change on future annual cash flows is not considered likely to have a material impact at this point in time. Over the longer term, the risks and opportunities are more uncertain, and management will continue to assess the quantitative impact of risks at each reporting period

NOTES TO THE ACCOUNTS
CONTINUED

10. Intangible Assets (continued)

The calculation is most sensitive to the following assumptions:

Sales volumes
Sales volumes are influenced by the growth of the underlying segments, 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 budgets and 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.

Management believes that there is no reasonably possible change to the assumptions that would reduce the recoverable values below the carrying amount for any of the Group's cash-generating units. Assumptions and projections are updated on an annual basis.

11. Property, Plant and Equipment

	Freehold land and buildings £'m	Plant, equipment and vehicles £'m	Assets in the course of construction £'m	Total £'m
Cost				
At 28 March 2021	218.7	357.9	36.1	612.7
Additions	5.2	30.6	60.7	96.5
On acquisition	5.0	5.5	–	10.5
Transfers between categories	10.2	28.7	(38.9)	–
Disposals	–	(4.2)	–	(4.2)
At 27 March 2022	239.1	418.5	57.9	715.5
Additions	11.3	34.1	38.1	83.5
On acquisition	–	0.6	–	0.6
Transfers between categories	22.0	47.0	(69.0)	–
Disposals	(0.1)	(13.4)	–	(13.5)
At 25 March 2023	272.3	486.8	27.0	786.1
Depreciation				
At 28 March 2021	38.6	197.4	–	236.0
Charge for the year	5.1	42.8	–	47.9
Relating to disposals	–	(3.2)	–	(3.2)
At 27 March 2022	43.7	237.0	–	280.7
Charge for the year	6.8	47.3	–	54.1
Relating to disposals	–	(12.8)	–	(12.8)
At 25 March 2023	50.5	271.5	–	322.0
Net book amounts				
At 27 March 2021	180.1	160.5	36.1	376.7
At 26 March 2022	195.4	181.5	57.9	434.8
At 25 March 2023	**221.8**	**215.3**	**27.0**	**464.1**

Included in freehold land and buildings is land with a cost of £27.9 million (2022: £25.3 million), which is not depreciated.

Cost includes £1.6 million (2022: £1.6 million) in respect of capitalised interest. Interest of £nil was capitalised during the year (2022: £nil).

12. Right-of-use Assets

Amounts recognised in the balance sheet
The balance sheet shows the following amounts relating to leases:

	Land and buildings £'m	Plant, equipment and vehicles £'m	Total £'m
Cost			
At 28 March 2021	78.8	8.9	87.7
Additions	9.0	2.5	11.5
Disposals	(1.8)	(2.2)	(4.0)
At 27 March 2022	86.0	9.2	95.2
Additions	23.1	2.3	25.4
Disposals	(1.6)	(2.7)	(4.3)
At 25 March 2023	107.5	8.8	116.3
Depreciation			
At 28 March 2021	15.3	3.6	18.9
Charge for the year	10.6	2.6	13.2
Relating to disposals	(0.8)	(1.6)	(2.4)
At 27 March 2022	25.1	4.6	29.7
Charge for the year	12.2	2.5	14.7
Relating to disposals	(1.6)	(2.4)	(4.0)
Onerous lease provision reversal	(0.4)	–	(0.4)
Transfer between categories	(0.6)	0.6	–
At 25 March 2023	34.7	5.3	40.0
Net book amounts			
At 27 March 2021	63.5	5.3	68.8
At 26 March 2022	60.9	4.6	65.5
At 25 March 2023	**72.8**	**3.5**	**76.3**

	2023 £'m	2022 £'m
Lease liabilities:		
Current	**14.4**	13.8
Non-current	**66.8**	56.0
	81.2	69.8

Amounts recognised in the income statement
The income statement shows the following amounts relating to leases:

	2023 £'m	2022 £'m
Depreciation charge on right-of-use assets:		
Land and buildings	**12.2**	10.6
Plant, equipment and vehicles	**2.5**	2.6
	14.7	13.2
Interest expense (included in finance costs)	**2.5**	2.2

NOTES TO THE ACCOUNTS
CONTINUED

13. Acquisitions

i) 2023 – Cranswick Mediterranean Foods Limited
On 13 February 2023, the Group acquired the trade and assets of Mediterranean Foods (London) Ltd. The business, now renamed Cranswick Mediterranean Foods Limited, produces Mediterranean snacking foods and was acquired for a cash consideration of £0.5 million.

The following table sets out the fair values of the identifiable assets and liabilities acquired by the Group from Mediterranean Foods (London) Ltd:

	Fair value £'m
Net assets acquired:	
Property, plant and equipment	0.6
Inventories	0.1
Trade and other payables	(0.1)
Provisions	(0.1)
	0.5
Goodwill arising on acquisition	–
Total consideration	0.5
Satisfied by:	
Initial cash consideration	0.5
Deferred contingent consideration	–
	0.5
Net cash outflow arising on acquisition:	
Cash consideration paid (included in cash flows from investing activities)	0.5
Cash and cash equivalents acquired	–
	0.5

Transaction costs in relation to the acquisition of £0.1 million have been expensed within administrative expenses.

Post-acquisition Cranswick Mediterranean Foods Limited has contributed £0.1 million revenue and £nil operating result which is included in the Group income statement. Had the acquisition taken place at the beginning of the year, revenue in the year would have been £2.2 million higher and profit in the year would have been the same.

13. Acquisitions (continued)

ii) 2022 – Holdco Alpha Ltd (Grove Pet Foods Limited)
On 28 January 2022, the Group acquired 100% of the share capital of a holding entity Holdco Alpha Limited and its subsidiary Grove Pet Foods Limited (later renamed to 'Cranswick Pet Products Limited'), a producer of dried pet foods for several leading brands under private label relationships alongside its own brands, together with associated freehold land and buildings, for an initial net cash consideration of £32.9 million.

The following table sets out the final fair values of the identifiable assets and liabilities acquired by the Group in relation to Grove:

	Fair value £'m
Net assets acquired:	
Customer relationships	6.2
Trademark	2.2
Property, plant and equipment	10.1
Inventories	2.0
Trade and other receivables	2.5
Right-of-use asset	0.3
Bank and cash balances	(0.5)
Trade and other payables	(3.0)
Hire purchase leases	(0.3)
Lease liability	(0.3)
Corporation tax liability	(0.7)
Deferred tax liability	(1.8)
	16.7
Goodwill arising on acquisition	15.1
Total consideration	31.8
Satisfied by:	
Initial cash consideration	32.4
Completion accounts adjustment	(0.6)
	31.8
Net cash outflow arising on acquisition:	
Cash consideration paid (included in cash flows from investing activities)	32.4
Cash and cash equivalents acquired	0.5
	32.9

Included in the £15.1 million of goodwill recognised above are certain intangible assets that cannot be individually separated from the acquirees and reliably measured due to their nature. These items include the expected value of synergies and an assembled workforce.

A review of the completion accounts was undertaken during the year in line with the Sale and Purchase Agreement. This has resulted in an adjustment of £0.6 million received from the seller, referred to as the 'completion accounts adjustment' above.

In May 2022, one of Grove's customers informed the Group of their intention to terminate the trading relationship and therefore the recognised intangible asset is now expected to generate lower future cashflows. A review of the recoverable amount has identified an updated customer relationships value of £3.2 million, resulting in an impairment loss of £3.0 million.

Despite the loss of the customer, a review of the carrying value of goodwill has not identified any goodwill impairment. The goodwill assessment has been performed on the same basis as at the prior year end, but with an update to the discount rate and the future operating cash flows of the business. The discount rate has been updated to the latest position at the year end and the operating profits were based on the latest Board approved cash flows which were revised to exclude the loss of the customer.

iii) Deferred and Contingent Consideration
The Sale and Purchase agreements for Atlantica UK Limited and Ramona's Kitchen Limited included contingent consideration payable in cash to the previous owners based on the performance of the businesses in the period to 30 June 2024. The amount payable will be between £nil and £2.8 million. The fair value of the contingent consideration on acquisition was estimated at £2.7 million and was estimated calculating the present value of the future expected cashflows. The value has been reassessed at the end of the reporting period based on latest Board approved cash flows with no change required.

NOTES TO THE ACCOUNTS
CONTINUED

14. Biological Assets

The Group's biological assets consist of pigs in the form of breeding sows (classified as non-current assets) and their progeny for processing within the Group and externally (classified as current assets) and chickens in the form of breeder stocks (classified as non-current assets) and their progeny for processing within the Group and externally (classified as current assets).

Reconciliation of carrying amounts of livestock:

	Pigs £'m	Chickens £'m	Total £'m
At 28 March 2021	35.5	8.0	43.5
Increases due to purchases	35.3	12.7	48.0
Decrease attributable to harvest	(176.7)	(156.1)	(332.8)
Decrease attributable to sales	(1.5)	(0.2)	(1.7)
Changes in fair value less estimated costs to sell	151.4	145.0	296.4
At 27 March 2022	44.0	9.4	53.4
Increases due to purchases	23.5	14.3	37.8
Decrease attributable to harvest	(238.2)	(181.1)	(419.3)
Decrease attributable to sales	(1.7)	(1.9)	(3.6)
Changes in fair value less estimated costs to sell	241.0	169.8	410.8
At 26 March 2022	**68.6**	**10.5**	**79.1**

	2023 £'m	2022 £'m
Non-current biological assets:		
Pigs	**6.0**	2.4
Chickens	**0.3**	0.3
	6.3	2.7
Current biological assets:		
Pigs	**62.6**	41.6
Chickens	**10.2**	9.1
	72.8	50.7

	2023 £'m	2022 £'m
Net IAS 41 valuation movement on biological assets*		
Changes in fair value of biological assets	**410.8**	296.4
Biological assets transferred to cost of sales	**(403.2)**	(299.2)
	7.6	(2.8)

* This represents the difference between operating profit prepared under IAS 41 and operating profit prepared under historical cost accounting, which forms part of the reconciliation to adjusted operating profit.

The Group's biological assets are measured using Level 2 of the fair value hierarchy. The Group's valuation model for finished pigs, sucklers and weaners utilises quoted (unadjusted) prices in an active market. The prices are then adjusted to reflect the growth of the animals through straight-line interpolation between prices to provide a value for the pigs at a particular stage of growth. The valuation of broiler birds uses recent transaction prices at various stages of development which are adjusted to reflect the growth of the birds through interpolation between the transaction prices.
The interpolation between specific prices represents an observable input which therefore classifies this valuation as Level 2. The valuation of sows, boars and breeder chickens is based on recent transactions for similar assets and therefore is also classified as Level 2 in the fair value hierarchy.

14. Biological Assets (continued)

The main assumptions used in relation to the valuation are growth rates of the pigs and chickens.

Additional information:

	2023 Number	2022 Number
Quantities at year end:		
Breeding sows (Bearer biological assets)	**62,515**	47,803
Boars	**1,132**	990
Pigs (Consumable biological assets)	**655,212**	591,793
Breeder chickens (Bearer biological assets)	**365,814**	347,133
Broiler chickens (Consumable biological assets)	**5,332,477**	5,476,124
Number of pigs produced in the year	**1,248,357**	1,098,646
Number of chickens produced in the year	**59,367,848**	59,184,683

15. Inventories

	2023 £'m	2022 £'m
Raw materials and work in progress	**73.5**	75.6
Finished goods and goods for resale	**39.5**	29.6
	113.0	105.2

Inventories are shown net of any provision for slow-moving or obsolete inventory. As at 25 March 2023 the provision against inventory was £5.2 million (2022: £6.7 million).

16. Trade and Other Receivables

	2023 £'m	2022 £'m
Financial assets:		
Trade receivables	**265.5**	225.5
Other receivables	**12.0**	10.2
	277.5	235.7
Non-financial assets:		
Prepayments	**11.0**	8.7
	288.5	244.4

The above financial assets are carried at amortised cost. As at 25 March 2023 and 26 March 2022, the analysis of trade receivables that were past due was as follows:

	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
	£'m	£'m	£'m	£'m	£'m
2023	**265.5**	**221.2**	**35.7**	**3.6**	**5.0**
2022	225.5	197.8	24.4	1.3	2.0

Trade receivables are non-interest-bearing and are generally on 30 to 60 day terms and are shown net of any provision for impairment. The provision is calculated by reviewing the lifetime expected credit losses (ECL) using both historic and forward looking data. Balances are written off when the probability of recovery is assessed as being remote. The loss rates used in the current year range from 0.0 per cent to 1.08 per cent and in the prior year range from 0.0 per cent to 1.72 per cent. The uncertainty around the ability of non-retail customers to pay has been impacted by inflationary pressures and the current level of economic uncertainty in the current year and prior year has been incorporated into the expected future loss rates.

As at 25 March 2023, the provision for impairment of trade receivables was £2.5 million (2022: £2.8 million), of which £2.3 million (2022: £2.1 million) resulted from ECL calculations referred to above.

NOTES TO THE ACCOUNTS
CONTINUED

16. Trade and Other Receivables (continued)

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

	£'m
Bad debt provision:	
At 28 March 2021	3.7
Provided in year	0.4
Released	(1.2)
Utilised	(0.1)
At 27 March 2022	2.8
Provided in year	0.2
Released	(0.5)
Utilised	–
At 25 March 2023	**2.5**

There are no bad debt provisions against other receivables.

17. Financial Assets

	2023 £'m	2022 £'m
Current:		
Forward currency contracts	**0.1**	–
	0.1	–

18. Trade and Other Payables

	2023 £'m	2022 £'m
Current:		
Trade payables	**167.6**	147.4
Tax and social security	**5.4**	7.4
Other creditors	**16.2**	9.7
Commercial accruals*	**12.8**	10.9
Other accruals	**66.3**	63.1
Deferred income – Government grants	**0.2**	0.2
	268.5	238.7
Non-current:		
Deferred income – Government grants	**0.4**	0.6

* See breakdown below.

Government grants received relate to Regional Growth Fund, Rural Development Programme for England and Business Investment Scheme payments. The amounts received have been used to fund fixed asset investment with the objective of creating and safeguarding jobs at the Group's facilities.

Commercial accruals consist of:

	Volume rebates and similar allowances £'m	Advertising and marketing contributions £'m	Total £'m
At 28 March 2021	5.8	2.4	8.2
Charged to income statement	12.6	8.9	21.5
Paid	(9.9)	(8.9)	(18.8)
At 27 March 2022	8.5	2.4	10.9
Charged to income statement	14.3	1.4	15.7
Paid	(12.4)	(1.4)	(13.8)
At 25 March 2023	**10.4**	**2.4**	**12.8**

19. Financial Liabilities

	2023 £'m	2022 £'m
Current:		
Forward currency contracts	**0.1**	0.4
Contingent consideration (Note 13)	**–**	2.7
	0.1	3.1
Non-current:		
Contingent consideration (Note 13)	**2.7**	–
Amounts outstanding under revolving credit facility	**42.0**	38.0
Unamortised issue costs	**(1.5)**	(1.6)
	43.2	36.4

	2023 £'m	2022 £'m
Movement on hedging instruments:		
Gains/(losses) arising in the year	**0.1**	(0.3)
Reclassification adjustment for gains included in the income statement	**0.3**	–
	0.4	(0.3)

All financial liabilities are carried at amortised cost, except for forward currency contracts and contingent consideration, which are carried at fair value.

Forward currency contracts are 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.

Movements on hedged foreign currency contracts are subsequently reclassified through cost of sales.

Banking facility
On 22 November 2021, the Group successfully refinanced its banking facility. The sustainability linked agreement is unsecured and with an initial period agreed to November 2025. The facility was successfully extended, shortly after the 2022 period end, for a further year, through to November 2026. The facility comprises a revolving credit facility of £250 million, including a committed overdraft of £20 million. It also includes the option to access a further £50 million on the same terms at any point during the term of the agreement.

£nil (2022: £nil) of the overdraft facility was utilised at 25 March 2023. Interest is payable at a margin over base rate. £42.0 million (2022: £38.0 million) of the revolving credit facility was utilised as at 25 March 2023. Interest is payable at a margin over the sterling overnight index rate (SONIA).

The arrangement fees of £2.2 million (2022: £1.8 million) are being amortised over the period of the facility.

The maturity profile of bank loans is as follows:

	2023 £'m	2022 £'m
In one year or less	**–**	–
Between one year and two years	**–**	–
Between two years and five years	**42.0**	38.0
	42.0	38.0
Unamortised issue costs	**(1.5)**	(1.6)
	40.5	36.4

The bank facility for the current year was unsecured and subject to interest cover and adjusted leverage covenants. Interest cover (which is required to be greater than 3x covered) is calculated as Adjusted EBITDA divided by net finance costs and was 63.1x at 25 March 2023. Adjusted leverage (which is required to be less than 3x covered) is calculated as net debt divided by Adjusted EBITDA and was 0.1x at 25 March 2023. Both covenants are calculated excluding IFRS 16 Leases. At 25 March 2023, the Group was not in breach of any bank covenants.

The bank facility for the prior year was unsecured and subject to interest cover and adjusted leverage covenants. Interest cover (which was required to be greater than 3x covered) was calculated as Adjusted EBITDA divided by net finance costs and was 277.2x at 26 March 2022. Adjusted leverage (which was required to be less than 3x covered) was calculated as net debt divided by adjusted EBITDA and was 0.4x at 26 March 2022. Both covenants were calculated excluding IFRS 16 Leases. At 26 March 2022, the Group was not in breach of any bank covenants.

NOTES TO THE ACCOUNTS
CONTINUED

20. Provisions

	Lease provisions £'m	Other provisions £'m	Total provisions £'m
At 27 March 2022	2.3	1.2	3.5
On acquisition	0.1	–	0.1
Created	1.1	0.8	1.9
Utilised	–	(0.1)	(0.1)
Released	(0.8)	(1.1)	(1.9)
At 25 March 2023	**2.7**	**0.8**	**3.5**

Analysed as:

	2023 £'m	2022 £'m
Current liabilities	**0.8**	1.8
Non-current liabilities	**2.7**	1.7
	3.5	3.5

Lease provisions are held against dilapidation obligations on leased properties. These provisions are expected to be utilised over the next five years.

21. Financial Instruments

An explanation of the Group's financial instruments risk management strategy is set out on page 129 in the Directors' Report.

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 25 March 2023 and their weighted average interest rates is set out below.

As at 25 March 2023

				Fixed interest		
	Weighted average effective interest rate %	Total £'m	At floating interest rates £'m	1 year or less £'m	1–2 years £'m	2–3 years £'m
Financial liabilities:						
Revolving credit facility	3.3%	(42.0)	(42.0)	–	–	–
Financial assets:						
Cash at bank	0.0%	20.3	20.3	–	–	–
		(21.7)	(21.7)	–	–	–

As at 26 March 2022

				Fixed interest		
	Weighted average effective interest rate %	Total £'m	At floating interest rates £'m	1 year or less £'m	1–2 years £'m	2–3 years £'m
Financial liabilities:						
Revolving credit facility	1.0%	(38.0)	(38.0)	–	–	–
Financial assets:						
Cash at bank	0.0%	0.2	0.2	–	–	–
		(37.8)	(37.8)	–	–	–

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

Currency profile
The Group's financial assets at 25 March 2023 include Sterling denominated cash balances of £10.5 million (2022: £(6.3) million), Euro £9.5 million (2022: £6.8 million), and US Dollar £0.3 million (2022: £(0.3) million) 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.

21. Financial Instruments (continued)

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. All debts are reviewed using lifetime expected credit losses considering both historic and forward looking data which then generates an expected loss rate and provision.

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.

Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

The Group's forward currency contracts are measured using Level 2 of the fair value hierarchy. The valuations are provided by the Group's bankers from their proprietary valuation models and are based on mid-market levels as at close of business on the Group's year end reporting date.

Contingent consideration is measured using Level 3 of the fair value hierarchy and relates to future amounts payable on acquisitions. Amounts payable are based on agreements within purchase contracts, management's expectations of the future profitability of the acquired entity and the timings of payments.

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.

	2023		2022	
	Book value £'m	**Fair value £'m**	Book value £'m	Fair value £'m
Forward currency contracts liability/(asset) (Note 17 and Note 19)	**–**	**–**	0.3	0.3
Contingent consideration (Note 13 and Note 19)	**2.7**	**2.7**	2.7	2.7

The book value of trade and other receivables, trade and other payables, cash balances, loans receivable, overdrafts, amounts outstanding under revolving credit facility and lease liabilities equates to fair value for the Group.

Hedges
Financial instruments designated as cash flow hedges are held at fair value in the balance sheet. The Group hedges the following 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 IFRS 9, 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.

Currency	Amount	Maturities	Exchange rates	Fair value £'m
Euros	€29.5m	31 March 2023 – 01 December 2023	€1.11 – €1.16	–
US Dollars	$2.0m	30 March 2023 – 20 April 2023	$1.19	0.1

These contracts were effective cash flow hedges under the criteria set out in IFRS 9 and therefore fair value gains and losses related to the contracts were recognised directly in other comprehensive income.

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.

NOTES TO THE ACCOUNTS
CONTINUED

21. Financial Instruments (continued)

	Increase/ decrease in basis points	Effect on profit before tax £'m
2023		
Sterling	**+100**	**(1.0)**
	-100	**1.0**
2022		
Sterling	+100	(0.6)
	-100	0.6

Liquidity risk
The tables below summarise the maturity profile of the Group's financial liabilities at 25 March 2023 and 26 March 2022 based on contractual undiscounted payments:

As at 25 March 2023

	Less than 1 year £'m	1 to 2 years £'m	2 to 5 years £'m	Over 5 years £'m	Total £'m
Revolving credit facility	–	–	42.0	–	42.0
Contingent consideration	–	2.7	–	–	2.7
Trade and other payables	268.5	0.2	0.2	–	268.9
Derivative financial instruments	0.1	–	–	–	0.1
Lease liabilities	15.6	14.1	32.4	27.4	89.5
	284.2	17.0	74.6	27.4	403.2

At 26 March 2022

	Less than 1 year £'m	1 to 2 years £'m	2 to 5 years £'m	Over 5 years £'m	Total £'m
Revolving credit facility	–	–	38.0	–	38.0
Contingent consideration	–	–	2.7	–	2.7
Trade and other payables	238.7	–	–	–	238.7
Derivative financial instruments	0.3	–	–	–	0.3
Lease liabilities	14.5	12.7	27.3	21.7	76.2
	253.5	12.7	68.0	21.7	355.9

The impact of liquidity risk on the Group is discussed in detail in the Directors' Report on page 129.

Capital management
The primary objective of the Group's capital management policy 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. For further information see page 128 of the Directors' Report. An analysis of the changes in net debt can be found in Note 25.

22. Called-up Share Capital

Allotted, called-up and fully paid – Ordinary shares of 10 pence each:

	2023 Number	2022 Number	**2023 £'m**	2022 £'m
At beginning of year	**53,178,624**	52,709,194	**5.3**	5.3
On exercise of share options	**382,925**	342,573	**0.1**	–
Scrip dividends	**140,846**	126,857	**–**	–
At end of year	**53,702,395**	53,178,624	**5.4**	5.3

On 27 January 2023, 76,398 ordinary shares were issued at 3,033.2 pence as a result of Shareholders exercising the scrip dividend option in lieu of the cash payment for the 2023 interim dividend.

On 12 September 2022, 64,448 ordinary shares were issued at 3,288.4 pence as a result of Shareholders exercising the scrip dividend option in lieu of the cash payment for the 2022 final dividend.

During the course of the year, 382,925 ordinary shares were issued to employees exercising SAYE and LTIP options at prices between nil and 2,565.0 pence.

On 28 January 2022, 75,235 ordinary shares were issued at 3,693.2 pence as a result of Shareholders exercising the scrip dividend option in lieu of the cash payment for the 2022 interim dividend.

22. Called-up Share Capital (continued)

On 3 September 2021, 51,622 ordinary shares were issued at 4,026.8 pence as a result of Shareholders exercising the scrip dividend option in lieu of the cash payment for the 2021 final dividend.

Ordinary share capital of £154,129 is reserved for allotment under the Savings Related Share Options Schemes and Long Term Incentive Plans (LTIP). The options are exercisable as follows:

	Number	Exercise price	Exercise period
Savings related	6,540	2,565p	March 2021 – October 2023
Savings related	32,263	2,239p	March 2022 – October 2024
Savings related	82,994	2,534p	March 2023 – October 2025
Savings related	205,681	2,800p	March 2024 – October 2026
Savings related	215,250	2,899p	March 2025 – October 2027
Savings related	355,410	2,498p	March 2026 – October 2028
LTIP	695,658	Nil	June 2023 – August 2032

23. Share-based Payments

The Group operates two share option schemes, a revenue approved scheme (SAYE) and a Long Term Incentive Plan (LTIP), both of which are equity-settled. The total expense charged to the income statement during the year in relation to share-based payments was £4.7 million (2022: £6.9 million).

Long Term Incentive Plan (LTIP)
During the course of the year, 268,622 options at nil cost were granted to Directors and Senior Executives, the share price at that time was £30.34. Details of the performance criteria relating to the LTIP scheme can be found in the Remuneration Committee Report on page 109. The maximum term of LTIP options is ten years.

	2023 Number	**2023 WAEP (£)**	2022 Number	2022 WAEP (£)
Outstanding as at beginning of year	**659,908**	**–**	677,788	–
Granted during the year (i)	**268,622**	**–**	197,520	–
Lapsed during the year	**(2,453)**	**–**	(65,299)	–
Exercised during the year (ii)	**(230,419)**	**–**	(150,101)	–
Outstanding as at end of year (iii)	**695,658**	**–**	659,908	–
Exercisable at end of year	**24,382**	**–**	3,382	–

i) The weighted average fair value of options granted during the year was £21.04 (2022: £29.38). The share options granted during the year were at £nil per share. The share price at the date of grant was £30.34 (2022: £40.50).

ii) The weighted average share price at the date of exercise for the options exercised was £30.76 (2022: £40.43).

iii) For the share options outstanding as at 25 March 2023, the weighted average remaining contractual life is 8.31 years (2022: 8.16 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 eligible to participate in the SAYE scheme if they are in employment with the Group on the relevant invitation date. The exercise price is equal to the market price of the shares less 20 per cent on the relevant date. The contractual life of the options is three or five years. The maximum term of SAYE options is 3.5 or 5.5 years.

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

	2023 Number	**2023 WAEP (£)**	2022 Number	2022 WAEP (£)
Outstanding as at beginning of year	**880,349**	**27.04**	837,403	25.30
Granted during the year (i)	**364,489**	**24.98**	319,736	28.99
Lapsed during the year	**(190,225)**	**27.89**	(106,536)	26.22
Exercised during the year (ii)	**(156,475)**	**23.82**	(170,254)	22.42
Outstanding as at end of year (iii)	**898,138**	**26.58**	880,349	27.04
Exercisable at end of year	**61,817**	**25.33**	50,291	21.73

i) The share options granted during the year were at £24.98 (2022: £28.99), representing a 20 per cent discount on the price at the relevant date. The share price at the date of grant was £30.78 (2022: £37.02).

ii) The weighted average share price at the date of exercise for the options exercised was £31.53 (2022: £35.13).

iii) For the share options outstanding as at 25 March 2023, the weighted average remaining contractual life is 2.62 years (2022: 2.63 years).

The weighted average fair value of options granted during the year was £8.66 (2022: £9.87). The range of exercise prices for options outstanding at the end of the year was £22.39–£28.99 (2022: £17.88–£28.99).

NOTES TO THE ACCOUNTS
CONTINUED

23. Share-based Payments (continued)

The fair value of the SAYE options has been 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 LTIP equity settled options have been calculated using a Stochastic option pricing model for the TSR element, a Black-Scholes option pricing model for the EPS element and Chaffe option pricing model for the holding period. The following table lists the inputs to the model used for the years ended 25 March 2023 and 26 March 2022:

	2023 LTIP	**2023 SAYE**	2022 LTIP	2022 SAYE
Dividend yield	**2.49%**	**2.48%**	1.73%	1.93%
Expected share price volatility	**22.70% – 26.99%**	**25.44% – 26.91%**	28.16% – 28.53%	23.97% – 26.84%
Risk-free interest rate	**1.55% – 1.63%**	**3.50% – 3.63%**	0.16% – 0.27%	0.76% – 0.81%
Expected life of option	**3 years**	**3.42,5.42 years**	3 years	3.41, 5.41 years
Exercise prices	**£nil**	**£24.98**	£nil	£28.99

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.

In line with Pension Regulation, the plan assets are separately managed by independent trustees.

The trustees purchased a buy-in insurance policy on 2 December 2022 to secure the majority of the benefits provided by the scheme. The trustees remain responsible for paying the benefits from the scheme which are met by income from the buy-in policy.

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 31 December 2021. 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.

a) Change in benefit obligation	**2023 £'m**	2022 £'m
Benefit obligation at the beginning of the year	**30.1**	36.2
Interest cost	**0.9**	0.7
Remeasurement (gains)/losses:		
Actuarial gains arising from changes in financial assumptions	**(9.4)**	(5.0)
Actuarial losses arising from changes in demographic assumptions	**0.2**	–
Other experience items	**1.5**	–
Benefits paid from plan	**(1.2)**	(1.8)
Benefit obligation at the end of the year	**22.1**	30.1

b) Change in plan assets	**2023 £'m**	2022 £'m
Fair value of plan assets at the beginning of the year	**38.4**	41.9
Interest income	**1.0**	0.8
Return on plan assets	**(17.3)**	(4.3)
Recognition of loss at inception date of buy-in policy	**(2.9)**	–
Employer contributions	**4.3**	1.8
Benefits paid from plan	**(1.2)**	(1.8)
Fair value of plan assets at the end of the year	**22.3**	38.4

c) Amounts recognised in the balance sheet	**2023 £'m**	2022 £'m
Present value of funded obligations	**(22.1)**	(30.1)
Fair value of plan assets	**22.3**	38.4
Net asset recorded in the balance sheet	**0.2**	8.3

24. Pension Schemes (continued)

d) Components of pension cost	**2023 £'m**	2022 £'m
Amounts recognised in the income statement:		
Interest cost	**0.9**	0.7
Interest income	**(1.0)**	(0.8)
Total pension income recognised in the income statement	**(0.1)**	(0.1)
Actual return on assets		
Actual return on plan assets	**(16.3)**	(3.5)
Amounts recognised in the Group statement of comprehensive income		
Actuarial (losses)/gains immediately recognised	**(12.5)**	0.7

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

e) Principal actuarial assumptions	**2023**	2022
Discount rate	**4.65%**	2.85%
Rate of price inflation	**3.05%**	3.50%
Revaluation of deferred pensions:		
Benefits accrued prior to 1 January 1998	**5.00%**	5.00%
Benefits accrued after 1 January 1998	**3.05%**	3.50%
Rate of compensation increase:		
Benefits accrued prior to 1 January 1997	**3.00%**	3.00%
Benefits accrued after 1 January 1997	**3.05%**	3.45%

Future expected lifetime of pensioner at age 65:	**2023**	2022
Current pensioners:		
Male	**20.9**	21.3
Female	**23.8**	23.9
Future pensioners:		
Male	**22.2**	22.4
Female	**25.2**	25.2

The mortality rates used have been taken from Base tables S3PA (2022: S2PA) Male: post retirement 115 per cent S3PMA YoB CMI 2021 improvements 1.25 per cent long-term rate of improvement; Females: post retirement 101 per cent S3PFA_M YoB CMI 2021 improvements 1.25 per cent long-term rate of improvement. (2022: Male: post retirement 110% S2PMA YoB CMI 2017 improvements 1.0 per cent long-term rate of improvement; Females: post retirement 100 per cent S2PFA YoB CMI 2017 improvements 1.0 per cent long-term rate of improvement).

At 25 March 2023, the average duration of the scheme liabilities was 19 years (2022: 23 years). For deferred pensions the average duration was 23 years (2022: 26 years) and for pensions in payment the average duration was 11 years (2022: 12 years).

A 0.1 per cent increase/decrease in the discount rate would give rise to a £416,000 decrease/£424,000 increase (2022: £679,000 decrease/£695,000 increase) in the scheme liabilities at 25 March 2023.

A 0.1 per cent increase/decrease in the inflation assumption would give rise to a £180,000 increase/£179,000 decrease (2022: £283,000 increase/£281,000 decrease) in the scheme liabilities at 25 March 2023.

A one year increase/decrease in the life expectancy assumption would give rise to a £673,000 increase/£697,000 decrease (2022: £1,129,000 increase/£1,211,000 decrease) in the scheme liabilities at 25 March 2023.

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.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions might be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (that is, present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit surplus recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared the prior period.

NOTES TO THE ACCOUNTS
CONTINUED

24. Pension Schemes (continued)

The split of the fund's liability by category of membership is as follows:

	2023 £'m	2022 £'m
Deferred pensioners	**13.2**	21.3
Pensions in payment	**8.9**	8.8
	22.1	30.1

f) Plan assets	2023 Fair value of plan assets £'m	2022 Fair value of plan assets £'m
Annuities	**1.9**	2.6
Cash	**0.5**	1.0
Buy-in policy	**19.9**	–
Equity instruments	**–**	24.9
LDI strategies	**–**	9.9
Total	**22.3**	38.4

All of the plan assets have a quoted price in an active market except for annuities, buy-in policy, LDI strategies and the cash.

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. The investments in LDI strategies related to the Fund's holdings in assets designed to hedge 100 per cent of movements in the scheme funding liabilities resulting from changes in interest rates and inflation. Annuities are in place for 75 pensioner members and held in the name of the Trustees. This manages the risk as future pension payments are matched with income from the annuity.

The Group does not expect to contribute any further to the scheme during the year ending 30 March 2024.

The Group has the right to recover any remaining surplus on the winding up of the pension scheme. The Group has the right to recover any remaining surplus through a refund. Information on management's judgement in relation to this is provided in Note 2.

From the date of the buy-in, the vast majority of all benefits payable under the scheme are covered by the buy-in policy. For the benefits covered under the buy-in policy, the investment, inflation, interest rate and longevity risk of the scheme are insured.

Defined contribution pension schemes
The Group also operates 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 £0.8 million (2022: £1.1 million). Contributions during the year totalled £8.6 million (2022: £6.6 million).

25. Additional Cash Flow Information

Analysis of changes in net debt:

	At 27 March 2022 £'m	Cash flow £'m	Other non-cash changes £'m	At 25 March 2023 £'m
Cash and cash equivalents	0.2	20.1	–	**20.3**
Revolving credit facility	(36.4)	(3.6)	(0.5)	**(40.5)**
Lease liabilities	(69.8)	16.3	(27.7)	**(81.2)**
Net debt	(106.0)	32.8	(28.2)	**(101.4)**

Net debt is defined as cash and cash equivalents and loans receivable less interest-bearing liabilities net of unamortised issue costs.

	At 27 March 2021 £'m	Cash flow £'m	Other non-cash changes £'m	At 26 March 2022 £'m
Cash and cash equivalents	39.0	(38.8)	–	0.2
Revolving credit facility	(59.8)	22.0	1.4	(36.4)
Lease liabilities	(71.6)	14.3	(12.5)	(69.8)
Net debt	(92.4)	(2.5)	(11.1)	(106.0)

26. Contingent Liabilities

The Company, together with its subsidiary undertakings, has entered into a cross guarantee with Lloyds Banking Group plc, The Royal Bank of Scotland plc, HSBC UK plc, Bank of China Limited and Coöperatieve Rabobank U.A. in respect of the Group's facility with those banks. Drawn down amounts totalled £42.0 million as at 25 March 2023 (2022: £38.0 million).

27. Commitments

(a) The Directors have contracted for future capital expenditure for property, plant and equipment totalling £25.0 million (2022: £23.4 million).

(b) The future minimum rentals payable under non-cancellable operating leases that do not meet the criteria for right-of-use assets under IFRS 16 (e.g. low value leases) are as follows:

	2023 £'m	2022 £'m
Not later than one year	**0.2**	0.2
After one year but not more than five years	**–**	–
After five years	**–**	–
	0.2	0.2

28. Related Party Transactions

In the Group accounts, transactions between the Company and its subsidiaries are eliminated on consolidation.

The Group consider the Directors to be the key management personnel. Remuneration of key management personnel:

	2023 £'m	2022 £'m
Short-term employee benefits	**5.9**	5.1
Share-based payments	**1.3**	2.1
	7.2	7.2

29. Alternative Performance Measures

The Board monitors performance principally through adjusted and like-for-like performance measures. Adjusted profit and earnings per share measures exclude certain non-cash items including the net IAS 41 valuation movement on biological assets, amortisation and impairment of acquired intangible assets. Free cash flow is defined as net cash from operating activities less net interest paid and like-for-like revenue excludes the benefit of acquisitions in the current and prior year. Return on capital employed is a key performance indicator for the Group and is defined as adjusted operating profit divided by the sum of average opening and closing net assets, net debt/(funds), pension liability/(surplus) and deferred tax.

The Board believes that such alternative measures are useful as they exclude volatile (net IAS 41 valuation movement on biological assets), one-off (impairment of intangible assets) and non-cash (amortisation of intangible assets) items which are normally disregarded by investors, analysts and brokers in gaining a clearer understanding of the underlying performance of the Group when making investment and other decisions. Equally, like-for-like revenue provides these same stakeholders with a clearer understanding of the organic sales growth of the business.

Like-for-like revenue

	2023 £'m	2022 £'m	Change
Revenue	**2,323.0**	2,008.5	+15.7%
Ramona, Atlantica and Mediterranean Foods	**(2.8)**	–	
Cranswick Pet Products	**(22.3)**	–	
Like-for-like revenue	**2,297.9**	2,008.5	+14.4%

29. Alternative Performance Measures (continued)

Adjusted gross profit

	2023 £'m	2022 £'m	Change
Gross profit	**308.5**	278.2	+10.9%
Net IAS 41 valuation movement	**(7.6)**	2.8	
Adjusted gross profit	**300.9**	281.0	+7.1%

Adjusted Group operating profit and adjusted EBITDA

	2023 £'m	2022 £'m	Change
Group operating profit	**145.9**	133.6	+9.2%
Net IAS41 valuation movement	**(7.6)**	2.8	
Impairment of intangible assets	**3.0**	–	
Amortisation of intangible assets	**5.2**	4.2	
Adjusted Group operating profit	**146.5**	140.6	+4.2%
Depreciation of property, plant and equipment	**54.1**	47.9	
Depreciation of right-of-use assets	**14.7**	13.2	
Adjusted EBITDA	**215.3**	201.7	+6.7%

Adjusted profit before tax

	2023 £'m	2022 £'m	Change
Profit before tax	**139.5**	129.9	+7.4%
Net IAS41 valuation movement	**(7.6)**	2.8	
Amortisation of intangible assets	**5.2**	4.2	
Impairment of intangible assets	**3.0**	–	
Adjusted profit before tax	**140.1**	136.9	+2.3%

Adjusted earnings per share

	2023 £'m	2023 Basic pence	2023 Diluted pence	2022 £'m	2022 Basic pence	2022 Diluted pence
On profit for the year	**111.4**	**208.3**	**207.8**	103.5	195.7	194.8
Amortisation of intangible assets	**5.2**	**9.6**	**9.6**	4.2	7.9	7.9
Tax on amortisation of intangible assets	**(1.0)**	**(1.8)**	**(1.8)**	(0.5)	(1.0)	(1.0)
Net IAS 41 valuation movement	**(7.6)**	**(14.2)**	**(14.2)**	2.8	5.2	5.2
Tax on net IAS 41 valuation movement	**1.9**	**3.6**	**3.6**	(1.3)	(2.4)	(2.4)
Impairment of intangible assets	**3.0**	**5.6**	**5.6**	–	–	–
Tax on impairment of intangible assets	**(0.6)**	**(1.1)**	**(1.1)**	–	–	–
On adjusted profit for the year	**112.3**	**210.0**	**209.5**	108.7	205.4	204.5

Free cash flow

	2023 £'m	2022 £'m	Change
Net cash from operating activities	**153.0**	160.0	-4.4%
Net interest paid	**(3.8)**	(1.6)	
Free cash flow	**149.2**	158.4	-5.8%

Return on capital employed

	2023 £'m	2022 £'m	Change
Average opening and closing net assets	**805.6**	727.5	
Average opening and closing net debt	**103.7**	99.2	
Average opening and closing pension surplus	**(4.2)**	(7.0)	
Average opening and closing deferred tax	**20.1**	11.2	
	925.2	830.9	
Adjusted Group operating profit	**146.5**	140.6	
Return on capital employed	**15.8%**	16.9%	-109 bps

COMPANY BALANCE SHEET

AT 25 MARCH 2023

	Notes	2023 £'m	2022 £'m
Non-current assets			
Property, plant and equipment	7	**0.6**	0.7
Investments in subsidiary undertakings	9	**152.1**	179.3
Right-of-use assets	8	**0.4**	0.5
Deferred tax assets	6	**0.4**	1.1
Total non-current assets		**153.5**	181.6
Current assets			
Trade and other receivables	10	**164.3**	116.6
Cash and short term deposits		**11.5**	–
Total current assets		**175.8**	116.6
Total assets		**329.3**	298.2
Current liabilities			
Trade and other payables	11	**(59.9)**	(54.0)
Financial liabilities	12	**–**	(0.4)
Lease liabilities	8	**(0.1)**	(0.1)
Provisions	13	**–**	(0.1)
Income tax payable		**(3.8)**	(7.4)
Total current liabilities		**(63.8)**	(62.0)
Non-current liabilities			
Financial liabilities	12	**(40.5)**	(36.4)
Lease liabilities	8	**(0.4)**	(0.5)
Provisions	13	**(0.8)**	(0.7)
Total non-current liabilities		**(41.7)**	(37.6)
Total liabilities		**(105.5)**	(99.6)
Net assets		**223.8**	198.6
Equity			
Called-up share capital	15	**5.4**	5.3
Share premium account		**123.9**	115.9
General reserve		**4.0**	4.0
Merger reserve		**1.8**	1.8
Share-based payments		**49.0**	44.3
Retained earnings		**39.7**	27.3
Total equity		**223.8**	198.6

The Company's profit for the 52 weeks ended 25 March 2023 was £53.0 million (2022: £35.8 million).

The financial statements on pages 175 – 184 were approved by the Board of Directors on 23 May 2023 and signed on its behalf by

Tim J Smith CBE
Chairman

Mark Bottomley
Chief Financial Officer

23 May 2023

COMPANY STATEMENT OF CHANGES IN EQUITY
AT 25 MARCH 2023

	Share capital Note[a] £'m	Share premium Note[b] £'m	General reserve Note[c] £'m	Merger reserve Note[d] £'m	Share-based payments Note[e] £'m	Retained earnings £'m	Total equity £'m
At 27 March 2021	5.3	106.4	4.0	1.8	37.4	28.9	183.8
Profit for the year, being total comprehensive income	–	–	–	–	–	35.8	35.8
Share-based payments	–	–	–	–	6.9	–	6.9
Scrip dividend	–	4.9	–	–	–	–	4.9
Share options exercised	–	4.6	–	–	–	–	4.6
Dividends	–	–	–	–	–	(37.7)	(37.7)
Deferred tax related to changes in equity	–	–	–	–	–	0.1	0.1
Current tax related to changes in equity	–	–	–	–	–	0.2	0.2
At 26 March 2022	5.3	115.9	4.0	1.8	44.3	27.3	198.6
Profit for the year, being total comprehensive income	–	–	–	–	–	53.0	53.0
Share-based payments	–	–	–	–	4.7	–	4.7
Scrip dividend	–	4.4	–	–	–	–	4.4
Share options exercised	0.1	3.6	–	–	–	–	3.7
Dividends	–	–	–	–	–	(40.7)	(40.7)
Deferred tax related to changes in equity	–	–	–	–	–	(0.3)	(0.3)
Current tax related to changes in equity	–	–	–	–	–	0.4	0.4
At 25 March 2023	**5.4**	**123.9**	**4.0**	**1.8**	**49.0**	**39.7**	**223.8**

Notes:

a) Share capital
The balance classified as share capital represents the nominal value of ordinary 10 pence 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 10 pence 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 £4.0 million which was credited to a separate reserve named the general reserve.

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. A portion of the share-based payment reserve is distributable.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
CONTINUED

1. Authorisation of Financial Statements

The Company financial statements of Cranswick plc (the "Company") for the 52 weeks ended 25 March 2023 were authorised for issue by the Board of Directors on 23 May 2023 and the Balance Sheet was signed on the Board's behalf by Tim Smith and Mark Bottomley.

Cranswick plc is a public limited company incorporated and domiciled in England, United Kingdom (Company number: 1074383, registered office: Crane Court, Hesslewood Country Office Park, Ferriby Road, Hessle, East Yorkshire HU13 0PA). The Company's ordinary shares are traded on the London Stock Exchange. The principal activity of the Company is that of a holding company.

2. Accounting Policies

Basis of preparation

The Company only Financial Statements of Cranswick plc (the "Company") were prepared under the historical cost convention. During the year, the Company has elected to change the basis of preparation from UK-Adopted International Accounting Standards ('UK-Adopted IAS') to Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), which had no material impact on the information presented. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards), but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- The requirements of IAS 7, 'Statement of cash flows';
- The requirements of IFRS 7 Financial Instruments: Disclosures;
- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payments';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement';
- The requirements of paragraphs 10(d), 10(f), 39(c) and 134–136 of IAS 1 Presentation of Financial Statements;
- The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- The requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- The requirements of paragraphs 134(d)–134(f) and 135(c)–135(e) of IAS 36 Impairment of Assets; and
- The effects of new but not yet effective International Financial Reporting Standards.

No income statement or statement of comprehensive income is presented by the Company as permitted by Section 408 of the Companies Act 2006. The results of the Company are included in the Group consolidated financial statements of Cranswick plc.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The principal accounting policies adopted have been applied consistently and are the same as those set out in Note 2 to the Consolidated Financial Statements.

The Company Financial Statements are prepared on the going concern basis as set out in Note 2 to the Consolidated Financial Statements.

The Financial Statements of the Company are prepared to the last Saturday in March. Accordingly, these Financial Statements are prepared for the 52 week period ended 25 March 2023. Comparatives are for the 52 week period ended 26 March 2022. The Balance Sheets for 2023 and 2022 have been prepared as at 25 March 2023 and 26 March 2022 respectively.

A summary of the principal accounting policies, which have been consistently applied throughout the year and the preceding year, is below.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
CONTINUED

2. Accounting Policies (continued)

Judgements and key sources of estimation uncertainty
The preparation of the Company 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.

In the process of applying the Company's accounting policies, management has made the following estimations and judgements, which will most likely have a significant effect on the amounts recognised in the financial statements in the next 12 months:

Significant judgements and estimates:

Investments	Note 9 – investments Where the net assets of a subsidiary are lower than the carrying value of an investment, the carrying value of the investment is compared to their recoverable amount to determine whether an impairment should be recognised. The recoverable amount is the higher of the investment's fair value less costs to sell and its value in use ('VIU'). VIU is the present value of expected future cash flows from the investment. The most sensitive assumptions are the future cash flows which are derived from Board approved budgets and the discount rate applied which represents the Group's weighted average cost of capital (WACC).

Other estimates and judgements have been applied by management in producing the Annual Report & Accounts including, but not limited to, depreciation and amortisation rates. However, these are not considered to have a significant risk of material adjustment.

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 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.

Foreign currencies
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.

Cash and cash equivalents
Cash and cash equivalents are defined as cash at bank and in hand, including short-term deposits with original maturity within three months.

Cash and cash equivalents includes BACS receipts in flight at the reporting date for transactions where control is considered to have passed to the Company. BACS payments in flight at the reporting date are excluded from cash and cash equivalents as control is deemed to have passed from the Company.

2. Accounting Policies (continued)

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:

Plant, equipment and vehicles 4–11 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.

Investments
Investments in subsidiaries are shown at cost less any provision for impairment plus capital contributions for share based payments.

Accounting for leases
The Company leases an office. Rental contracts are typically made for fixed periods of 2 to 15 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

From 31 March 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if that lease term and payments includes options that are reasonable certain to be exercised.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Company's weighted average incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost, comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of Assets and any impairment is provided for by writing down the asset value.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets primarily comprise IT equipment.

Trade and other payables
Trade and other payables are initially recorded at their fair value and subsequently carried at amortised cost.

Trade and other receivables
Trade receivables are recognised initially at the amount of consideration that is unconditional. The Company holds trade receivables with the objective of collecting the contractual cash flows so they are subsequently measured at amortised cost using the effective interest method, less loss allowance. Gains and losses are recognised in the income statement when receivables are derecognised or impaired.

The Company uses a model to calculate expected credit losses (ECL). The provision is calculated by reviewing the lifetime expected credit losses using both historic and forward looking data. Balances are written off when the probability of recovery is assessed as being remote.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
CONTINUED

3. Employees

	2023 £'m	2022 £'m
Staff costs:		
Wages and salaries	**10.1**	9.5
Social security costs	**1.4**	1.8
Other pension costs	**0.1**	0.1
	11.6	11.4

The average monthly number of employees during the year was:

	2023	2022
Administration	**76**	66

Remuneration paid to the Directors is disclosed in the Remuneration report on pages 107 to 125 and in the Note 5 to the Group's consolidated financial statements.

4. Profit or loss

The profit attributable to equity Shareholders dealt with in the Financial Statements of the Company was £53.0m (2022: £35.8m). In accordance with Section 408 of the Companies Act 2006, the Company is availing of the exemption from presenting its individual Income Statement to the Annual General Meeting and from filing it with the Registrar of Companies.

Amounts paid to the Company's auditors in respect of the audit of the financial statements of the Company are disclosed in Note 4 to the Group's consolidated financial statements.

Fees paid to the auditors for non-audit services to the Company itself are not disclosed in the individual financial statements of the Company because the Group's consolidated financial statements are prepared which are required to disclose such fees on a consolidated basis. These are disclosed in Note 4 to the Group's consolidated financial statements.

5. Equity Dividends

	2023 £'m	2022 £'m
Declared and paid during the year:		
Final dividend for 2022 – 55.6p per share (2021: 51.3p)	**29.7**	27.1
Interim dividend for 2023 – 20.6p per share (2022: 20.0p)	**11.0**	10.6
Dividends paid	**40.7**	37.7
Proposed for approval of Shareholders at the Annual General Meeting on 24 July 2023		
Final dividend for 2023 – 58.8p per share (2022: 55.6p)	**30.0**	29.6

6. Taxation

a) Analysis of tax charge in the year
Tax relating to items charged or credited to other comprehensive income or directly to equity:

	2023 £'m	2022 £'m
Recognised in company statement of changes in equity		
Deferred tax charge/(credit)in share based payments	**0.3**	(0.1)
Corporation tax credit on share options exercised	**(0.4)**	(0.2)
Total tax credit recognised directly in equity	**(0.1)**	(0.3)

b) Deferred tax
The deferred tax included in the Company balance sheet is as follows:

	2023 £'m	2022 £'m
Deferred tax asset in the balance sheet		
Other temporary differences	**0.1**	–
Share-based payments	**0.3**	1.1
Deferred tax asset	**0.4**	1.1

7. Property, Plant and Equipment

	Freehold land and buildings £'m	Plant, equipment and vehicles £'m	Total £'m
Cost			
At 27 March 2022 and at 25 March 2023	0.5	0.4	0.9
Depreciation			
At 27 March 2022	–	0.2	0.2
Charge for the year	–	0.1	0.1
At 25 March 2023	–	0.3	0.3
Net book amounts			
At 26 March 2022	0.5	0.2	0.7
At 25 March 2023	**0.5**	**0.1**	**0.6**

Included in freehold land and buildings is land with a cost of £0.5 million (2022: £0.5 million) which is not depreciated.

8. Right-of-use Assets

Amounts recognised in the balance sheet
The balance sheet shows the following amounts relating to leases:

	Land and buildings £'m
Cost	
At 27 March 2022	0.7
Additions	–
Disposals	–
At 25 March 2023	0.7
Depreciation	
At 27 March 2022	0.2
Charge for the year	0.1
At 25 March 2023	0.3
Net book amounts	
At 27 March 2022	0.5
At 25 March 2023	**0.4**

	2023 £'m	2022 £'m
Lease liabilities:		
Current	**0.1**	0.1
Non-current	**0.4**	0.5
	0.5	0.6

NOTES TO THE COMPANY FINANCIAL STATEMENTS
CONTINUED

9. Investments

	Subsidiary undertakings £'m
At 28 March 2021	174.2
Capital contribution relating to share options	5.1
At 27 March 2022	179.3
Capital contribution in subsidiary	0.3
Capital contribution relating to share options	6.0
Return of capital by subsidiaries	(33.5)
At 25 March 2023	**152.1**

The subsidiary undertakings as at 25 March 2023 were:

- Cranswick Country Foods plc*, registered number 01803402
- Cranswick Gourmet Pastry Company Limited+, registered number 07815262 (100 per cent owned by Cranswick Country Foods plc)
- Wayland Farms Limited*, registered number 06727508 (100 per cent owned by Cranswick Country Foods plc)
- Wold Farms Limited*, registered number 09051574 (100 per cent owned by Cranswick Country Foods plc)
- Cranswick Convenience Foods Limited*, registered number 02239912
- Kingston Foods Limited*, registered number 03798949 (100 per cent owned by Cranswick Country Foods plc)
- Warwick One Limited*, registered number SC189028 (registered in Scotland, registered office 21 Jenny Moores Road, St. Boswells, Melrose, Roxburghshire, TD6 0AN)
- Benson Park Limited*, registered number 04508360 (100 per cent owned by Cranswick Country Foods plc)
- Cranswick Bio Limited+, registered number 08013140 (100 per cent owned by Cranswick Country Foods plc)
- Mulberry House Foods Limited*, registered number 06414311 (100 per cent owned by Cranswick Country Foods plc)
- Weeton Foods Limited*, registered number 06414382 (100 per cent owned by Cranswick Country Foods plc)
- Potterdale Foods Limited*, registered number 05600670 (100 per cent owned by Cranswick Country Foods plc)
- CCL Holdings Limited*, registered number 02800280 (100 per cent owned by Cranswick Country Foods plc)
- Crown Chicken Limited*, registered number 04760487 (100 per cent owned by CCL Holdings Limited)
- Cranswick Country Foods (Ballymena)*, registered number NI071259 (registered in Northern Ireland, registered office 146 Fenaghy Road, Cullybackey, County Antrim, Northern Ireland BT42 1EA) (100 per cent owned by The Harts Corner Natural Sausage Company Limited)
- Cranswick Country Foods (Norfolk) Pension Trustees Limited*, registered number 05969955 (100 per cent owned by Cranswick Country Foods (Norfolk) Limited)
- Roma (No.1) plc*, registered number 01908346
- Brookfield Foods Limited*, registered number 02617865
- Continental Fine Foods Limited*, registered number 02096132
- North Wales Foods Limited*, registered number 03685950
- Cranswick Country Foods (Norfolk) Limited*, registered number 00835854 (92 per cent owned by Friars 587 Limited, 8 per cent owned by Cranswick Country Foods plc)
- Cranswick Gourmet Bacon Company Limited*, registered number 04966717 (100 per cent owned by Cranswick Country Foods plc)
- Cranswick Gourmet Sausage Company Limited*, registered number 03064390 (50 per cent owned by Cranswick Country Foods plc, 50 per cent owned by The Harts Corner Natural Sausage Company Limited)
- Cranswick Mill Limited*, registered number 01941133
- Charter Pork Cuts Limited*, registered number 02269959
- Crown Milling Limited*, registered number 03203641 (100 per cent owned by CCL Holdings Limited)
- Cranswick Trustees Limited* registered number 04340385
- Cranswick Tuck Marketing Limited+, registered number 01942648
- Delico Limited*, registered number 03423315
- Friars 587 Limited+, registered number 06727526 (100 per cent owned by Cranswick Country Foods plc)
- The Harts Corner Natural Sausage Company Limited*, registered number 02779673 (100 per cent owned by Cranswick Country Foods plc)
- White Rose Farms Limited*, registered number 11091424 (100 per cent owned by Cranswick Country Foods plc)
- CHL Pigs Limited*, registered number 12426959 (100 per cent owned by White Rose Farms Limited)
- Wold Farms Breeding Limited*, registered number 08656877 (100 per cent owned by Cranswick Country Foods plc)
- Katsouris Brothers Limited*, registered number 00824300 (100 per cent owned by Cranswick Country Foods plc)

9. Investments (continued)

- Katsouris Bros Limited, registered number HE1550 (registered in Cyprus, registered office 28 October Street, 313, Limassol, 3105, Cyprus) (100 per cent owned by Cranswick Country Foods plc)
- Cypresa Products Limited*, registered number 01704511 (100 per cent owned by Katsouris Brothers Limited)
- Ramona's Kitchen Limited*, registered number 05492903 (100 per cent owned by Cranswick Country Foods plc)
- Holdco Alpha Limited*, registered number 08126846 (100 per cent owned by Cranswick Country Foods plc)
- Cranswick Pet Products Limited*, registered number 00896298 (previously Grove Pet Foods Limited) (100 per cent owned by Holdco Alpha Limited)
- Ballyside Limited*, registered number NI676022 (registered in Northern Ireland, registered office 146 Fenaghy Road, Cullybackey, County Antrim, Northern Ireland BT42 1EA) (100 per cent owned by Cranswick Country Foods (Ballymena))
- Cranswick Mediterranean Foods Limited*, registered number 14649146, incorporated 8 February 2023 (100 per cent owned by Katsouris Brothers Limited)
- Atlantica UK Limited, registered number 06803572, dissolved 25 October 2022

Except where otherwise stated, each of the companies is registered in England and Wales, with registered office Crane Court, Hesslewood Country Office Park, Ferriby Road, Hessle, East Yorkshire HU13 0PA and Cranswick plc holds directly 100 per cent of the shares and voting rights of each subsidiary undertaking.

* For the year ended 25 March 2023, Cranswick plc has provided a guarantee in respect of the outstanding liabilities of the subsidiary undertaking in accordance with sections 479A – 479C of the Companies Act 2006, as these UK subsidiary companies of the Group are exempt from the requirements of the Companies Act 2006 relating to the audit of financial statements by virtue of section 479A of this Act.

\+ For the year ended 25 March 2023, Cranswick plc has provided a guarantee in respect of the outstanding liabilities of the subsidiary undertaking in accordance with sections 394A – 394C of the Companies Act 2006, as these UK subsidiary companies of the Group are exempt from the requirements of the Companies Act 2006 relating to the preparation of financial statements by virtue of section 394A of this Act.

In the opinion of the directors, the value of the Company's investments in its subsidiaries is not less than the amount at which it is shown in the balance sheet.

10. Trade and Other Receivables

	2023 £'m	2022 £'m
Financial assets:		
Trade receivables	**0.6**	–
Amounts owed by subsidiary undertakings	**161.3**	115.3
Other receivables	**0.7**	0.4
	162.6	115.7
Non-financial assets:		
Prepayments	**1.7**	0.9
	164.3	116.6

Amounts owed by subsidiary undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11. Trade and Other Payables

	2023 £'m	2022 £'m
Current:		
Trade payables	**2.3**	0.7
Amounts owed to subsidiary undertakings	**38.7**	43.0
Tax and social security	**10.1**	2.9
Other creditors	**6.2**	3.8
Other accruals	**2.6**	3.6
	59.9	54.0

Amounts owed to subsidiary undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

12. Financial Liabilities

	2023 £'m	2022 £'m
Current:		
Bank overdraft	**–**	0.4
Non-current:		
Amounts outstanding under revolving credit facility	**42.0**	38.0
Unamortised issue costs	**(1.5)**	(1.6)
	40.5	36.4

All financial liabilities are carried at amortised cost.

FINANCIAL STATEMENTS

NOTES TO THE COMPANY FINANCIAL STATEMENTS
CONTINUED

12. Financial Liabilities (continued)

Banking facility
On 22 November 2021, the Group successfully refinanced its banking facility. The sustainability linked agreement is unsecured and with an initial period agreed to November 2025. The facility was successfully extended, shortly after the 2022 period end, for a further year, through to November 2026. The facility comprises a revolving credit facility of £250 million, including a committed overdraft of £20 million. It also includes the option to access a further £50 million on the same terms at any point during the term of the agreement.

£nil (2022: £nil) of the overdraft facility was utilised at 25 March 2023. Interest is payable at a margin over base rate. £42.0 million (2022: £38.0 million) of the revolving credit facility was utilised as at 25 March 2023. Interest is payable at a margin over the sterling overnight index rate (SONIA).

The arrangement fees of £2.2 million (2022: £1.8 million) are being amortised over the period of the facility.

The maturity profile of bank loans is as follows:

	2023 £'m	2022 £'m
In one year or less	**–**	–
Between one year and two years	**–**	–
Between two years and five years	**42.0**	38.0
	42.0	38.0
Unamortised issue costs	**(1.5)**	(1.6)
	40.5	36.4

Details in respect of covenants are presented in Note 19 of the Group Financial Statements.

13. Provisions

	Lease provisions £'m
At 27 March 2022	0.8
Created	–
Utilised	–
Movement on discount	–
At 25 March 2023	**0.8**

Analysed as:

	2023 £'m	2022 £'m
Current liabilities	**–**	0.1
Non-current liabilities	**0.8**	0.7
	0.8	0.8

Lease provisions are held against dilapidation obligations on leased properties. These provisions are expected to be utilised over the next three years.

14. Contingent Liabilities

The Company, together with its subsidiary undertakings, has entered into a cross guarantee with Lloyds Banking Group plc, The Royal Bank of Scotland plc, HSBC UK plc, Bank of China Limited and Coöperatieve Rabobank U.A. in respect of the Group's facility with those banks. Drawn down amounts totalled £42.0 million as at 25 March 2023 (2022: £38.0 million).

15. Called-up Share Capital

Details in respect of called-up share capital are presented in Note 22 of the Group Financial Statements.

16. Share-based Payments

The Company operates two share option schemes, a revenue approved scheme (SAYE) and a Long Term Incentive Plan (LTIP), both of which are equity settled. All disclosures relating to the plans are given in Note 23 of the Group Financial Statements.

SHAREHOLDER INFORMATION

STAKEHOLDER INFORMATION FIVE YEAR STATEMENT

	2023 £'m	2022 £'m	2021 £'m	2020 £'m	2019 £'m
Revenue	**2,323.0**	2,008.5	1,898.4	1,667.2	1,437.1
Profit before tax	**139.5**	129.9	114.8	104.0	86.5
Adjusted profit before tax*	**140.1**	136.9	129.7	102.3	92.0
Earnings per share	**208.3p**	195.7p	176.4p	159.1p	135.5p
Adjusted earnings per share*	**210.0p**	205.4p	199.3p	156.4p	144.3p
Dividends per share	**79.4p**	75.6p	70.0p	60.4p	55.9p
Capital expenditure	**85.1**	93.7	71.9	97.5	83.5
Net (debt)/funds	**(101.4)**	(106.0)	(92.4)	(146.9)	6.3
Net assets	**842.9**	768.9	686.1	614.5	534.9

* Adjusted profit before tax and earnings per share exclude the effects of net IAS 41 valuation movement, acquisition-related amortisation and impairment of intangible assets. These are the measures used by the Board to assess the Group's underlying performance.

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

Net (debt)/funds is defined as per Note 25 to the Group Financial Statements.

FINANCIAL CALENDAR

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

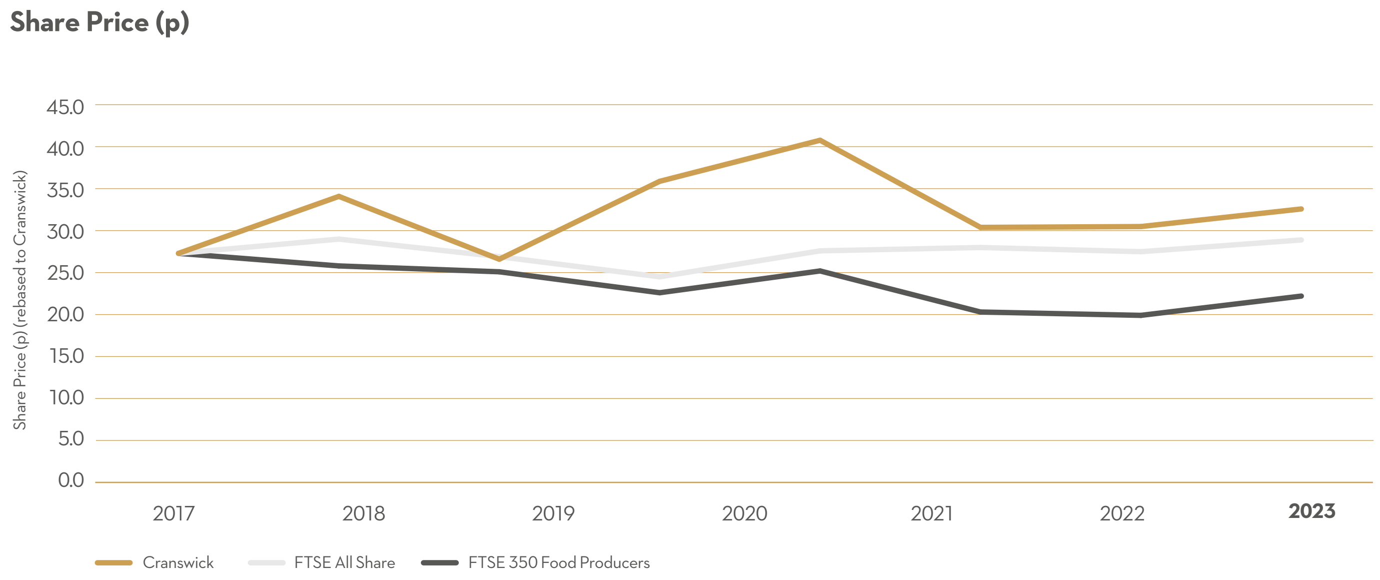
SHAREHOLDER ANALYSIS

AT 5 MAY 2023

	Number of holdings	Number of shares
Classification		
Private Shareholders	1,531	2,827,395
Corporate bodies and nominees	534	50,897,237
	2,065	**53,724,632**
Size of holding (shares)		
1–1,000	1,332	414,795
1,001–5,000	351	812,040
5,001–10,000	83	592,149
10,001–50,000	146	3,539,442
50,001–100,000	50	3,444,993
Above 100,000	103	44,921,213
	2,065	**53,724,632**
Share price		
Share price at 26 March 2022	3,586p	
Share price at 25 March 2023	3,014p	
Low in the year	2,586p	
High in the year	3,748p	

SHARE PRICE MOVEMENT

Cranswick's share price movement over the six year period to May 2023 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 Cranswick's share price at 5 May 2017 (2,731p), is shown below:



SHAREHOLDER INFORMATION

ADVISERS

Secretary	Steven Glover LLB
Company number	1074383
Registered office	Crane Court Hesslewood Country Office Park Ferriby Road Hessle East Yorkshire HU13 0PA
Stockbrokers	HSBC Bank plc – London Investec Investment Banking – London Shore Capital Stockbrokers – Liverpool
Registrars	Link Group 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL Tel: +44(0)371 664 0300 (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00–17:30, Monday to Friday excluding public holidays in England and Wales). email: shareholderenquiries@linkgroup.co.uk website: www.linkassetservices.com
Independent auditors	PricewaterhouseCoopers LLP – Leeds
Tax advisers	KPMG – Leeds EY – Leeds
Solicitors	Rollits LLP – Hull Eversheds Sutherland (International) LLP – Leeds
Bankers	Lloyds Banking Group plc The Royal Bank of Scotland plc HSBC UK plc Cöoperatieve Rabobank U.A. Bank of China Limited
Merchant bankers	N M Rothschild & Sons – Leeds

carbon footprint
www.carbonfootprint.com
MIX Paper from responsible sources FSC® C023105

The outer cover of this report has been laminated with a biodegradable film. Around 20 months after composting, an additive within the film will initiate the process of oxidation.

Designed and produced by
radley yeldar.

Visit us at **RY.com**

CRANSWICK
Great British Taste

Cranswick plc
Crane Court, Hesslewood Country Office Park,
Ferriby Road, Hessle, East Yorkshire HU13 0PA
01482 275 000
www.cranswick.plc.uk