CRANSWICK

Great British Taste

WHERE GREAT FOOD COMES FROM

Cranswick plc Annual Report & Accounts

53 weeks ended 30 March 2024

Cranswick is a leading UK food producer with revenue of almost £2.6 billion. We produce and supply premium food to UK grocery retailers, the food service sector, and other UK and global food producers.

Producing great food is not just about taste, but about understanding and respecting where food comes from, and appreciating the contribution from each complementary stage of our farm-to-fork journey.

We continue to invest at pace in our rapidly growing farming operations and across our wider business. Our farm-to-fork model provides end-to-end visibility and control of our business and enables us to add value at every stage.

WHERE GREAT FOOD COMES FROM

ABOUT US

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

CONTENTS

HIGHLIGHTS

FINANCIAL

A year of strong financial and strategic progress

Like-for-like revenue*

£2,591.7m

+11.6 per cent

2024	2,591.7
2023	2,323.0
2022	2,008.5

Adjusted profit before tax†

£176.6m

+26.1 per cent

2024	176.6
2023	140.1
2022	136.9

Adjusted earnings per share†

242.8p

+15.6% per cent

2024	242.8
2023	210.0
2022	205.4

Dividend per share

90.0p

+13.4 per cent

2024	90.0
2023	79.4
2022	75.6

Free cash flow†

£223.4m

+49.7 per cent

2024	223.4
2023	149.2
2022	158.4

Net debt

£99.4m

-2.0 per cent

2024	99.4
2023	101.4
2022	106.0

Revenue

£2,599.3m

+11.9 per cent
(FY23: £2,323.0m)

Profit before tax

£158.4m

+13.5 per cent
(FY23: £139.5m)

Earnings per share

210.4p

+1.0 per cent
(FY23: 208.3p)

Free cash conversion

142.3%

(FY23: 92.7%)

ROCE

18.5%

(FY23: 15.8%)

Water intensity

-0.7%

(FY23: +2.8%)

* References to like-for-like throughout the Annual Report and Accounts exclude the impact of current year acquisitions and the contribution from prior year acquisitions prior to the anniversary of their purchase.

† Adjusted and like-for-like references throughout the Annual Report and Accounts refer to non-IFRS measures or Alternative Performance Measures (APMs). Definitions and reconciliations of the APMs to IFRS measures are provided in Note 30.

STRATEGIC

CONSOLIDATE

Acquisition of Elsham Linc feed mill and indoor pig farming business lifts our self-sufficiency to over 50 per cent as we continue to build our capability in agricultural operations.

DIVERSIFY

£10 million investment in Cranswick Pet Products to double dry dog food production capacity.

EXPAND

£23 million fit-out of new houmous facility at Worsley is underway, to create a state-of-the-art manufacturing site and facilitate a step change in production capacity in the category.

CONSOLIDATE

Acquisition of Froch Foods is aligned to our continuous commitment to invest in and expand current categories, add additional capacity and drive efficiency improvements.

WHAT WE DO

CRANSWICK IS A LEADING, INNOVATIVE, BRITISH SUPPLIER OF PREMIUM, FRESH AND VALUE-ADDED FOOD PRODUCTS

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

>14,500
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 in excess of 50 per cent. Our pig and poultry farming businesses, which include milling, breeding and growing operations, are industry leading.

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

>0.8m
Pig herd size

>6.4m
Chicken flock size

STRATEGIC CAPITAL INVESTMENT

We operate from 23 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 wellbeing.

£91.4m
Invested in FY24

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

Leeds
Froch Foods

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

23
well-invested, highly efficient production facilities across the UK

3
milling facilities producing pig and poultry feed

464
farms supplying pigs and chickens to our production facilities

WHAT WE DO

OUR BUSINESS MODEL

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.

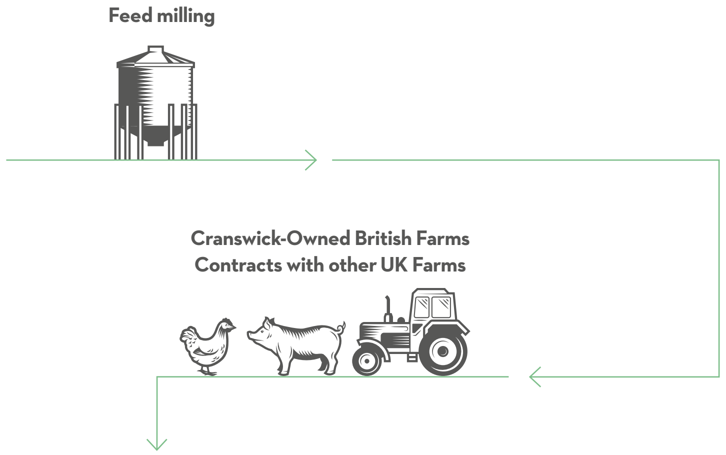
WE FARM

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

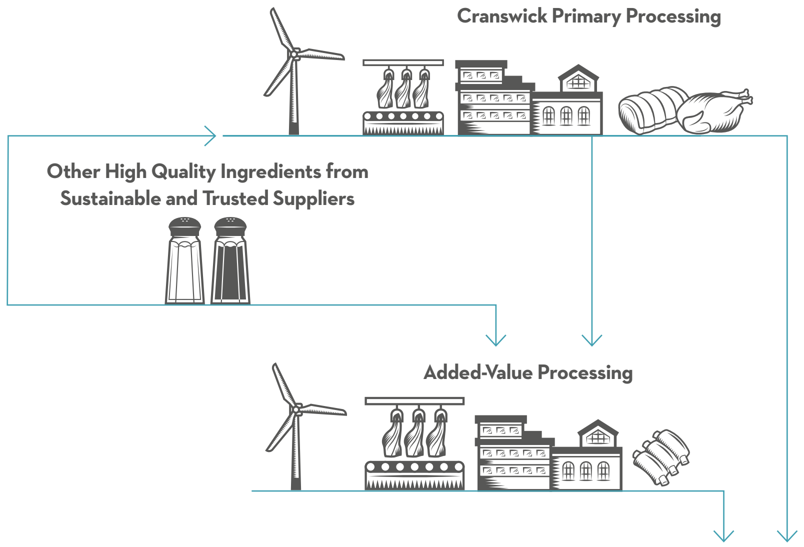
Our dedication to producing the very best pork starts with our farms. We operate in all areas of pig production, from breeding through to finishing operations.

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 operations in Suffolk and North Lincolnshire, where we mill cereals grown in the local area to feed our chickens and pigs.



WE PRODUCE



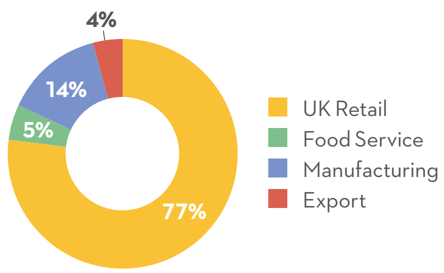
We produce a wide range of high quality, predominantly fresh food, including fresh and added-value pork and poultry, gourmet sausage, bacon and pastry along with cooked meats and a broad selection of Continental products. We also produce pet food with a focus on sourcing British ingredients.

We focus on premium products, technical integrity and continually improving our standards of animal welfare. Through our four primary processing and 19 added-value facilities we produce great-tasting products to the highest standards of food safety while 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 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
PUTTING FUTURE FIRST EVERY DAY

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 while 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

OUR BUSINESS MODEL CONTINUED

OUR PRODUCTS

Fresh Pork

We offer a comprehensive selection of fresh pork products, encompassing everything from joints and chops to ribs, along with seasonal ranges featuring barbecue products. Our commitment to innovation ensures that our offering remains relevant, catering to the changing needs of our consumers. Our Fresh Pork sites play a crucial role in supplying pork cuts to other Cranswick facilities, strengthening 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 have been instrumental in developing our Gourmet Products ranges which focus on delivering authentic, premium products from efficient, well-invested sites. This approach, which we call 'upscaling artisan', focuses on elevating traditional methods to meet contemporary standards. 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 antipasti, dips and other Mediterranean snacks. We work in partnership with like-minded producer partners across the continent; from small scale artisanal, traditional specialists to larger scale producers who can satisfy the growing demand and appetite for continental meats in the UK.

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 our Prepared Poultry site offers a range of premium, prepared chicken products to Retail and Quick Service Restaurant customers.

Pet Products

Established over 50 years ago, Lincolnshire based Cranswick Pet Products was acquired by Cranswick in January 2022. It manufactures a range of dried dog food for a number of established retail brands as well as its own Vitalin and Alpha brands. Our own brands are focused on sustainably sourced and responsibly reared British ingredients, differentiating themselves with their commitment to quality and origin.

CREATING VALUE FOR OUR STAKEHOLDERS

Our people

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

>78,000

training courses completed by Cranswick colleagues in the year

Read more on pages 51–54

Shareholders

By delivering strong dividend growth.

34

years of consecutive dividend growth

Read more on page 64

Customers and consumers

By continuously delivering high quality, authentic and innovative products.

4.9%

sales from new products as a percentage of total revenue

Read more on pages 55–56

Communities

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

>1.6m

meals donated to charities this year

Read more on pages 62–63

Producers and suppliers

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

687

supplier audits completed in the year

Read more on pages 57–59

NGOs

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

Cranswick Carbon Inset Scheme

strengthens trust and transparency surrounding carbon insetting

Read more on pages 60–61

CHAIRMAN'S STATEMENT

> **"**
>
> **WE HAVE MADE STRONG STRATEGIC AND COMMERCIAL PROGRESS IN THE PAST YEAR WHICH HAS STRENGTHENED THE BASE FROM WHICH TO DELIVER THE ONGOING PLANS OF THE GROUP.**
>
> **Tim J Smith CBE**
> Chairman

I am pleased to report on the encouraging strategic progress achieved this year. Continued growth and success has been achieved through exceptional customer service and the highest product quality, complemented by the value and versatility of our product categories.

Our management team's expertise and experience has skilfully transformed industry challenges into valuable opportunities. On behalf of the Board, I would like to express our gratitude to all Cranswick colleagues for their exceptional resourcefulness, innovative ideas and steadfast commitment which resulted in the record performance for the business.

I am very pleased with the progress we have made towards our strategic priorities this year, supported by significant investments in targeted capital expenditure and carefully chosen acquisitions. Our investment programme has continued at pace with a relentless focus on automation, adding scale and delivering further quality, capacity and efficiency improvements.

The persistent effects arising from broad-based cost inflation have been proactively addressed through effective and timely cost management and recovery measures throughout the period. By sustaining our partnerships with customers, we provided cost-effective solutions across our product ranges, concurrently enhancing operational efficiencies and driving automation projects.

This year's success has also been achieved in the face of considerable ongoing challenges in the UK food and farming industry, with labour shortages, financial pressures and political uncertainty all proving to be major concerns for many independent producers. It is now more crucial than ever for the UK to have a thriving and resilient food and farming sector, especially given the challenges our food system is currently facing. The Government has identified that our national security depends on addressing a small number of critical risks which include food security. It seems imperative to me that the Government should better concentrate its resources on improving our resilience to those risks.

We have further developed and grown our farming and milling operations which has strengthened our vertical integration and enhanced our business resilience. The expansion of our farming capability helps us to ensure full farm-to-fork traceability as the acquisition of Elsham Linc indoor pig farming business significantly increases the size of our Red Tractor-assured indoor pig herd and adds additional feed milling capability, increasing our self-sufficiency in UK pigs to over 50 per cent. Looking forward, we anticipate further sector consolidation, and Cranswick is committed to expanding its farming capability to ensure the continuity of supply, sustainability leadership, and the highest animal welfare standards.

Results

Total revenue for the 53 weeks to 30 March 2024 was £2,599.3 million, showing an increase of 11.9 per cent from the previous year's reported figure of £2,323.0 million. Adjusting for contributions of the acquisitions made in the previous and current financial years, revenue grew by 11.6 per cent on a like-for-like basis.

Adjusted profit before tax for the period at £176.6 million was 26.1 per cent higher than the £140.1 million reported last year. Adjusted earnings per share on the same basis was up 15.6 per cent at 242.8 pence from 210.0 pence last year.

Cash flow and financial position

At the end of the year, net debt was £99.4 million, down from £101.4 million in the previous year. Net debt excluding IFRS 16 lease liabilities was also reduced to just £0.1 million compared to £20.2 million previously. The Group has access to an unsecured, sustainability linked £250 million facility which runs through to November 2026.

Dividend per share

90.0p

+13.4%

Adjusted earnings per share

242.8p

+15.6%

Dividend

The Board is proposing a final dividend of 67.3 pence per share, 14.5 per cent higher than the 58.8 pence paid last year. Together with the interim dividend of 22.7 pence per share, this equates to a total dividend for the year of 90.0 pence per share, an increase of 13.4 per cent on last year, extending the period of consecutive years of dividend growth to 34 years.

The final dividend, if approved by Shareholders, will be paid on 30 August 2024 to Shareholders on the register at the close of business on 19 July 2024. Shares will go ex-dividend on 18 July 2024.

Corporate governance

The Board embraces the UK Corporate Governance Code as part of its culture, as we believe this underpins our long-term success. As a Board, we regularly appraise our governance framework and processes to ensure they remain effective and fit for purpose.

The Board is supportive of the changes made in the updated UK Corporate Governance Code ('the Code'). Although we are not obligated to adopt the new provisions until 2026, we are working to implement them at the earliest opportunity. You can read more about our compliance with the Code in our Corporate Governance section on page 93.

Board changes

During the year, we have continued to evolve the Board to ensure it provides the appropriate skills and experience to support and challenge Cranswick's executive team.

With effect from 23 May 2023, Yetunde Hofmann was appointed as the Company's designated Non-Executive Director for engagement with the workforce. This is an important position that I had the honour of undertaking before my appointment as Chairman. It was a pleasure to welcome Yetunde to the role, and her extensive experience brings a valuable perspective to our team.

Liz Barber succeeded Mark Reckitt as the Company's Senior Independent Director following his retirement as a Non-Executive Director of the Company on 24 July 2023. As of this date, the Board appointed Alan Williams to take on Liz's previous role as Chair of the Audit Committee.

Pam Powell retired as an Independent Non-Executive Director with effect from 1 September 2023 and her position as Chair of the Remuneration Committee is succeeded on an interim basis by Liz Barber.

On 21 March 2024 we announced the appointment of Rachel Howarth as a Non-Executive Director with effect from 30 April 2024. Rachel is the Group People Officer at Whitbread plc. Rachel was previously the Group HR Director with SSP Group plc, before which she spent sixteen years with Tesco plc. On appointment, Rachel became a member of the Remuneration, Nomination and ESG committees. It is intended that Rachel will succeed Liz Barber as Chair of the Remuneration Committee in August, following conclusion of the scheduled review of the Company's Directors' Remuneration Policy.

On behalf of the Board, I welcome Rachel and thank Mark and Pam for their positive contribution to Cranswick's successful development over their respective tenures.

Culture

The success of the Group is deeply rooted in the dedication and excellence of our people, and we take pride in our strong and inclusive culture. We have consistently invested in our team, with an emphasis on training, development and employee engagement to cultivate an environment where everyone can thrive.

More than ever, we are driving the social aspects of our ESG efforts, focusing on our ability to meet the needs of our customers, suppliers, local communities, and of course, our employees. Diversity and inclusion is key to our progress as an organisation, and it underlines the vital role Yetunde Hofmann plays as our designated Director for engagement with the workforce, ensuring that the views of our people are heard by the Board.

Sustainability

We continue to move forward at pace with our sustainability programme, and this year we have relaunched our 'Second Nature' sustainability strategy. We aimed to make it more directly relatable, accessible and achievable, ensuring it's easier for individuals to take meaningful actions, whilst embracing both the environmental and social aspects of sustainability. You can read more about our sustainability strategy in our Sustainability section on pages 30 to 37.

I was also delighted to see that Cranswick was first place in the second edition of 'The Better Food Index', which ranks the 30 largest food and drinks companies in the UK on their actions and commitments towards a fair and sustainable food system.

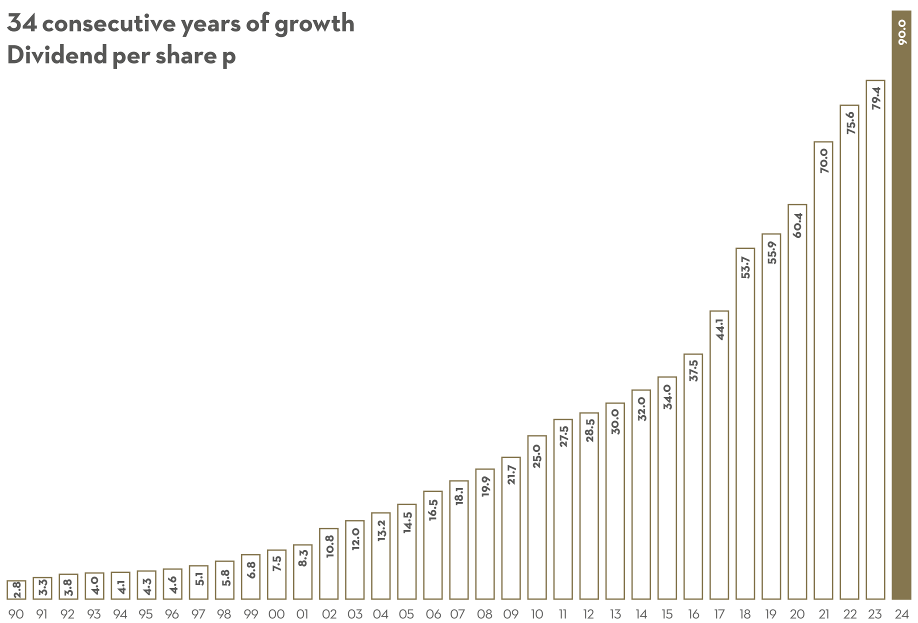
Outlook

We have made strong strategic and commercial progress in the past year which has strengthened the base from which to deliver the ongoing plans of the Group. The start to the current year has been in line with the Board's expectations and the outlook for the current financial year is unchanged. 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

21 May 2024

34 consecutive years of growth
Dividend per share p



STRATEGIC REPORT

CHIEF EXECUTIVE'S REVIEW

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SUBSTANTIAL INVESTMENT DRIVING A STRONG PERFORMANCE.

Adam Couch
Chief Executive

We have delivered a strong financial performance in the year and made further progress in delivering our strategy. We grew revenue by 11.9 per cent and increased adjusted profit before tax by 26.1 per cent.

Our ongoing successful performance is down to the unwavering passion, commitment, and professionalism of our teams across the business. I have said many times that our people are our greatest asset and I would like to extend my gratitude to all of our colleagues at Cranswick for their continued dedication and support which has enabled us to deliver a strong set of results and make progress towards our strategic objectives.

Alongside our colleagues, I would also like to thank our suppliers and customers, with whom we continue to work in close partnership. In last year's report, I highlighted numerous challenges impacting the UK farming sector and broader food supply chains stemming from the Ukraine war and widespread cost inflation. This year, we experienced a more stable environment for farmers, leading to the recovery of pig prices, contributing to the achievement of our robust results. We have increased our self-sufficiency enabling us to maintain our pig volumes against a double-digit percentage reduction in the national herd.

Our successful performance owes a great deal to the substantial investment we have put into enhancing our farming infrastructure and expanding our vertical integration. We have increased the size, scale and quality of our pig herds through ongoing organic growth and the acquisitions of new indoor and premium outdoor pigs. Notably, our acquisition of Elsham Linc has substantially bolstered our Red Tractor assured indoor pig herd. This business comprises 18 sites in North Lincolnshire, including a feed mill, and has 8,000 sows producing in excess of 3,200 finished pigs per week. We also acquired a second pig herd during 2023 as part of a wider agreement to lease and operate, on a long-term basis, a fully integrated pig and arable farming enterprise in North Yorkshire. Thanks to these investments, our self-sufficiency in UK pigs is now over 50 per cent.

Access to labour remains one of our most important challenges. To address this, we expanded our recruitment programme and now have more than 650 colleagues from the Philippines in the business who form a key part of our workforce. We continue to put forward the case for the farming and food producer sector to the UK government and through various industry bodies. One of the measures introduced in Spring 2024 was an increase in the salary threshold to £38,700, for those arriving in the UK on Skilled Worker visas. This figure marks a significant rise from the previous level of £26,200; a shift that is poised to considerably limit labour accessibility for our Group in the foreseeable future. The scarcity of labour resources presents a critical challenge, threatening our ability to consistently deliver the exceptional service levels our customers have come to rely on. We continue to press government for a greater understanding of this issue and appreciation of the importance of food security.

Strong performance

We have again delivered record results with reported revenue growing by 11.9 per cent to £2,599.3 million and adjusted operating profit increasing 26.3 per cent to £185.1 million. We have reduced net debt on a pre IFRS 16 basis from £20.2 million in March 2023 to just £0.1 million, whilst also investing £91.4 million across our asset base.

Revenue	Adjusted operating profit	Capex
£2,599.3m	**£185.1m**	**£91.4m**
+11.9%	+26.3%	(FY23: £85.1m)

We saw operating margin strengthen during the year, driven by proactive management and mitigation of cost inflation, as well as benefits arising from capital expenditure and efficiencies achieved in our operations. In addition, our return on capital employed has improved by 2.6 per cent to 18.5 per cent, reflecting our ability to deploy capital at pace to drive strong returns. We are proposing to increase our full year dividend by a further 13.4 per cent this year, marking our 34th year of consecutive dividend growth.

This strong performance was driven in part by the value offered by pork and poultry, which provide customers and UK consumers with affordable proteins, value for money and versatility. Following the initial inflation shock last year, we are seeing the recovery in demand, reflected in a substantial growth in premium products and across all four core UK food categories. Our commitment to delivering exceptional service to our customers is reflected in our record-breaking Christmas trading results, continuing the momentum into the last quarter of the year, with an impressive 98 per cent accomplishment of customer service levels.

Year-on-year, there was a significant decrease in total export sales. Far East exports were driving this momentum, with lower prices and lower demand resulting from the slowdown in China's food and agricultural sector. Our Norfolk primary processing facility continues to operate without an export license. It has been nearly four years since we voluntarily suspended this license, and we remain fully committed to resolving this issue. We will continue to raise the matter with DEFRA and other relevant government departments at every opportunity until the matter is successfully resolved.

Progress on our strategy

We are putting our strategy into action across our three strategic pillars – Consolidate, Expand and Diversify – to deliver growth across all areas of our business.

We continue to invest to further strengthen our vertical integration. I have already mentioned the acquisition of Elsham Linc, which further diversifies the Group's pig farming operations and adds additional feed milling capability. Our acquisition of Froch Foods complements our existing bacon and cooked meats production capability and demonstrates our commitment to consolidating our presence in these categories, whilst adding capacity and driving efficiencies.

We are also investing at pace across our three fresh pork primary processing operations to increase capacity and drive further operational efficiencies in our rapidly growing value-added pork business. This investment programme includes a £62 million multi-phased redevelopment of the Hull primary processing site, which will add substantial capacity, drive further efficiencies and add onsite cold storage capability.

We are increasing our presence in growth markets such as poultry and Mediterranean foods by investing in new and existing sites. We are redeveloping our site at Worsley, near Manchester, which was acquired at the end of the last financial year. The £23 million fit-out occupies half of the site's 50,000 square foot footprint providing substantial additional houmous manufacturing capacity.

In our cooked and prepared poultry category we are making a £27 million capital investment to increase our cooking and roasting capacity and enhance our ability to deliver value-add products. Our ambition to expand our business in East Anglia by increasing our fresh poultry operations remains, but we continue to encounter obstacles primarily arising from the complexities involved in navigating through the lengthy and overly complex planning application process.

The present year marks a transformative period for Cranswick Pet Products, albeit the progress has not been as quick as we initially envisaged. Nonetheless, our ongoing investments into the business coupled with the strategic long-term supply agreement with Pets at Home and marketing efforts position us well for sustained growth and success in the foreseeable future. The outlook remains optimistic, both for our business and the broader market landscape.

Second Nature

Besides our financial performance, we are also dedicated to fulfilling our sustainability objectives and generating long-term value for all our stakeholders. This year, we have accomplished several milestones in our journey to become a more responsible and resilient business. We recently refreshed our hugely impactful Second Nature sustainability strategy, making it more accessible, relevant and relatable for all our stakeholders. We are proud of these achievements, but we acknowledge that there is still more to do. We will persist in working with our customers, suppliers, farmers and other partners to drive positive change.

A people business

Cranswick is very much a people business, and I believe strongly that our colleagues are our greatest and most valuable asset. We know that being an employer of choice in a highly competitive labour market is crucial for attracting and retaining the best people which is why we have worked hard to establish ourselves as a sector leader in pay, working conditions, health and safety, inclusivity and employee wellbeing.

This year alone, I was pleased to see that we have welcomed several more graduates into our program, taking the total to 97 since 2013, with 30 of these individuals now promoted into senior full-time roles. We also have around 150 apprentices across the Group, who are undertaking a range of apprenticeship qualifications.

As an organisation, we actively promote and support diversity and inclusion, and our Diversity, Equality and Inclusion (DEI) programme is driven by a dedicated steering group who are responsible for taking our DEI goals and aspirations forward. By nurturing and developing talent through effective succession planning, we have also been able to maintain a deep and continually replenished pool of great people, who have been vital to achieving the success we have today.

Looking ahead

Over the last 12 months we have strengthened our asset base, substantially expanded our farming operations, enhanced market positions and developed new customer relationships. We continue to make good progress against each of our strategic objectives and we are well placed to continue our successful development in the current financial year and over the longer-term.

Adam Couch
Chief Executive

21 May 2024

MARKET AND CONSUMER TRENDS

Cranswick has demonstrated resilience and determination in abundance despite considerable socio-economic and supply chain challenges, which continued to affect our markets this year, enabling us to make further meaningful progress in delivering our strategic objectives.

SHORTAGE OF LABOUR
ADDRESSING THE SKILLS AND LABOUR GAP

What we are seeing
The shortage of labour in the food industry, particularly in skilled positions such as butchers, continued to put pressure on the business this year. Addressing these skill and labour shortages remains a priority, highlighting the need to offer flexible shifts and favourable conditions to ensure we can recruit and retain the best people. We believe it is important to take a sector-leading position on pay, working conditions, professional development, health, safety and wellbeing to attract and retain the best people across the Group.

What we are doing
We continue to expand our apprenticeship and graduate schemes, while actively engaging with schools and colleges to showcase the rewarding career opportunities we can offer. We provide a wide range of professional development training programmes to ensure existing and new colleagues can enjoy a fulfilling career. We also employ around 650 colleagues from the Philippines in butchery, farming and related roles, who each benefit from integration and support packages. Investment in automation continues to reduce our reliance on manual labour where possible.

FOOD CHAIN SECURITY
INCREASING OUR SELF-SUFFICIENCY IN LIVESTOCK

What we are seeing
Guaranteeing food security remains a top priority. While the trading conditions during the year were more favourable with the recovery in the UK standard pig price, there have been numerous challenges encountered by the UK farming sector including the conflict in Ukraine, labour shortages, and unprecedented inflationary pressures. These challenges have led to a contraction in the UK pig herd and a consequent tightening of pig supply.

What we are doing
We continue to expand our farming capability to ensure full farm-to-fork traceability and the continuity of supply of British pigs to meet our customers' needs. The acquisition of Elsham Linc indoor pig farming business significantly increases the size of our Red Tractor-assured indoor pig herd and adds additional feed milling capability. We also acquired a second premium outdoor pig herd, further increasing our self-sufficiency in UK pigs to over 50 per cent.

MARKET AND CONSUMER TRENDS
CONTINUED

COST INFLATION
DRIVING VALUE FOR CONSUMERS AT ALL PRICE POINTS

What we are seeing
According to the Office for National Statistics, the overall price of food and drink rose by 25 per cent between January 2022 and January 2024. While the rate of inflation is slowing, many consumers remain focused on closely managing their grocery expenses. The demand for affordable protein products, such as pork and poultry, continues to grow offering consumers an opportunity to enjoy both quality and value for money.

What we are doing
Our strategic use of promotions and multi-buy deals are once again playing a significant role in the market, driving value for consumers at all price points. We used our strong partnerships with customers to deliver cost-effective solutions across our product ranges, whilst also enhancing the quality of our offerings. Additionally, our fresh chicken and retail pork volumes have stayed robust, with prices staying consistently lower compared to beef and lamb.

COST OF LIVING
GROWING DEMAND FOR PREMIUM PRODUCTS

What we are seeing
Consumer confidence is slowly rebounding with food and drink inflation decreasing and wages rising. We have seen a general change in consumer behaviour, supporting volume growth in premium categories and value-added meal solutions. The shift towards discounters has slowed this year, as enthusiasm for premium products that are both affordable and rich in protein gains momentum.

What we are doing
We have a strong presence across the major UK grocery retailers, and we work with them to ensure our consumers have access to indulgent eating experiences at home. This plays to our strengths as we continue to innovate across our diverse portfolio of value-added, convenient meal solutions, allowing consumers to treat themselves at home, while still managing their household spend.

STRATEGIC REPORT

OUT-OF-HOME EATING
DINERS ARE SEEKING AN EXPERIENCE TO SAVOUR

What we are seeing
Eating out is becoming more important. Affordable Quick Service Restaurants (QSRs) and food-to-go outlets continue to perform strongly, particularly as people have returned back to offices. Pubs, bars, and coffee shops are also faring better, and we have seen the growing popularity of out-of-home dining experiences and premium restaurants.

What we are doing
We continue to expand our product offerings for pork and chicken, introducing new product choices that offer a combination of affordability and a premium dining experience. We have made substantial investments in our asset base to capitalise on the fast-growing QSR market, facilitated by the additional contact cooking line at our Cooked Bacon facility. Successful Cooked Bacon product launches with leading QSR partners, coupled with substantial growth in the out-of-home breakfast market, mark key achievements for the year.

INSPIRING SOLUTIONS
FOCUSING ON INNOVATION, AUTHENTICITY AND FLAVOUR

What we are seeing
When it comes to home cooking, consumers are looking for fresh, tasty recipes and convenient meal ideas, whilst also seeking exciting in-home dining experiences. Sales across our gourmet products and convenience categories continue to be very strong, with our 'slow cook' and 'sous vide' added-value product range supporting this growth.

What we are doing
We have prioritised Cranswick's unique differentiators; focusing on innovation, authenticity and flavour, particularly through our premium products and charcuterie ranges. Our commitment to exceptional customer service remained unwavering, even during the busiest periods such as the record-breaking Christmas trading season. We delivered exemplary service levels, complemented by our innovative array of festive products, such as 'Christmas Dinner in a Box' and our 'slow-cook' turkey offerings.

OUR STRATEGY

1. CONSOLIDATE

DRIVING 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.

Why it's important

Continuous investment in additional capacity and efficiency improvements together with the expertise of our Food Heroes, allows us to expand our product range and to 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 food.

Progress

- £33 million* acquisition of Elsham Linc indoor pig farming business, which further underlines our commitment to secure and grow our British pig farming operation.
- £13 million* acquisition of Froch Foods is complementary to our existing bacon and cooked meats production capabilities and aligned to our continuous commitment to invest and expand in current categories, add additional capacity and drive efficiencies across the business.
- £9 million expansion project at our Hull cooked meats facility will double our 'slow cook' capacity.

* Refer to Note 13 of the financial statements for the breakdown of cash outflow on acquisition.

Future plans

- £62 million multi-phased redevelopment of the Hull primary processing site to add capacity, drive further efficiency improvements and add on-site cold storage.
- Continuous development of innovative pig meat products that support our core offering to further drive volume growth.
- 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 and driving Second Nature initiatives.

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OUR CONTINUED INVESTMENT HAS SET THE STANDARD FOR EFFICIENT PORK PROCESSING.

STRATEGIC REPORT

STRATEGIC REPORT

ADDING VALUE THROUGH INTEGRATION

The development of our pig supply chain is crucial to secure the required number of pigs for the Group, as both UK and European herds contract. This investment enables the Group to align the supply of pork to the food we produce.

The ongoing investment in our pig farming operations has resulted in securing over 50 per cent self-sufficiency for our requirements and we continue to build our capability in agricultural operations. The Group sources from over 320 farms, owning 19 sites and directly manages a further 46 farms. Around 80 per cent of the pigs are produced to the higher welfare RSPCA Assured standard and the remainder are produced to the Red Tractor standard.

In the year, investment into our pig supply chain includes the acquisition of Elsham Linc, specialising in the production of Red Tractor-assured pigs from 11 sites across North Lincolnshire. In addition to rearing pigs, Elsham Linc also produces all of the feed required for this operation; around 74,000 tonnes of pig feed per annum. Further capacity will be unlocked through post acquisition investment at the mill to continue growth in the supply of feed across the Group.

As the business continues to grow, opportunities to expand our differentiated pig farming business will continue to be explored providing further long-term security of supply and competitive advantage.

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.

Why it's important

We have a fully vertically integrated fresh poultry business and two value-added poultry facilities, as well as five continental products sites, which supply a mix of artisanal Mediterranean products including olives, falafels and houmous.

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 vertically integrated poultry supply chain gives us a key advantage in this respect, enabling us to take a leading position on food integrity and animal welfare.

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.

Progress

- £23 million fit-out of Worsley facility, providing substantial additional houmous manufacturing capacity and further expanding our presence in growth markets.
- Ramona's continues to expand and is now the number one houmous brand by volume in the UK.
- New business wins with anchor customers at both Cooked and Prepared Poultry to supply ready-to-eat and breaded chicken expands our presence in the UK poultry market.
- Prepared Poultry won the award for the "Best Poultry Product" at the Meat Management Awards recognising the quality of coated chicken products produced at the site.

Future plans

- Capital investment of £27 million in Cooked and Prepared Poultry to expand cooking and roasting capabilities, expanding our capacity to provide convenient poultry products. This investment aligns with consumer trends towards convenience and on-the-go poultry products.
- Expansion of our fresh poultry operations in East Anglia to improve efficiencies, and to further extend our market share in fresh poultry.
- Further investment in our Continental businesses to increase efficiencies and expand capacity delivering great taste, innovation and convenience to consumers in the fast growing Mediterranean foods category.

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OUR INNOVATION TEAM HAS IDENTIFIED GAPS IN THE MARKET TO CREATE NEW AND ORIGINAL IDEAS BASED ON KEY FLAVOUR TRENDS. IN DOING THIS WE CAN PUSH THE BOUNDARIES OF THE COATED AND COOKED CHICKEN CATEGORIES, TO BRING THE CUSTOMER A PRODUCT WHICH IS INVENTIVE AND EXCITING EVERY TIME.

STRENGTHENING OUR MEDITERRANEAN FOODS BUSINESS

Since the acquisition of Continental Fine Foods in 2001, the business has developed a wide range of products sourced primarily from the Mediterranean region. We supply this category from five sites in London and the North-West. Our new houmous production facility is due to open in September 2024. Growth will come from building new facilities, investment in existing operations and complementary strategic acquisitions.

In 2018, the Continental Foods business relocated to Bury. Investment of over £30 million has seen the introduction of robotics, advanced slicing and the capability to create multi-ingredient selection packs and platters in charcuterie meats and olives & antipasti, securing new business with retail and food service customers.

The acquisition of the Katsouris Brothers business in 2019 complemented the existing business. This extended the product range to include a broad range of pulses, nuts and seeds, speciality cheeses, such as feta, ricotta and halloumi and increased our share of chilled olives to around 50 per cent of the UK retail market.

A number of bolt on acquisitions have since been completed including: Mediterranean Foods producing falafel and dips; Atlantica importing Spanish tortilla; and Ramona's Kitchen focused on the production of houmous.

The relaunch of the Ramona's brand in 2023 secured new retail distribution points and is supported by a national TV sponsorship campaign. This has resulted in the brand being recognised as the UK's best selling branded houmous. This success has been a key reason for the move to invest £23 million in the Worsley houmous and dips facility.

OUR STRATEGY
CONTINUED

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, and driving value from, adjacent complementary categories.

Why it's important

The acquisition of Cranswick Pet Products 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 opportunities 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.

Progress

- £10 million investment in expanding dry pet food production at Pet Products is progressing to plan. This investment will double kibble production facility capacity.
- The refreshed Vitalin and Alpha dog food brands have been relaunched with listings secured in Pets at Home and through online retail channels.

Future plans

- Continue to capitalise on revenue growth opportunities that the pet food market offers.
- Increase the utilisation of our fresh poultry and pork supply chains within our pet food production.
- Explore new ways to introduce innovation into product development, utilising the skill and expertise of the Pet Products team.
- Identify new expansion opportunities outside of our core categories.

> **"WE HAVE SUCCESSFULLY DELIVERED A NEW STRATEGIC PARTNER RELATIONSHIP WITH PETS AT HOME TO PRODUCE PRIVATE LABEL PRODUCT, WHILST ALSO INVESTING IN A BRAND REDESIGN OF THE EXISTING VITALIN AND ALPHA DOG FOOD BRANDS.**

BUILDING A SUSTAINABLE PET FOOD BUSINESS

The acquisition of Cranswick Pet Products in January 2022 (formally known as Grove Pet Foods), provided access to a new market and long-term opportunities to add value through leveraging our supply chain.

This year, we initiated a strategic business transformation aimed at bolstering our long-term growth plans. Although the pace of progress has not matched our initial expectations, resulting in an impairment of goodwill and other intangible assets, we streamlined operations to improve efficiency, while investing in additional production capacity and capability to enable growth.

We are actively reshaping and consolidating our customer base, while successfully building on a strategic partnership with Pets at Home. Initial supply commenced from September 2023, and further lines continue to be onboarded.

Positioned for sustained future growth, Cranswick Pet Products' own brands, Vitalin and Alpha, underwent a comprehensive redevelopment during the year.

KEY PERFORMANCE INDICATORS

Key Performance Indicators (KPIs) enable us to measure our progress against our long-term growth strategy and our Second Nature commitments.

LONG-TERM GROWTH STRATEGY

Consolidate:
Like-for-like revenue growth

2024	+11.6%
2023	+14.4%
2022	+5.3%

Why is this important?

Like-for-like revenue, which excludes the contributions from acquisitions prior to the anniversary of the acquisition date, allows us to measure the underlying growth of the business.

Performance

Like-for-like revenue increased by 11.6 per cent, reflecting effective inflation recovery, underpinned by volume growth in UK food with growth accelerating through the second half of the year.

Expand:
Sales from new products

2024	4.9%
2023	3.6%
2022	7.6%

Why is this 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 during the first six months following their launch accounted for £127.5 million of revenue in the current year, representing 52 per cent increase year-on-year.

Diversify:
Sales from non-food products

2024	£25.4m
2023	£26.6m
2022	£3.9m

Why is this important?

Revenue from our "other" segment is an indicator of growth delivered as a result of our diversification strategy.

Performance

Revenue in Pet Products decreased by 4.7 per cent as we consolidated the customer base before onboarding the new Pets at Home contract which started in the second half of the year.

OPERATIONAL EXCELLENCE

Adjusted operating margin

2024	7.1%
2023	6.3%
2022	7.0%

Why is this important?

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

Performance

Adjusted operating margin increased by 81 bps, reflecting a strong contribution from expanded pig farming operations, tight cost control and robust returns from the effective deployment of capital.

Free cash flow

2024	£223.4m
2023	£149.2m
2022	£158.4m

Why is this important?

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

Performance

Free cash flow has increased in the year primarily due to increased EBITDA, tight control of working capital and a modest increase in biological assets.

Return on capital employed*

2024	18.5%
2023	15.8%
2022	16.9%

Why is this important?

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

Performance

Return on capital employed increased by 264 bps reflecting substantial operating profit growth from our existing asset base along with strong returns from capital deployed during the year.

* 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

2024	19
2023	17
2022	15

Why is this 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 British Retail Consortium (BRC) against Global Standards for Food Safety, were awarded a Grade A rating, reflecting the highest standards of compliance.

Number of supplier audits

2024	687
2023	340
2022	352

Why is this 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 higher number of audits is driven by an increased number of farm audits. This year, a strategic decision was made to conduct additional Cranswick welfare assessments. This proactive approach aims to identify potential issues pre-emptively, offering support to enhance compliance and performance.

Complaints per million units sold

2024	14
2023	10
2022	11

Why is this important?

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

Performance

The increase is primarily driven by two key drivers. Firstly, several retailers have altered their reporting methods resulting in enhanced visibility of complaints. Secondly, the addition of new factories and customers has broadened the scope of potential issues and subsequently contributed to the rise in complaints.

SUSTAINABILITY

Relative carbon footprint*
Tonnes of CO_2e per tonne sales
Baseline (2020) 0.1222

2024	0.0864
2023	0.0845
2022	0.0894

Why is this important?

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

Performance

Over the past 12 months, the Group's relative carbon footprint for Scope 1 and 2 emissions increased by 2.2 per cent, driven by changes in emission methodology and product mix.

* 2023, 2022 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

2024	0.22
2023	0.24
2022	0.27

Why is this 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.

* Last 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

2024	0.22
2023	0.24
2022	0.27

Why is this 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 per 100,000 hours decreased by 8.3 per cent compared to FY23, mainly driven by improved training and risk assessment processes.

OPERATING AND FINANCIAL REVIEW

"

WE HAVE MADE EXCELLENT PROGRESS OVER THE LAST TWELVE MONTHS, DELIVERING RECORD RESULTS AND MAKING FURTHER POSITIVE PROGRESS TOWARDS MEETING OUR STRATEGIC OBJECTIVES.

Mark Bottomley
Chief Financial Officer

Revenue and Adjusted Operating Profit

	2024 £'m	2023 £'m	Change (Reported)	Change (Like-for-like*)
Revenue	**2,599.3**	2,323.0	+11.9%	+11.6%
Adjusted Group Operating Profit*	**185.1**	146.5	+26.3%	
Adjusted Group Operating Margin*	**7.1%**	6.3%	+81bps	

* See Note 30 of the financial statements.

Revenue

Reported revenue increased by 11.9 per cent to £2,599.3 million. Like-for-like revenue which excludes the contributions from acquisitions prior to the anniversary of their acquisition date increased by 11.6 per cent with corresponding volumes 1.5 per cent higher. On a 52-week basis reported revenue increased by 9.8 per cent, underpinned by core UK food volume growth of 4.5 per cent with all four categories delivering positive volume momentum. Growth accelerated through the second half of the year to 6.6 per cent, from 2.6 per cent in the first half.

Fresh Pork revenue growth reflected the pass through of higher pig prices, with volume growth delivered in both retail and wholesale channels. Poultry volumes were positive with strong growth in Prepared Poultry as the business continues to mature following its initial start-up phase. Convenience revenue was also ahead reflecting further inflation recovery and onboarding of new customers. Growth in Gourmet Products continued with new product launches driving strong volume growth at the Hull Cooked Sausage and Bacon facility.

Customer service levels remained consistently high throughout the year, with over 98 per cent fulfilment, including during the record Christmas trading period.

Adjusted Group Operating Profit

Adjusted Group operating profit increased by 26.3 per cent to £185.1 million with adjusted Group operating margin at 7.1 per cent. Excluding the final insurance receipts in respect of the May 2022 product recall claim and the contribution from the 53rd week, adjusted operating profit was 20.7 per cent higher than the prior year. This improvement reflected the strong returns we are now generating from ongoing investment in our farming and milling operations together with inflation recovery in the first half of the year, easing input prices, operational efficiency improvements and tight cost control. The positive recovery was partly offset by the losses incurred in our Pet Food business which is still partway through a major transformation process.

Category review

Fresh Pork

Fresh Pork revenue, which represented 25 per cent of Group revenue, increased by 7.7 per cent, with like-for-like revenue excluding the impact of acquisitions up 6.9 per cent reflecting the further recovery of high UK pig prices which peaked at 225.65p/kg in August. UK Fresh Pork volumes were strongly ahead of the prior year, offset by lower Far East export volumes.

Retail performance was strong with volumes up 4.5 per cent driven by an uplift in retailer promotional plans throughout the year with special buys and premium tier promotions contributing strongly. UK wholesale revenue also benefitted from increased pricing and more volume directed into the UK trade as export demand slowed.

Far East export revenue was 31.1 per cent behind the prior year as both pricing and demand from the key Chinese market remained subdued.

During the year we invested £31 million across the three primary processing facilities and our farming infrastructure. £7.6 million related to the £62 million ongoing multi-phased redevelopment of the Hull primary processing site which will add substantial capacity and drive further efficiency improvements along with the added benefit of onsite cold storage capability. This ongoing investment in our primary processing asset base provides the platform to not only grow our fresh pork business but also to feed into our rapidly growing wider value-added pork businesses.

The acquisition of Elsham Linc, a large-scale indoor farming business with 18 sites in North Lincolnshire, including a feed mill, and the purchase of an additional pig herd during the year substantially increased the scale of our farming operations at a time when the overall size of the UK pig herd has fallen by 15 per cent. The continued investment in, and expansion of, our higher welfare and Red Tractor assured pig herds has lifted our self-sufficiency in UK pigs to over 50 per cent. Moving forward we will continue to invest at pace in our pig farming operations and consider further acquisitions to ensure we have the right quantity and mix of pigs to service our customers' requirements.

Convenience

Convenience revenue increased 13.3 per cent and represented 39 per cent of Group revenue. Revenue growth reflected both ongoing inflation recovery and stronger volumes driven by a strong performance in Katsouris Brothers through business wins and category growth.

Cooked Meats revenue growth reflected ongoing inflation recovery and underlying volume growth in our 'slow cook' and 'sous vide' product ranges. Towards the end of the financial year, across the wider cooked meats category, we signed a new long-term supply agreement with one of our strategic retail customers.

The expansion of our Hull Cooked Meats facility enabled the successful launch of our 'slow cook range' with two new major retail customers. Leading Christmas products have become 'hero lines' with new, modern flavours and formats added to the range. The award-winning 'Turkey with all the trimmings' product was the first to market full meal solution.

At the Milton Keynes facility the extension works are now complete with the additional capacity enabling new business to be brought on board.

Shortly after the year end the Valley Park site in South Yorkshire relinquished some lower margin business. New retail business has however since been secured and an ongoing cost-out plan at the site leaves the business better able to serve its anchor strategic customer and search for new accretive business opportunities going forward.

Continental Products revenue increased with inflation recovery offsetting modestly lower volumes. We achieved a great result with our Christmas range which included 1.9 million platters that are becoming a popular choice for modern Christmas celebrations. The creative 'Charcuter-tree' was an integral part of one of our customer's Christmas marketing campaign. Our premium grazing platters are ideally suited to party and sharing occasions, combining charcuterie, olives, antipasti and crackers. We have invested heavily in automation and complex assembly equipment at our Bury facility to facilitate growth in this attractive market segment.

Katsouris Brothers revenue increased reflecting both inflation recovery and strong volume growth. Our halloumi products have performed particularly well with business wins in retail and food service. Strong sales of ambient products under the Cypressa brand also drove positive year-on-year growth with the range's success recognised with the Grocer Gold for the Cypressa Halkidiki Olives double stuffed with Garlic and Red Pepper and Cypressa Greek Extra Virgin Olive Oil.

The Ramona's business continued to perform well and is now the number one houmous brand by volume in the UK. The Watford facility is now running at maximum capacity with some volume needing to be outsourced in the short-term ahead of the planned move to the new Worsley facility later in the year. Redevelopment of the Worsley facility, which was acquired at the end of the last financial year, is ongoing. The £23 million fit-out, which will be complete in the second half of 2024, will deliver a best-in-class houmous and dips production facility enabling a significant increase in capacity using new and innovative production processes.

Gourmet Products

Gourmet Products revenue increased 20.8 per cent year-on-year and represented 18 per cent of Group revenue, with all businesses contributing positively to the strong revenue momentum.

The acquisition of Froch Foods Holdings Limited ('Froch Foods') completed during the year adds capacity to our added-value processing of predominantly pork and poultry related products. Froch Foods supplies one of our large retail customers in this category and the acquisition aligns with our commitment to invest in, and add capacity to, our core categories to drive further growth.

Revenue from the Cooked Bacon and Sausage facility was significantly ahead, underpinned by double-digit percentage volume growth. Successfully onboarding a second depot for a quick service restaurant customer and the addition of new retail customers for our premium cooked sausage range both contributed to the strong performance.

Sausage and bacon sales increased strongly with both retail and food service segments delivering good volume performance during the year. Volume growth was boosted by more retail promotions involving multi-buy deals, with premium products performing especially well. Food service volumes were robust as eating breakfast outside the home continues to gain in popularity. Our Christmas output of pigs in blankets increased by 25 per cent with over 75 million single units delivered to our customers across the festive period.

Pastry revenue improved year-on-year with promotional mechanics and an innovative product range boosting demand. New premium tier products were launched during the year with underlying strong performance in the core product range.

OPERATING AND FINANCIAL REVIEW
CONTINUED

Poultry
Poultry revenue increased by 7.6 per cent and represented 17 per cent of Group revenue. Volumes increased year-on-year with strong growth from Prepared Poultry.

Fresh Poultry continued to perform well with an average 1.4 million birds processed each week. Volume growth in the year was driven through stronger retail sales performance with the site's anchor customer, in part facilitated by investment in additional automated portioning and thigh deboning in the prior year.

Cooked Poultry revenue was modestly ahead of the previous year, with the site successfully launching new products into a premium retail category. A substantial £17 million capital investment programme, which will increase cooking and cooling capacity, along with additional roasting capability for portions and bone-in products, is progressing well with completion targeted before the end of the current financial year. During the year, the May 2022 product recall claim was successfully concluded with final insurance receipts of £4.7 million received and recognised in other operating income.

The Prepared Poultry facility, in its second year of operation, delivered strong volume growth albeit the site continued to operate well below optimum capacity. With the site carrying a high fixed overhead base, additional volume is needed to meet margin expectations.

The recent onboarding of a new retail customer will go some way to addressing this issue. The outlook for the business remains positive with a further £10 million expansion project now underway to support the category growth pipeline.

Following on from the highly virulent Avian Influenza ('AI') season in the previous financial year, it is pleasing to report that the disease has been far more benign in the current financial year with Cranswick farms unaffected. Indeed, the UK has self-declared zonal freedom from AI with effect from 29 March 2024. The UK does not currently have outbreaks occurring in poultry or other captive birds and the level of risk is low with no disease control zones in place in England. This said, strict bio-security protocols remain in place at the Suffolk plant and across all our farms in the southeast of England.

Pet Products
Cranswick Pet Products represented 1 per cent of Group revenue, with revenue down 4.7 per cent primarily due to the timing of onboarding the new Pets at Home (PaH) contract. During the first half of the year the focus was on building stock ahead of deliveries into PaH depots which started in the second half of the year.

We have reduced complexity in the factory, consolidated the customer base and invested for future growth, alongside investing heavily in our Alpha and Vitalin brands. We have taken positive steps to upgrade the facility, with a multi-year £10 million investment programme at the Lincoln site to increase capacity and add capability nearing completion.

The financial performance of the pet food business, whilst disappointing, reflected the profound changes taking place in the business, with a strategic review of the customer base, brand investment, stock build ahead of the PaH launch and disruption resulting from the major investment programme all contributing. Following a review of the carrying value of goodwill and other intangibles at the year end, we made a non-cash impairment charge of £15.4 million against these assets. The business is now on a stronger footing, well placed to grow rapidly and ultimately deliver a level of return in line with the wider Group. We will continue to reshape the customer base of the business and our appetite to invest in the long-term production capability of the site is undiminished.

Finance review

Revenue
Reported revenue increased by 11.9 per cent to £2,599.3 million (2023: £2,323.0 million). Like-for-like revenue, excluding the impact from acquisitions, increased by 11.6 per cent.

Adjusted gross profit and adjusted EBITDA
Adjusted gross profit increased by 24.5 per cent to £374.7 million (2023: £300.9 million) with adjusted gross profit margin at 14.4 per cent (2023: 13.0 per cent). Adjusted EBITDA increased by 23.9 per cent to £266.8 million (2023: £215.3 million) and adjusted EBITDA margin increased by 100 basis points to 10.3 per cent (2023: 9.3 per cent).

Adjusted Group operating profit
Adjusted Group operating profit increased by 26.3 per cent to £185.1 million (2023: £146.5 million) and adjusted Group operating margin improved by 81 basis points to 7.1 per cent (2023: 6.3 per cent).

Full reconciliations of adjusted measures to statutory results can be found in Note 30. The net IAS 41 movement on biological assets results in a £2.2 million credit (2023: £7.6 million credit) on a statutory basis primarily reflecting the movement in the UK pig price during the year.

Finance costs and funding
Net financing costs of £8.9 million (2023: £6.4 million) included £3.6 million (2023: £2.5 million) of IFRS 16 lease interest. Bank finance costs were £1.3 million higher than the prior year at £5.3 million (2023: £4.0 million) primarily reflecting the increase in the bank base rate during the year.

The Group has access to a £250 million revolving credit facility, including a committed overdraft of £20 million running until November 2026.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 almost £250 million of headroom at 30 March 2024.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 26.1 per cent higher at £176.6 million (2023: £140.1 million).

Taxation
The tax charge of £45.3 million (2023: £28.1 million) was 28.6 per cent of profit before tax (2023: 20.1 per cent). The standard rate of UK corporation tax was 25.0 per cent (2023: 19.0 per cent). The effective rate was higher than the standard rate due to the impairment of goodwill and other expenses which are not deductible for tax purposes. The effective tax rate on adjusted profit before tax was 26.1 per cent (2023: 19.8 per cent).

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 34 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 15.6 per cent to 242.8 pence (2023: 210.0 pence). The average number of shares in issue was 53,776,235 (2023: 53,461,000).

Statutory profit measures
Statutory profit before tax was £158.4 million (2023: £139.5 million), with statutory Group operating profit at £166.9 million (2023: £145.9 million) and statutory earnings per share of 210.4 pence (2023: 208.3 pence). Statutory gross profit was £376.9 million (2023: £308.5 million).

Cash flow and net debt
The net cash inflow from operating activities in the year was £228.4 million (2023: £153.0 million). The increase of £75.4 million was primarily due to an increase EBITDA of £46.5 million. Net debt, including the impact of IFRS 16 lease liabilities, fell to £99.4 million (2023: £101.4 million) with the inflow from operating activities offset by £90.6 million, net of disposal proceeds, invested in the Group's asset base, £43.9 million of dividends paid to the Group's Shareholders, £15.6 million of own shares purchased and placed into the Cranswick Employee Benefit Trust, £17.8 million of IFRS 16 lease charges and £41.4 million of tax paid.

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 30 March 2024 was £0.2 million (2023: £0.2 million). The present value of funded obligations was £20.8 million, and the fair value of plan assets was £21.0 million. The Group did not make any contributions in the year and does not expect to make any further contributions to the scheme during the year ending March 2025.

Summary
We have made excellent progress over the last twelve months, delivering record results and making further positive progress towards meeting our strategic objectives. We continue to invest at pace across our industry leading asset base, with further substantial investment planned during the year ahead. We have extended our reach into new and existing customers through investing in additional capacity and new capability and by onboarding newly acquired businesses. We continue to develop and grow our farming operations, again both through organic investment and through acquisition, to ensure security of supply and maximise returns. We have a highly cash generative business and going forward we will continue to use this cash to deploy capital at pace to drive attractive returns for our shareholders.

Mark Bottomley
Chief Financial Officer

21 May 2024

STRATEGIC REPORT

OUR SUSTAINABILITY STRATEGY

SECOND NATURE

SECOND NATURE

Guided by our sustainability strategy, Second Nature, we have seamlessly integrated our sustainability commitments into the core of our business model, which in turn shapes our decision-making, culture and actions.

We have refreshed our Second Nature strategy to make it more accessible, relevant and relatable for our stakeholders. The simplified strategy facilitates active involvement and action from all parties.

PUTTING THE FUTURE FIRST, EVERY DAY

Our mission has long been to make meat sustainable and we are striving to make Cranswick the food industry's most sustainable meat business. We also know that sustainability is not a competition. It is a race that all businesses need to win. We believe that Second Nature can be the blueprint for achieving the gold standard in sustainable food production if we can work together with our suppliers, while supporting local communities and engaging stakeholders.

This is what we mean by putting the future first, every day.

To help us, we have developed three new Second Nature Guiding Principles.

Second Nature Guiding Principles

ENVIRONMENT

FROM THE LAND, FOR THE LAND

We will always be farmers at our heart. Agriculture runs through us, down to our roots. We are connected to the land through generations, a living history of care and stewardship of restoring and maintaining balance. At every stage of our business, from farm-to-fork, we strive to uphold our responsibility to the environment. We are mindful of the obligation we bear to those who will come after us. In a world grappling with climate change we take our role seriously, working tirelessly to ensure a brighter, more sustainable future.

SOCIAL

THRIVING TOGETHER, WITH PURPOSE

We are a people business with a mission to nourish the nation, cultivate careers, empower communities, promote healthy relationships, and inspire a better quality of life. Our goal is to actively contribute to a flourishing society, both locally and globally, through sustainable practices that encompass all aspects of what we do and how we do it. This includes creating opportunities for growth, offering support to those in need, and recognising the value of every individual.

GOVERNANCE

OPEN COLLABORATION, SHARED SUCCESS

We believe sustainability should be a collective effort to preserve the wellbeing of our environment and society, with no business or individual left behind. This means sharing knowledge both internally and externally, and helping the whole food and farming industry to build on our successes and to learn from our experience. Through active, open collaboration and focused, inspiring leadership, we strive to be a beacon of positive change in the food industry and beyond.

Bringing Second Nature to life

While the principles guide us, it is our four working pillars that bring Second Nature to life:

FARMING WITH CONSCIENCE

NATURE & NURTURE

Considerate farming from start to finish

Read more on page 32

Link to Sustainable Development Goals

6 8 9 12 13 14 15

SOURCING WITH INTEGRITY

BIG & SMALL

Even the smallest changes can lead to big impacts

Read more on page 33

Link to Sustainable Development Goals

6 8 9 10 12 13 14 15

PRODUCING RESPONSIBLY

EVOLVE & TRANSFORM

Continuous improvement that transforms our impact

Read more on pages 34-35

Link to Sustainable Development Goals

2 6 7 9 12 13 14

LIVING BETTER

COLLECTIVELY & INDIVIDUALLY

People and planet, combining for better

Read more on page 36

Link to Sustainable Development Goals

8 9 10 12 13 16 17

OUR SUSTAINABILITY STRATEGY
CONTINUED

FARMING WITH CONSCIENCE

NATURE & NURTURE

We are committed to cultivating a regenerative agricultural food system that puts livestock at the heart of our strategy. It aims to build more resilience into our supply chain by nurturing soil health with subsequent improvements in biodiversity. We prioritise animal welfare and uphold industry-leading standards across our farms and supply chains. We foster and promote innovation, empowering farmers to do the right thing for themselves, their crops, animals and the local environment they are custodians of. This unrelenting focus is helping to build resilience into our agricultural operations and supply chain, as we actively work towards Net Zero livestock.

Sustainable diets

Reducing the carbon impact of animal feed remains a significant challenge for our industry. We have an unrelenting focus on reducing soya meal in our pig and poultry diets, with levels below industry averages. We also switched to 100 per cent full mass balance RTRS certified soya within our chicken feed in 2022, resulting in a 28 per cent reduction in the carbon footprint of our chickens.

All of the soya purchased for our pig feed is regional mass balance RTRS certified soya, which delivers a 14 per cent decrease in the carbon footprint of an outdoor reared pig, and we are transitioning to full mass balance RTRS certified soya during 2024.

Through industry coalitions such as the UK Soy Manifesto, we are working with all agricultural sectors to ensure that in the future all physical soya sourced into the UK, or embedded within imported raw material, is from verified, deforestation and conversion-free sources. We aim to transition our owned pig and poultry operations to full mass balance soya by the end of 2024, a year ahead of our policy commitment. Our future ability to comply with EU and forthcoming UK legislation is very much dependent upon the importers and traders. An agreement between several different stakeholders on a sourcing standard, and timescale of physical delivery at a realistic price premium, remains a significant challenge for all involved.

Regenerative farming

Throughout the year, we have continued to emphasise the pivotal role of soil health in mitigating climate change risks at regional, national, and international levels.

Specifically, our focus was directed towards the ongoing contribution of livestock to soil health regeneration, through the effective integration of nutrients and straw from livestock into the soil, which improves biological activity, increasing organic matter, and nutrient and carbon cycling. This provides the optimum conditions for growth and development of crops, and increases the diversity of bacterial populations and soil microbes, whilst reducing the reliance on synthetic fertilisers.

Our long-standing relationships with local farmers continues to promote the exchange of straw for muck sourced from our pig operations. This integration also enhances the soil's water retention capacity, thereby enhancing its ability to counteract drought conditions, ultimately maintaining crop yields and increasingly promoting the efficient utilisation of irrigation water in field rotations where we share the land with other food producers.

We continue to share our best practice techniques for improving soil stability and sustainability under pigs, and reducing the impact of pig production on the natural environment. As we navigate the complexities of sustainable agricultural practices, leveraging the relationship between livestock, soil health and improving biodiversity is key in our commitment to mitigating climate change, while ensuring agricultural resilience and productivity.

AgriSound

We were early adopters of specialist solar-powered equipment developed by pollinator biodiversity innovators, AgriSound, to monitor insect activity on our outdoor breeding units. We installed devices in key areas around the farms and monitored real-time data. Initial findings revealed a notable increase in pollinator populations across all farms. Building on the success of our initial collaboration, we continue to work closely with AgriSound to further develop their technology.

Cranswick Carbon Inset Scheme – securing farm resilience

This year we received Innovate UK funding to scale up the Cranswick Carbon Inset Scheme. It aims to strengthen trust and transparency surrounding carbon insetting, while enhancing financial support for British agriculture. Designed to align with existing environmental stewardship programmes, such as the Countryside Stewardship Scheme or the Sustainable Farming Incentive (SFI), the scheme not only facilitates the insetting of carbon emissions within the Cranswick supply chain, but also drives the enhancement of biodiversity and natural capital amongst our aligned contract producers, fostering a collective commitment to environmental sustainability and Net Zero goals within the agricultural sector.

As part of the Cranswick Carbon Inset Scheme, AgriSound are expanding their monitoring capabilities to include a broader range of species to gain comprehensive insights into the improved biodiversity that results from improving soil health and organic carbon. This will deliver more robust data to support the scheme's aim to demonstrate the concept of insetting carbon emissions, coupled with biodiversity net gain within an aligned supply chain, and a financial mechanism to reward the landowner for doing so.

SOURCING WITH INTEGRITY

BIG & SMALL

We believe that every action we take towards being more sustainable is important. That's why we strive to make informed and ethical sourcing decisions, taking into consideration the impact we have on the environment, communities and individuals.

We understand the importance of supplier engagement within the sustainability space, especially when it comes to delivering Scope 3 emission reductions. We regularly engage with our suppliers to understand their sustainability journey and identify areas where our values can align. As part of this journey, we have undertaken active engagement sessions with protein suppliers over the past 12 months. We held our first Cranswick Procurement Summit in February 2024, where we had an opportunity to talk about our Second Nature strategy and, more importantly, collaborate with our suppliers on how we are going to deliver our collective sustainability targets.

Our efforts to create shorter and more transparent supply chains ensure that people can better understand and trust where their food comes from. We require suppliers who work with us to provide the assurances that our customers and consumers need when it comes to food integrity and safety. We are proud to say that 100 per cent of our meat, fish and egg suppliers are accredited to a national recognised farm assurance scheme.

As part of our commitment to reduce packaging waste across our value chain, we actively collaborate with suppliers and re-processors to identify effective solutions. This includes exploring closed-loop recycling systems for food grade packaging, as well as implementing alternative waste trays and tote liners. We are also making headway in our trials of pulp-based trays as a potential replacement for plastic trays used for some of our meat products.

Since 2017, we have reduced the use of unnecessary plastic across our operations by 19.8 per cent (2,418 tonnes) by focusing on lighter-weight packaging, reducing the use of certain meat packaging materials and developing alternatives to plastic where we can.

New PaperLite packaging

At Cranswick Convenience Foods Milton Keynes, we are working with fibre-based packaging supplier, Graphic Packaging, to move a range of cooked meats into trays produced from PaperLite™, a thermoformable packaging material which contains 90 per cent plant-based fibre. The PaperLite 200/23 HB material has received approval from the On-Pack Recycling Label scheme to be labelled 'recycle' in the UK. With a high percentage of fibre, PaperLite can significantly reduce the carbon footprint by up to 85 per cent compared to traditional plastic trays, while providing the same product protection and shelf life.

OUR SUSTAINABILITY STRATEGY
CONTINUED

PRODUCING RESPONSIBLY

EVOLVE & TRANSFORM

We are focused on efficiency and sustainability in every aspect of our work. Committed to continuous improvement, we are constantly refining our processes and practices, pushing for new approaches and ways forward.

Our Journey to Net Zero

Our overall ambition is to be an operational Net Zero business no later than 2040 and, as part of this journey, we have two key milestones. The first being a 50 per cent absolute reduction in Scope 1 and 2 emissions by 2030, against a 2019/20 baseline. This target has been SBTi validated and aligned to warming no greater than 1.5°C. The second milestone is Net Zero in our owned operations, no later than 2040. All our Scope 1 and 2 emissions across manufacturing and farming are included in our target. In addition, all GHG types are measured in our footprints, including methane and nitrous oxide generated from our farming operations.

It is well recognised that the majority of an organisation's emissions reside within Scope 3 and specifically for Cranswick within our purchased goods and services. While reducing these presents complex and multi-dimensional challenges, we are continuing to focus on the things we can influence the most, such as the feed we purchase for our owned farming operations (see page 32).

As we seek to focus our efforts on our journey to Net Zero and we have commenced work on setting new FLAG (forest, land and agriculture guidance) targets in conjunction with SBTi. We anticipate these will be verified before the end of the year.

Environmental Collaboration of the Year

In partnership with SURE Solutions, we were delighted to win the Environmental Collaboration of the Year award at the RAC Cooling Industry Awards 2023. Together, we have been working to decrease Cranswick's carbon footprint by eliminating Hydrofluorocarbons (HFCs) from our supply chain while simultaneously decreasing the energy consumption in our heating and cooling processes.

SURE Solutions helped us implement a refrigeration plant control system at our Prepared Poultry site that significantly reduced the site's carbon footprint. By maintaining the plant's floating conditions, we were able to reduce carbon dioxide emissions by an impressive 1,774kg CO_2 per day, which equates to roughly 647 tonnes CO_2 per year. This is just one example of our ongoing efforts to make a positive impact on the environment and reduce our overall carbon footprint.

Our plan

To deliver our ambition to be operational Net Zero no later than 2040, we are working on three distinct areas: reducing our reliance on purchased fossil fuels, reducing our agricultural non-mechanical emissions, and reducing refrigerant emissions.

Energy decarbonisation

We started this journey in 2018 when we switched to 100 per cent green grid electricity for all of our owned operations and we are now working hard to eliminate other key fossil fuels such as natural gas, LPG and diesel.

Decarbonisation of energy usage is complex and we recognise the importance of building a balanced and diverse mix of renewable energy as we transition to Net Zero operations. Approximately one-third of our energy emissions reside in natural gas and we have continued to review lower carbon alternatives over the past year which include green gas from anaerobic digestion, green hydrogen generation and off-site solar projects. We continue to collaborate as 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 farming division. Infrastructure has now been installed at trial sites to test a new lower carbon alternative to LPG.

We have 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. We view using renewable diesel as a transitional step to the final solution which is likely to be electrification or the use of green 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 livestock.

The key activity to reduce these emissions is improving the efficiency of our livestock production through both natural genetic improvement and improvements in diet. During the year we continued our shift to sustainable sources of soya with a lower carbon footprint and have continued diet reformulations for both pig and poultry diets. For more information, please refer to the 'sustainable diets' section on page 32.

Reducing refrigerant emissions

Over the last four years we are proud to have significantly reduced refrigerant emissions by 83.4 per cent since our 2019/20 baseline. During the last year efforts have focused on further improvements at sites through additional system surveys and upgrades, including switching to HFCs with lower global warming potential.

Our progress

Over the past 12 months, the Group's relative carbon footprint for Scope 1 and 2 location based emissions increased by 2.2 per cent to 0.086 tonnes of CO_2e per tonne of sales. Despite positive progress in a number of areas, our progress has been hindered by changes in emission methodology related to electricity and operational emissions.

Water intensity

While reducing our GHG emissions remains a key priority for the business, we also recognise the interconnected nature of environmental sustainability and the importance of addressing other areas of concern. Therefore, our efforts to preserve and recycle water throughout our operations remain a high priority and we are actively investing in this area. Our hygiene teams collaborate closely with suppliers to uncover viable options for improvement, such as through the use of rinse-free disinfectant. Our water intensity (excluding farms) has decreased by 0.7 per cent with a longer-term trend of 3.9 per cent reduction against our 2019/20 baseline. The decrease in water intensity is mainly driven by an increased focus on water usage in our manufacturing sites.

Our Milton Keynes site has been running a long-term water reduction project, which has reduced water intensity from 3.66 to 3.16 cubic metres per tonne of product produced. We have removed cooling towers from the site and installed sub-metering to enable targeted reduction plans to be implemented. Our Fresh Poultry site also features an effluent treatment plant to recycle wastewater for various applications such as the washing of the vehicle fleet.

Energy intensity

Our overall energy intensity increased during the year by 0.8 per cent, as a result of the expanded business activities within our cooking operations, known for their higher energy consumption.

Besides completely eliminating fossil fuels, we also acknowledge the significance of near-term innovation, particularly in energy efficiency. Throughout the year, we conducted extensive audits across our food manufacturing sites to identify opportunities that would reduce energy consumption. We currently have several projects in progress, exploring opportunities for heat recovery across our sites, with the potential to yield substantial short-term reductions.

Our approach to carbon offsetting

For the last two years we have offset all of our food manufacturing operational emissions by purchasing carbon credits from carefully selected offset projects from reputable voluntary carbon registries such as VERRA and Gold Standard, which aligned with our wider sustainability goals.

During the year, the ESG Committee made the strategic decision to cease purchasing carbon offsets and place the investment into an Internal Carbon Innovation Fund to support projects directly addressing our challenges and supporting innovation which will reduce our emissions across all three scopes. More details of the projects undertaken will be highlighted in the year ahead.

OUR SUSTAINABILITY STRATEGY
CONTINUED

LIVING BETTER

COLLECTIVELY & INDIVIDUALLY

We are dedicated to the wellbeing and prosperity of our people and communities, our animals, and our suppliers. That means helping our colleagues live more sustainably at work and at home, as well as fighting hunger in our communities by working with local charities.

Promoting inclusion

We actively promote and support diversity and inclusion. We are committed to providing employment opportunities to individuals from disadvantaged and under-represented groups, while creating a fair and equitable workplace for all of our colleagues.

More information on our Diversity, Equity and Inclusion (DEI) strategy can be found on pages 54 and 83.

Tackling modern slavery

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

We provide colleagues with regular training on modern slavery, backed-up by workshops and awareness sessions. This year 1,391 colleagues in total have completed online courses in modern slavery, up 10 per cent on the previous year.

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.

Waste reduction and packaging

We continue to operate as a zero waste to landfill business and have pledged zero edible food waste by 2030. Total edible food loss and waste has decreased from 0.214 per cent to 0.153 per cent since FY18 baseline, on a like-for-like basis. Absolute edible food loss and waste has decrease by 2.6 per cent which has been driven by a shift in the destination of our waste.

Our surplus food redistribution efforts are also an important way in which we reduce food waste and contribute to our communities. Our first priority is supporting numerous charities which are located near our key manufacturing plants across the UK. These include school breakfast clubs, older people's lunch clubs, homeless shelters, and community cafés. We also work closely with national food redistribution organisations such as FareShare, Company Shop and the Bread-and-Butter Thing. We are a FareShare leading partner and this year, we have redistributed over 1.6 million meals (based on 420g of protein per serving), taking our total to more than 7.1 million meals since 2017.

Coronation Food Project

During the year, we were proud to join the Coronation Food Project, coordinated by The King Charles III Charitable Fund. The project tackles food waste and food insecurity across the country by supporting food redistribution charities, FareShare and The Felix Project. Cranswick provides quality, protein-rich ingredients which are used to create complete, nutritious, healthy meals for FareShare to distribute to front line charities and community groups in need.

More information on our food redistribution work can be found on page 62.

Company Shop food redistribution

Company Shop is an award-winning social enterprise that helps people in some of the most deprived communities in the UK, by redistributing surplus products and ambient produce at a heavily reduced cost. In addition, people who work in the food industry have access to discounted food which would have gone to waste.

As part of our partnership with Company Shop, we established a pop-up shop for our staff at our cooked meats site in Barnsley. This gave our colleagues an opportunity to purchase discounted groceries at their place of work, in addition to the usual staff sales that take place at the site.

Task Force on Climate-related Financial Disclosures (TCFD)

Details on our climate-related Governance, Strategy, Risk Management as well as Metrics and Targets are located in our TCFD disclosure on pages 39 to 43 as well as in the ESG Committee report on pages 94 to 95.

Sustainability Accounting Standards Board (SASB)

By adhering to SASB standards, we ensure that we provide consistent and relevant sustainability information that investors can use to evaluate our performance and make informed decisions. Details on our SASB disclosure are located on pages 44 to 46.

Carbon Disclosure Project (CDP)

Transparently disclosing our environmental performance has always been a key focus of Cranswick's Second Nature sustainability strategy – doing so keeps us accountable and encourages meaningful change across our entire industry. Details on our CDP disclosure can be found at www.cdp.net.

Environmental Performance Data	2023/24^	2022/23*	Baseline*
Scope 1 emissions (tonnes CO_2e)	**84,875**	83,407	89,074
Scope 2 emissions (location based) (tonnes CO_2e)	**39,537**	35,083	42,059
Total Scope 1 and Scope 2 emissions (location based) (tonnes CO_2e)†	**124,412**	118,490	131,133
Total Scope 1 and Scope 2 emissions (market based) (tonnes CO_2e)	**93,335**	90,947	98,172
Relative carbon footprint (location based) (tonnes CO_2e/sales tonnes)**	**0.086**	0.085	0.122
Absolute energy use (kWh million)	**512**	494	370
Energy intensity (kWh/sales tonnes**)†	**355**	353	345
Absolute water-use (m^3 millions)	**2.77**	2.56	2.04
Water intensity (m^3/sales tonnes**)	**1.92**	1.83	1.91
Absolute water use (m^3 million) – excluding farms	**1.75**	1.73	1.42
Water intensity (m^3/sales tonnes**) – excluding farms†	**1.48**	1.49	1.54

^ 2023/24 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 2023/24 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.

Scope 3 emissions are disclosed in Cranswick's CDP report, which can be found at www.cdp.net.

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 39 to 43.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

1. Sustainability Governance Structure

Details of the Board's and management's role in oversight of climate-related risks and opportunities can be found in our overall sustainability governance structure diagram.

PLC BOARD OF DIRECTORS
Holds overall responsibility for the oversight of our sustainability strategy and objectives, including annual planning and budgets as well as the approval of capital expenditure addressing climate-related risks and opportunities. The Board is updated on climate-related issues at least three times per year by the ESG committee. Sustainability data is reported to the Board quarterly.

REMUNERATION COMMITTEE
Aligns the Group's remuneration policy to our Second Nature programme goals and monitors the executive remuneration packages and incentive schemes. Committee is also responsible for setting targets which challenge and support management in achieving sustainability targets while maintaining shareholder value. Refer to pages 105 to 111 for further detail.

ESG COMMITTEE
Committee meets at least three times per year and manages the progress of our Second Nature programme and responds to climate-related risks and opportunities identified, including identifying available mitigating actions. Full details of activities are detailed on pages 94 to 95.

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. For more details refer to pages 96 to 100.

SECOND NATURE STEERING COMMITTEE
Chaired by the COO and attended by representatives from all aspects of the business, the committee meets quarterly to review progress against action plan and drives the opportunities highlighted through the sub-committees to reduce our climate-related risks.

GROUP RISK COMMITTEE
Committee meets quarterly and oversees the operation of the Risk Management Framework and is responsible for directing the Group towards identifying, assessing, and mitigating principal and emerging risks, including those associated with climate, nature and sustainability.

AGRICULTURAL SECOND NATURE COMMITTEE
Chaired by representatives of our farming businesses, with key stakeholders attending as needed, the committee is responsible for the identification of climate-related risks and opportunities with a specific focus on our farming sites' journey to low carbon production.

MANUFACTURING SECOND NATURE COMMITTEE
Chaired by representatives from our manufacturing sites, with key stakeholders attending as needed, the committee meets regularly to provide direct updates to the Second Nature Steering Committee, regarding climate-related risks and opportunities with a specific focus on our manufacturing sites' journey to Net Zero.

ENVIRONMENTAL MANAGERS
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.

Key
- Board level committees
- Management level committees

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)
CONTINUED

2. Risk and Opportunity Management

2.1 Processes for identifying and assessing climate-related risks.

Identifying risks and opportunities related to climate change is an integral part of our sustainability programme, Second Nature, and of our business continuity planning and risk management processes. To identify climate-related risks and opportunities we have undertaken climate scenario analysis which is refreshed every three years. The assessment and management of these risks is embedded into our enterprise Risk Management framework, as summarised on pages 65 to 66.

The Board recognises the significant impacts posed by climate change and these are shown within the climate change principal risk, see page 69 for more information.

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.

2.2 Processes for managing climate-related risks.

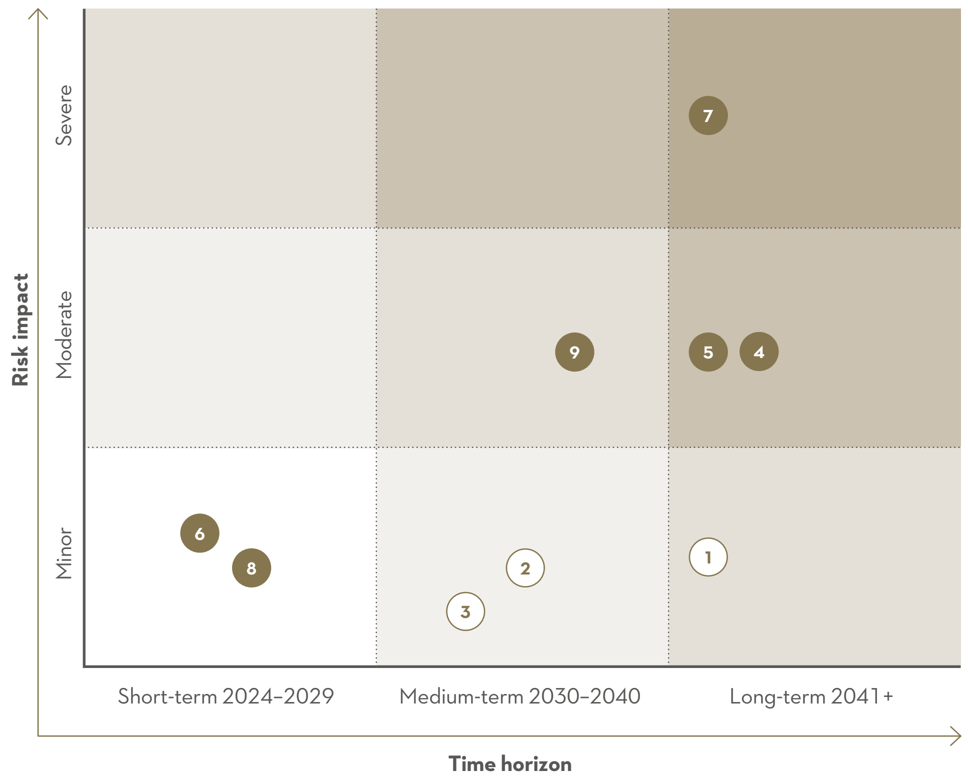
The Group has a structured and mature approach to risk management which is integrated into a multi-disciplinary Company-wide risk management process to facilitate the identification, evaluation and mitigation of key risks facing the business.

The day-to-day management of climate-related risks and opportunities is undertaken by several key internal stakeholders, including our risk and ESG teams. 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. The ESG Committee are specifically responsible for identifying, managing, and mitigating climate-related risks. There is a short-term focus to identify new and emerging climate-related risks.

2.3 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. Each year the Board reviews and challenges climate-related risks and assesses their potential impact on the business model, strategy, stakeholders, and performance.

Material climate risks



Transition risks
1. Availability of commodities (e.g. soy)
2. Increasing carbon prices
3. Increasing regulation impacting manufacturing operations and supply chains

Physical risks
4. Increasing heat stress levels
5. Increasing water stress levels
6. Extreme weather events (e.g. flooding)
7. Rising sea levels
8. Deforestation within the supply chain
9. Loss of natural habitats and reduction in biodiversity

	Minor	Moderate	Severe
Financial	<5 per cent adjusted operating profit, or minor capital expenditure	>5 per cent to 20 per cent adjusted operating profit, or moderate increase in capital expenditure	>20 per cent 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

STRATEGIC REPORT

3. Strategy

3.1 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 in multiple future scenarios. This year, we updated the time horizons to better align with our enterprise risk management and business planning cycles and drive strategic decision-making in the business more closely.

- Short-term (0-5 years) – covers operational planning and goal setting phases, aligned to our business planning cycles.
- Medium-term (5-15 years) – allows us to assess the impact beyond our immediate business planning and prepare for upcoming risks and opportunities.
- Long-term (15+ years) – enables us to form a long-term view of the potential impact of climate-related risks and opportunities on the Group while still acting as a powerful driver for strategic decision-making.

Two separate climate scenarios are chosen – 1.5°C and 4°C. The 1.5°C scenario aligns with our Science Based Targets (SBT) reduction commitments and entails greater transition risk, enabling evaluation of short-term impact on the Group, whilst the 4°C scenario has higher physical risks, and allows us to assess the long-term impact on the business.

This year we reviewed our existing climate-related risks and opportunities with a wider group of internal stakeholders to gain a deeper cross-functional understanding, and to further refine the materiality of each risk to the business. Through this work we adjusted the severity of the following risks:

Availability of commodities (previously referred to as Rising prices of commodities), Carbon Pricing, Heat stress, Water stress, Extreme weather, Deforestation and Biodiversity. Details of how we historically rated these risks can be found in our 2022 and 2023 Annual Reports at cranswick.plc.uk.

We have also consolidated risks in line with our existing risk management framework, which sees our previously reported risks of dietary trends and reputation encompassed in the relevant associated principal risks (see pages 69 to 70 for further information) and our renewable energy risk encompassed within the carbon pricing risk.

During this assessment, additional risks were examined and determined to be either insignificant or already covered within other primary risks. For further detail on principal risks, refer to pages 68 to 72.

The following physical risks were identified as having the most significant impact on the Group:

Sea level rise – there is a risk of rising sea levels, which could impact some of our manufacturing sites and farms which are located around Hull and East Anglia.

- **Mitigation** – 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.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

CONTINUED

3. Strategy (continued)

Water stress – as 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.

- **Mitigation** – we have water storage on our 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 current water reduction projects include moving to nipple drinkers for pigs. Soil stewardship work is 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 stress and return water back to communities and nature. As part of this we are helping fund the WRAP water stewardship collaborative action project in the Andalusia, Murcia and Valencia areas of Southern Spain which are key sourcing areas for some of our raw materials. In 2024, we will further develop this work by directly engaging with our suppliers in the mentioned areas to drive them to take direct action, such as establishing water reduction targets for those that do not already have them in place and encouraging them to sign up to local water management and reduction projects.

Heat stress – we place a strong emphasis on animal welfare and pursue industry leading standards across our farms and supply chains. However, there is a chance of increasing frequency of heat waves which could result in higher mortality rates and increasing cooling costs.

- **Mitigation** – we have ventilation systems in place within our poultry sheds and an increasing number 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.

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. Due to the criticality of biodiversity loss, we anticipate regulation in this area to move rapidly.

- **Mitigation** – we are currently working to understand and align the Group with the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations by gaining a more thorough understanding of our biodiversity risks, impacts and dependencies. In addition, 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.

The following climate-related opportunities were identified as having the most significant impact on the Group:

Demand – Growth in demand as we meet customer requirements for low carbon/ sustainable products.

- 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.

Operational – Reduced operational costs due to energy efficiencies.

- 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.

Biodiversity – Improved ecosystem and restored biodiversity levels.

- We are gathering a deeper level of data across our farms and production facilities 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. Most 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 the negative impacts on ecosystems and biodiversity.

3.2 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 are 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 considers 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.

A key strategic decision that has been implemented is the transition away from uncertified soya. In 2021, we began to transition the poultry feed and by 2022 we had achieved 100 per cent full mass balance certified soya. We also began to transition our pig feed, which was conducted in stages by moving initially to regional mass balance certified soya in 2022, with the ambition of transitioning to full mass balance soya by the end of 2024. Due to the complexity of the supply chain associated with pig feed, we achieved 83 per cent of all soya in owned animal feed as full mass balance certified with the remainder being regional mass balance. In 2024, we continued this work and remain committed to transitioning the remainder by the end of 2024. This work allows us to begin to realise the climate-related opportunities we have identified: increase in demand for sustainable products, and reduced impact on biodiversity. The impact of this transition does incur additional costs compared to non-certified soya but the cost of this has been considered within strategic financial planning, with capital and cash flow managed accordingly.

3.3 Resilience of the organisation's strategy.

Environmental issues and climate change have the potential for significant impact on 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. In 2023, we assessed sea level rise and the disruption to the availability of agricultural commodities. Detailed analysis can be found in our 2022 and 2023 annual reports at www.cranswick.plc.uk.

We have committed to conducting scenario analysis at least every three years as one aspect of our management and assessment of climate and nature-related risks and impacts. Our next scenario analysis is planned for 2025 and will focus primarily on transition risk.

Our scenario analysis process, continual monitoring of climate and nature-related risk, and mitigation against potential impacts on our business, combined with our robust governance structure and Second Nature programme, allow us to ensure the resilience of our strategy in the face of both a high carbon scenario where physical risks would be of the most significant concern and a low carbon scenario where transition risks would be most prevalent.

4. Metrics and Targets

Our environmental metrics can be found on page 37. These measure our performance against our targets and assess our progress in relation to climate-related risks and opportunities.

We have set key targets to measure our performance against the impact of climate change. 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.
- 100 per cent of soy for owned pig farms to be full mass balance (FMB) RTRS certified by December 2024 in line with the achievement of 100 per cent FMB on owned chicken 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.

5. Compliance Statement

We comply with the FCA's listing Rule 9.8.6R(8) and make disclosures consistent with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations across all four of the TCFD pillars. We also disclose in alignment with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

We are currently reviewing the recommendations of the Taskforce on Nature-related Financial Disclosures and their implications for our business.

A full mapping of our TCFD and CFD alignment can be found at http://www.cranswick.plc.uk.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) DISCLOSURE

SASB disclosure

Measuring environmental performance

We are committed to reporting our environmental performance against the Meat, Poultry & Dairy Sustainability Accounting Standards 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	2023/24 Scope 1 emissions: 84,875 tonnes CO_2e including non-mechanical agricultural emissions (2023: 83,407 tonnes CO_2e). Further disclosures on greenhouse gas emissions can be found on pages 35 and 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 pages 31 to 37.
Energy management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable FB-MP-130a.1	2023/24 Absolute energy use: 512 million kWh (2023: 494 million kWh). 31 per cent of this was supplied from grid electricity (2023: 31 per cent). 31 per cent of the absolute energy use was renewable energy (2023: 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: 2.77 million m³ (2023: 2.56 million m³). 1.6 per cent of this was from an area of high baseline water stress (2023: 1.7 per cent). Total water consumed: 1.36 million m³ (2023: 1.58 million m³). 0.5 per cent of this was from an area of high baseline water stress (2023: 0.6 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 continued to use the WWF Water Risk Filter to establish 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 also installed 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, 189,093m³ of water was reused using the new treatment plant (2023: 195,233m³). Our production facilities have been set a target to reduce water intensity by 5 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 FY24 there were zero incidents of non-compliance with water quality permits, standards and regulations (2023: 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	80 per cent of pork produced on Cranswick-owned farms is certified to RSPCA standards and 100 per cent to Red Tractor standards. 99 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.

	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 (2023: 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 3.68 (2023: 2.85). 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 FY24, there were three food safety-related recalls issued (2023: two) totalling to 6.7 tonnes. 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. 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 2023/24 was 68.3mg/pcu and across our poultry farms was 9.0mg/pcu. Responsible Use of Medicines in Agriculture Alliance's (RUMA) target for 2024 is 73mg/pcu for pigs 25mg/pcu for poultry.
Workforce Health and Safety	(1) Total recordable incident rate TRIR) and (2) fatality rate FB-MP-320a.1	2023/24 Total recordable incident rate: 1.56 (2023: 1.77). 2023/24 Fatality rate: 0.00 (2023: 0.00). Rates have been calculated in line with SASB guidance. For more information on our accident data, see health and safety on page 54.
	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 54.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) DISCLOSURE

CONTINUED

	SASB standard	Our accounting metrics
Animal Care & 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 was produced without the use of gestation crates (2023: 100 per cent). 96 per cent of total pork produced was without the use of gestation crates (2023: 96 per cent). This scope covers our EU third-party suppliers. We work closely with all our suppliers to improve welfare standards.
	Percentage of production certified to a third-party animal welfare standard FB-MP-410a.3	**Cranswick owned farms** 80 per cent of pork produced is certified to RSPCA standards and 100 per cent to Red Tractor standards. 100 per cent of poultry produced in line with Red Tractor standards. **Wider supply chain** 35 per cent of pork produced is certified to RSPCA standards (2023: 34 per cent), 90 per cent to Red Tractor standards (2023: 88 per cent) and 20 per cent to other recognised EU welfare schemes (2023: 22 per cent). 4 per cent of poultry purchased is certified to RSPCA standards (2023: 13 per cent), 75 per cent to Red Tractor standards (2023: 59 per cent) and 25 per cent to other recognised EU welfare schemes (2023: 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 & 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 & 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 1 per cent of contracts are with producers that are located in regions with high or extremely higher water stress (2023: <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	We have already taken many actions 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

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 are fundamental to the long-term growth and success of the Group. We interact regularly 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 pages 82 to 83.

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 about our Board Activities on pages 84 to 90.

OUR PEOPLE

Our people are at the heart of our business and help us to achieve the successful delivery of our strategy.

Our primary area of focus encompass fostering a diverse, equitable, and inclusive workplace, providing ample opportunities for development, and ensuring fair compensation for all employees.

Read more on pages 51 to 54

Why we engage

- Consistent interaction with our colleagues drives performance and cultivates an environment where our colleagues feel supported and fulfilled.
- By actively engaging with our employees, both the Board and management gain insights into the Group's culture, enabling us to prioritise their concerns and integrate their perspectives into our decision-making processes at the Group level.

How the Company engages

- Regular staff surveys, which include questions relating to the effectiveness of our grievance mechanisms and Diversity, Equity and Inclusion ('DEI'), are conducted to gather feedback and insights from employees.
- The Group maintains a dynamic 'Flavour' intranet site and newsletter, providing employees with updates, news, and relevant information.
- An effective appraisal process is in place, allowing for structured discussions and feedback sessions between employees and their managers.
- Works councils serve as platforms for open dialogue and collaboration between management and employees. 20 of our sites have works committees, only three of which are unionised or have a collective bargaining agreement.

How the Board engages

- Employees have the opportunity to participate in one-to-one meetings with a dedicated Non-Executive Director, providing a direct channel for communication and addressing individual concerns or feedback.
- The Board conducts frequent factory visits, fostering direct engagement with employees at the operational level and gaining first-hand insights into their experiences and challenges.
- The Board regularly analyses food safety and health and safety data, ensuring the ongoing priority of safeguarding colleagues.

Key actions taken

- Given the cost-of-living crisis, we reviewed our pay review process, increasing the average pay award to employees in line with the inflationary pressures.
- We increased the pension contribution rate available to the wider workforce to 10 per cent of salary through the introduction of an improved matching contribution scheme.
- We progressed individuals who have completed Cranswick's graduate programme to management positions and we further welcomed our new cohort of graduates into the business through our graduate programme.
- Although we already had well-established training programmes, a shortage was felt in our middle management layer of operations. As a result, we introduced home grown training programmes consisting of business improvement and people projects.
- Celebrating dedication and commitment within our workforce through the GEM Awards, which exemplify our ethos of recognising individuals who consistently go 'over and above' in their roles, contributing significantly to our success.

OUR STAKEHOLDERS

SECTION 172(1) STATEMENT CONTINUED

CUSTOMERS & CONSUMERS

We are working together with our customers and consumers to understand key demands and to further improve customer satisfaction.

The key priorities for customers and consumers encompass high-quality products and consistent service levels as well as socially and environmentally responsible purchasing decisions.

Read more on pages 55 to 56

Why we engage

- Regular engagement allows us to build trustworthy and long-lasting relationships and to deliver innovative high-quality products.

How the Company engages

- Key teams, including product development, technical, agricultural, and sales, collaborate to ensure cross-functional communication with customers.
- Online surveys are conducted to gather feedback and insights directly from customers.
- In-store interviews provide opportunities for face-to-face interactions with customers and consumers, allowing for in-depth discussions and feedback collection.
- Customer audits are carried out frequently, both announced and unannounced.
- Focus groups are organised to facilitate structured discussions and gather detailed feedback on specific products or services.

How the Board engages

- Monthly updates on market insights are provided to the Board to inform category plans and new product pipelines, aligning with consumer needs.
- Chief Commercial Officer (CCO) maintains regular communication with key customers and provides Board updates on progress to date and any issues.
- Review updates on supply chain risk, identified potential impacts on service levels, and explored opportunities for collaboration with customers to mitigate any adverse effects.

Key actions taken

- We continue to focus on new product development to address emerging consumer trends. This ensures that the Group remains competitive and meets the changing preferences of its customers and consumers.
- We engaged with our customers to provide assurance over the stability of Cranswick's supply in response to the global supply chain challenges to ensure no or minimal disruption.
- We are committed to maintaining high service levels, ensuring that customers receive their orders in a timely manner and are satisfied with the quality of service provided.
- We remain dedicated to maintaining our reputation as a high-quality manufacturer, prioritising food safety and health and safety standards.
- We continue to invest in automation and implemented improvements in factory performance to increase efficiencies and enhance capabilities.

PRODUCERS & 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. Our key priorities include ensuring a responsible supply chain, fostering opportunities for additional growth, ensuring prompt payment, and maintaining fair terms and conditions.

Read more on pages 57 to 59

Why we engage

- Suppliers play a pivotal role in our operations, making them essential partners in achieving our objectives.
- By actively involving them, we integrate environmental principles and practices throughout the supply chain.
- Our responsible sourcing commitment is solidified through close collaboration and partnerships with our suppliers.

How the Company engages

- Conducts supplier surveys to gather feedback and insights on their experiences and satisfaction levels.
- Utilises Sedex, a platform for sharing ethical and responsible sourcing data, to collaborate transparently with suppliers.
- Participates in industry events and forums, providing opportunities for networking, collaboration, and knowledge-sharing with suppliers.
- Conducts regular audits and visits to supplier facilities, ensuring compliance with quality standards and fostering strong relationships.
- Implements supplier policies to outline expectations, standards, and guidelines for ethical and sustainable practices throughout the supply chain.

How the Board engages

- The Board engages in discussions regarding the Group's performance at each meeting and stays informed about the supply chain through regular updates throughout the year.
- Updates on principal risks associated with the supply chain are provided through the Audit and Risk Committee.
- The Board receives reports on raw material procurement, potential challenges, and mitigation measures to minimise disruptions.
- It also maintains oversight of our Responsible Sourcing strategy, commitments, and advancements through our ESG Committee.

Key actions taken

- This year we continued supplier mapping, with most of our suppliers now being fully onboarded onto our supplier system, which allows us to receive and give timely feedback, ensuring a more agile and reactive relationship.
- We regularly engaged with our suppliers to understand their sustainability journey and identify areas where our values and actions can align.
- We also held our first Cranswick procurement summit this year, discussing the opportunities to innovate, grow businesses and develop relationships.
- We continue to undertake supplier audits to ensure the safety, traceability, quality and provenance of the raw materials and ingredients we use. We work with suppliers to ensure that animals are cared for to the same standard as at Cranswick.
- The purchasing team kept in regular contact with our critical suppliers to identify potential supply chain issues early and to ensure that mitigations and contingencies were in place across the whole supply chain.
- We also made further investments into farming operations, ensuring the stability of supply.

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 the RSPCA.

Read more on pages 60 to 61

Why we engage

- Close collaboration with NGOs allow us to help set policies and improve industry standards.

How the Company engages

- Directors and managers actively participate in steering committees, industry groups, and boards, fostering collaboration and dialogue with NGOs on key issues.
- Trials new standards, in partnership with NGOs, seeking to establish and implement best practices in sustainability and corporate responsibility.
- Participates in industry events alongside NGOs, facilitating networking opportunities and discussions on pressing environmental and social matters.
- Utilises digital platforms and social media channels to share important information and updates with NGOs, fostering transparency and communication.
- Incorporates feedback and recommendations from NGOs into corporate policies and practices, ensuring alignment with ethical and sustainable principles.

How the Board engages

- The Board regularly seeks updates on the outcomes from the meetings and consultations with key NGO representatives, which allows the Board to understand key concerns and integrate them into strategic decision-making processes.
- Board members participate in industry events and forums where NGOs are present, fostering dialogue and partnership opportunities on shared objectives.
- By incorporating NGO feedback and recommendations into corporate policies and practices, the Board demonstrates its commitment to ethical and sustainable business practices.

Key actions taken

- During the year, we have contributed towards setting policies that help to direct the future of the pork and poultry industries.
- Participated in industry-specific forums and events, fostering dialogue and partnership opportunities with NGOs to promote sustainable practices and ethical sourcing.

COMMUNITIES

We believe that the long-term success of our business is closely tied to the success of the communities in which we operate.

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 an additional focus placed on food producers who act as enablers, to reduce edible food waste and increase food redistribution throughout the community.

Read more on pages 62 to 63

Why we engage

- Through cooperation with local communities, we create greater social, environmental and economic value.
- As a food manufacturer, we recognise the significance of our manufacturing operations' impact on the environment. Our Second Nature strategy allows us to measure and manage our carbon footprint, aligning with our Net Zero goals.
- We are dedicated to empowering individuals to advocate for their beliefs. Through the Cranswick Charitable Trust, we are committed to further supporting communities in need.

How the Company engages

- Supports food bank donations, contributing to local efforts to alleviate hunger and support vulnerable individuals and families.
- Collaborates with local schools and universities, providing educational opportunities, mentorship programmes, and resources to support student development.
- Offers employment opportunities to members of the community, promoting economic growth and stability.
- Participates in local projects aimed at improving infrastructure, environmental sustainability, and community wellbeing.
- Organises charity fundraising events and initiatives, mobilising employees and community members to support causes that positively impact the local area.

How the Board engages

- The Board receives reports on the key initiatives considered by the ESG Committee and the activities of the Cranswick Charitable Trust from members of the Senior Management Team.
- Climate-related issues are integrated into the Group's long-term strategy, informing investment decisions made by the Board.

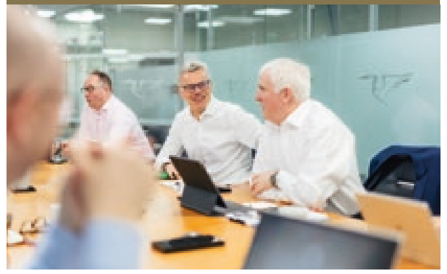
Key actions taken

- We have partnered with a number of organisations such as FareShare, through which we can assist people in need, tackle food poverty and the cost of living crisis.
- We are also involved in a number of local projects to provide sponsorship, education, mentoring and employment to those who need it in our communities.

OUR STAKEHOLDERS

SECTION 172(1) STATEMENT CONTINUED

SHAREHOLDERS



We focus on sustaining fair, balanced and honest relationships with our Shareholders as we strive to deliver the long-term success of Cranswick.

Read more on page 64

Why we engage

- Our aim is to educate Shareholders about the Group's purpose and strategy, while yielding consistent returns over the long-term.

How the Company engages

- Issues regular announcements and press releases to keep Shareholders informed about significant events and milestones.
- Maintains an informative website where Shareholders can access relevant information, including financial reports, corporate governance documents, and investor presentations.

How the Board engages

- Hosts an Annual General Meeting (AGM) to provide Shareholders with updates on Company performance, strategy, and governance matters.
- Approves the Annual Report and Accounts as well as Interim Results and any trading updates.
- CEO and CFO facilitates personal meetings, virtual roadshows, and participation in conferences, providing opportunities for direct engagement and dialogue between Shareholders and Company management.
- Approves the allocation of capital within the Group.
- Senior Independent Director (SID) is available if Shareholders want to raise concerns that normal channels have failed to resolve.

Key actions taken

- We updated Shareholders regularly on current developments, with a primary focus on supply chain challenges, trading volumes, as well as customer and market trends.
- Throughout the year, discussions also covered additional key topics such as strategy for growth, investments, financial performance, environmental, social, and corporate governance (ESG) strategy, targets, and reporting.
- All Shareholders were invited to participate in the 2023 AGM.
- Additionally, we maintained regular engagement with analysts to review business performance, provide guidance, and assess financial models.

OUR STAKEHOLDERS

OUR PEOPLE

We are committed to building a diverse, talented and motivated workforce. We recognise that the dedication and expertise of our employees drive our business, and we strive to cultivate an inclusive culture that fosters their development and growth.

CRANSWICK GEM AWARDS:

RECOGNISING EXCEPTIONAL DEDICATION

In our third year of the GEM Awards, we continued to recognise exceptional individuals who go above and beyond in their roles.

This year's winner, Lucy, stands out as a crucial team member, celebrated for her steadfast dedication and proactive attitude. Despite starting without prior experience, Lucy swiftly integrated into our team, taking ownership of farm responsibilities, and supporting colleagues tirelessly. Her willingness to assist beyond her duties and her commitment to professional growth, evidenced by her upcoming degree in Supply Chain Management, exemplify the spirit of the GEM Awards.

Lucy's story embodies Cranswick's values of dedication and continuous improvement, inspiring us all to strive for excellence. We extend our gratitude to Lucy and all our employees for their invaluable contributions to our community.

CHAMPIONING TALENT

We want to be recognised as an employer of choice to ensure we can compete effectively when it comes to attracting and retaining the best talent.

We take a sector-leading position on pay, working conditions, professional development, health and safety, inclusivity and wellbeing for all our colleagues across the Group.

Building careers at Cranswick

Recognising that individuals prioritise professional and career development when selecting an employer, we persistently enhance our array of training and upskilling initiatives.

This year we revised our induction programme and we are also trialling a new buddy system to support new joiners as they get to know the business.

We offer a wide range of training opportunities for colleagues at various levels of the organisation, and during the last year:

- We introduced a new training programme to help colleagues reach middle management positions, as well as a Front Line Management programme focused on improving management skills.
- 18 colleagues joined our Operational Talent Programme, which is aimed at middle managers within our operations teams who are looking to progress into more senior roles.
- 23 colleagues enrolled on our Management Training Programmes.
- We also offered colleagues Green Belt Lean Six Sigma training.

All of our training is now paperless and 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 78,000 courses were completed through Cranswick Core, including face-to-face learning and mentoring, which is equivalent to an average 12 training hours per employee over the year. This integrated learning approach empowers colleagues with increased autonomy in their professional growth, and since its launch in 2020, over 247,000 courses have been completed on the platform.

We are in the process of refreshing the Cranswick Core home page, and hope to add a new 'skills academy', which will be a bespoke training platform by the end of the year.

OUR STAKEHOLDERS
OUR PEOPLE CONTINUED

Graduate recruitment and apprenticeships

Developing and retaining existing colleagues is critical to our business, but it is equally important that we can attract fresh talent. This year we recruited 12 more graduates, taking the total to 97 since 2013, with 30 of these individuals now promoted into senior and full-time roles across the business.

We continue to promote apprenticeships and with applications increasing year-on-year, we utilise the apprenticeship levy across the Group. We currently have around 150 colleagues undertaking apprenticeship qualifications, and we expanded our offering of degree apprenticeships in the year, including engineering, technical and butchery roles.

Early careers

We continue to pursue our early careers strategy through our Enterprise Advisory roles within local schools and have attended recruitment events at 30 schools and universities this year, promoting entry level opportunities within the food industry. We have also offered three new university scholarships this year, and for the third consecutive year, we again supported the McDonald's Future Young Farmers programme, offering a working placement to one more individual this year.

Our Group HR Director continues to chair 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 opportunities available.

This year, we also attended the Schools Food and Farming Days at Driffield Showground, presenting the opportunity for school children to discover more about the breadth of career opportunities available within the food industry, including the wide range of roles we offer at Cranswick, as well as our placements, apprenticeships and graduate schemes.

Addressing the skills gap

The Group's average employee turnover rate has declined from 3.34 percent in the prior year to 2.87 percent in FY24, attributed to numerous initiatives implemented at both site and Group levels. Despite these actions, labour availability continues to pose a significant challenge, particularly within our factories. The recent decision by the UK Government to raise the salary threshold for Skilled Worker visas further compounds this issue, significantly restricting our access to labour in the foreseeable future.

To ensure we have the skills needed to meet demand, we have now recruited over 650 skilled colleagues from the Philippines into farming, engineering and technical roles, which has reduced our reliance on agency workers. We also support our colleagues who wish to work in the UK through the EU Settlement Scheme.

We are committed to helping our colleagues integrate within their communities, offering integration and support packages. We were delighted when members of the Filipino community from our Watton site took part in the Lord Mayor's procession in Norwich. They performed a Filipino dance in traditional dress and won first prize in the procession.

Reward and recognition

We believe that celebrating the achievements of our colleagues plays an important part in contributing to a positive workplace. Our 'Going the Extra Mile' ('GEM') Awards recognise those who have gone above and beyond their job description, this year bringing together 46 finalists from across the business for an Awards Dinner to celebrate their success, with Lucy from Wold Farms and White Rose Farms the overall GEM winner.

Colleague successes are also recognised on a more regular basis through our intranet site, Flavour, which is integrated with our online Feed Your Wellbeing hub.

> We continue to monitor employee engagement levels through our annual Group-wide staff survey. 79 per cent of our people responded to our latest survey, with a consistent engagement score of 72 per cent (2023: 72 per cent).

Employee benefits

So far, 79 per cent of our permanent staff have signed up to our 'Feed Your Wellbeing' hub, which gives them access to an enhanced benefits package. This includes additional holidays, a Cycle to Work Scheme, electric car salary sacrifice schemes, enhanced maternity and paternity pay, generous retailer discounts, and financial services including our Salary Finance scheme.

We recognise the significant value these benefits hold, particularly during challenging economic periods. This year we have enhanced optional employee pension contributions by 5 to 10 per cent to safeguard them against the enduring impacts of the cost of living challenges. During the year, we also launched Care Concierge, which provides colleagues with advice and assistance, including getting financial support for anyone caring for a sick or elderly relative.

Workplace wellbeing

We prioritise colleague health and wellbeing, with 192 mental health champions across our sites, supported by 98 mental health first-aiders, our Banish the Burnout programme, and wellbeing courses offered through Cranswick Core.

Since FY21, 13,312 positive mental health at work courses have been completed including 4,694 this year. This year we hosted our first 'Time to Talk' day to refresh our employees' understanding of the role that our first aiders and champions play. Individual sites also held numerous events dedicated to mental health, including Grocery Aid and 'Wear it Green' days.

We also offer bereavement training, providing people with the skills to help them cope with bereavement, alongside personal and practical support that includes counselling and crisis grants through our ongoing partnerships with GroceryAid and the Butchers' & Drovers' Chartered Institute.

We are pleased to report that the consolidated Cranswick Group's mean pay gap has decreased by 3.5 per cent from 17.5 per cent in 2022, to 14 per cent in 2023. Our latest Gender Pay Gap report can be found on the Group's website www.cranswick.plc.uk.

CRANSWICK FOOD BEHAVIOURS

At Cranswick we introduced our FOOD behaviours to be clear on the values and culture of our business. (FOOD = Forward thinking, One team, Ownership, Driven). The behaviours have also played a crucial role in attracting, recruiting, retaining and promoting talent within our business. We use FOOD in our recruitment days to ensure that new colleagues have the behaviours required for their role.

Grading pathways have been created for our operational teams where colleagues could move through the pay grading structure by demonstrating the correct skills and behaviours. We continue to evolve our grading system, with feedback from our colleagues, to continue to embed our culture and ensure that we invest in our people across all levels of our business.

OUR STAKEHOLDERS

OUR PEOPLE CONTINUED

Encouraging diversity

Our established Diversity, Equity and Inclusion ('DEI') strategy is driven by a dedicated steering group charged with taking our DEI goals and aspirations forward. We have an Employee Non-Executive Director, Yetunde Hofmann, whose role is to develop a two-way conversation between the Board and colleagues from across the business. Yetunde specialises in diversity, inclusion and culture, and has been busy this year attending town hall events and holding one-to-one meetings with employees.

To support our strategy, we have increased our focus on DEI training and education, with 2,416 colleagues completing our diversity, equity and inclusion training programme this year, up by 44 per cent from last year.

We are working closely with the Meat Business Women organisation to provide support, development and mentoring opportunities to all women in the Group. Every individual within the business is offered the opportunity to hold membership of Meat Business Women for free, and will have access to the library of content that is available such as seminars, meetings and events.

We are also working with Hull and York Medical School to promote a Woman 2 Woman Study. This work aims to reduce health inequalities by increasing cervical screening uptake among Polish and Romanian women, which fits well with the health and wellbeing agenda within our Cranswick factories.

HEALTH AND SAFETY

We are committed to a zero accident and no work-related illness approach. It is firmly at the heart of our safety culture, and we will always put our people first, protecting their health and striving to keep them free from harm and injury, so they can carry out their work confidently and responsibly. We act in line with all relevant health and safety ('H&S') standards and regulations and are constantly seeking to improve our safety procedures in all areas.

Clear H&S road map

Our H&S strategy has focused on local leadership, best available technology ('BAT') and behavioural safety which has helped to reduce the safety risk at our sites. However, this year we have updated this strategy to further align our sites with overarching Group policies and procedures. This makes keeping safe easier and provides a clearer roadmap for our people based on key themes and a better understanding of how we do things safely.

Technology

Technology is helping us drive improvements to reduce risk. We are always looking to reduce risk through design and automation which is helping to keep our workforce safe. We have now moved to integrated paperless health and safety reporting via our integrated management system across all of our sites and farms. This is assisting us with hazard reporting, near miss reporting, safety inspections and accident investigation.

H&S concerns can also be reported during leadership H&S tours, through H&S committee representatives or through the hazard and near miss reporting systems.

Accident rates

Our 'Step Back and Take Five' initiative encourages 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 helped us identify over 32,500 hazard spots across the Group, and our hazard spotting year-on-year has increased by 67 per cent.

We continue to make progress on the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations ('RIDDOR'). Our RIDDOR frequency rate per 100,000 hours decreased by 8 per cent compared to FY23, and our lost time accidents fell by 7 per cent. Due to our proactive reporting processes, there were 770 instances of accident reporting across the Group. However, the vast majority of these accidents (78 per cent) remain minor and primarily relate to return to work incidents.

Compliance

Our audit compliance scores are improving, with 68 per cent of sites achieving a score of 90+ per cent, meaning that most of our sites are green rated. Risk assessments are conducted using the integrated management system and shared with department managers for review. 90 per cent of our sites are accredited to the ISO45001 Health and Safety management system.

Training and upskilling

We continue to prioritise upskilling 44 qualified H&S professionals who are based at all sites within the Group. Mandatory training is undertaken in key disciplines including manual handling, risk and responsibilities, and slips and trips. We are in the process of developing a new behavioural safety programme to supplement our H&S strategy.

During the year we recruited a second H&S degree-level graduate who has been deployed at various sites assisting with Group audits. This will help the Group further expand its H&S capability on the agricultural side of the business, as well as manufacturing.

OUR STAKEHOLDERS

OUR CUSTOMERS AND CONSUMERS

Through delivering exemplary service, offering premium-quality food and upholding integrity, we aim to provide our customers and consumers with captivating meal options, while also ensuring authenticity, value and quality throughout the year.

FOCUS ON QUALITY

We maintained high service levels, ensuring that our customers received their orders promptly and consistently. Our efforts were recognised as Cranswick was voted a top private label supplier, affirming our commitment to meeting customer needs and expectations.

Who we serve

Retail customers account for around three quarters of our revenue (77 per cent in FY24) and the sector has delivered another impressive performance this year.

Customers and consumers continue to recognise and appreciate the quality, value and versatility of our pork and poultry product ranges, while promotions are really driving the market – with deals on premium products driving strong volumes.

Sales were also buoyant across our food service and wholesale categories, particularly in the quick service restaurant ('QSR') and food-to-go sectors, which are performing strongly now that people are returning back to offices and have resumed more normal leisure activities. We continue to invest in our capacity and are expanding our product portfolio to meet this growing demand in QSR products, where we can offer taste experiences and genuine value for consumers.

These performances helped to offset a slowdown in export sales due to the weakened demand in some of our key export markets such as China. This year, exports accounted for 4 per cent of our revenue, a slight decrease on the previous year, but our outlook for recovery remains optimistic as we continue to diversify our customer base and make preparations to enter new markets.

Focus on quality

This year, our commitment to close collaboration and transparent communication with our customers, coupled with the exceptional dedication of our teams, has resulted in an outstanding performance in service and quality across the whole Group.

Despite facing supply chain disruptions and labour pressures, we have maintained high service levels, ensuring that our customers receive their orders promptly and consistently. This year we took part in the Advantage Survey, where retailers provide valuable insights into manufacturers.

Moreover, we have upheld our reputation as a high-quality manufacturer, prioritising food safety and health standards to reassure consumers of the safety and integrity of our products. The Cranswick Manufacturing Standard ('CMS') applies across all of our production sites to ensure that we automatically comply with any new customer specifications or standards. This means we can reassure our customers that there is greater consistency in the work we do to assure the safety, traceability, quality and provenance of our raw ingredients and manufacturing processes.

Value proposition

During the year, we have taken significant steps to meet consumer needs by focusing on the value and price of our offerings. Recognising the importance of promotional strategies in a post-inflationary market, we prioritised building robust promotional plans with our customers, which are crucial for driving volume and market share for our customers.

We identified opportunities where promotions not only offer value but also highlight the exceptional quality of our products. A prime example is the M&S Ultimate Pork Crackling Joint, which continues to captivate consumers by focusing on what matters most to them. This product not only delivers on taste but also ensures convenience, making it effortless for anyone to achieve tender pork and perfect crackling every time they roast it.

By emphasising these product attributes alongside promotional offers, we created compelling propositions that resonate with customers and consumers.

OUR STAKEHOLDERS

OUR CUSTOMERS AND CONSUMERS CONTINUED

As part of the recent Food Hero Fortnight, we had the pleasure of hosting a celebration of our Cranswick Food Heroes, giving colleagues the chance to meet them and hear their incredible stories first-hand.

Innovation

Throughout this year, our focus has remained on catering for evolving consumer needs through continuous new product developments. We launched the Cranswick Innovation platform, Horizon, aiming to ensure that we stay at the forefront of innovation within our industry, while addressing changing consumer needs even more effectively.

Our barbecue offerings excelled this summer, particularly our gourmet sausages and hot dogs, winning multiple awards for their outstanding quality and innovation. Notable among these awards are the BBC Good Food Summer Taste Awards 2023, where we secured victory in the Best Sausage Category, and the prestigious Good Housekeeping Award for 'The Best Sausage for your BBQ'.

We also achieved record sales during Christmas, including a record-breaking production of 75 million pigs in blankets and a focus on traditional seasonal items like gammon. Our products have garnered notable recognition, such as Tesco's Finest Pork Porchetta being featured in a TV advert and receiving a Good Housekeeping award for its excellence as an alternative to Christmas turkey, while the Sainsbury's Meaty and Mighty Pigs in Blankets also earned the prestigious Good Housekeeping award.

Looking ahead, we anticipate a substantial emphasis on healthy foods, putting a particular emphasis on how we present the health benefits of our products. Additionally, we are exploring avenues to expand our retail offerings to align with the preferences of consumers who are eating more calories at home but still seek excitement in their food choices.

OUR STAKEHOLDERS

PRODUCERS AND SUPPLIERS

We collaborate with an extensive network of production and supply chain partners to guarantee the reliability of food supply, reflecting our shared commitment to trust, nutrition, quality, and excellence in low-carbon manufacturing practices.

CRANSWICK PROCUREMENT SUMMIT

We held our first Procurement Summit this year, bringing together suppliers from diverse sectors, including ingredients, packaging and logistics, to explore innovation and sustainability strategies.

This event served as an excellent opportunity to network, foster innovative ideas throughout our supply chain and to share our Second Nature messages.

Supplier resilience

Given the turbulence across the globe, driven by geopolitical issues, and the growing threat to businesses from cyber-attacks, supplier resilience and the security of our supply chain have been top of our agenda this year.

Our purchasing team has completed a review of our top suppliers using supply chain mapping tools within our supplier management system. The review has helped us to develop a detailed understanding of where our materials are coming from and any potential challenges that may arise, while also assessing disaster recovery scenarios should the worst happen.

During the year, we also completed a cyber risk assessment of our suppliers, focusing on any potential cyber risks within our business and those of our suppliers and evaluating our resilience to IT threats.

No specific issues were highlighted at this time, however, it proved valuable to understand and evaluate potential challenges. We acquired more comprehensive data on products susceptible to these challenges and gathered suggestions for alternative suppliers should they be required.

Ethical procurement

Building greater resilience is all part of our approach to responsible sourcing. Only through close collaboration with our suppliers can we offer the assurances required by our customers and consumers regarding the integrity and safety of our food.

We consider a broad range of social, ethical and environmental factors when engaging with any supplier, and we expect them to meet high standards across all of these areas. Our supplier policy sets out these standards 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.

Supply chain assurance

We have further strengthened our supply chain assurance this year, restructuring our audit teams across our sites and changing the way audits are carried out to focus more on food safety and integrity. We have adopted the updated Cranswick Manufacturing Standard, which was reissued this year. As a result, we have identified more issues, but this has effectively minimised potential customer issues.

We continue to enhance our supplier management system to efficiently and safely manage our data. This year, we transitioned to a paperless approach for conducting supplier audits. This not only granted our technical team enhanced visibility during audits but also yielded time-saving benefits for all stakeholders involved.

An additional 52 raw material suppliers were approved this year, bringing the total to 1,011, along with 9,157 products and associated specifications.

We monitor our suppliers continuously to ensure they are performing to the highest standards and progressing against key metrics such as emissions reductions.

OUR STAKEHOLDERS

PRODUCERS AND SUPPLIERS CONTINUED

During the past 12 months, 687 supply chain audits were carried out to assure the safety, traceability, quality and provenance of the raw materials we use (340 in FY23).
The increase in the number of audits is driven by an increased number of farm audits. We made a strategic decision to carry out more of our own Cranswick welfare assessments to recognise a potential issue before it occurs and provide support to improve compliance and performance. Currently 942 out of our 1,011 total suppliers are registered on Sedex, including all 527 direct suppliers and 88 per cent of indirect suppliers (FY23: 88 per cent).

Alongside increasing the frequency of supplier audits, we are also adjusting the emphasis of our audits. We are now placing added emphasis on food integrity, prioritising robust traceability and authenticity of the ingredients we use, while maintaining our commitment to food safety as paramount.

Supplier engagement

As well as holding our first Procurement Summit this year, we spent two days at Sheffield Hallam University engaging with our engineering contractors and suppliers. Discussions centred on food safety risk assessments. We have implemented a requirement for all engineers visiting our sites to hold a minimum Food Safety Level 2 certification, a regulation that has been welcomed by our suppliers and contractors.

Internal compliance and governance

Our internal auditing processes conform to our own Cranswick Manufacturing Standard ('CMS'), as well as ISO14001, ISO45001 and ISO50001 quality standards. In the coming years we will move away from ISO45001, as it is being replaced by our CMS standard, encompassing the BRCGS Food Safety Standard and all the latest customer technical codes of practice.

During the year, we launched new Food Safety and Quality Committees. At Group level, our heads of department meet bi-monthly, while individual sites host their own committees dedicated to enhancing food safety practices at their respective locations.

19 of our production sites were audited against the BRCGS Food Safety Standard with four achieving an AA rating, twelve receiving an AA+ rating, three an A+ rating.

We carry out proactive intelligence audits, which this year focused on reducing foreign body risks, as well as ensuring food safety and integrity. Additionally, we conducted several targeted audits at specific sites, primarily utilised to bolster site support and promote improvements.

Upskilling our teams

Our Technical, Sustainability and Compliance teams undertake regular training, including monthly technical upskilling sessions. Over 766 colleagues were trained in 80 courses this year, covering auditing, inspection, food hygiene, safety and traceability, as well as technical, ethical and health and safety issues, and animal welfare.

A significant initiative introduced this year involves standardising protocols and guidance across all our factories and farms as part of our Brilliant Basics programme. This includes ensuring consistency in signage and procedures, allowing for seamless transitions of personnel between sites, even for agency staff less acquainted with our operations.

Animal welfare

At Cranswick, we are committed to achieving and maintaining the highest possible standards of animal health and welfare through our industry-leading assurance standards, supported by our vertically integrated supply chain.

Animal welfare is a fundamental component of our Second Nature Strategy, underscored by our unwavering dedication to enhancing it. This is evidenced by our consistent achievements within the higher tiers for the Business Benchmark For Animal Welfare (BBFAW) for five consecutive years, and we are steadfast in our focus on upholding this benchmark in the years ahead.

REVOLUTIONISING PIG FARMING

The Innovate UK funded commercial trial of FarmSense, an artificial intelligence research and development project aiming to deliver a step change in pig husbandry by real time monitoring of pig welfare and performance and disease detection, is entering its final phase. The 3D cameras installed within three separate sites are gathering valuable behavioural information. When this is combined with remote disease detection data via air sampling volatile organic compounds (VOCs), this is the start of developing an algorithm that can determine anomalies and provide an early warning system to management. The project is also using the performance data to develop an optimum pig weight data prediction tool, based on daily weight gain and price of feed.

FarmSense is learning to automatically detect any changes in the pigs' behaviour that could indicate problems, such as the angle of the tail that could indicate there is a risk of tail biting, abnormal eating or the presence of disease within the shed before clinical signs are physically evident.

Over 50 per cent of the pigs that we process, and 100 per cent of the chickens processed at our primary processing facilities, are reared through our own farms, giving us a high level of control over how our animals are reared and cared for. A shortened supply chain delivers the opportunity to directly influence and be totally transparent, providing greater trust to the consumer from farm-to-fork. Our agriculture team works hard to ensure that the same high standards of farm animal welfare we have across our own operations are adhered to throughout our UK-aligned producer base, and EU supply chains.

In 2023 the Cranswick Agriculture team expanded its presence within our own farming operations and independent producers' farms. The team now conducts customer audits in addition to the existing Cranswick Welfare Assessments, typically scheduled with just 48 hours notice. All producers are risk-rated via a unique matrix, in an effort to identify where there may be challenges. Our aim is to obtain the most accurate reflection of on-farm practices, allowing us to provide support and guidance where appropriate.

Caring for our chickens

Our fully integrated poultry model means we can offer higher welfare chicken to customers. We use the revolutionary NestBorn on-farm hatching system for all of our eggs, meaning that our chicks are born in a warm barn in stress-free conditions, and have immediate access to shelter, feed and water as soon as they hatch. This results in more robust and healthier birds, and calmer flocks with improved immunity, while helping us to reduce our carbon footprint.

We rear all of our chickens indoors to a standard that either complies with, or goes beyond, Red Tractor welfare standards. Our poultry sheds provide more space for chickens to roam freely and are enriched by the presence of fresh bales, perches with toys, and windows to allow in natural light.

Our sheds all feature climate control systems, enabling us to optimise the indoor temperature to suit the needs of our chickens all year round. They also have water misting systems to make sure the birds are more comfortable during the periods of more extreme heat during the summer months.

This year, we have implemented a reduction in poultry stocking densities to 30 kg/m^2 across a small percentage of our estate, in contrast to the 38 kg/m^2 recommended by Red Tractor guidelines. We plan to roll this out across the entire business next year. This adjustment has yielded favourable welfare outcomes, and performance improvements, due to less competition at the feeders and water drinkers.

Caring for our pigs

Our integrated pig farms are located close to our primary processing sites to reduce transportation times and minimise stress. All of the pigs we purchase from producers are reared to Red Tractor standards, with around 50 per cent also meeting outdoor RSPCA Assured certification standards.

The Cranswick Pig Producer Standard is reviewed and sent out annually at the start of our first quarter. This document outlines and reinforces the key areas of assurance standards we expect of our suppliers and in our own operations, and has at its heart the 'five freedoms' concept promoted by the Farm Animal Welfare Council.

In the current year, following the implementation of a risk rating system for producers based on health and welfare outcome results, subsequent focused farm audits and welfare assessments are arranged with minimal notice, a shorter time frame than stipulated by the Red Tractor or RSPCA Assured schemes. These visits involve comprehensive assessments carried out by experienced pig specialists skilled at identifying potential health and welfare issues, and gaps within management practices that may invite risk. The welfare assessment prioritises observing and evaluating the pigs and their housing conditions over and above paperwork compliance. The assessment provides us with real information that we can build improvement plans around in collaboration with the producer if required. Sharing and trending health and welfare information with a producer immediately creates a performance incentive as they like to maintain levels below the factory average, and invariably their vet becomes a key part of the improvement plan.

Through the Cranswick Pig Passport we also have put a comprehensive training and career programme in place, helping to upskill people already within the business, and to support the recruitment and training of apprentices. The programme has been very well received, and was nominated as a finalist in this year's National Pig Awards.

Our earlier investment in an adaptive indoor farrowing system on one breeding unit within White Rose Farms in 2020, has yielded encouraging results in terms of performance, whilst improving the health and welfare of the sows. While we have ambitious plans to expand adaptive farrowing across other breeding sites, we await DEFRA guidance on the type of system and pen size that will ensure the farms are compliant with future industry standards.

Veterinary exams and antibiotic use

Our antibiotic use across our pig and poultry farms remains 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 68.3mg/pcu and across our poultry farms was 9.0mg/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 our SASB disclosure on pages 44 to 46.

OUR STAKEHOLDERS

NGOS AND PARTNERSHIPS

Our robust connections within the food industry empower us to inspire broader perspectives and actions, crucial for effecting the necessary scale of change needed to create a more sustainable food system. Our collaborative efforts are crafted to set industry standards, prioritise impactful outcomes, and maintain a forward-looking approach.

Shared ambition

In pursuit of shared goals, we collaborate with diverse non-governmental organisations (NGOs) and strategic partners. This allows us to share experience and best practices from an aligned supply chain test innovative solutions, promote industry standards, and shape future policies. The focus of this work is on addressing critical global issues, which require collective action rather than individual efforts to solve.

Tackling deforestation

As active members of the UK Soya Manifesto, we are dedicated to promoting the importation of soya that has not contributed to deforestation or land conversion into the UK. By engaging with our importers, traders and compound feed suppliers, we are collectively working towards the ultimate goal of transitioning all soya used within our farms to be exclusively 100 per cent verified deforestation and conversion free.

We are in transition towards full mass balance RTRS certified soya across our own pig and poultry farming businesses by the end of 2024, one year ahead of our policy commitment. We are monitoring closely the EU's position in relation to meeting recent deforestation regulation, and await further information on proposed UK legislation in this area.

We are active members of the UK Roundtable on Sustainable Soya and the Soya Transparency Coalition, and we support global initiatives that work towards zero deforestation. We have pledged our commitment to the Cerrado Manifesto, led by the FAIRR Initiative, which advocates for an end to deforestation in the Brazilian ecoregion.

Driving decarbonisation

Our efforts to embrace decarbonisation remain unwavering as we prioritise renewable energy generation, strive for optimal energy and refrigeration efficiency, and explore the use of lower carbon alternatives to LPG to heat our poultry sheds. We are committed to reducing emissions from our HGV fleet by transitioning to renewable fuel through the use of hydrotreated vegetable oil ('HVO') and by introducing electrified trailers. We continuously explore innovative solutions to maximise our use of clean energy, and have partnered with the East Coast Hydrogen Consortium group, which aims to expand hydrogen production in the area and bridge the gap between supply and demand.

The Cranswick Carbon Inset Scheme, which has the backing of WWF-UK, is a trailblazing initiative in the industry. To raise wider awareness of the opportunity within aligned agricultural supply chains of the concept, and support the scaling-up of the scheme, we applied and were successful in being awarded Innovate UK funding. Our goals for the project include building trust and transparency in relation to carbon insetting, using the positive carbon and biodiversity aspects of our farming operations to contribute towards our Net Zero livestock objective. The inset scheme will provide additional financial support for British agriculture, and the rural economy, in light of a shift away from production support by UK Government.

Reducing food and plastic waste

We are committed to addressing the issue of plastic waste on a large scale through our work with multiple stakeholders as part of the UK Plastics Pact, which is led by the Waste and Resources Action Programme ('WRAP').

We are proud members of OPRL, whose experts offer invaluable assistance and resources to businesses seeking to tackle the intricacies of packaging recyclability in a productive and efficient manner. The spotlight this year has been on recyclability, particularly for Ramona's Kitchen and Cranswick Pet Products.

We are active signatories of high-level coalitions such as Champions 12.3 and Courtauld 2030, which focus on reducing food waste across the supply chain. This year, we have actively supported the Food Waste Action Week in March 2023, which is a consumer facing campaign that aims to make consumers consider the impact of food waste.

Alongside our work with suppliers that tackle packaging waste within our value chain, our people have continued reducing plastic pollution off-site by teaming up with local charities to attend litter picking events at beaches on the East Yorkshire coast.

Customer alignment

Our poultry production is entirely self-sufficient, and recent acquisitions have increased our pig supply from owned operations to just over 50 per cent. This shortened supply chain allows us even greater control and influence, while providing our customers with a trusted and transparent view of an increasingly aligned agricultural supply chain. Given the pressures within the marketplace to deliver even higher levels of animal welfare or more sustainable products, we recognise the need to work towards such goals, while being open and transparent around the practical and commercial implications.

Our Agriculture team is responsible for managing these expectations, and we work hard to ensure that our farms are engaged and equipped to deliver on our strategy. In the future, while sharing best practice and results from our R&D farms with aligned independent producers, we will also require a financial mechanic within producer contracts to reward measured improvements across a range of metrics. In the absence of detailed DEFRA policy and support, this will be pivotal in driving progress and fostering sustainability within our industry.

Sustainable farming

By partnering with food producers, charities, and community organisations, we are helping to safeguard critical agricultural resources.

Soil health is being increasingly recognised as a crucial factor in mitigating climate change at local, national and global levels. Livestock play an important role in regenerating soil by incorporating their dung naturally where they are, or pig and poultry manure from indoor systems can be used to fertilise soil for nearby crops, reducing the need for synthetic fertilisers. By incorporating the muck into the surrounding soils from our pig operations, the nutrient level and organic matter is increased. Over time the soil retains water more effectively, making it more resistant to drought and maintaining crop yields.

Improving welfare outcomes across the industry

Collaborating with several industry bodies and assurance schemes, we are committed to establishing robust Company policies, and evaluating future standards of animal welfare, while promoting the integrity of the meat industry.

We maintain a close working relationship with Red Tractor, and we are actively participating in DEFRA's Animal Health and Welfare Pathway, which aims to develop welfare standards and financial support, in light of changing Government agricultural policy.

Our dedication to animal welfare is evidenced by our direct involvement in various industry assurance schemes and groups. Our Technical Director is a valued member of the British Meat Processors Association's Animal Welfare Committee, and our Director of Agricultural Strategy sits on the Red Tractor Pig Board and is a Director on the board of the National Pig Association. Furthermore, we are active members of the Agriculture & Horticulture Development Board, where our presence at both Board and Committee levels enables us to help shape the industry's agenda.

For more details, see our Animal Welfare policy at www.cranswick.plc.uk.

REGENERATIVE AGRICULTURE PANEL

Our Director of Agricultural Strategy, Ash Gilman, was asked by WWF-UK to be a panellist at this year's Oxford Farming Conference.

Ash and his fellow panellists were invited to discuss the launch of WWF-UK and NatWest's new roadmap for Financing a Regenerative Agricultural Transition in England.

Ash had contributed to the creation of the roadmap, and also shared an insight into the Carbon Inset Scheme, and Cranswick's pioneering support for a transition within its agricultural supply chain. He stressed the importance of promoting regenerative agricultural practices amongst farmers and landowners, with a primary focus on maximising the value of livestock manure on improving soil health, and its contribution to improved carbon sequestration and biodiversity.

With a focus on supporting farmers through the initial period of transition, the panel made recommendations for actions along the value chain and explored how the roles of supply chains, financial institutions, Government and more can help effectively mobilise investment.

OUR STAKEHOLDERS

OUR COMMUNITIES

We are dedicated to providing support and bolstering the communities where we operate. By actively seeking to make a positive impact on a local level, we contribute to the development of more cohesive communities that enhance the wellbeing of individuals.

DOING IT FOR THE KIDS!

Cranswick Country Foods Preston hosted its annual Charity Golf Day at the Forest Pines golf course in Scunthorpe, raising an impressive £102,000 for the wonderful charity KIDS. Attendees included Cranswick colleagues, suppliers, and customers, many of whom have supported the event for numerous years.

Cranswick has been a proud supporter of this charity since 2007, and thanks to the immense generosity shown by everyone involved, has raised more than £430,000 for KIDS over the years, making a profound difference to the lives of countless children and their families.

Assisting our communities

The ongoing cost of living crisis has laid bare the challenging circumstances many people in our communities face, especially when it comes to accessing food and basic support. Through our concentrated efforts on the redistribution of food, education and outreach initiatives, we have the ability to genuinely make a difference to those who are in dire need.

Our well-established partnership with FareShare, the UK's leading food redistribution charity, has yielded tremendous results. In the seven years of our partnership, we have diverted 425,000 tonnes of surplus food to FareShare, which amounts to a remarkable 1.6 million portions based on a 420g protein serving. This high-quality and nutritious food has been distributed to 2,966 charities and community groups, such as school breakfast clubs, older people's lunch clubs, homeless shelters, and community cafés.

In partnership with FareShare and some of our major customers, we are also very proud to be signatories of the Coronation Food Project, an innovative initiative that seeks to combat food waste and food poverty in the UK. This groundbreaking project not only addresses the urgent need to rescue surplus food, but it also aims to reduce carbon emissions.

On a regional level, Cranswick Cooked Poultry supported local charity EMS with their Free Meals Day, providing food and activities for local residents in Hull. EMS has been serving Hull, East Yorkshire, and parts of Lincolnshire since November 2009, collaborating with local businesses, community groups, and residents to tackle issues of food and fuel poverty.

We have also launched a new Sports Grant in Milton Keynes, allowing employees and people from their community to request funding for sports teams they or their children are involved with to cover the cost of items such as new kits, additional equipment, or even winter training facilities.

Other 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.

For the fifth year in a row, our Group has retained its GroceryAid Gold Award supporter status. Achieving this status requires participation in a variety of activities that fall under the three critical pillars of 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

The Cranswick Charitable Trust ('CCT') is a grant-making charity governed by a separate Board of trustees to our Company that provides a focus for our charitable giving. The Trust receives a lot of requests for support and typically addresses causes that combat food poverty and promote education for children, usually around where we have facilities.

In the early stages of the conflict in Ukraine, the Group donated £500,000 to the CCT to help with ongoing relief and aid efforts related to war. This included sending aid to those affected in Ukraine as well as supporting refugees repatriated to the UK. So far the Trust has donated a total of £250,000 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 in the near future.

This year the CCT has donated £100,000 to the Yorkshire Children's Charity, which provides a helping hand to children and families in Hull and the wider area. It has also made a number of smaller donations to other 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.

The Group has also supported homeless charities and a return to work programme in Milton Keynes, helping to provide skills and employment opportunities. It also organised Christmas dinner for the Hessle foodbank.

Educational outreach

Our efforts to support future skills development continued this year through our partnerships with schools, colleges, and universities, providing sponsorships, education, and mentoring. Our people regularly visit local schools and offer students career advice.

We attended the Driffield Show to engage with local suppliers and farmers, as part of our support for the agricultural community in East Yorkshire. The show has become a 'must do' event on the calendars of both the farming community and families looking for a good value day out, and we were delighted to make our contribution. We talked to primary school children there, and with older children too, discussing the potential career opportunities they may find in our industry.

We are also proud to support IntoUniversity, which is a national programme, creating opportunities for young people from disadvantaged backgrounds. Since opening in October 2022, the IntoUniversity Hull East has supported 741 local children and young people through after-school study sessions, mentoring meetings, holiday clubs and their FOCUS programme which inspires and supports ambition in Primary and Secondary school children.

EXCITING EDUCATIONAL PARTNERSHIP

The opening of a state-of-the-art Centre for Pig Industry Training at Bishop Burton College marks the start of an exciting new partnership between the college and White Rose Farms Ltd.

White Rose Farms, part of Cranswick's farming business, is the latest industry partnership established by the college. The partnership will support the college in preparing students for the world of work, as they study for vocational and technical qualifications. This new venture represents an opportunity for business and education to work together to support the skills and learning of the next generation of pig farmers.

The £1 million centre houses a herd of 300 sows and offers the very latest in farrowing facilities; providing 50 per cent more space than existing conventional systems. The pigs will be reared to Red Tractor Assured standards.

OUR STAKEHOLDERS

SHAREHOLDERS

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

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. During 2023, the Chief Executive and Chief Financial Officer also undertook an investment roadshow to US and Canadian investors.
The Chairman, Chief Executive Officer and Chief Financial Officer 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.

Our metrics	
AGM	The AGM will take place on Monday 29 July 2024 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 and 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	
Climate Change	The Group has engaged with Shareholders and a wide range of stakeholders in relation to climate change and other sustainability-related issues, including the Group's Science Based Targets, progress in relation to reducing its Scope 1, 2 and 3 emissions and other commitments relating to decarbonisation and biodiversity projects in its agricultural supply chain, which are covered in further detail in the Strategic Report on pages 32 to 37 and the ESG Committee Report on pages 94 to 95.
Financial performance	The Group discussed its financial performance in meetings with institutional Shareholders and analysts with a focus on future investments for growth. Matters focused on also included the continued impact of inflation and further investment being undertaken at the Group's Preston facility and the development of the Group's new houmous and dips facility at Worsley, Manchester, which are covered in further detail in the Strategic Report on pages 26 to 29.
Remuneration	During the year, the Company consulted with institutional Shareholders on the review of its Directors' Remuneration Policy, which focused on retention and ensuring that Directors were appropriately incentivised based on achieving targets that were sufficiently demanding and aligned with Shareholders interests. Details of our review of the Directors Remuneration Policy are set out in the Remuneration Committee Report on pages 105 to 121.
Diversity and Inclusion	The Group has engaged with Shareholders and various interest groups regarding diversity and inclusion at all levels following the publication of the Parker Review regarding ethnic diversity and calls for increased ethnic pay gap reporting. Further details relating to workforce engagement, diversity and inclusion are set out on pages 82 to 83 of the Governance Report and details of our policy and performance relating to diversity are included in the Nomination Committee Report on pages 101 to 104.

EFFECTIVE RISK MANAGEMENT

Effective risk management plays a vital role in identifying, assessing and mitigating risks that could impact the delivery of the Group's strategic objectives. It is through an established Risk Management Framework that we are able to manage these risks and identify opportunities as they arise.

The Group has a structured and mature approach to risk management to ensure a systematic and planned method for identifying, assessing, prioritising, mitigating and monitoring risks is taken across the business.

The Group's Risk Management Framework incorporates a top-down approach when identifying principal risks and a bottom-up approach when identifying operational risks. 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, while considering the Group's risk appetite. The Group also has a dedicated Internal Audit and Risk Team who, supported by a risk management IT system, help to facilitate the risk management process and provide both challenge and advice to Management teams, while ensuring that the Risk Management Framework is consistently applied across the business.

The Board performs annual reviews of the Group's principal risks and receives regular risk updates to include key emerging risks facing the Group, analysis of risk trends, and actions taken to mitigate risks. The Group Risk Committee reviews risks during the intervening periods and met four times during the course of this year.

In order to deliver our strategic objectives and ensure the sustainable growth of the business, effective risk management is vital. The Board is responsible for maintaining the Risk Management Framework to ensure the Group has appropriate mitigating actions for its key risks. This responsibility is delegated to the Group Risk Committee, chaired by the Chief Financial Officer, and governed by key internal stakeholders including Directors, Executive Directors, Heads of Departments and the Head of Internal Audit and Risk.

In addition, 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 and Risk Team. During the year, the Internal Audit and Risk Team completed various reviews across the Group, including several deep dive risk reviews, and reported no significant failings or weaknesses in the Risk Management Framework and system of internal controls.

LINES OF DEFENCE

1ST LINE OPERATIONAL MANAGEMENT
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.

2ND LINE GROUP FUNCTIONAL TEAMS INCLUDING COMMITTEES AND THE BOARD
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.

3RD LINE INTERNAL AUDIT AND RISK TEAM
The Internal Audit and Risk team provides 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 AND RISK TEAM
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.

EFFECTIVE RISK MANAGEMENT
CONTINUED

Principal risks and uncertainties

Although the Group is exposed to a variety of risks, it only reports on risks with a high likelihood and greater current or near-term impact on strategic objectives, operational plans, or reputational damage. The Board has completed a detailed assessment of risks that could compromise the Group's business model, future performance, solvency or liquidity.

The risk assessment map on page 68 provides a summary of the Group's principal risks. Further details on mitigation strategies and connection to our strategic enablers can be found on pages 69 to 72. No additional 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 67.

Risk appetite

Risk appetite is defined by the UK Corporate Governance Code as the nature and extent of risk that a business will accept in order to achieve its operational and strategic objectives. At Cranswick, the delivery of the Group's strategic objectives is dependent on 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.

The Board have defined risk appetite statements for each of the Group's principal risks using a five-point scale which aligns to our five-by-five risk scoring matrix. Our overall approach is to minimise risk and uncertainty while recognising that some residual risk may be necessary and beneficial. During the year, risk appetite statements have proven to be an effective tool to prompt conversations across the Group, while ensuring that mitigating actions are efficient, appropriate and in line with our strategic goals and priorities.

Over the course of the year, a detailed exercise to refresh and redefine our risk appetite statements was completed. The 'Health and Safety', 'Food Scares and Product Contamination', and 'IT Systems and Cyber Security' principal risks sit at the lower end of the scale and should be reduced to a level as low as reasonably practicable. At the other end of the scale sits the 'Growth and Change' principal risk as the Group is willing to accept a reasonable level of risk in order to benefit from investment opportunities. In addition, in order to seek a balance between retained risk and risk transfer, risks that can be partially mitigated through insurance have been identified and evaluated (e.g. operational disruption and cyber incidents).

Emerging risks

Emerging risks are areas of uncertainty which have the potential to impact the Group in the future, from both a risk and opportunity perspective. During the course of the year, the Group uses its embedded Risk Management Framework to identify emerging risks, with those identified being reviewed by both the Group Risk Committee and the Board. Identification methods include horizon scanning, using in-house knowledge or expertise, and support from external sources.

Key emerging risks identified during the year included: threats and opportunities presented by the emergence of artificial intelligence, new regulations within the pig supply chain, changing Government policies following the UK General Election, a proposed increase to the Agriculture and Horticulture Development Board (AHDB) pork levy, exclusion of butchers and poultry dressers from the Governments shortage of occupation list, and geopolitical uncertainty caused by the ongoing war between Russia and Ukraine, the conflict in Gaza and shipping disruption in the Red Sea. Emerging risks continue to be discussed and reviewed, predominantly by the Group Risk Committee, with appropriate action taken when required to mitigate any impact.

The Group's principal risks and uncertainties are summarised in the risk profile tables on pages 69 to 72.

Key areas of focus this year

Risk Management Framework

Identifying risk is a continual process, with risk registers in place at both a Group (top-down) and operational level (bottom-up). As part of the risk assessment process, risk registers are reviewed regularly with both the gross risk (before consideration of any mitigations) and net risk (after consideration of any mitigations) assessed and documented. To ensure risks are evaluated consistently across the Group, a five-by-five risk scoring matrix is used to assess the likelihood and impact on several key areas, including cash flow, profit, operational disruption, reputational damage, or industry-wide issues. The Risk Management Framework is supported by a risk management IT system that ensures 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. During the year, the Internal Audit and Risk Team delivered refresher training workshops across the business to provide additional support, advice on the risk management IT system, and to further embed risk culture around the Group. In addition, several deep dive risk reviews have taken place during the year to ensure that risks are being reported and managed correctly, and to assess whether further mitigations can be deployed.

In accordance with the requirements of the UK Corporate Governance Code, risk updates are reviewed over the course of the year by the Audit Committee, on behalf of the Board and other Non-Executive Directors, to summarise the risks facing the Group and the effectiveness of internal controls. The Audit Committee Chair and another Non-Executive Director both attended separate Group Risk Committee meetings during the year to further understand the Risk Management Framework and risk processes which included how risks are effectively identified and managed.

Managing major disruptions and uncertainties

Major events in recent years, such as the ongoing war between Russia and Ukraine, the conflict in Gaza, shipping disruption in the Red Sea, COVID-19, and Brexit, have presented significant challenges and uncertainties to the Group, specifically across our supply chain, operations, and workforce. In addition, economic uncertainty, inflation, and interest rates continue to put pressure on household budgets and despite initial indications that inflation is falling, the timeline of the current cost of living crisis remains uncertain. The Group continues to closely monitor these situations to ensure our operational resilience remains strong and has robust measures to identify and manage potentially disruptive events should they arise.

We routinely track 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, such as the Group's ongoing expansion of 'slow cook' ranges to help offer restaurant quality, budget friendly meals in the home.

Business continuity remains a key mitigation for the Group as it ensures operational resilience during unexpected disruptions and events. During the year, we started work with a business continuity specialist to review and update our existing business continuity arrangements with a view to stress-test the effectiveness of plans in the year ahead.

African Swine Fever and Avian Influenza

African Swine Fever ('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. During the year, following a rise in the number of cases across Europe, the Group continued to closely monitor the risk of ASF spreading from overseas. Despite UK border controls, the risk of ASF entering the country remains possible due to non-commercial and illegal imports. During the year, the Group continued to enhance its farm bio-security protocols and contingency plans, and continues to work with industry bodies to identify further mitigation strategies.

Avian Influenza ('AI') is a notifiable disease which spreads from bird to bird by direct contact or through contaminated items such as feed, water, vehicles and clothing. This year the UK has seen a decrease in the number of AI cases in both commercial and domestic birds in comparison to previous years. Despite this, our poultry farms continue to enhance their bio-security measures to help prevent 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's 'Climate Change' principal risk considers the physical risks caused by climate change and transitional risks associated with the shift to becoming a carbon-zero business. The Group agrees and monitors any climate-related mitigation strategies and assurances on a regular basis.

The Internal Audit and Risk Team works closely with the Sustainability Team as a cross-functional unit to ensure that all climate-related risks are monitored and updated on a regular basis, with regular updates on all climate-related matters provided during the course of the year to the Group Risk Committee.

Our TCFD report outlines our key disclosures on the four areas recommended by TCFD: governance, strategy, risk management and metrics and targets, which can be found on pages 39 to 43.

Principal risk trends

During the year, the Group has seen movements in a number of its principal risks, as shown in the risk assessment map on page 68.

Specifically there have been decreases in the following risks:

- 'Growth and Change', 'Reliance on Key Customers and Exports' and 'Pig Meat Availability and Price' due to the successful acquisitions made during the year (e.g. Elsham Linc Limited), which have led to less reliance on exports and an increase in the supply of pigs from Group-owned farms.
- 'Adverse Media Attention' as our approach for identifying and reacting to adverse media is now well established and embedded across the Group.
- 'Food Scares and Product Contamination' as the 'Brilliant Basics' campaign signage, procedures, rules and guidance have been successfully embedded at all sites.
- 'Disease and Infection within Livestock' as further work has been progressed on ASF contingency plans together with one of our sites obtaining a licence to be a designated production facility in the event of an ASF outbreak in the UK.

Increases have been seen in the following risks:

- 'Health and Safety' following several industry specific Health and Safety incidents reported in the media.
- 'IT Systems and Cyber Security' as, despite the enhancement of the Group's existing cyber processes and controls (e.g. introduction of a Cyber Security Team and Steering Committee), we have seen an increased number of cyber attacks across the food industry.

As noted in the previous year, 'COVID-19' and 'Brexit Disruption' principal risks have been removed as they no longer pose a material risk to the Group. Management of these two risks is now embedded within our day-to-day operations.

Key priorities for next year

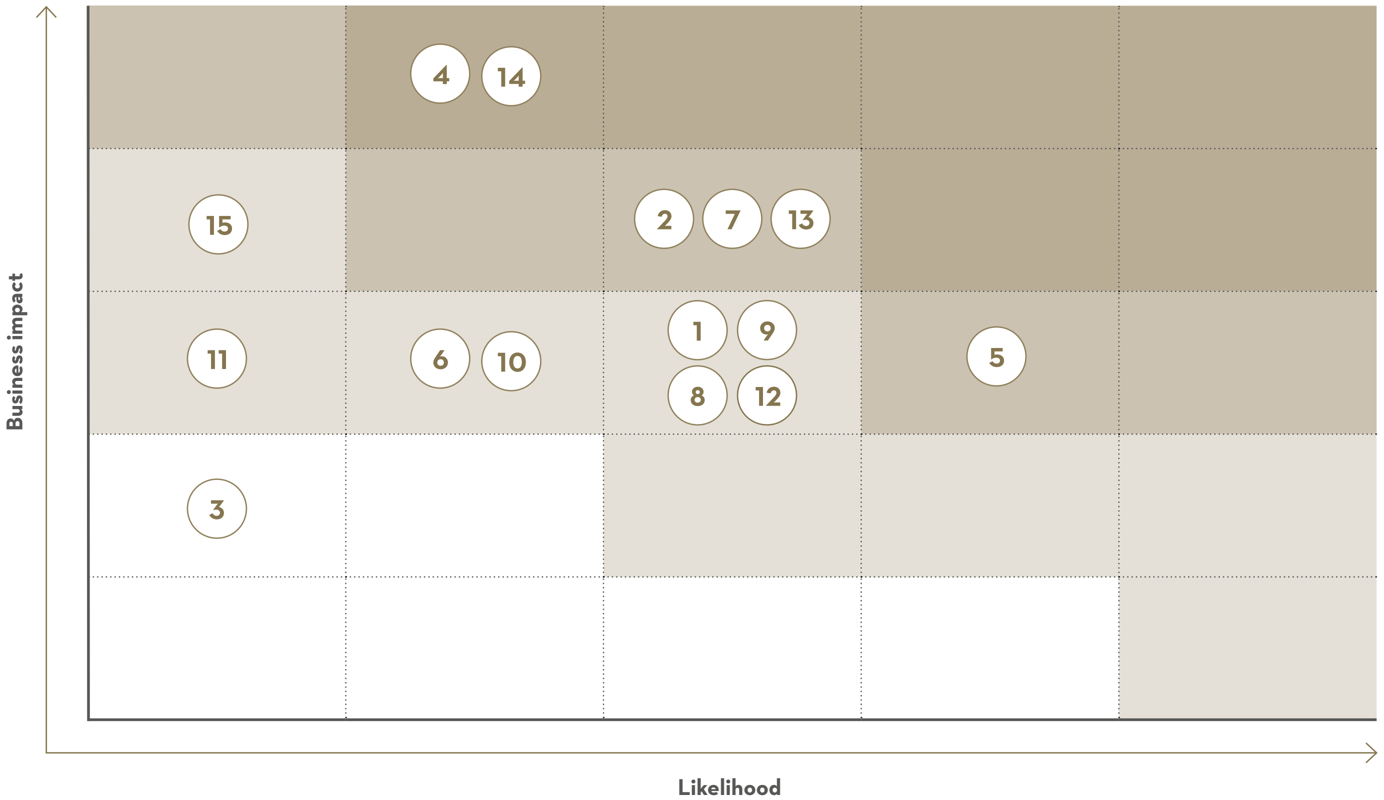
The Group continuously reviews and improves our approach to risk management in order to identify new opportunities to support effective and appropriate decision-making. In particular, next year we plan to:

- Enhance our risk management IT system to give greater simplicity and effectiveness to our reporting process. This will help to drive risk culture due to its additional collaboration capabilities and options to create more interconnectivity of risks across different areas of the business;
- Complete a series of deep dive risk reviews across key principal risks to provide third-line assurance and ensure that risk assessments, controls and actions are appropriate and consistently documented within our risk management IT system;
- Refine our approach to identifying, assessing and monitoring key controls at both a Group and operational level, to ensure that robust mitigation strategies and levels of assurance are in place. This will align with the requirements of the updated UK Corporate Governance Code; and
- Continue to ensure that there is a cross-functional team responsible for TCFD with an additional focus on further integrating TCFD risks into our existing Risk Management Framework.

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 Customers and Exports	Group Marketing 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 Recruitment and Retention of Key Personnel	Group HR Director	↔



Risk trend

- ↑ Risk increased
- ↔ Risk unchanged
- ↓ Risk decreased

Strategic enabler

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

STRATEGIC

Competitor activity ↔

Risk description and impact	Strategic enabler	Mitigation strategy	Actions in 2023/24
Product innovation, changing consumer trends, and operating in highly competitive markets provide a constant challenge to the Group. Failure to manage these challenges could adversely impact our financial performance.	Customer relationships	Emerging trends and risks associated with competitor activity are regularly discussed by the Board, with appropriate actions deployed. The Group develops and maintains strong working relationships with its customers, which are underpinned by delivering high levels of customer service, quality products, and a consistent focus on product development and innovation.	• A high proportion of the business is secured in long-term contracts and a number of these have been renewed over the last year. • The Advantage Survey, completed by key customers, benchmarks Cranswick's performance against other food manufacturers. This ranks the business across supply chain, commercial performance, technical systems, and category development and places Cranswick in a very strong position.

Climate change ↔

Risk description and impact	Strategic enabler	Mitigation strategy	Actions in 2023/24
The Group is exposed to physical risks caused by climate change and transitional risks associated with the shift to Net Zero. Failure to mitigate these risks could impact our regulatory compliance, financial and operational performance.	Lean processing	The Group continues to develop its Second Nature programme with a focus on improving production efficiency, reducing carbon emissions, and identifying alternative options to decrease reliance on imported soya for feed.	• We continued to address the impact of carbon embedded within our animal feed which included progressing the transition to 100 per cent full mass balance certified soya for our pig feed. • We have successfully trialled renewable diesel for our Northern HGV fleet and reduced our associated CO_2 emissions by over 95 per cent in the past year.

Growth and change ↓

Risk description and impact	Strategic enabler	Mitigation strategy	Actions in 2023/24
Our growth is dependent on securing contracts with new customers, retaining contracts with existing customers, and reviewing acquisition opportunities. The Group continues to navigate through both internal and external change requirements such as regulatory changes, which could present operational, reputational and financial implications.	Customer relationships	The Board receives regular updates on the contractual position of all key customers and implements necessary action where required. Rigorous pre-acquisition due diligence reviews are performed for all business acquisitions. Internal and external change requirements are appropriately considered to ensure operational excellence and compliance with regulations, with performance being monitored by Senior Management and operational staff.	• Capital investment across the Group continued to build capacity and capability in existing facilities and also enabled the acquisition of new facilities and agricultural supply chains. • The Group has secured new contracts in cooked meats, slow cooked and added-value poultry in the year, and continues to identify new growth opportunities.

PRINCIPAL RISKS AND UNCERTAINTIES
CONTINUED

COMMERCIAL

Reliance on key customers and exports

Risk description and impact
A significant proportion of the Group's turnover is generated from a small number of major customers. 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.

Strategic enabler

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

Actions in 2023/24
- We continued to proactively engage with potential new customers and markets while strengthening relationships with existing major customers.
- We continued to lobby the Government and associated trade bodies to help improve relationships with China and other countries that the Group exports to.

Consumer demand

Risk description and impact
The Group faces external economic and social challenges, such as inflation within the UK economy and changes to food consumption patterns, which could lead to a fall in demand for the Group's products.

Strategic enabler

Mitigation strategy
Even in volatile economic conditions, pig and poultry products remain extremely competitively priced and sought-after products.

The Group is constantly reviewing emerging trends in consumer eating habits, working closely with its key customers to adapt to changing consumer requirements, and offers a range of products across premium, standard and value tiers which can be flexed accordingly.

Actions in 2023/24
- We continued to work with retailers and industry bodies to promote the role of meat as part of a healthy, balanced and sustainable diet.
- We have worked with our customers to continue to promote our product ranges and adapted our offerings including entry level product ranges.

Pig meat availability and price

Risk description and impact
The Group is uniquely exposed to issues associated with the availability of pig meat and its price. A lack of availability of pig meat or an increase in pig prices could adversely impact the Group's operations and our ability to supply key customers.

Strategic enabler

Mitigation strategy
The Group has a trusted long-standing farming supply base that is accompanied by supply from the Group's own farms, which has been significantly increased by acquisitions and investment over recent years.

Actions in 2023/24
- We have increased the number of pigs supplied from our own farms through the acquisition of Elsham Linc Farms, to help uplift our own self sufficiency of supply.
- We continued 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 face adverse media attention as a result of alleged animal welfare incidents, protests, vigils or other operational incidents. Failure to identify, escalate and respond to adverse media coverage may result in reputational damage.

Strategic enabler

Mitigation strategy
The Group closely monitors business and industry related media attention. There are arrangements in place to manage media coverage in a consistent and appropriate manner.

Actions in 2023/24
- A number of new media monitoring processes have been introduced and enhanced internal communication flows implemented when events happen.
- Additional training has been completed at sites to ensure colleagues are able to deal with any potential incursions appropriately.

FINANCIAL

Interest rate, currency, liquidity and credit risk

Risk description and impact
The Group needs continued access to funding for current business activities, future growth and acquisitions. In addition, the Group is exposed to financial risk on borrowings and foreign currency fluctuations in some areas.

Strategic enabler

Mitigation strategy
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.

The Group uses currency hedging arrangements to mitigate the risks associated with foreign currency movements.

Actions in 2023/24
- We have continued to monitor our currency, liquidity, interest, and customer credit risks during the year and ensured that the Group's £250 million borrowing facility remains appropriate.

OPERATIONAL

Health and Safety

Risk description and impact
The Group is exposed to the risk of breaching Health and Safety legislations. Breach of these could cause reputational damage and could lead to regulatory penalties, restrictions on operations, fines, or personal litigation claims.

Whilst no major health & safety incidents have occurred in the year, several incidents in the food industry have been reported in the media.

Strategic enabler

Mitigation strategy
The Group has robust Health and Safety processes and procedures in place which are periodically independently reviewed, conform to all relevant regulations and standards, and embrace 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 2023/24
- The Group has finalised a new three-year Health and Safety strategy and launched a paperless reporting, inspection, and risk assessment system.
- Due to enhanced ways of working, the Group has seen a reduction in RIDDOR, lost time, and total accidents compared to previous years.

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. Incidents could lead to product recall costs, reputational damage, and regulatory penalties.

Strategic enabler

Mitigation strategy
The Group ensures all raw materials are traceable to the original source.

Site manufacturing, suppliers, storage, and distribution systems are continually monitored.

The Group has established crisis management procedures to reduce potential impacts and improve communications to key internal stakeholders.

Actions in 2023/24
- We have restructured our approach to operational audits to ensure a more holistic and in-depth review is taken, focusing on food safety, integrity, and quality within the factory.
- Our 'Brilliant Basics' campaign has been rolled out across the business to further embed food safety and hygiene culture, and has been equally well received by colleagues and customers.

Disruption to group operations

Risk description and impact
Significant incidents such as fire, flood or loss of key utilities, together with the breakdown of key machinery, could result in prolonged disruption to site operations.

Strategic enabler

Mitigation strategy
Continuity plans are in place and insurance arrangements exist across the Group to mitigate financial losses.

Business disruptions are minimised through potentially utilising multiple sites to operate many of the Group's core product lines.

Actions in 2023/24
- In consultation with a third-party business continuity specialist, the Group has started reviewing and updating its existing business continuity arrangements.
- The Group has conducted a thorough review of its insurance arrangements to ensure that they provide sufficient cover.

PRINCIPAL RISKS AND UNCERTAINTIES
CONTINUED

OPERATIONAL CONTINUED

IT systems and cyber security

Risk description and impact	Strategic enabler	Mitigation strategy	Actions in 2023/24
In common with other businesses, the Group is susceptible to cyber attacks. Such incidents could impact the Group's financial performance and be a threat to the overall confidentiality and availability of systems data. While no material cyber security breaches have occurred over the course of the year, the Board is aware of the ongoing risks in this area, given the increasing sophistication and evolving nature of this threat.		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. Cyber insurance is in place across the Group which provides financial cover and specialist technical and legal support in the event of a significant cyber incident.	• A Cyber Security team has been created within our Group IT Department who are responsible for improving our security posture and reducing security risk. • We have introduced a documented cyber incident response plan and engaged with independent third-party cyber security specialists to assess our security posture and maturity.

Labour availability and cost

Risk description and impact	Strategic enabler	Mitigation strategy	Actions in 2023/24
The Group faces external political and economic pressures which can affect the availability and associated costs of labour or specialist skills. Failure to manage this could adversely impact the Group's operations and financial performance.		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. The Group is actively progressing options to employ more permanent members of staff. Alternative methods of production are being considered to embrace emerging technological advancements.	• We continued to look at alternative routes for recruitment to fulfil our skilled worker requirements and have focused on recruiting agency staff onto permanent contracts to protect key roles in the business. • We have enhanced our reward and recognition platform which offers a number of benefits to staff.

Disease and infection within livestock

Risk description and impact	Strategic enabler	Mitigation strategy	Actions in 2023/24
The Group faces risks associated with outbreaks such as African Swine Fever ('ASF') or Avian Influenza ('AI'). Such outbreaks 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 and financial performance.		The Group's pig farming activities, and other farms from which third-party pig meat is sourced, have a broad geographical spread to avoid relying on a single production area. The Group's poultry flock is housed indoors which reduces the risk of disease. Robust vaccination and bio-security protocols mitigate the risk of disease and infections within the Group's pig and poultry farms.	• The Group has lobbied relevant government bodies to strengthen meat checks at UK borders and to clarify the proposed changes to disease legislation, ensuring the industry can respond quickly and effectively in the event of an outbreak of ASF in the UK. • We continue to trial rapid disease diagnostic equipment to improve disease surveillance, disease management and appropriate intervention within our farming businesses.

Recruitment and retention of key personnel

Risk description and impact	Strategic enabler	Mitigation strategy	Actions in 2023/24
The strategic growth and success of the business is dependent on attracting and retaining quality, skilled and experienced personnel. Failure to do this could adversely impact the Group's operations and financial performance.		Robust recruitment processes, competitive remuneration packages, ongoing training, and development plans are in place across the Group. Formalised succession plans are in place for key personnel.	• We have recruited 12 graduates during the year across Commercial, IT, Technical and generalist schemes. In addition, we currently have 34 degree apprentices and a further 118 skilled apprentices completing their training in various functions across the business. • 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 2027 is an appropriate period over which to provide its Viability Statement. This time frame has been specifically chosen due to the fast-moving nature of the food industry and the current financial and operational forecasting cycles of the Group.

In making this assessment of viability, the Board carried out a robust assessment of the principal 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 69 to 72 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 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 value-add products and an outbreak of Avian Influenza ('AI') and African Swine Fever ('ASF') 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.

Although we are seeing improving customer confidence and growing demand for premium products, current economic and geopolitical challenges have a potential to disrupt the demand for Cranswick's products. Key assumptions of the scenario analysis included an overall five per cent reduction in revenue across most of Cranswick's businesses. Additionally, a further five to ten per cent decrease in revenue was projected for businesses specialising in premium and value-added products, which are usually more expensive and considered as a treat, rather than necessity. Assumption was made that the tangible effects will commence promptly following the signing of the Group's financial statements in June 2024 and persist throughout the entire viability period. Given the relatively brief impact period, no workforce redundancies were assumed, and central costs remained unadjusted.

In respect of African Swine Fever, the most severe but plausible downside scenario identified was the inability to sell any pork products in the UK during the affected period. This scenario also assumed that the facilities, which supply solely pork products, or which are unlikely to have sufficient demand for alternative proteins, are closed and most employees at those facilities are made redundant. Moreover, it was assumed that the majority of multi-protein sites do not fully recover pork volumes, resulting in additional demand for poultry and continental products, which in turn led to increased poultry prices due to reduced protein availability. Mitigating actions in the scenario analysis included management of discretionary and capital 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 assumed 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 short period of time. Assumption was also made that other Cranswick Group entities, currently buying poultry produce from Cranswick's poultry businesses, would be able to source materials from alternative sources. Given the relatively brief impact period, no workforce redundancies were assumed, and central costs remained unadjusted.

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 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 a strong 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 27 March 2027.

NON-FINANCIAL AND SUSTAINABILITY 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 & Energy Policy Group Water Policy Group Deforestation Policy Group Sustainability Procurement Policy Animal Welfare Policy ISO140001 accreditation Above policies can be found on our website: www.cranswick.plc.uk	A description of the Group's work on our sustainability strategy Second Nature can be found on pages 30 to 37 and on pages 44 to 46. The Group's work on procurement and animal welfare are discussed on pages 57 to 59.
Employees	Health and Safety Policy Group Equal Opportunities, Harassment and Dignity at Work Above policies can be found on our website: www.cranswick.plc.uk	A description of the Group's activities in relation to employees, including our Health and Safety activities can be found on pages 51 to 54.
Human Rights	Group Human Rights Policy Anti-slavery and Human Trafficking Policy Group Equal Opportunities, Harassment and Dignity at Work Above policies can be found on our website: www.cranswick.plc.uk	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 Above policies can be found on our website: www.cranswick.plc.uk	Cranswick is committed to doing business in an ethical way and our policies apply to all operations. For more details, see pages 47 to 64.
Anti-corruption and anti-bribery	Anti-Bribery Policy Group Ethical Trading Policy Above policies can be found on our website: www.cranswick.plc.uk	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 69 to 72.
Description of the business model		See pages 6 to 9.
Non-financial KPIs		See page 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 uses an independent third-party whistleblowing hotline system, which enables employees and third parties to report, anonymously if required, any concerns. The whistleblowing 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. Steps are also taken during the year to publicise the availability of the hotline to the Group's employees.

The operation of the Group's whistleblowing arrangements is subject to annual review by the Board and periodic audit by the Group's Internal Audit function.

Whistleblowing Reports are reviewed quarterly by the Audit Committee and are subject to an annual review by the Board. During the 53 weeks ended 30 March 2024, thirty whistleblowing reports were received and investigated, which related predominantly to human resource related matters. In the year, eleven whistleblowing grievances were raised in relation to bullying and harassment, eight for health and safety matters, seven on discrimination and work relations, three concerns over pay rates and one in relation to inappropriate behaviour.

Our Strategic Report for the 53 weeks ended 30 March 2024, from the inside front cover to page 74, has been reviewed and approved by the Board and is signed by order of the Board.

Steven Glover
Company Secretary

21 May 2024

CORPORATE GOVERNANCE

CHAIRMAN'S OVERVIEW

"THERE HAS BEEN A SIGNIFICANT FOCUS ON INCREASING THE GROUP'S LONG-TERM RESILIENCE BY INVESTING IN OUR SUPPLY CHAINS, AGRICULTURE AND SEEKING TO ADDRESS LABOUR AVAILABILITY ISSUES.

Tim J Smith CBE
Chairman

As the Group continues to drive growth through its vertically integrated business model, the Board has taken into account the impact on our stakeholders as we continue to promote delivery of the Group's strategy.

Securing our growth

Whilst general inflation has eased since the publication of last year's Annual Report & Accounts, food inflation (whilst decreasing) remains an issue for consumers as cost-of-living pressures continue. This is combined with increasing concern about UK food security and reliance on extended supply chains in an environment of political instability and change globally. Concerns are further compounded by the availability of labour in the food sector, which is required to underpin delivery of UK food security. The resilience of the UK's food supply has been significantly tested in recent years and there is no sign that those unexpected events, and others which could have been foreseen, will reduce in frequency or severity. There is a clear need for government to provide long-term leadership of the food system.

The Board continues to monitor the impact of inflation on our stakeholders including consumers, the communities we operate in and our colleagues. Whilst we remain concerned about this, there has also been significant focus on increasing the Group's long-term resilience by investing in our supply chains, agriculture and seeking to address labour availability issues through various recruitment initiatives and investment in further automation. We do this whilst also balancing our Second Nature sustainability strategy to make meat more sustainable and to become the food industry's most sustainable business.

This requires our corporate governance processes to take into account and balance a wide range of resulting considerations relating to our stakeholders. We appreciate that this means it is not possible to always accommodate fully all conflicting interests and that there will often be a range of views on key decisions. However, the Board is mindful of this and its responsibilities and we have explained in our Strategic Report and on pages 82 to 83 of the Governance Report some of the key decisions made and how we have taken stakeholder interests into account.

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 93 which explains those areas where we have deviated from the Code and, where appropriate, actions taken to address these.

Corporate Governance Reform

In January 2024, the Financial Reporting Council (FRC) published the 2024 Corporate Governance Code which will apply to the Company from January 2025, which follows earlier consultation by the Government relating to trust in audit and corporate governance. We welcome the targeted approach taken by the FRC and balance struck between UK competitiveness and outcomes for companies, investors and the wider public.

The new Corporate Governance Code includes a number of changes in relation to Board leadership and Company purpose, succession and evaluation and remuneration, much of which the Company has, in practice, already adopted or is in the process of evolving to implement. More substantive changes have also been introduced relating to audit, risk and internal controls which enhance the Board's obligation to monitor and report on the effectiveness of such controls. In relation to this and in anticipation of the proposed changes, the Audit Committee initiated a project in 2022, with the assistance of external consultants, to review and enhance our controls and to monitor the effectiveness of these over the Company's material financial, operational, reporting and compliance risks, which will ensure full compliance by the Group within the FRC's deadlines for implementation.

Separately, we also welcome the FRC's market study on the UK sustainability assurance market, where we believe there is greater scope to establish clearer market practice and standards to assist companies in making appropriate disclosures and shareholders to review these to assess ESG performance.

Operation of the Board

During the year the Board met regularly, with a number of site tours being undertaken by Directors at the Group's facilities to review key investments being made and 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 82 to 88 of the Governance Report. The Board continued to consider the interests of all its stakeholders when making its decisions and a further explanation identifying the Group's various stakeholders and how their interests have been taken into account, along with our section 172(1) Statement, is set out on pages 47 to 50 of the Strategic Report.

Matters considered by the Board covered broad strategic concerns and included an ongoing review throughout the year of labour availability, particularly in light of proposed Government changes to established migration schemes. The Board engaged with relevant Government Departments, Labour shadow ministers and industry groups relating to this given its central importance to the food sector. The Board also reviewed a range of strategic investments in the Group's existing facilities and through complementary business acquisitions which give the Group further control over its supply chain to enable continuity of supply to its retail customers. Given challenges faced by the sector, the Board believes this will become increasingly important and a key differentiator to the Group's UK competitors.

This year, the Remuneration Committee has undertaken its scheduled triennial review of the Directors' Remuneration Policy. The changes proposed are the result of extensive consultation with stakeholders and reflect the Board's desire to incentivise the Executive Directors to remain with the business and continue to promote the growth of the Group over the medium-term, whilst continuing to take the prudent view when managing risk that has served us so well to date. In particular, the proposals include new incentives to achieve growth above and beyond that targeted under the Group's existing incentive schemes, which reflects the confidence and ambition that the Group has in its growth strategy and executive team. I am also very pleased that we have been able to introduce a new Buy As You Earn share incentive plan, available to all our workforce, which will further broaden engagement of our colleagues in the future success of the business. Details of these changes are set out in the Remuneration Committee report on pages 105 to 111.

Last year, Board effectiveness was reviewed through an independent external process and we have reported on the implementation of steps taken to enhance the governance of the Company and independence of the Board in light of the recommendations made. Further details can be found on page 91 of the Governance Report.

Board succession and diversity

During the year we appointed Alan Williams as a Non-Executive Director, who until recently was the Chief Financial Officer of Travis Perkins plc, bringing significant financial experience combined with food sector experience, having also previously had senior roles at Greencore and Cadbury. Alan has succeeded Liz Barber as Chair of our Audit Committee and has also joined our Nomination and ESG Committees. We also recently announced the appointment of Rachel Howarth as an additional Non-Executive Director from 30 April 2024. Rachel is the Group People Officer at Whitbread plc and was previously the Group HR Director of SSP Group plc and has become a member of the Remuneration, Nomination and ESG Committees.

Details of the processes undertaken in relation to the appointment of Alan and Rachel are set out in the Nomination Committee Report on pages 101 to 104.

During the year Mark Reckitt and Pam Powell both retired as Non-Executive Directors. We thank both for their contribution to the Group and wish them well for the future.

The Nomination Committee also reviewed diversity initiatives being undertaken and has considered various voluntary disclosure requirements being promoted relating to ethnic diversity. Whilst over the longer-term diversity is being addressed through our recruitment and graduate programme supplemented by external recruitment and enhanced policies and training, we recognise that our current senior management are not ethnically diverse, which is discussed in more detail, along with measures we are taking to promote diversity and inclusion, on page 104 of the Nomination Committee Report and on page 54 of the Strategic Report.

Sustainability

Our ESG Committee has continued to develop over the year, overseeing the refresh of our Second Nature strategy to make it more accessible, relevant and relatable for our stakeholders. I am also pleased that the Committee has taken significant steps in relation to the promotion of social sustainability, which we recognised required further development in last year's Annual Report and Accounts, with the establishment of a Social Impact Committee to provide more focused support for this element of our ESG agenda. Further details of the ESG Committee and its activities are set out in the ESG Committee Report on pages 94 to 95.

Governance

Your 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

21 May 2024

BOARD OF DIRECTORS

TIM 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.

Non-Executive Chairman of Sheffield Hallam University.

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

LIZ BARBER

Senior Independent Non-Executive Director

Term of office: Liz was appointed as an independent Non-Executive Director in 2021 and is the Senior Independent Director and Interim Chair of the Remuneration Committee.

Committee membership: A E N R Chair

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, Encyclis Limited and Sizewell C Limited.

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

ALAN WILLIAMS

Non-Executive Director

Term of office: Alan was appointed as an independent Non-Executive Director in 2023 and is Chair of the Audit Committee.

Committee membership: A Chair E N

Independent: Yes

Skills and experience: Alan was the Chief Financial Officer of Travis Perkins plc, the UK's largest distributor of construction materials. Prior to this, Alan held a number of senior management roles in the food sector having served as CFO at Greencore Group plc for six years and previously working at Cadbury plc in a variety of financial roles in the UK, France and the USA. In addition to his finance background, Alan has extensive experience in leading strategic initiatives, mergers and acquisitions, integrations and business transformation. Alan is a member of the Institute of Management Accountants.

External appointments and commitments: Executive Director of Travis Perkins plc between 2017 and 2024.

YETUNDE HOFMANN

Non-Executive Director

Term of office: Yetunde was appointed as an independent Non-Executive Director in 2022 and is the Non-Executive Director responsible for workforce engagement.

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.

RACHEL HOWARTH

Non-Executive Director

Term of office: Rachel was appointed as an Independent Non-Executive Director in 2024.

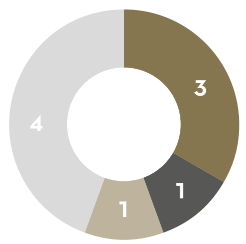
Committee membership: N R E

Independent: Yes

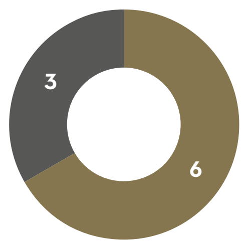
Skills and experience: Rachel is the Group People Officer at Whitbread plc, which is the owner of Premier Inn, the UK's biggest hotel brand employing over 39,000 people in over 1,700 Premier Inn hotels and restaurants across the UK. Rachel was previously the Group HR Director with SSP Group plc, before which she spent sixteen years with Tesco plc, in operational and human resource capacities and has also served as an officer in the Royal Air Force, specialising in logistics and supply chain.

External appointments and commitments: None

Board by Tenure



Board by Gender



Board by Age

Committee Membership

- A Audit Committee
- R Remuneration Committee
- N Nomination 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	5	4	5	3
	Meetings attended	**Meetings attended**	**Meetings attended**	**Meetings attended**	**Meetings attended**
Executive Directors					
Chris Aldersley	10/10	N/A	N/A	N/A	2/3[1]
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					
Liz Barber	10/10	5/5	4/4	5/5	3/3
Yetunde Hofmann	9/10[2]	5/5	3/4[2]	4/5[2]	2/3[2]
Pam Powell	4/10[3]	2/5[3]	1/4[3]	2/5[3]	1/3[3]
Mark Reckitt	4/10[4]	2/5[4]	1/4[4]	2/5[4]	1/3[4]
Tim Smith	10/10	5/5[5]	4/4	5/5	3/3
Alan Williams	6/10[6]	3/5[6]	3/4[6]	N/A	2/3[6]
Rachel Howarth	0/10[7]	N/A	0/10[7]	0/10[7]	0/10[7]

1. Chris Aldersley was unable to attend the April ESG Committee meeting due to a long-standing conflicting commitment prior to his appointment as a Director, which was approved by the Board.
2. Yetunde Hofmann was unable to attend the April Board, Nomination Committee, Remuneration Committee and ESG Committee meetings due to a long-standing conflicting commitment prior to her appointment as a Director, which was approved by the Board.
3. Pam Powell retired as a Director on 1 September 2023 and attended all relevant meetings prior to retirement.
4. Mark Reckitt retired as a Director at the Company's AGM on 24 July 2023 and attended all relevant meetings prior to retirement.
5. Tim Smith attends the Audit Committee as an observer.
6. Alan Williams was appointed as a Director from the Company's AGM on 24 July 2023 and attended all relevant meetings following appointment.
7. Rachel Howarth was appointed as a Director on 30 April 2024 and therefore did not attend any meetings during the period reported.

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 in relation to which controls previously agreed remain in place. The Board also reviewed Rachel Howarth's potential conflict of interest arising as a result of her employment as executive of Whitbread plc (which is a customer of the Group) in relation to which appropriate controls have been agreed to address any conflict. 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 68 to 72 further outlines 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 and is subject to review at the Company's forthcoming AGM in July 2024, when Shareholders will be asked to approve a revised Remuneration Policy. This is included in the Remuneration Committee Report on pages 105 to 110 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 82 and in our Section 172(1) Statement on pages 47 to 50.

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 page 83. Details of the Company's major Shareholders are set out on page 133.

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 workforce and investors is described as follows.

Workforce engagement

We have 11,191 permanent full-time employees, who are employed on full-time contracts. We do not have any zero hours contracts within this cohort of staff. We also employ 355 permanent part-time employees, and 2,996 agency employees who will either have a contract for services with an employment Agency, or be employed on a permanent contract with the relevant Agency. Where there is a permanent position available for agency workers they will be employed on a full-time and permanent contract with Cranswick after a 12-week period of time.

Our colleagues are key to the delivery of our strategy, and we believe are 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. We prioritise representation chosen by our workforce, typically through Works Committees established at each site. Additionally, where preferred by employees, we facilitate representation through trade unions. Currently, three of our sites operate under collective bargaining agreements. These mechanisms provide avenues for employees to voice their opinions, share suggestions, address concerns, and engage in wage negotiations.

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.

As indicated in last year's report, the Group has appointed Yetunde Hofmann to take over the role of designated Non-Executive Director responsible for workforce engagement (ENED). We have also taken the opportunity to strengthen the engagement process, enable broader involvement and ensure a consistent and coordinated approach. This has involved engaging with a wider and more diverse cross-section of the workforce that goes beyond, without excluding, established Works Councils that our engagement had previously focused on.

We have also taken the opportunity to restate the purpose of employee engagement which is to understand what it is really like to work at Cranswick with the aim of this contributing to the purpose, vision and long-term success of the Group. The key aims of our engagement process are to:

- Develop the understanding of the culture of the Group in the context of the employee.
- Enable greater insight into issues and differences experienced by our workforce at all levels.
- Enhance the ability of the Board to make effective decisions that impact the long-term success of the Group.

Yetunde's responsibilities underpin putting the purpose of our employee engagement into effect and include:

- Managing the process on behalf of the Board, including setting standards in relation to the format of meetings and key engagement topics to be raised.
- Liaising with colleagues in HR and management (in particular the Chief Operating Officer) to facilitate meetings.
- Coordinating and attending site visits and engaging with local staff.
- Coordinating online cross company engagement forums and meeting with the Group Diversity, Equality and Inclusion Committee.
- Issuing regular reports to the Board raising in confidence any issues that require addressing and leading the annual Board review of employee engagement.

During the year, seven ENED visits were undertaken to a range of facilities covering a range of the Group's activities and geographic regions that we operate in. Yetunde also met with the Diversity, Equality and Inclusion Committee to review their work and understand the challenges faced. Other Non-Executive Directors are encouraged to also participate in employee engagement and participated in a number of the ENED visits.

Key themes that were evident from the ENED visits included the following:

- **Pride in Work:** At all facilities visited it was evident that there was a sense of pride amongst the workforce in their facility and the work that they were undertaking.
- **Environmental:** There was a significant level of understanding and engagement with the Group's environmental agenda and, in particular, the Second Nature initiative.
- **Health and Safety:** There was a focus at each of the facilities on ensuring that colleagues have a safe working environment and that steps were taken to address any risks identified.

Outcomes from the visits included a number of recommendations, which the Board has reviewed and agreed further actions required where appropriate with local management. These include the following:

- **Communication:** Whilst the Group clearly articulates its strategy to its investors, it was apparent that communication to the workforce could be improved. In particular, it was evident that the way in which the strategy was translated into local goals and actions at individual sites required further focus, together with communication of any major changes proposed. The Board have considered this and are developing a communication plan and delivery with a greater use of 'townhall' meetings hosted by local management.
- **Local Communities:** Where the Group is undertaking significant development of its activities in an area, colleagues were sometimes of the view that greater engagement could be undertaken with surrounding communities. The Board recognised the need to communicate with our local communities but also has to balance this with commercial sensitivities and ensuring that its plans are sufficiently advanced to make any consultation worthwhile and constructive. The Board has reviewed its engagement with local communities and has taken steps to enhance this through online presentations relating to major developments being undertaken and greater participation by management in local community meetings.
- **Workforce Nationalities:** The Group has a wide range of different nationalities employed at each of its facilities with colleagues from around the world, and with significant numbers who originate from Eastern European and South-East Asian countries. Whilst the make-up of nationalities varies considerably across the Group's facilities, at a number a need has been identified for greater communication by management across all of the nationalities employed, rather than focusing on the predominant groups. Management are working with HR to develop more inclusive communication plans involving greater use of translated materials and are also looking at more actively promoting communication between our various national groups of workers.

- **Diversity:** The Group's Diversity, Equality and Inclusion Committee met with Yetunde. It was recognised that significant progress had been made over a relatively short period of time and that the Group had been well supported through sponsorship by senior management. A number of suggestions were made to further promote the Group's diversity agenda which included obtaining more accurate diversity data across the Group and greater training for staff, more direct interaction with the Board and leveraging the Group's relationship with charitable organisations to also cover diversity. We are in progress of introducing the Group's new HR system, enhancing the quality of diversity data available. Furthermore, a diversity training module has been introduced into staff training. The Committee will also now be interfacing directly with the Board ESG Committee to support the Group's ESG agenda and we are looking at ways to further broaden our interaction with charities we support to also include activities focused on diversity. Further details of the Group's activities and approach in relation to diversity are set out on pages 54 to 64 of the Strategic Report and in the Nomination Committee Report on pages 101 to 104.
- **Hybrid Working:** Colleagues were keen that a consistent policy relating to hybrid working is promoted and communicated across the Group as a positive step in embracing the diverse needs of all of our workforce. Whilst the nature of much of the work undertaken in manufacturing means that there is limited scope for hybrid working for many roles, further consideration is being given to development of a Group-wide policy where appropriate.

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 stakeholders and key themes that have been raised and how these have influenced the Board in its decision-making are set out on pages 81 to 82.

BOARD ACTIVITIES

The Board met regularly throughout the year to discharge its duties. There were ten scheduled meetings 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 80.

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 86, 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 47 to 50 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:

Growth Agenda

During 2023/24, the Board considered a range of investments to advance the Group's growth strategy, which it reviewed in detail at our Board Strategy Day last year. These included the approval for the fit-out of the Group's new facility at Worsley, investment in 'slow cook' capacity in Hull, the acquisition of Froch Foods and investment in the Group's Pet Products division, further details of which are set out in the Strategic Review.

Each investment involves the consideration of a range of stakeholder interests which can vary depending on the individual project. Whilst Cranswick operates in a balanced and responsible way taking account of our wide range of stakeholders, our shareholders remain the Group's key stakeholders and it is important that our investments can be financially justified and generate attractive returns on capital for shareholders. A key part of the Board's assessment is therefore the efficient allocation of the Group's capital and the return on investment that will be achieved and ability to generate returns over the longer-term. Whilst the Group has invested significant amounts of capital over the year both in its existing facilities and through undertaking several acquisitions of new businesses, a number of projects were not progressed where, in the Board's view, appropriate returns were not achievable.

The Board also took into account the impact of its investments on local communities. Whilst creating employment opportunities, significant investment can cause disruption in the areas affected during construction phases, and can result in long-term increases in local traffic. Where possible the Group seeks to minimise impact and mitigate disruption through design, working with consultants and local planning authorities and by incorporating leading technology to make the Group's facilities 'best in class'. The Board also oversees engagement with local communities at an appropriate stage to explain its proposals and take account of local sensitivities, with consultation being undertaken through meetings and online presentations.

Consideration has also been given by the Board to the impact of investments upon the Group's workforce. In general terms investments have been viewed as positive, with employees regarding this a vote of confidence in their facilities further securing their futures and often creating career opportunities. Where concerns are expressed relating to the introduction of new technology and the impact on job security, the Board ensures that appropriate consultation is entered into explaining the impact of proposed investments, which have generally improved efficiency without an adverse impact on employment opportunities for the Group's workforce, given current labour pressures.

Sustainability and impact on the environment has also been a significant consideration in relation to the Group's investments, where the Board has had to balance the increased costs resulting from this with its Second Nature sustainability commitments and targets. In certain cases the Board has accepted that the Group's Second Nature mission to make meat sustainable and make Cranswick the food industry's most sustainable business has required that lower levels of return are necessary to support these long-term goals. Further details of sustainability considerations are set out on pages 30 to 38 of the Strategic Report.

Supply Chain Security

The Board has been focused on food supply chain security given the numerous challenges the UK farming sector has experienced over recent years, including the Ukrainian conflict, labour shortages and feed price inflation. As a result, the UK pig herd has contracted leading to pig supply tightening and prices increasing. The UK poultry sector is also likely to experience pressure as stocking densities are reduced to address animal welfare concerns resulting in reduced rearing capacity in the absence of investment in significant new facilities.

The Group has addressed these concerns through the acquisition of Elsham Linc indoor pig farming business to significantly increase the size of its indoor pig herd and to add additional milling capacity. The Group is also developing its existing businesses through further investment in its herds and farming infrastructure, including the establishment of new pig and poultry facilities. We are also developing longer-term relationships with our key third-party suppliers through closer collaboration and partnership arrangements to support such suppliers and provide them with greater security.

Increasing the level of integration and investment in our supply chain reflects the importance to our retail customers (and more generally to consumers) of security of supply which the Board has taken into account when considering its supply chain investments. Whilst price remains important to retailers, the ability to deliver products reliably and consistently is becoming more relevant and represents a competitive advantage that the Group has over many of its UK competitors without integrated supply chains.

The expansion of the Group's control over its supply chain enables the Group to capture additional margin in relation to its products and to invest further capital at returns consistent with the Group's strategic plan, which is in the interest of its shareholders. Greater visibility in relation to its supply chains also means that pricing is more predictable and transparent for the Group's long-term retail customers under its model-based supply arrangements.

The Board recognises that significant environmental concerns arise relating to both pig and poultry farming that have been highlighted by concerns over farming practices by some of our competitors and their impact in areas such as the Wye Valley, where significant pollution has been attributed to poultry farming. The Board is mindful that its environmental performance also impacts the Group's perception by investors and our colleagues who want to work for a company that is focused on mitigating the impact of its operations. The Group addresses this through its Second Nature Strategy and investment in regenerative agricultural systems which are highlighted on pages 30 to 38 of the Strategic Report.

The Board is conscious that the expansion of the Group's activities can have a significant impact on local communities particularly in rural areas. Such concerns are taken into account in relation to the design and implementation of our investment projects which seek to limit the impact on the areas we operate in. Whilst the investment and job opportunities created are often welcomed, reactions in some areas are more mixed and, notwithstanding it's efforts to do so, the Group sometimes faces challenges in fully accommodating the concerns of all of those in its local communities who object to its investment projects.

Labour

The Board has continued to focus throughout the year on the shortage of labour in the food and agriculture sector and received regular reports from the Group HR Director on challenges faced. In order to ensure that the Group has the skilled workforce to support its operations we have continued to promote a career with the Group in our local communities through schools and our expanded graduate and apprenticeship programmes, with which Board members have been engaged. The Board has also sponsored the recruitment of over 650 colleagues from the Philippines into farming, engineering and technical roles which were becoming increasingly challenging to recruit into locally, further details of which are set out in page 15 of the Strategic Report.

The Group has also positioned itself generally as a sector-leading employer on pay, working conditions, professional development, Health and Safety, inclusivity and wellbeing to attract and retain our workforce. The Group also continues to invest heavily in its facilities to promote efficiency and reduce reliance on labour, which continues to be a diminishing and increasingly costly resource. Labour availability and our workforce plans to address this are now one of the Board's primary considerations when developing new facilities or investing to expand existing sites.

Concerns relating to labour availability have been heightened by recent changes to the Government's sponsorship schemes which the Board has been monitoring closely as they are likely to significantly reduce the labour pool available to the food and agriculture sector from overseas and will potentially impact both food prices and security. The Board continues to pro-actively engage with the Government to review the current approach being taken to address the Board's concerns and to develop viable alternatives.

BOARD ACTIVITIES
CONTINUED

	Link to Principal Risks See pages 69 to 72 for more information.
Strategy	
Reviewing Group strategy at Board meetings throughout the year.	• Competitor Activity
Receiving presentations from operational management on future strategic opportunities.	• Climate Change
Considering potential acquisition opportunities and other strategic initiatives.	• Growth & Change
Reviewing the Group's investment programme to enhance its facilities and strengthen its supply chains.	• Reliance on Key Customers & Exports • Consumer Demand
Performance monitoring	
Considering monthly reports from the Group's Executive Directors.	• Disease & Infection within Livestock
Receiving reports from Board Committee Chairs.	• Interest Rate, Currency, Liquidity & Credit Risk
Approving the Group's budget.	
Reviewing and approving the Group's Annual Report and Accounts, financial and interim results and trading updates.	• Pig Meat Availability & Price
Approving capital expenditure proposals and leases in excess of £2 million and certain key contracts.	
Approving the Company's dividend strategy and recommending the 2022/23 final dividend and 2023/24 interim dividend.	
Governance and risk	
Reviewing three-year forecasts and other factors in support of the Viability Statement (viability is considered in detail on page 73).	• Adverse Media Attention • Disruption to Group Operations
Considering the Group's Risk Appetite Statement and principal non-financial risks to which the Group is exposed (supported by the Audit Committee).	• Food Scares & Product Contamination • Health & Safety
Reviewing the Board Committees' effectiveness and Directors' conflict of interest.	• IT Systems & Cyber Security
Reviewing quarterly Health & Safety, Risk, ESG and Technical updates.	
Overseeing of the Group's whistleblowing arrangements and reports.	
Sustainability	
Considering the Group's sustainability strategy, Second Nature.	• Climate Change
Reviewing the Group's Science-Based Targets and Net Zero 2040 commitment.	• Growth & Change
Reviewing the Group's TCFD and SASB disclosures.	
Reviewing and approving ESG investments.	
People and succession	
Approving the appointment of two new Non-Executive Directors.	• Labour Availability & Cost
Approving the appointment of Senior Executives.	• Recruitment and retention of key personnel
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.	

Promoting our culture

One of the key responsibilities of the Board is to promote of the Group's culture across its businesses to achieve our purpose of feeding the nation with authentically made, sustainably produced food. 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 54 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, diversity and inclusion, 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 2023/24

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.
Reviewed reports from the Designated Non-Executive Director responsible for Workforce Engagement (ENED).	During the year the Board considered a number of reports and related recommendations from the ENED (Yetunde Hofmann) following visits to various Group facilities, further details of which are set out on pages 82 and 83 of the Governance Report.
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 and 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 food industry's most sustainable 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 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 the 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 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 92, 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 periodically held at the Group's sites and Non-Executive Directors regularly visit the Group's sites on an individual basis 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 Environment, Social & Corporate Governance (ESG) Committee, Audit Committee, Nomination Committee and Remuneration Committees are set out on pages 94, 96, 101 and 105 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.

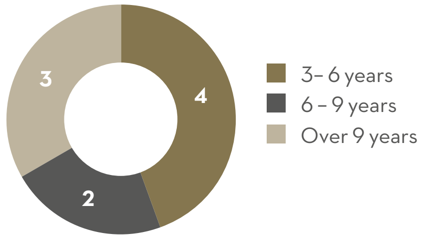
OPERATING BOARDS

FRESH PORK	CONVENIENCE	GOURMET PRODUCTS	POULTRY	PET PRODUCTS

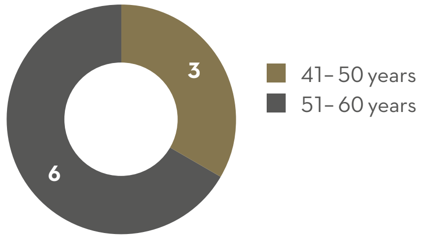
Operating boards (or sub-boards) consisting of Senior Executives from each of the relevant businesses meet regularly to discuss operational and commercial matters affecting such businesses. Operating boards are also attended by the Executive Directors and relevant members of the Group's Food Central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

EXECUTIVE MANAGEMENT

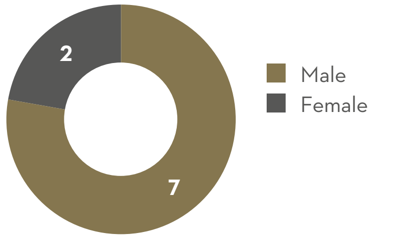
Executive Management by tenure



Executive Management by age



Executive Management by gender



BOARD ACTIVITIES GOVERNANCE FRAMEWORK
CONTINUED

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, Mark Reckitt retired as a Non-Executive Director after nine years of service, Pam Powell retired as a Non-Executive Director after nearly six years of service and Alan Williams and Rachel Howarth were appointed as Non-Executive Directors. Further details relating to appointments to the Board during this year are set out in the Nomination Committee Report on pages 101 to 104.

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 30 March 2024 is set out below.

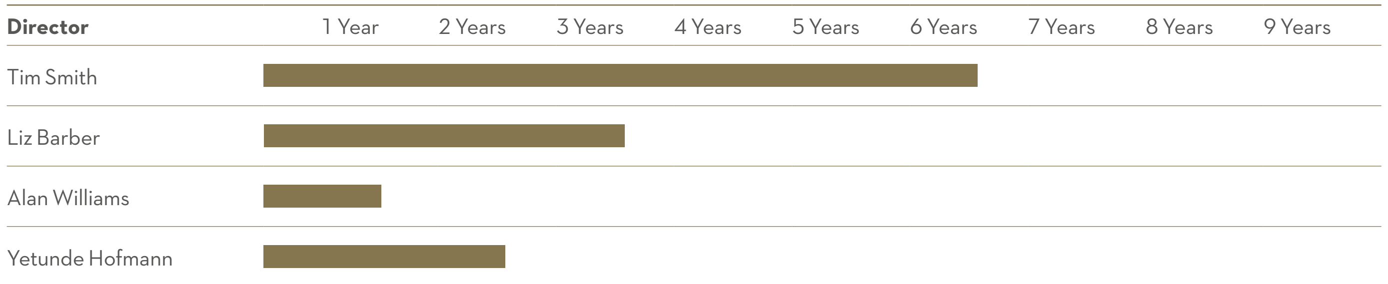
Professional development and support
All Directors are provided with the opportunity for ongoing training to keep up to date with relevant legislative changes, including covering their duties and responsibilities as Directors and the general business environment. Directors can obtain independent advice 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 various technical presentations relating to food manufacturing, H&S and UK equity market regulation and valuations along with other market perspectives from management. The Company Secretary and Group Finance also provide 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 30 March 2024 for Non-Executive Directors



Rachel Howarth was appointed as a Non-Executive Director on 30 April 2024.

BOARD EFFECTIVENESS

A performance evaluation process was undertaken based on an online questionnaire. This was facilitated by the Company Secretary who is considered a suitable and independent person to conduct this process.

Evaluation Process
The Board evaluation was conducted via an online questionnaire and focused on a range of governance matters, including:

- Implementation of the 2022/23 external Board effectiveness review
- 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
- The Board's advisers

In addition, the views were sought from 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.

The Company Secretary then prepared a Board Report summarising the key findings and themes arising from the responses to the questionnaire. The report was then presented to the Board and discussed at its April meeting.

Findings
The report found that the Board continues to operate effectively in a collegiate manner with a strong sense of common purpose and included a good balance of challenge and support to management. The report concluded that the Directors had the necessary skills required for the effective governance of the Company, but recognised that greater digital and cyber experience at a Board level would be an advantage.

The report considered progress in relation to the recommendations made the previous year when, in accordance with corporate governance best practice, an independent external assessment of board effectiveness had been undertaken by Clare Chalmers which had identified scope for further improvement in a number of areas which the Board considered, including the following:

- **The need for a more formal, structured approach to long-term executive succession planning:** A formal succession plan has been developed by the CEO and Group HR Director which has been reviewed by the Nomination Committee and covers key management roles, however, the Board effectiveness evaluation identified the requirement for further progress in relation to development and training of the succession pipeline within the Group, which will be addressed over the coming year.
- **A more central role for the Board in articulating and overseeing strategic aims of the business:** Board meetings over the year have been more focused on strategic matters with a review of forward agendas for the next financial year having been undertaken to maintain attention to strategic priorities. The Board review acknowledged that progress had been made and that the momentum to reorientate the Board's focus should be continued.
- **A deeper understanding of certain risks faced by the Group and to test the Board's appetite for risk:** A number of deep dive reviews have been undertaken by the Audit Committee and the Board has undertaken a review of the Group's appetite for risk, which is reflected in the principal risks and uncertainties summarised in the Strategic Report on pages 68 to 72. Further deep dive reviews of key risks by the Audit Committee will be undertaken during the year.
- **Further development of the ESG Committee in relation to the social aspects of its remit:** Whilst the review identified that further progress is required, it was noted that the Group had now established a Social Impact Committee and that considerable progress had been made. Further details are set out in the ESG Committee Report of pages 94 to 95.
- **Consideration of the frequency and duration of Board and Committee meetings with less emphasis on operational matters:** The Board schedule for the coming year has been reduced to eight scheduled meetings, with a range of more strategic topics, and less emphasis on operational matters included in the Board's forward agenda.

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)
Liz Barber

- 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.
- Chairs the Remuneration Committee.
- 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
Yetunde Hofmann, Alan Williams and Rachel Howarth

- Bring complementary skills and experience to the Board.
- Constructively challenge the Executive Directors on matters affecting the Group.
- Chairs the Audit Committee (Alan Williams).
- 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 94 to 95, the Audit Committee Report on pages 96 to 100, the Nomination Committee Report on pages 101 to 104, and the Remuneration Committee Report on pages 105 to 131, 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 53 weeks ended 30 March 2024, with the following exceptions:

At least half the Board, excluding the Chair, should be non-executive directors whom the Board considers independent (Code Provision 11).

Following the retirement of Pam Powell as a Non-Executive Director on 1 September 2023, the Board had three independent Non-Executive Directors (excluding the Chairman) and four Executive Directors. The Board undertook the recruitment of an additional independent Non-Executive Director using independent search consultants and appointed Rachel Howarth as a Non-Executive Director on 30 April 2024 to address this, following which the Company has been compliant with Code Provision 11.

Further details relating to the recruitment of Rachel Howarth are set out in the Nomination Committee Report on page 101.

The Remuneration Committee should have a minimum membership of three independent Non-Executive Directors (Code Provision 32).

Following the retirement of Pam Powell on 1 September 2023, the Remuneration Committee had only two independent Non-Executive Directors (excluding the Chairman). This was addressed by the recruitment and appointed to the Committee of Rachel Howarth, described in more detail above, following which the Company has been fully compliant with Code Provision 32.

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 109 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

21 May 2024

ESG COMMITTEE

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 53 weeks ended 30 March 2024.

Tim J Smith CBE
Chairman

Composition of the ESG Committee

Committee Members	Meetings attended
Tim Smith – Chair	3/3
Mark Reckitt[1]	1/3
Pam Powell[2]	1/3
Liz Barber	3/3
Yetunde Hofmann[3]	2/3
Alan Williams[4]	2/3
Adam Couch	3/3
Mark Bottomley	3/3
Jim Brisby	3/3
Chris Aldersley[5]	2/3

1. Mark Reckitt retired as a Director at the Company's AGM on 24 July 2023 and attended all relevant meetings prior to retirement.
2. Pam Powell retired as a Director on 1 September 2023 and attended all relevant meetings prior to retirement.
3. Yetunde Hofmann was unable to attend the April ESG Committee meeting due to a long-standing conflicting commitment prior to the appointment as a Director, which was approved by the Board.
4. Alan Williams was appointed as a Director from the Company's AGM on 24 July 2023 and attended all relevant meetings following appointment
5. Chris Aldersley was unable to attend the April ESG Committee meeting due to a long-standing conflicting commitment prior to the appointment as a Director, which was approved by the Board.

Other regular attendees

- The Group HR Director and the Head of Sustainability Strategy & 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 2023/24

Second Nature Strategy

- Reviewed the updated Second Nature Strategy.
- Received reports from and reviewed the activities of the Second Nature Committee.
- Received updates on key initiatives and activities completed to enhance our position on Social Sustainability issues.

TCFD/Climate-related targets

- Reviewed the TCFD disclosure.
- Reviewed climate-related targets, including progress on carbon reduction plans, energy intensity metrics, water intensity and food waste reduction plans in manufacturing operations.
- Reviewed 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 how the recent updates to the TCFD are reflected on internal risk management.

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 the updated strategic position on Social Sustainability issues.
- Reviewed revised guiding principles which define the approach to Social Sustainability issues.
- Reviewed the established four working pillars to support Social Sustainability activities.

Other activities

- Reviewed the Group's policies on Environment and Energy, Waste and Deforestation.
- Reviewed short, medium, and long-term plans on the sustainability agenda.
- Reviewed the ESG Committee Report.
- Approved the Committee's terms of reference.
- Reviewed and approved the strategic decision to cease purchasing carbon credits and place the investment into an Internal Carbon Innovation fund.

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 have a developed ESG governance structure which is described in detail on page 94 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 of 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.

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.

Following Pam Powel's retirement in September, the Committee no longer had majority of independent members, however, this has been addressed by appointment of Rachel Howarth in April 2024.

Our commitments

During the year the Committee continued to review the Group's commitments and targets including reduction plans on greenhouse gases, water use, energy intensity, 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 44 to 46.

The committee considered the areas of priority for the Group's environmental sustainability strategy, and in particular, the commitments to reduce greenhouse gas emissions across all scopes. Part of this process is to understand and discuss key interventions, the costs associated with these activities and the outcome against our SBTi targets in 2030. Further details of our quest to Net Zero are set out on pages 34 to 35 of the Strategic Report.

Also, as part of our wider sustainability commitments, the Committee also considered and reviewed the latest updates to the Group's Sustainability Strategy Platform called Second Nature. The Second Nature platform was established in 2018/19, which lays out our strategic approach to dealing with the challenges that surround sustainability. However, as part of our annual review it was agreed that certain elements of our strategy needed updating and refreshing, given the evolving nature of sustainability. As part of this process the Committee reviewed qualitative and quantitative research to understand internal/external stakeholder views on our current Second Nature Strategy and considered proposed revisions to our guiding principles and the working pillars of our strategy. Our updated approach to setting our Sustainability Strategy can be found on pages 30 to 38.

Social sustainability

In our 2022/23 ESG Report we highlighted the importance and recognition that our sustainability strategy needs a more balanced view on the interconnected nature of both Environmental and Social Sustainability issues. Whilst the Group already has well defined policies in relation to matters such as diversity, inclusion, and human rights, it was agreed that Social Sustainability issues should be incorporated more formally into ESG related discussions and our Group-wide sustainability strategy.

As part of this process, the strategic approach taken to sustainability through our Second Nature platform, was updated in the 2022/23 period, with input and support from the ESG committee members. To help us clearly articulate what Social Sustainability means to internal and external stakeholders we developed a set of guiding principles and working pillars (see page 31). The guiding principle of "Thriving Together with Purpose" sets out our overall approach, whilst the working pillar of "Living Well" brings Social Sustainability to life.

The Group HR Director heads up our social sustainability strategy and is supported by the Group Marketing Director and the Head of Sustainability Strategy and ESG. Over the last 12 months, Social Sustainability considerations and issues have been discussed at our ESG committee and Second Nature committee. Key areas discussed in the last 12 months included, food redistribution activity, volunteering initiatives, DEI approach and community engagement projects.

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 when addressing greenhouse gas emissions, the majority of which encompasses our Scope 3 emissions, which derive from the Group's supply chain and are therefore less easy to influence directly. Work on establishing our Science Based Targets 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

21 May 2024

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.

Alan Williams
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 auditors;
- 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 auditors.

The Audit Committee's terms of reference, which are reviewed and approved by the Board annually, are available on the 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
Alan Williams – Chair*	3/5
Yetunde Hofmann	5/5
Pam Powell**	2/5
Liz Barber***	5/5
Mark Reckitt****	2/5

* Alan Williams was appointed as a Director on 24 July 2023 and attended all meetings following appointment.

** Pam Powell retired as a Director on 1 September 2023 and attended all meetings prior to retirement.

*** Liz Barber ceased to be Chair of the Audit Committee on 24 July 2023 following her appointment as Senior Independent Director but has continued to attend meetings as a member of the Audit Committee.

**** Mark Reckitt retired as a Director at the Company's AGM on 24 July 2023 and attended all meetings prior to retirement.

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 Alan Williams and Liz Barber meet this requirement.

Other regular attendees

The Chair, Chief Financial Officer, Head of Risk and Internal Audit, Director of Group Reporting and Control, 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 auditors 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 auditors 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 Head of Risk and Internal audit and Chief Financial Officer to discuss ongoing matters and approve any non-audit fees undertaken by the external auditors.

Independence

All members of the Committee are independent.

Key activities in 2023/24

Integrity of Financial Statements

- Reviewed and challenged the key financial reporting judgements and estimates and concluded that accounting treatments were appropriate.
- Reviewed the Cranswick Pet Products impairment assessment, and agreed that the conclusions reached and impairment recognised are appropriate.
- Reviewed and concluded that the Group is a going concern for a period of at least one year from the date of signing these financial statements; 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 change in accounting policy for share based payments and concluded that disclosures in this year's Financial Statements are appropriate.
- 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.

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 Head of Risk and Internal Audit independence declaration.
- Reviewed and approved the Internal Audit plan and budget for the coming year.
- Reviewed and appraised the recommendations from the Internal Audit External Quality Assessment (EQA).

External audit

- Approved the terms of engagement and remuneration of the external auditors.
- Reviewed and was satisfied with the effectiveness of the external audit process.
- Monitored the independence of external auditors 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 approved the Group's proposed approach in response to the new UK Corporate Governance Code, particularly focusing on the actions required to comply with the Provision 29.
- Reviewed and updated, where necessary, the Committee's terms of reference.
- Reviewed the Group's IT control environment, and received regular updates on cyber risks.

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, I am pleased to present the Audit Committee Report for the 53 weeks ended 30 March 2024 which provides an overview of the key activities and the areas of focus of the Committee during the year.

This is my first report as Audit Committee Chair following my appointment in July 2023 when I took over the role as Chair from Liz Barber. I would like to thank Liz for her leadership and I look forward to progressing the work of the Committee.

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

Across these five meetings the Committee focused on its primary responsibilities of supporting the Board and protecting the interests of Shareholders in relation to financial reporting, audit and internal control.

The Committee also facilitated strategic discussions on risk appetite, the adequacy of mitigation and controls to manage risk to an acceptable level.

Throughout the year, the Committee monitored developments in respect of the UK Corporate Governance Code and maintained its emphasis on enhancing the internal controls framework for risk management. Following the release of the 2024 Corporate Governance Code in January, the Committee welcomed the focused approach taken by the FRC.

The Committee reviewed Internal Audit's terms of reference and future audit plans, and reviewed the appropriateness of the external audit including the experience, resource and value provided by the Group's auditor. In the period, an Internal Audit External Quality Assessment (EQA) was conducted by Ernst & Young LLP to evaluate, in line with the International Standards for the Professional Practice of Internal Auditing ('IIA Standards') and the Code of Practice for Internal Audit ('Code of Practice'), the quality and efficacy of the Internal Audit function. The review identified good practices and adherence with the key standards, and identified a small number of recommendations to further enhance the effectiveness of the Internal Audit function. Overall, the conclusion was reached that the Internal Audit function is well respected, operating effectively, and provides the appropriate level of assurance to the Group.

During the year, the FRC conducted a review of the Group's Interim Report for the period ended 23 September 2023, as part of its routine corporate reporting quality assessment. I am pleased to confirm that following this review, no immediate actions were required from the Group. Observations were brought to the attention for consideration in the preparation of the Group's 2024 Annual Report and future interim reports, and the suggestions have been incorporated. The Committee appreciates FRC's collaboration and valuable input, which support our ongoing commitment to enhancing the quality of our financial reporting.

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 via deep dive risk reviews 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).

Alan Williams
Chair of the Audit Committee
21 May 2024

CORPORATE GOVERNANCE

THE AUDIT COMMITTEE
CONTINUED

Performance evaluation of the Audit Committee

An independent external evaluation of the effectiveness of the Committee is conducted every three years. In the last review carried out in 2022 by Clare Chalmers Limited, the evaluation indicated that the Committee was operating effectively.

Financial reporting

During the year, the Audit Committee reviewed accounting papers prepared by management and considered, with input from external auditors, 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 53 weeks ended 30 March 2024 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 assumption which includes the fair value of livestock at the various stages of development. The Audit Committee reviewed the assumptions used within the models, management's proposed accounting treatment and the change in the fair value hierarchy, resulting in sucklers, weaners and finished pigs moving from Level 2 into Level 3 of the fair value hierarchy, 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 management's assertion that no impairment triggers were identified, and the assumptions used in determining the carrying value of investments in subsidiaries in the Parent Company. These were considered reasonable.

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 CGUs and the recoverable amounts including discount rates and market data. The Committee also reviewed the reasons for completing the goodwill impairment assessment for the Fresh Pork and Livestock CGUs on a combined basis. The Committee was satisfied that the assumptions used and the recoverable amounts determined were appropriate. (See Note 10).
- Specific attention was paid to the Cranswick Pet Products CGU, as the losses incurred by the business since its acquisition in FY22 served as a significant indicator for potential goodwill and intangible asset impairment. The Audit Committee reviewed management's projections and assumptions underpinning the value-in-use model and assessed calculations as well as sensitivity analyses. Additional consideration was given to the fair value less cost of disposal calculation, which led the Committee to concur with the need to recognise an impairment. Two additional intangible assets were recognised on acquisition, customer relationships and trade names, which were separately tested for impairment given the change in business model and a greater focus on new customer relationships. A separate review was also performed over the fixed assets within the Pet Products business. The Committee was satisfied with the amount of impairment recognised in the Group's financial statements (See Note 10).

The Audit Committee also considered the following other reporting matter relevant to the financial statements:

Share Based Payments

- The Group has changed its accounting policy for share based payments ('SBP') such that the value of shares that have been exercised, lapsed or forfeited is now credited to Retained Earnings as opposed to remaining within the SBP Reserve. The impact on of this resulted in a third balance sheet to present the restated FY22 position, alongside both FY23 and FY24. The Audit Committee considered the basis for and impact of the change and concluded that the proposed change was appropriate (See Note 2 and Note 24).

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 68 to 72 and the Viability Statement presented on page 73.

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 73).

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 and 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 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.

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, an External Quality Assessment (EQA), the external auditors' 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 key Group policies to include; whistleblowing and bribery prevention policies and regular whistleblowing update 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. During the year, members of the Audit Committee attended Group Risk Committee meetings to ensure that the Risk Management Framework and risk processes were adequate, and that risks were effectively discussed.

In addition, the Committee reviewed the key outputs from work performed by the Group Risk Committee to gain assurance over the Risk Management Framework, which is designed to identify, assess, prioritise, monitor and mitigate risk and was satisfied that all Principal Risks, including emerging risks, had been identified (see pages 68 to 72) and that the Risk Management Framework, including processes for assessing and reporting emerging risks, was operating effectively. Over the course of the coming year, it is planned that a Risk Management Maturity Assessment will be completed by a third party to provide further assurance over the robustness and effectiveness of the Group's Risk Management Framework and importantly to identify any areas where actions can be progressed to further enhance existing Risk Management arrangements.

During the course of the year, the Committee continued to support the Board on the deployment of risk appetite statements specifically being the level of risk the Group was willing to tolerate in order to achieve its operational and strategic objectives, which in turn will help determine the depth and extent of actions and resources required to mitigate risk to an agreed acceptable level. Over the coming year several deep dive risk reviews are planned, which will be supported as required by third party subject matter experts, and will provide further assurance over the assessment, reporting and mitigating actions associated with specific Principal Risks.

The Committee also oversaw the developments aimed at advancing Corporate Governance reform in the UK. This included closely following the UK Government's legislative proposals and the Financial Reporting Council's (FRC) consultation on updates to the UK Corporate Governance Code. In light of the updated Corporate Governance Code released in January 2024, the Committee assessed its requirements and discussed with management the proposed strategy for their implementation.

Looking ahead, the Committee's primary focus for the upcoming year will be on implementing the newly introduced 2024 UK Corporate Governance Code, particularly concerning audit, risk, internal control, and the optimisation of a new IT system introduced to enhance the documentation and evidence supporting control activities.

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 Head of Risk and Internal Audit's annual independence declaration and the budget for the coming year.

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.

The Audit Committee takes control weaknesses identified at site level seriously given the decentralised structure of the Group. 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 HR system.

Following the discovery of an immaterial fraud incident by an external third party at one of our sites, the Audit Committee immediately initiated a proactive response to safeguard the integrity of Group's operations. The Audit Committee ensured that the root cause of these weaknesses were understood and that appropriate mitigating action was taken to prevent recurrence. By requesting Internal Audit to perform these steps, the Audit Committee aimed to identify any potential vulnerabilities, reinforce control mechanisms, and strengthen our overall risk management framework. The Audit Committee engaged directly with senior management at specific sites to seek this understanding and to satisfy themselves that appropriate actions had been implemented.

In respect of all other Internal Audit reviews completed over the course of the year, 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.

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.

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 AUDIT COMMITTEE
CONTINUED

The output from the process for the 2023 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 auditors to the Group and a resolution to this effect will be proposed at the 2024 AGM.

For the 53 weeks ending 30 March 2024, 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 financial statements. 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 financial statements. 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 external auditors 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.

The Group meets its obligations for maintaining an appropriate relationship with external auditors 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 external auditors, 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 auditors 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 external auditors 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 external auditors 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	48
Other services	35
Total Non-Audit Fees	**83**
Audit fee for year ended 30 March 2024	1,094
Total Audit Fees	**1,177**
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 auditors at its meeting in May 2024, the Audit Committee recommended to the Board that the reappointment of PwC as the Company's external auditors should be proposed to Shareholders at the 2024 Annual General Meeting.

Alan Williams

Alan Williams
Chair of the Audit Committee
21 May 2024

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 53 weeks ended 30 March 2024.

Tim J Smith CBE
Chair of the Nomination Committee

Composition of the Nomination Committee

Committee Members	Meetings attended
Tim Smith – Chair	2/2
Liz Barber	2/2
Yetunde Hofmann	2/2
Alan Williams	2/2
Mark Reckitt*	0/2
Pam Powell*	0/2

* Mark Reckitt and Pam Powell retired as directors prior to the Nomination Committee meetings scheduled during the year ended 30 March 2024.

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 2023/24

Board composition
- Recommended the appointment of Alan Williams as an independent Non-Executive Director.
- Recommended the appointment of Rachel Howarth as an independent Non-Executive Director.
- Recommended the re-appointment of Tim Smith as an independent Non-Executive Director and Chairman.
- Reviewed ongoing training requirements for Non-Executive Directors and development of industry knowledge.

Succession planning
- Reviewed and updated the succession plans for the Board and Senior Management.
- Reviewed the 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 The Parker Review 2023 and considered senior management ethnic diversity targets.
- Reviewed UK Government Guidance relating to ethnicity pay gap reporting.
- Reviewed compliance with the 2018 UK Corporate Governance Code for the Group.

Governance and evaluation
- Reviewed the Governance Section of the 2024 Annual Report and recommended it to the Board for approval.
- Reviewed the Committee's terms of reference.

Board appointments

Following the retirement of Mark Reckitt and Pam Powell as Non-Executive Directors, the Board had three independent Non-Executive Directors (excluding the Chairman) and four Executive Directors and, consequently, did not comply with Provision 11 of the Corporate Governance Code from September 2023, which requires that half the Board, excluding the Chairman, should be independent Non-Executive Directors, which is explained in more detail in the Compliance Statement on page 93. However, I am pleased to report that following the appointment of Rachel Howarth as a Non-Executive Director on 30 April 2024 we are again in compliance with this requirement.

During the year, Mark Reckitt and Pam Powell retired as Non-Executive Directors. Mark retired in July 2023 having served nine years as a Non-Executive Director and as Senior Independent Director and was replaced by Liz Barber as Senior Independent Director. Pam retired in September 2023 having served nearly six years as a Non-Executive Director and as Chair of the Remuneration Committee and was replaced by Liz Barber as Interim Chair of the Remuneration Committee. Liz has been a Non-Executive Director since 2021 and a member of the Nomination, Audit, Remuneration and ESG committees and 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.

THE NOMINATION COMMITTEE
CONTINUED

During 2023/24, the Company undertook two searches for additional Non-Executive Directors which resulted in the appointment of Alan Williams in August 2023 and Rachel Howarth in April 2024. 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. Teneo and Russell Reynolds (independent search consultancies) were then engaged to also assist with the first and second searches respectively, which involved the preparation of separate long and short lists for consideration. A number of candidates were interviewed by the Chair and Chief Executive and members of the Committee following which Alan was recommended to the Board as the Committee's preferred candidate in May 2023 and Rachel was recommended to the Board as the Committee's preferred candidate in March 2024. During each process both Alan and Rachel met individually with other members of the Board, following which each proposed appointment was unanimously approved by the Board.

Alan was appointed to the Board with effect from conclusion of the 2023 AGM and has also become a member of the Nomination, Audit, and ESG Committees and was appointed as Chair of the Audit Committee in succession to Liz Barber. Alan was the Chief Financial Officer of Travis Perkins plc and prior to this, held a number of senior management and finance roles in the food sector having served as CFO at Greencore Group plc for six years and previously working at Cadbury plc. Alan is also a member of the Institute of Management Accountants. Accordingly, the Committee considered that given his extensive finance experience in listed companies, Alan was appropriately qualified to succeed Liz as Chair of the Audit Committee.

Rachel was appointed to the Board on 30 April 2024 and has become a member of the Remuneration, Nomination and ESG committees. Rachel is the Group People Officer at Whitbread plc, and was previously the Group HR Director with SSP Group plc, before which she spent sixteen years with Tesco plc in operational and human resource capacities and has significant experience of the operation of listed company remuneration committees. Given her extensive experience, it is intended that Rachel will succeed Liz Barber as Chair of the Remuneration Committee in August, following conclusion of the scheduled review of the Company's Directors' Remuneration Policy.

During March 2024, the Senior Independent Director discussed my reappointment as a Non-Executive Director and Chairman with the other Non-Executive Directors and Executive Directors, without me being present, following which the Committee recommended my reappointment. I did not participate in the consideration of my reappointment at either the relevant Committee or Board meetings.

All Directors 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 78 and 79 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 further training and/or 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.

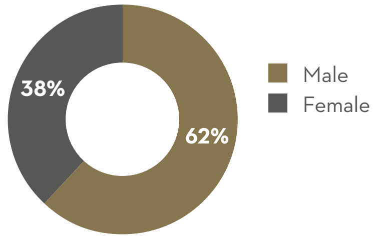
In relation to the appointment of any new Non-Executive Directors or Chairman, the Group's policy is to engage independent external search consultants to assist with appointments, who are required to have adopted the Voluntary Code of Conduct for Executive Search Firms on gender diversity and best practice. 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

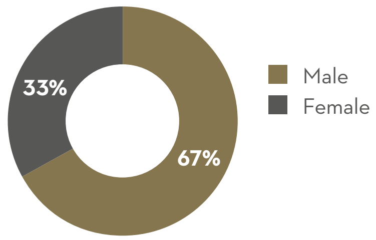
Consideration was given by the Committee to the continued independence of the Non-Executive Directors, including their term in office, the time commitment required from each of them taking into account the number of meetings and preparation and attendance at those meetings. It was concluded that all Non-Executive Directors remained independent and devoted an appropriate amount of time to fulfil their responsibilities.

Gender breakdown

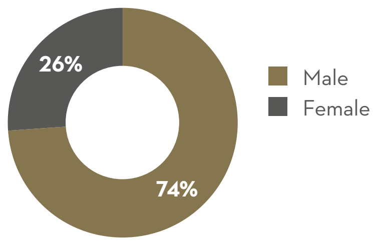
Total employees



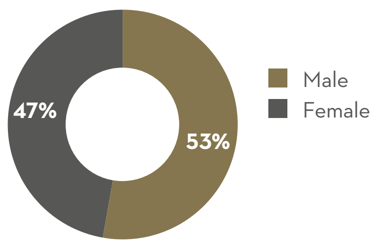
Board



Senior Managers*



Grads/App's



* Senior Managers comprise executive management reporting directly to the Chief Executive as set out in the table above, and are the directors of the Company's subsidiaries.

Overboarding

The Committee has considered Director overboarding and it is pleased to note that there are no issues. It believes that the Non-Executive Directors have sufficient time and energy to be effective representatives of Shareholders' interests.

The Committee's review included Non-Executive Director's commitments to private companies and charities to ensure they have sufficient time available to discharge their responsibilities effectively. During the year Liz Barber was appointed a Non-Executive Director of Sizewell C Limited and I was appointed as Non-Executive Chairman of Sheffield Hallam University. However, in both cases we have also reduced our other third-party commitments and the Committee was satisfied that we continue to have sufficient time to fully discharge our responsibilities to the Company.

Mark Bottomley is a Non-Executive Director of Vp plc. The Company adheres to shareholder guidance in relation to its Executive Directors holding no more than one Non-Executive position in another listed company.

Board structure

Consideration was given to Board and Committee structure and operation and we concluded that the current operating Board structure explained on page 89 of the Corporate Governance review remained effective and appropriate.

Given the increasing requirements placed upon committee members, and consistent with good corporate practice, we have decided that going forward it is no longer appropriate for each Non-Executive Director to also be a member of all Board committees. This has been implemented when appointing Alan Williams and Rachel Howarth to relevant Board committees.

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. Our recruitment practices are designed to eliminate bias and discrimination, which includes how and where we recruit colleagues and ensuring our recruitment materials and interview practices are inclusive.

The Committee considered the 2023 Parker Review's recommendation that companies voluntarily establish a percentage target relating to ethnic diversity for senior management to be achieved by 2027. We recognise that our current senior management team and their immediate reports are not ethnically diverse, and we are therefore not in a position to set meaningful ethnic diversity targets based on our existing succession pipeline. Over the longer-term this is being addressed through our recruitment and graduate programme supplemented by external recruitment, however, this is not anticipated to have a significant impact on the senior management team within the reporting horizon anticipated by the Parker Review. The Group is taking steps to address this and to encourage an inclusive culture ensuring race equality is embedded into our vision, mission, values and business plan which will support the development of a more diverse senior management team.

During 2023, the Committee also considered UK Government guidance released relating to ethnicity pay gap reporting in relation to which the Committee also engaged with a number of shareholder action groups. The Group has historically collected data relating to its workforce by reference to nationality and therefore does not currently have sufficient relevant data to enable reliable ethnicity reporting to be undertaken. However, we are in the process of introducing new HR systems across the Group's sites that will enable the capture of such data across the workforce, which it is anticipated will be largely completed during the next financial year, following which it is anticipated that ethnicity pay gap reporting will be undertaken. It will also enable us to identify any structural and cultural barriers that may contribute to maintaining any workplace inequalities, which will be combined with a greater focus on diversity in our staff surveys to gain a greater understanding of colleague's opinions. The Group will also be introducing compulsory diversity, equality and inclusion training for all staff to underpin our commitment to increasing our diversity.

The gender breakdown of the Group's workforce is set out on page 102. The proportion of females overall and in graduate and apprentice positions remained largely static over the last 12 months, with an exception of manager positions, where the distribution has improved year-on-year. We recognise we need to do more to ensure a better gender balance and are addressing this through the introduction of more flexible working practices, provision of enhanced maternity pay, standing by our commitments in our Gender Pay Gap report, working closely with external organisations providing support, development and mentoring opportunities to female colleagues and introducing initiatives to reduce female health inequalities.

Our sector has historically had low levels of ethnic and female participation in management in the geographic regions in which we operate. Whilst we have been actively taking steps to promote greater diversity including through our recruitment and our graduate programme, this 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 54 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 Listing Rule requirements. The Listing Rules 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 following Rachel Howarth's appointment, 33 per cent of the Board will be women). Whilst we have made significant progress over recent years in relation to diversity on the Board and other senior positions across the Group, we recognise that there remains more to achieve.

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.

THE NOMINATION COMMITTEE
CONTINUED

Board performance evaluation

The Board evaluation was undertaken this year by the Company Secretary who is considered a suitable and independent person to undertake the review. Further details of the Board Evaluation are set out on page 91 of the Corporate Governance Review.

The Chairman also evaluated the performance of individual Directors and the Chairs of each Board Committee. The performance of the Chairman was also reviewed by the Senior Independent Director. 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.

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

21 May 2024

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
Male	6	75	3	7	78
Female	2	25	1	2	22
Not specified/prefer not to say	–	–	–	–	–

	Ethnic Background				
	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)	7	87.5	4	9	100
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	1	12.5	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Notes:
1. The tables above reflect relevant data at a reference date of 30 March 2024.
2. Executive management are the most senior level of managers reporting to the Chief Executive, 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 who data is reported.

THE REMUNERATION COMMITTEE

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.

Liz Barber
Interim Chair of the Remuneration Committee

This report contains the following separate sections;

- Part 1 – The Chair's annual statement on pages 105 to 109.
- Part 2 – Remuneration at a glance on page 111.
- Part 3 – Full details of our new Remuneration Policy on pages 112 to 121.
- Part 4 – The Annual Report on Remuneration on pages 122 to 131 which discloses how the existing Remuneration Policy has been applied during the year and how, subject to Shareholder approval, it is proposed that the new Policy will be applied in 2024/25. Those elements of Part 4 subject to external audit are clearly identified.

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
Liz Barber* – Interim Chair	5/5
Yetunde Hofmann**	4/5
Pam Powell***	2/5
Mark Reckitt****	2/5
Tim Smith	5/5

* Liz Barber was appointed Interim Chair of the Committee with effect from 1 September 2023 when Pam Powell retired as a Director.

** Yetunde Hofmann was unable to attend the April Remuneration Committee meeting due to a long-standing conflicting commitment that was approved by the Board.

*** Pam Powell attended all relevant meetings prior to retirement.

**** Mark Reckitt attended all relevant meetings prior to retirement.

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.

Key activities in 2023/24

Review of Remuneration Policy

- Appointed independent remuneration consultants to advise the Committee.
- Reviewed the existing Remuneration Policy and proposed amendments.

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 2024 for Executive Directors and Senior Executives.
- Reviewed the achievement of the Executive Directors' bonus arrangements against the 2023 target.

LTIP awards

- Approved LTIP awards granted in 2023, including targets linked to reductions in emissions, water intensity and energy intensity.
- Reviewed the outcome of performance conditions for the LTIP awards which were granted in 2021.

Shareholder engagement

- Engaged with major Shareholders on the proposed new Remuneration Policy as discussed further below.

THE REMUNERATION COMMITTEE

CONTINUED

Other activities

- Reviewed the Annual Remuneration Report for 2023/24.
- Reviewed employee benefit structures and approved the issue of the SAYE share scheme for 2023/24.
- Reviewed and approved the introduction of a Buy As You Earn share incentive plan available to all Group employees.
- Reviewed and approved new LTIP rules to be proposed to Shareholders at the 2024 AGM.
- 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 53 weeks ended 30 March 2024, which is my first report since appointment as Interim Chair on 1 September 2023. I would like to thank my predecessor, Pam Powell, on behalf of the Committee, for her contribution as Chair.

This year we continued to apply the Remuneration Policy that was adopted in 2021, but which is due to be renewed in July 2024. Consequently, we have also reviewed our existing policy with the help of independent executive remuneration consultants, Deloitte LLP, and will be asking Shareholders to approve a revised Remuneration Policy at the Company's AGM on 29 July 2024. A summary and explanation of the key changes proposed is set out on pages 107 and 108 with the full Remuneration Policy set out in Part 3.

If the Remuneration Policy is approved by Shareholders, it will become effective immediately for three years until the Company's AGM in 2027. As in prior years, Shareholders will also be asked to pass an advisory vote on the Annual Report on Directors' Remuneration (excluding Remuneration Policy renewal) at the forthcoming AGM.

Resolutions will also be proposed at the Company's AGM on 29 July 2024 to approve the Company's new LTIP, Buy As You Earn share incentive plan and to increase the overall limit on Non-Executive Directors' fees. Further details of these resolutions are set out in the accompanying Notice of AGM.

Company performance

Over the course of 2023/24, the Group has delivered a very strong performance across its core product categories and has continued to consolidate its supply chains and expand its Mediterranean food, poultry and pet food categories, with adjusted profit before tax increasing by 26.1 per cent and adjusted earnings per share increasing by 15.6 per cent. Furthermore, as discussed in the Chairman's Statement on page 10, 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.

The Company recognises the continuing difficulties faced by many of our employees notwithstanding recent reductions in inflation. The Group continues to promote benefits such as discount voucher schemes to help mitigate daily living expenses, along with continuing to provide other benefits such as subsidised canteens, transport and discounted staff sales.

The Company is introducing a Buy As You Earn share incentive plan which will be available to all employees (in addition to the Company's existing SAYE Plan) which will offer a tax efficient way for employees to further participate in the success of the Company through share ownership.

2024 bonuses

The Company delivered a strong financial performance in the year and grew revenue by 11.9 per cent and increased adjusted profit before tax by 26.1 per cent.

Bonus awards for 2024 reflect the performance delivered in the year, as outlined below. A bonus of 100 per cent of maximum (i.e. 165 per cent of base salary) has been awarded to each of the Executive Directors. Further details are shown on page 111. The Committee considers the level of pay-out is reflective of the overall strong performance of the Group in the year and is appropriate.

LTIP awards vesting in respect of the period ended 30 March 2024

The LTIP Awards granted in 2021 were based on the three-year performance period from April 2021 to March 2024 and were subject to earnings per share (EPS) (50 per cent) and total shareholder return (TSR) (50 per cent) targets. In 2023, as explained in detail in our last Remuneration Committee Report, the Committee 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. This reflected the fact that the very significant increases in inflation over 2021 and 2022 meant that the inflationary benchmark that would otherwise apply in relation to Cranswick's EPS growth would be far in excess of that anticipated when the EPS targets for the 2021 LTIP were set and would not result in the EPS component vesting, notwithstanding Cranswick's historical EPS growth having been very strong. No adjustment has been made in relation to EPS targets for the Executive Directors to reflect the 6 per cent increase in the UK corporation tax rate which came into effect from April 2023, which has reduced EPS.

Performance over the three-year period as measured against adjusted EPS has been strong with average annual EPS growth of 7.28 per cent and vesting at 46.4 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 also been strong with the Company being ranked in the 91st percentile of its comparator Group and, consequently, 100 per cent of the TSR element of the award has vested this year. Overall, 73.2 per cent of the maximum award will vest in August 2024 (i.e. 146.4 per cent of salary) for each Executive Director, versus 60.9 per cent of the maximum award which vested in July 2023 (i.e. 121.8 per cent of salary). This is reflected in the table on page 101. The Committee considers the level of pay-out is reflective of the overall performance of the Group over the three-year performance period ended 30 March 2024 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 for the Executive Directors and believes that the measures used to judge performance, remain appropriate and reflect the performance of the Group throughout the period under review.

LTIP award granted during the period ended 30 March 2024

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 2023). 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 to Executive Directors will then be subject to a two-year holding period.

Targets for the reduction of emissions, water intensity and energy intensity were 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 March 2023).

These awards and details of the performance conditions are set out on pages 124 and 125.

New Remuneration Policy

Cranswick's new Remuneration Policy is being proposed against a backdrop of the Group's performance having continued to be impressive and delivering significant value to its shareholders since our last review in 2021 (including continuing dividend growth, contributing to 34 years of unbroken dividend growth), notwithstanding significant economic challenges faced over the last three years. When our Remuneration Policy was last approved, our market capitalisation was £1.9 billion. It is now £2.2 billion representing an increase of 15.8 per cent. Our revenue was £1.9 billion, it is now £2.6 billion representing an increase of 36.8 per cent and our adjusted profit before tax was £129.7 million; it is now £176.6 million representing an increase of 36.1 per cent, which reflect the progress achieved over the last three years.

Our relentless focus on quality, service, innovation, and managing our cost base through an extremely challenging inflationary cycle, allied to delivering exceptional customer service, has underpinned these results. We have an excellent track record of deploying capital having invested over £600 million since 2015/16 in new facilities, capacity expansion and automation projects underpinned by an unrelenting focus on delivering efficiency improvements.

The Committee believes that Cranswick is now at a pivot point for transformation and has the potential to deliver further significant growth in value to all its stakeholders. The Committee believes that the executive team, with the right motivation, will deliver more. To build on the considerable experience, expertise and culture they have nurtured over the years, we are proposing a revised Policy that will reward the team for further performance stretch over and above that which has been delivered to date and in doing so, it is important that we retain Adam Couch, the CEO, and his team of Senior Executives.

The Policy has been carefully constructed to motivate the team to aim for significant growth in the Group, whilst maintaining the returns and performance they have been so successful at delivering to date. The current market for executives of this calibre is highly competitive and so we must respond to this challenge in order to retain our exceptional team.

Our approach to the new Policy

The changes we are proposing follow a comprehensive review of all aspects of the current Policy with the Company's major Shareholders and various investor bodies. Whilst Shareholders were on the whole supportive of our current approach to executive remuneration, Shareholder feedback emphasised the following:

- The need to retain and recognise the outstanding performance and contribution of a very experienced, long standing executive team, in particular, our CEO, Adam Couch, taking into account the competitive market for talent.
- Some differentiation in the incentive framework between the Executive Directors.
- Using a broader range of metrics in the annual bonus plan (not simply our adjusted profit before tax) and the introduction of return on capital employed (ROCE) into the long-term incentive framework.
- Quantum increases where they were accompanied by additional stretch in targets designed to incentivise and reward the unlocking of transformative growth potential for the business (whilst retaining our strong track record for delivering strong operational, financial, commercial performance and appropriately managing risk).

The Committee has been mindful to ensure that increased quantum is only awarded for impressive performance against challenging targets with increased stretch to incentivise the team to achieve further growth. At the same time, tailored, objective individual bonus measures will also be used to maintain the disciplines and culture that has served the Company and its investors well.

Directors' Remuneration Policy

The key changes proposed to the Policy for Executive Directors and other considerations relevant to our overall proposals are summarised below.

Increase in annual bonus opportunity accompanied by an increase in the level of stretch in the targets: The current Policy provides for an annual bonus opportunity of up to 165 per cent of salary. To incentivise and reward in year out-performance, we are proposing to increase the maximum annual bonus for our CEO to 200 per cent of salary and to 180 per cent of salary for the other Executive Directors. This will be combined with a stretch in the performance targets to ensure that this increase in quantum is accompanied by a corresponding target increase.

Introduction of Group strategic and/or individual goals into the annual bonus plan together with PBT: For 2024/25 it is anticipated that the proposed initial weighting on strategic and/or individual goals will be 20 per cent of salary for the CEO and 15 per cent of salary for the other Executive Directors. It is anticipated that an element of the strategic targets will be tailored to each Executive Director's areas of responsibility and in the case of the CEO will be linked to the Group's overall strategic objectives. In line with the Group's existing practice, given the commercial sensitivity of annual targets, details of these will be disclosed in the Remuneration Report on a retrospective basis.

Retaining discretion to amend any formulaic incentives outturn which does not reflect the Committee's assessment of overall business performance: This includes the discretion to reduce incentives where there has been a failure of acceptable health and safety standards, which may include a fatality or very serious injury, food safety incidents, or animal welfare failures (or other events which may result in serious reputational damage to the business).

THE REMUNERATION COMMITTEE
CONTINUED

No change to the core LTIP quantum of 200 per cent of salary, but change in metrics: Taking into account the feedback from Shareholders and to encourage the executive team to continue to pursue incremental project investment to consolidate, expand and diversify operations, we are introducing a ROCE metric in the LTIP (in substitution for TSR) alongside the current 42.5 per cent based on EPS and 15 per cent on sustainability measures. The Committee consider this the most appropriate metric for these purposes to reward capital deployment and maintaining a strong investment pipeline and ensuring ROCE remains above our medium-term mid-teens target. The changes proposed will not result in targets being materially more or less difficult to satisfy and any adjustments to mitigate the risk that the metric encourages under investment will not be made as a result of general changes in market conditions or movements.

Additional Exceptional Performance LTIP award of 100 per cent of salary for the CEO and 50 per cent of salary for the other Executive Directors granted annually, vesting subject to the delivery of exceptional performance measured over a three-year performance period: This annual award is to incentivise and stimulate exceptional performance (over and above the performance rewarded under the core LTIP award). For 2024/25, performance will be measured on relative TSR against companies in the FTSE 250 Index (excluding investment trusts), with additional stretch over and above typical market practice in relation to vesting thresholds - vesting of the Exceptional Performance LTIP award will start from 0 per cent at threshold (rather than the more usual 25 per cent vesting at threshold). There will be no vesting of the Exceptional Performance LTIP if performance is below upper quartile. Full vesting requires performance at the 90th percentile.

This additional award is proposed for the current CEO and current Executive Directors. The Committee consider that having all of the Exceptional Performance LTIP based on relative TSR:

- Ensures there is an appropriate balance of metrics across the LTIP and Exceptional Performance LTIP.
- Provides a focus on exceptional operational performance and strategic execution being reflected in superior TSR growth compared to the market.
- Ensures that setting stretch targets for the Exceptional Performance LTIP does not lead to unintended outcomes and that there is alignment between Executive Directors reward outcomes and shareholder experience.

Principle-based approach to shareholding guidelines and bonus deferral: Under the current Policy for Executive Directors appointed on or after 21 July 2021 (the date on which the Policy became effective), one-third of any bonus earned is deferred into shares for up to two years. Taking a principle-based approach to ensuring the Policy supports the attraction (and retention) of high-quality talent, whilst ensuring that Executive Directors' interests are aligned with those of Shareholders, under the new Policy deferral will now only be required for all Executive Directors until they meet the shareholding guideline (equal to 200 per cent of the Executive Director's salary). In line with the current Policy, Chris Aldersley's bonus for the year ended 25 March 2023 was paid partly in cash and partly in an award of deferred shares. During the course of the year ended 30 March 2024, the Committee permitted the early exercise of that award in consideration for Chris Aldersley agreeing to continue the deferral of the bonus by committing to retain for the deferral period a number of shares equal to the after-tax number of deferred shares, as described on page 129, so that his deferral was switched from a gross (pre-tax) basis to being on a net (after-tax) basis. For the year ended 30 March 2024, the Committee has agreed that deferral will again be applied on a net (after-tax) basis.

The core LTIP award will continue to be based on a three-year performance period and two-year holding period. Under the new Policy the holding period will continue to apply for two years post-employment (other than in exceptional/compassionate circumstances). The post-employment shareholding requirement introduced under the current Policy will also continue to apply.

We believe this is a proportionate and principle-based approach that will provide Cranswick with a competitive edge in attracting and retaining executive talent whilst still having a clear emphasis on shareholder alignment across the arrangements as a whole. This also reflects that all the current Executive Directors have exceeded the 200 per cent of salary shareholding guideline with the CEO, CFO and CCO each having significant shareholdings, of approximately 10 times salary respectively.

Fixed pay and pension contributions: Base salary increases will continue to be at or below the level of increase awarded to the wider workforce. Pension contributions/cash in lieu of pension for the Executive Directors' will continue to be aligned with the wider workforce at ten per cent of salary.

Impact on total remuneration
Market benchmarking was not the key driver behind the proposal. As set out above, the key focus of the proposals is to retain and motivate a long-standing, collegiate and exceptional executive team who are key to the future success and growth potential for Cranswick plc. It is clear from our discussions with investors that they are supportive of implementing an approach that will reward the team for stretch performance, over and above that which has been delivered to date.

In finalising the proposals, the Committee considered a number of market reference points to ensure that Cranswick remains competitive in the market and that it can continue to attract and retain top talent. This is especially important in our sector where we compare not only with UK plc, but with a number of internationally owned and private equity backed businesses not subject to the same constraints on pay. A high-level summary of the market positioning of the overall packages under the new Policy compared to UK listed companies of a similar size and complexity is outlined below.

- Base salary: Upper end of market competitive range – reflecting experience and performance of our CEO, and the executive team.
- Bonus: Positioned around upper quartile compared to UK listed FTSE 250 companies of a similar size – as noted above the increase in opportunity is accompanied by an increase in the stretch of targets to incentivise and reward in year out-performance.
- Core and Exceptional Performance LTIP award: Positioned around upper quartile compared to UK listed FTSE 250 companies of a similar size.
- Total compensation: Positioned around upper decile versus UK listed FTSE 250 companies of a similar size but only for delivering upper decile performance.

LTIP rules renewal, new all-employee Share Incentive Plan and Articles amendment

Our current LTIP rules were adopted in 2015 and expire, for the purposes of new grants, in 2025. To coincide with the renewal of the Policy we will be seeking shareholder approval for a new LTIP at the 2024 AGM. We are also committed to our wider workforce having the opportunity to share in Cranswick's success, with reward aligned with the experience of Shareholders. Alongside our long-running SAYE scheme, we will therefore be implementing a new all-employee Buy As You Earn share incentive plan, for which we will seek shareholder approval at the 2024 AGM to give us flexibility as to the source of shares for the satisfaction of awards.

At the 2024 AGM Shareholders will also be asked to approve an amendment to the Non-Executive Director fee cap in the Company's Articles of Association taking into account recent changes in the size and make-up of the Board.

Salary increases for the year ending 29 March 2025

The Committee has awarded Executive Directors an increase of 5.1 per cent, which is below the average salary increase (in percentage of salary terms) awarded to other employees of the Group of 6.1 per cent.

Following the increase in pay, which will be applicable from 1 April 2024, the Executive Directors' base salaries will be:

Director	New Salary
Chris Aldersley	£560,200
Mark Bottomley	£560,200
Jim Brisby	£560,200
Adam Couch	£847,400

Director changes

Mark Reckitt retired as Senior Non-Executive Director at the Company's AGM on 24 July 2023 and Pam Powell retired as a Non-Executive Director on 1 September 2023.

Alan Williams was appointed as a Non-Executive Director following the Company's AGM on 24 July 2023 and was appointed Chair of the Audit Committee and a member of the Nomination and ESG Committees on the same date.

Rachel Howarth was appointed as a Non-Executive Director with effect from 30 April after the end of the Company's 2023/24 financial year, and was appointed a member of the Remuneration, Nomination and ESG Committees on the same date.

Remuneration for the year ended 29 March 2025

Details of the implementation of the Policy for the year ended 29 March 2025 are disclosed on pages 112 to 121.

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.

The Executive Directors pensions are aligned with the wider workforce and I have also described the continuing 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 127.

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 Committee consulted with the Company's major Shareholders and various investor bodies to obtain their views on the proposed changes to the Remuneration Policy.

We were grateful for the feedback received from Shareholders during the consultation, and were pleased that the majority of Shareholders consulted were supportive of our proposals. It was clear from our discussions with investors that they recognise the need to retain and motivate a long-standing, collegiate and exceptional executive team, remains imperative to the future success and growth potential of Cranswick plc.

We considered the feedback received carefully and took it into account in our final proposals for the new Policy. In particular:

- Although shareholders generally supported the principle of introducing the Exceptional Performance LTIP award, some shareholders had a strong preference for this not being on a one-off basis, which we have reflected in our final proposals.
- The increase in the annual bonus opportunity to 200 per cent and combined Core and Exceptional Performance LTIP award of 300 per cent for the CEO will only apply for our current CEO, Adam Couch. This recognises his outstanding performance and contribution as a very experienced, long-standing CEO who is instrumental to the success of the Group. Should we need to appoint a new CEO, the use of this maximum opportunity will not be automatic and would be considered on a case-by-case basis at the discretion of the Committee.
- Similarly, the proposed increase in the annual bonus opportunity to 180 per cent and combined Core and Exceptional Performance LTIP award of 250 per cent will only apply for all other current Executive Directors. For a newly appointed Executive Director (other than the CEO) use of this maximum opportunity will not be automatic and would be considered on a case-by-case basis at the discretion of the Committee.
- We also recognised that some shareholders expressed a preference for bonus deferral to apply regardless of whether the shareholding guidelines had been met. However, the Committee's view is that introducing bonus deferral for the current Executive Directors is not appropriate taking into account that the CEO, CFO and CCO have significant shareholdings, of approximately 10 times salary. We believe linking the requirement to defer a proportion of the bonus until the shareholding guideline is met, is a proportionate approach that will provide Cranswick with a competitive edge in attracting and retaining executive talent whilst still having a clear emphasis on shareholder alignment across the arrangements as a whole.

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 liz.barber@cranswick.co.uk.

Liz Barber
Interim Chair of the Remuneration Committee

21 May 2024

THE REMUNERATION COMMITTEE
CONTINUED

Alignment of the Remuneration Policy with the Code

In determining the new Remuneration Policy, the Committee took into account the principles of clarity, simplicity, risk, predictability, proportionality and alignment to culture, as set out in the Code.

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, the core LTIP and the Exceptional Performance LTIP are subject to malus and clawback provisions. This allows the Committee to have appropriate regard to risk considerations. Annual bonus deferral which applies to Executive Directors until they meet their respective shareholding guideline, provides longer-term alignment with Shareholders' interests. The Executive Directors' current shareholdings are each in excess of 200 per cent of salary and provide 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, which includes health and safety failures, animal welfare failures or other events which may result in serious reputational damage to the business.
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 pages 113 to 116.
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 work-force 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.

REMUNERATION AT A GLANCE

Remuneration at a glance

Our performance during the year

+11.6%

Like-for-like revenue increase to £2,591.7m

+35.9%

Share price increase to 4,096p at 30 March 2024

Adjusted profit before tax

£176.6m

Adjusted earnings per share

242.8p

Targets for 2023/24

Bonus

100%

Adjusted profit before tax

LTIP

50%

Relative TSR

EPS

50%

c.90%

of total votes cast in favour of the Remuneration Committee's Report at last year's AGM

Read more: see page 131 for more details

Remuneration in 2024

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	802	530	530	530
Benefits	41	35	34	37
Pension	85	56	56	56
Bonus	1,323	875	875	875
LTIP	1,046	692	692	692
SAYE	2	4	11	4
Total	**3,299**	**2,192**	**2,198**	**2,194**

Outcomes

2021 LTIP

2021 LTIP vesting by reference to performance to the end of 2023/24:

Measure	Threshold	Maximum	Actual	Vesting
EPS (average annual growth)	5.56%	11.56%	7.28%	46.4%
TSR	50th percentile	90th percentile	91st percentile	100%

2024 bonuses

Measure	Threshold	Maximum**	Actual
Adjusted Group profit before tax*	£143.2m	£161.9m	£181.1m
Bonus payable (per cent of Maximum)	20%	100%	100%

* Adjusted Group profit before tax targets are stated before deduction of bonuses paid to Executive Directors, associated employers NI and non-trading items.

** Maximum bonus represents 165 per cent of relevant Executive Directors base salary.

Remuneration for 2025

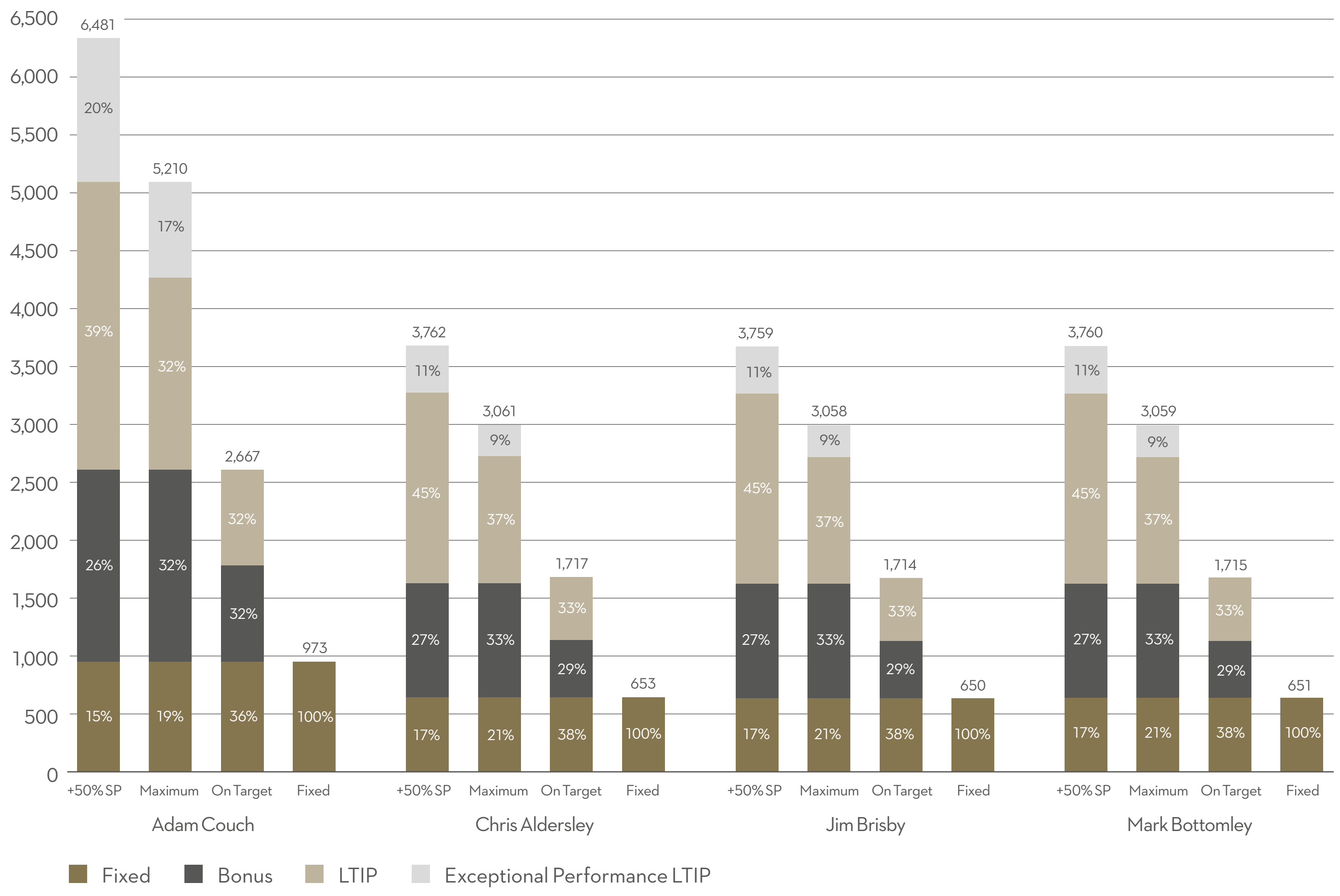
Salary	5.1 per cent increase to Directors' salaries which is below the average salary increase awarded (in percentage of salary terms) awarded to other employees of the Group of 6.1 per cent.
Bonus	Subject to Shareholder approval, opportunity increased to 200 per cent of salary for CEO and 180 per cent of salary for other Executive Directors. Targets commensurate with the increase in opportunity and incorporation of new strategic/individual objectives accounting for 20 per cent of salary for the Chief Executive and 15 per cent of salary for the other Executive Directors. All Executive Directors have met their shareholding guideline therefore mandatory bonus deferral does not apply.
Core LTIP awards	Subject to Shareholder approval, opportunity at 200 per cent of salary for 2024/25. Targets changed from previous year to 42.5 per cent EPS, 42.5 per cent ROCE, 15 per cent ESG.
Exceptional Performance LTIP award	Subject to Shareholder approval, opportunity at 100 per cent of salary for 2024/25 for Chief Executive and 50 per cent of salary for other Executive Directors. Stretching relative TSR target against the FTSE 250 Index (excluding investment trusts), over a three-year period.

REMUNERATION POLICY

This part of the Directors' Remuneration Report sets out the Directors' Remuneration Policy (the 'Policy') which, subject to Shareholder approval at the 2024 AGM, shall take binding effect from the close of that meeting. A summary of the proposed changes to the policy is set out in the Remuneration Committee Interim Chair's statement on pages 105 to 109.

Illustration of Application of Remuneration Policy for 2024/25
The following charts illustrate the potential pay opportunities for the Executive Directors under three different performance scenarios for the year ending 29 March 2025. The charts show the split of remuneration between fixed pay, annual bonus and long-term incentive pay on the basis of minimum remuneration, remuneration receivable for performance in line with Cranswick's expectations, maximum remuneration, and maximum remuneration assuming a 50 per cent increase in the Company's share price for the purpose of the long-term incentive elements. In illustrating the potential award, the following assumptions have been made:

	Fixed pay	Annual Bonus	LTIP	Exceptional Performance LTIP
Minimum performance	Base salary effective at 1 April 2024, employer pension contributions at 10 per cent of base salary and benefits disclosed in the single figure table for the year ended 30 March 2024	No bonus	No LTIP vesting	No Exceptional Performance LTIP vesting
Performance in line with expectations		Bonus equal to 50 per cent of the opportunity (i.e. 100 per cent of salary for the CEO and 90 per cent of salary for other Executive Directors)	LTIP vests as to 50 per cent of the maximum award (i.e. 100 per cent of salary)	No Exceptional Performance LTIP vesting
Maximum performance		Bonus equal to 200 per cent of salary is earned for the CEO and 180 per cent of salary for other Executive Directors	LTIP vests in full (200 per cent of salary)	Exceptional Performance LTIP vests in full, 100 per cent of salary for CEO and 50 per cent of salary for other Executive Directors
Maximum performance plus share price increase		Bonus equal to 200 per cent of salary is earned for the CEO and 180 per cent of salary for other Executive Directors	LTIP vests in full (200 per cent of salary) plus an assumed 50 per cent increase in the share price	Exceptional Performance LTIP vests in full, 100 per cent of salary for CEO and 50 per cent of salary for other Executive Directors plus an assumed 50 per cent increase in share price



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.

Proposed Changes to the Remuneration Policy
The key differences between the Policy and the Remuneration Policy approved at the Company's 2021 AGM are:

- An increase in the maximum annual bonus opportunity from 165 per cent of salary to 200 per cent of salary for the CEO and to 180 per cent of salary for any other Executive Director, although it should be noted that these are the opportunities under the new Policy for our current Executive Directors and would not automatically be applied to any Executive Director appointed in the future. They would only be used at the discretion of the Committee. The increase in opportunity is being accompanied by an increase in the stretch of targets to incentivise and reward in year out-performance.
- The introduction of an enhanced 'Exceptional Performance' LTIP, vesting subject to the delivery of exceptional performance measured over a three-year performance period. The maximum annual award is 100 per cent of salary for the CEO and 50 per cent of salary for any other Executive Director, which are the award levels under the new Policy for our current Executive Directors but which would not automatically be applied to any Executive Director appointed in the future. This is designed to incentivise and reward unlocking the transformative growth potential for the business (whilst retaining our strong track record for delivering strong operational, financial, and commercial performance and appropriately managing risk).
- Under the Remuneration Policy approved at the 2021 AGM, Executive Directors appointed on or after 26 July 2021 (the date on which that policy became effective), are required to defer one-third of any bonus earned into shares for up to two years. Under that policy approved in 2021, bonus deferral does not apply to Executive Directors appointed before 26 July 2021. Under the new Policy it is proposed that the deferral of one third of any earned bonus will apply to any Executive Director until they meet the shareholding guideline (200 per cent of salary). We believe linking the requirement to defer a proportion of the bonus until the shareholding guideline in met, is a proportionate approach that will provide Cranswick with a competitive edge in attracting and retaining executive talent whilst still having a clear emphasis on shareholder alignment across the arrangements as a whole. The Committee's view is that introducing bonus deferral for the current Executive Directors is not appropriate taking into account that the CEO, CFO and CCO have significant shareholdings, approximately 10x salary respectively. The COO (who was appointed to the Board post 21 July 2021) also has a shareholding in excess of 2x salary.
- Recovery provisions (both malus and clawback) will continue to apply to the annual bonus, Core LTIP and Exceptional Performance LTIP. The Core and Exceptional Performance LTIP will continue to be based on a three-year performance period and two-year holding period. Under the new Policy the holding period will continue apply for two years post-employment (other than in exceptional/compassionate circumstances). The post-employment shareholding requirement introduced under the 2021 Policy will also continue to apply.
- Retaining the Committee's discretion to amend formulaic outputs which do not reflect the Committee's assessment of overall business performance, but specifying that this includes the ability for the Committee to exercise downward discretion when there has been a failure of acceptable health and safety standards, which may include a fatality or very serious injury, food safety incidents, or animal welfare failures (or other events which may result in serious reputational damage).
- Addition of the new all-employee Buy As You Earn (BAYE) share incentive plan which is referred to in the Interim Committee Chair's letter and which is available to the Executive Directors on the same basis as to all other eligible employees. Although we currently intend only to operate the BAYE on the basis of Partnership Shares (acquired by participants from their remuneration) and Matching Shares awarded on a 1 Matching Share for every 8 Partnership Shares basis, the BAYE as adopted includes all of the permitted elements which are, therefore, referred to in the Policy.

Further information in relation to these changes can be found in the Interim Committee Chair's letter on pages 105 to 109.

REMUNERATION POLICY
CONTINUED

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 April.	Whilst 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	The maximum Company contribution or cash payment in lieu will not exceed the percentage rate available to the majority of the workforce as determined by the Committee (currently 10 per cent of salary).
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.

Purpose and link to strategy	Operation	Performance metrics	Maximum entitlement
Annual bonus			
To incentivise and reward for performance in the year against targets linked to the delivery of the Company's strategic priorities. Where deferral applies, this provides 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 as referred to on page 107. If an Executive Director has met, as determined by the Committee, the In-Service Shareholding Guideline referred to below this table, the whole of any bonus earned may be paid in cash. If an Executive Director has not met the In-Service Shareholding Guideline, one-third of any bonus earned will be deferred into shares for up to two years and the balance of the bonus earned will be paid in cash. 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 the 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 below.	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 majority of the bonus will be based on financial measures.	The maximum opportunity is up to 200 per cent of base salary for the CEO and up to 180 per cent of base salary for any other Executive Director. Subject to the Committee's discretion to override formulaic outcomes in respect of financial measures, 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 non-financial 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.
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 which reflect the applicable legislation with an option exercise price which may be set at a discount 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.
A Buy As You Earn (BAYE) share incentive plan is available to all eligible employees.	Under the BAYE, eligible staff, including Executive Directors, may acquire 'Partnership Shares' from their remuneration, be awarded 'Matching Shares' in respect of Partnership Shares they acquire and be awarded 'Free Shares'.	N/A	The maximum value of Partnership Shares that may be acquired, the maximum Matching Shares ratio and the maximum value of Free Shares that may be awarded will be determined in line with the applicable tax legislation from time-to-time and will be the same for the Executive Directors as for all other eligible employees. At the date of approval of this Policy, the maximum value of Partnership Shares that may be acquired is £1,800 per year, the maximum Matching Share to Partnership Share ratio is 2:1 and the maximum value of Free Shares that may be awarded is £3,600 per year.

REMUNERATION POLICY
CONTINUED

Purpose and link to strategy	Operation	Performance metrics	Maximum entitlement
Core LTIP and Exceptional Performance LTIP			
Core Long-Term Incentive Plan (LTIP) awards and Exceptional Performance 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, with exceptionally stretching performance targets applying to Exceptional Performance LTIP awards.	Core LTIP awards and Exceptional Performance LTIP awards may take the form of nil (or nominal) cost share options or conditional awards. 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 or any exercise price, 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 Committee has discretion to amend pay-outs as referred to on page 107. Recovery provisions apply as referred to on page 117. 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. The provisions of this Policy will apply to the CSOP element of any qualifying LTIP award to the extent permitted by the applicable tax legislation and HMRC practice.	*Core LTIP awards* Performance measures for Core 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 return measures) 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. The performance measures for the 2024/25 Core LTIP awards are set out on page 130. Subject to the Committee's discretion to override formulaic outturns, threshold vesting will not be at more than 25 per cent of maximum. Core LTIP awards vest in full for maximum performance. *Exceptional Performance LTIP awards* Performance measures for Exceptional Performance LTIP awards are typically assessed over a period of three years and will be based on financial and/or TSR 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. The performance measure for the 2024/25 Exceptional Performance LTIP awards is set out on page 131. Subject to the Committee's discretion to override formulaic outturns, there will be no vesting for performance at or below threshold, with performance increasing from 0 per cent at threshold to 100 per cent for maximum performance.	*Core LTIP awards* The maximum Core LTIP award in respect of any financial year is up to 200 per cent of base salary. *Exceptional Performance LTIP awards* The maximum Exceptional Performance LTIP award in respect of any financial year is up to 100 per cent of base salary for the CEO and up to 50 per cent of base salary for any other Executive Director. *Qualifying LTIP* 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.

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. The fees of the Non-Executive Chair are determined by the Committee and reviewed periodically. 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.

Notes to the Remuneration Policy table

Adjustments and the use of Committee discretion

The Committee has discretion to amend pay-outs under the annual bonus, Core LTIP, and Exceptional Performance LTIP 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 start of the relevant year or date of grant, or is not appropriate in the context of other factors considered relevant by the Committee which includes the ability to exercise downward discretion where there has been a failure of acceptable health and safety standards, which may include a fatality or very serious injury, food safety incidents, or animal welfare failures (or other events which may result in serious reputational damage to the business).

Recovery provisions

The annual bonus, Core LTIP and Exceptional Performance LTIP are subject to recovery provisions as set out below.

Malus provisions apply which enable the Committee to determine before the payment of an annual bonus or the vesting of a Core LTIP or Exceptional Performance LTIP award, that the bonus opportunity or Core LTIP or Exceptional Performance LTIP award may be cancelled or reduced.

Clawback provisions apply which enable the Committee to determine for up to two years following the payment of a cash bonus or the vesting of a Core LTIP or Exceptional Performance 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 Core LTIP or Exceptional Performance 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 material misstatement, error in assessing a performance condition or in the information or assumptions on which a bonus award, Core LTIP or Exceptional Performance LTIP was awarded, material misconduct by a participant, material risk management failure, serious reputational damage or material corporate failure.

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 requirements

To align the interests of Executive Directors with those of Shareholders, the Committee has adopted shareholding guidelines which apply in-employment and after cessation of employment. The Committee retains discretion to disapply or vary these provisions in exceptional circumstances.

REMUNERATION POLICY
CONTINUED

In-Service Shareholding Guideline
During employment, each Executive Director is required to build and maintain a shareholding with a value of at least 200 per cent of their annual base salary. The Executive Director must retain shares acquired through the Core LTIP, Exceptional Performance LTIP and any deferred bonus award (after sales to cover tax, any exercise price and costs) until the required level of holding has been achieved.

Where a Core LTIP award or Exceptional Performance LTIP award 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
Shares are subject to the post-employment shareholding requirement only if they are acquired from Core LTIP awards, Exceptional Performance LTIP awards 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 (or, if the Committee so determines, after the Executive Director has stepped down from the Board), the Executive Director must retain such of their relevant shares as have a value at cessation equal to 200 per cent of base salary (or if less all of their relevant shares) and for the following 12 months, retain such of their relevant shares as have a value at cessation equal to 100 per cent of base salary (or if less all of their relevant shares).

Annual bonus performance targets
The structure of the performance targets applicable to annual bonus awards to be made in a particular year will ordinarily be set out in the implementation section of the Annual Report on Remuneration which precedes that year rather than in this Remuneration Policy report. The actual targets will not be disclosed in advance as they are considered to be commercially sensitive information; however, the details will be disclosed retrospectively, provided they are not considered commercially sensitive at that time.

Historically, Group profit before tax, as adjusted for acquisitions, disposals and other non-trading items, was the sole metric against which the annual bonus award was assessed. This Policy has flexibility for the Committee to introduce other financial and/or strategic measures, if deemed necessary, to provide an appropriately balanced and stretching incentive. It is proposed that for 2024/25 strategic measures will be introduced into the annual bonus tailored to each Executive Director's area of responsibility to ensure diversification of metrics and incentivisation of other priorities. Such metrics will ordinarily be disclosed in the implementation section.

Core LTIP measures
At least 80 per cent of the Core LTIP award will be based on financial measures, with the chosen measures determined by the Committee taking into account strategic priorities. The Policy provides flexibility for up to 20 per cent of the Core LTIP award to be based on strategic/individual performance measures (which may include ESG measures).

For 2025, the Core LTIP award will be based on EPS (42.5 per cent weighting), ROCE (42.5 per cent weighting) and sustainability targets (15 per cent weighting). The introduction of ROCE reflects clear consensus from shareholder feedback that a metric linked to value creation and a strong investment pipeline to ensure our ROCE percentage remains above our medium-term mid-teens target should be incorporated into the long-term incentive framework.

Exceptional Performance LTIP measures
The Exceptional Performance LTIP award will be based on financial and/or TSR measures, with the chosen measures determined by the Committee taking into account strategic priorities. The performance targets set require a genuinely exceptional level of performance to be delivered, requiring transformational growth significantly in excess of internal and external expectations.

For 2025, the Exceptional Performance LTIP award will be based on Relative TSR against companies in the FTSE 250 Index (excluding investment trusts) with additional stretch over and above typical market practice (i.e. no vesting of the Exceptional Performance award for performance at or below upper quartile performance). This ensures there is an appropriate balance of metrics across the Core LTIP and the Exceptional Performance LTIP and provides a focus on exceptional operational performance and strategic execution being reflected in superior TSR growth compared to the market.

Ability to vary or substitute performance measures or targets
The Committee may vary or substitute any performance measure or target where it considers it would be appropriate to do so (for example, to reflect a change in strategy, a material acquisition and/or divestment of a Group business, and/or a significant investment or a change in prevailing market conditions), provided that any such variation is fair and reasonable and, in the opinion of the Committee, would not make the measure materially less demanding. The Committee will assess performance on a fair and consistent basis from year-to-year. If the Committee was to make such a variation or substitution, an explanation would be given in the next Directors' Remuneration Report.

Operation of share plans
The Committee retains discretion to operate the Company's share plans in accordance with the plan rules, including the ability to adjust the number of shares subject to awards in the event of a variation in share capital, or other relevant event and to settle awards in cash or to grant awards as rights to cash payments calculated by reference to a notional number of shares. Although the Committee would only settle an Executive Directors' award in cash in appropriate circumstances, such as where there is a regulatory restriction on the delivery of shares or as regards the tax liability arising in respect of the award.

Recruitment remuneration policy
When appointing a new Executive Director, the Committee will typically align the remuneration package with the above Policy.

When determining appropriate remuneration arrangements, the Committee may include other elements of pay which it considers are appropriate. However, this discretion is capped and is subject to the limits referred to below.

- Base salary will be set at a level appropriate to the role and the experience of the Executive Director being appointed. This may include agreement on future increases up to a market rate, in line with increased experience and/or responsibilities, subject to good performance, where it is considered appropriate.
- Pension will only be provided in line with the above Policy.
- The Committee will not offer non-performance-related incentive payments (for example a 'guaranteed sign-on bonus').
- Other elements may be included in the following circumstances:
  - an interim appointment being made to fill an Executive Director role on a short-term basis;
  - if exceptional circumstances require that the Chair or any other Non-Executive Director takes on an executive function on a short-term basis;
  - if an Executive Director is recruited at a time in the year when it would be inappropriate to provide a bonus or long-term incentive award for that year as there would not be sufficient time to assess performance. Subject to the limit on variable remuneration set out below, the quantum in respect of the months employed during the year may be transferred to the subsequent year so that reward is provided on a fair and appropriate basis; or
  - if the Director will be required to relocate in order to take up the position, it is the Company's policy to allow reasonable relocation, travel and subsistence payments. Any such payments will be at the discretion of the Committee.
- The Committee may also alter the performance measures, performance period, vesting period, deferral period and holding period of the bonus, Core LTIP or any Exceptional Performance LTIP, subject, where relevant, to the plan rules, if the Committee determines that the circumstances of the recruitment merit such alteration. The rationale will be clearly explained in the next Directors' Remuneration Report.
- The normal maximum level of variable remuneration which may be granted in respect of a year (excluding 'buyout' awards as referred to below) is up to 500 per cent of salary for a new CEO (assuming an annual bonus opportunity of up to 200 per cent of salary, a Core LTIP of up to 200 per cent of salary and an Exceptional Performance LTIP of up to 100 per cent of salary) and up to 430 per cent for any other Executive Director (assuming an annual bonus opportunity of up to 180 per cent of salary, a Core LTIP of up to 200 per cent of salary and an Exceptional Performance LTIP of up to 50 per cent of salary). The award of bonus opportunities and Exceptional Performance LTIP awards up to the maxima permitted will not be automatic and would be considered on a case-by-case basis.

The Committee may make payments or awards in respect of appointing an Executive Director to 'buyout' remuneration arrangements forfeited on leaving their previous employment or engagement. In doing so, the Committee will take into account relevant factors including any performance conditions attached to the forfeited arrangements and the time over which they would have vested. The Committee will generally seek to structure 'buyout' awards or payments on a comparable basis to the remuneration arrangements forfeited. Any such payments or awards are excluded from the maximum level of variable remuneration referred to above. 'Buyout' awards will ordinarily be granted on the basis that they are subject to forfeiture or 'clawback' in the event of departure within 12 months of joining, although the Committee will retain discretion not to apply forfeiture or clawback in appropriate circumstances.

Any share awards referred to in this section will be granted as far as possible under the Company's share plans. If necessary and subject to the limits referred to above, recruitment awards may be granted outside of these plans as permitted under the Listing Rules which will allow for the grant of awards to facilitate, in unusual circumstances, the recruitment of an Executive Director.

Where a position is filled internally, any ongoing remuneration obligations or outstanding variable pay elements shall be allowed to continue in accordance with their terms.

Fees payable to a newly appointed Chair or Non-Executive Director will be in line with the policy in place at the time of appointment.

REMUNERATION POLICY
CONTINUED

Policy on payment for loss of office

Individual Director's eligibility for the various elements of remuneration is set out below.

Provision	Treatment upon loss of office
Fixed remuneration	Salary/fees, benefits and pension contributions/salary supplement will be paid to the date of termination. The Company may make a payment in lieu of notice at any time after notice has been given by either the Company or the Director. This payment would include basic salary for the unexpired period of notice and may also include benefits (including pension contributions or applicable salary supplement or contribution in lieu of salary) for that period. Alternatively, benefits may continue to be provided for the duration of the notice period that would otherwise have applied. In appropriate circumstances, the Committee may permit the continuation of benefits such as health insurance for a reasonable period following cessation of employment.
Annual Bonus	This will be reviewed on an individual basis and the decision whether or not to award a bonus in full or in part will be dependent upon a number of factors including the circumstances of their departure and their contribution to the business during the bonus period in question such that any bonus will be paid only in circumstances that the Committee considers are 'good leaver' circumstances. Any bonus payment would typically be pro-rated for time in service to termination and paid at the usual time (although the Committee retains discretion to pay the bonus earlier in appropriate circumstances) and to vary the application of (or disapply) time-based pro-rating. Where bonus deferral would otherwise apply, the Committee may permit the payment of a bonus wholly in cash, although would do so only in circumstances that in the opinion of the Committee amount to compassionate 'good leaver' circumstances. Any outstanding deferred bonus awards would typically continue (other than in the event of summary dismissal where the entitlement would lapse) and vest at the originally anticipated date, although the Committee retains discretion to release any such award at the date of cessation or at an alternative date before the originally anticipated date.
Core LTIP and Exceptional Performance LTIP	*Unvested awards* Unvested Core LTIP and Exceptional Performance LTIP awards will lapse on cessation of employment, unless cessation is as a result of death, injury, ill health, disability, redundancy, retirement with the agreement of the Company or other circumstances at the discretion of the Committee. In these 'good leaver' scenarios, awards will usually vest at the normal vesting date subject to the satisfaction of the performance conditions and, unless the Committee determines otherwise, a pro-rata reduction to reflect the proportion of the vesting or performance period that has elapsed at the date of cessation. The Committee retains discretion to vest awards early (and to assess performance conditions early where relevant) and to waive or vary the time based pro-rating reduction. The holding period would typically apply until the earlier of its originally anticipated end date and the second anniversary of the date on which the Executive Director ceased employment, unless the vesting was two years or more after cessation of employment in which case no holding period would apply. The Committee has discretion to vary the application of the holding period in exceptional and compassionate circumstances. *Awards in a Holding Period* If an Executive Director ceases employment during the holding period relating to a Core LTIP award or an Exceptional Performance LTIP award, the holding period will ordinarily continue to apply, although the Committee has discretion to bring it to an end earlier in exceptional and compassionate circumstances.
Other payments	In appropriate circumstances, payments may also be made in respect of accrued holiday pay, and outplacement and legal fees. Options under the SAYE scheme and awards under the BAYE will vest on cessation in accordance with the plan rules, which do not allow for discretionary treatment.
Change of control	In the event of a change of control, unvested Core LTIP awards and unvested Exceptional Performance LTIP awards will be released to the extent determined by the Committee taking into account the relevant performance conditions and, unless the Committee determines otherwise, the extent of vesting so determined shall be reduced to reflect the proportion of the vesting or performance period that has elapsed. In the event of a change of control during the holding period relating to a Core LTIP award or an Exceptional Performance LTIP award, that holding period shall come to an end. Deferred bonus awards will vest in full on a change of control. Options under the SAYE scheme and awards under the BAYE will vest on a change of control.

Where appropriate the Committee would have regard to the departing Executive Director's duty to mitigate loss. There are no express provisions within the Director's service contracts for the payment of compensation or liquidated damages on termination of employment.

Where a 'buyout' or other award is made, the leaver provisions would be determined at the time of the award.

The Committee reserves the right to make additional exit payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment.

The Non-Executive Directors are not entitled to compensation on termination of their appointment in excess of their outstanding fee entitlement.

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 from 19 October 2015 (revised 1 August 2022).

Non-Executive Directors
Each Non-Executive Director has an appointment letter – Tim Smith for three years from 1 April 2024 and Liz Barber for three years from 1 May 2024, Alan Williams for three years from 24 July 2023, Yetunde Hofmann for three years from 1 August 2022, and Rachel Howarth for three years from 30 April 2024. 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 2024 Annual Report and 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 quoted company of a similar size, including high standards of health and safety and equal opportunities; and
- the Group operates Save As You Earn share schemes and has introduced a new Buy As You Earn (BAYE) share incentive plan, each of which is open to all eligible employees including Executive Directors.

Consideration of Shareholders' views
The Committee believes that ongoing dialogue with major Shareholders in relation to Executive Director remuneration is of key importance, and consulted with major Shareholders and investor agencies in relation to the new Policy, adjusting the proposals having regard to feedback received, as discussed in the Interim Committee Chair's letter on pages 105 to 109. 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.

ANNUAL REPORT ON DIRECTORS' REMUNERATION

Directors' Remuneration (audited)

The remuneration Policy operated as intended in 2023/24. The table below sets out the single figure remuneration details of the Directors for the reporting year:

	Salary and fees		Benefits		Bonus		LTIP[1]		Pension		SAYE		Total		Total fixed		Total variable	
£'000	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Executive Directors																		
Chris Aldersley[2]	530	331	37	23	875	256	692	98	56	59	4	–	2,194	767	623	413	1,571	354
Mark Bottomley	530	496	35	33	875	383	692	489	56	89	4	4	2,192	1,494	621	618	1,571	876
Jim Brisby	530	496	34	32	875	383	692	489	56	89	11	–	2,198	1,489	620	617	1,578	872
Adam Couch	802	751	41	36	1,323	580	1,046	741	85	134	2	–	3,299	2,242	928	921	2,371	1,321
	2,392	**2,074**	**147**	**124**	**3,948**	**1,602**	**3,122**	**1,817**	**253**	**371**	**21**	**4**	**9,883**	**5,992**	**2,792**	**2,569**	**7,091**	**3,423**

	Salary and fees		Benefits		Bonus		LTIP[1]		Pension		SAYE		Total		Total fixed		Total variable	
£'000	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Non-Executive Directors																		
Tim Smith	250	250	–	–	–	–	–	–	–	–	–	–	250	250	250	250	–	–
Mark Reckitt[3]	21	66	–	–	–	–	–	–	–	–	–	–	21	66	21	66	–	–
Pam Powell[4]	28	63	–	–	–	–	–	–	–	–	–	–	28	63	28	63	–	–
Kate Allum[5]	–	22	–	–	–	–	–	–	–	–	–	–	–	22	–	22	–	–
Liz Barber	67	63	–	–	–	–	–	–	–	–	–	–	67	63	67	63	–	–
Yetunde Hofmann[6]	65	37	–	–	–	–	–	–	–	–	–	–	65	37	65	37	–	–
Alan Williams[7]	46	–	–	–	–	–	–	–	–	–	–	–	46	–	46	–	–	–
	477	**501**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**477**	**501**	**477**	**501**	**–**	**–**
Total	**2,869**	**2,575**	**147**	**124**	**3,948**	**1,602**	**3,122**	**1,817**	**253**	**371**	**21**	**4**	**10,360**	**6,493**	**3,269**	**3,070**	**7,091**	**3,423**

1. The values of the LTIP awards which vested in July 2023 have been updated for the actual share price on the date of vesting. In line with the regulations, the values for 2024 are based on the average share price over the three-month period to 30 March 2024 as these awards will not vest until August 2024 (see tables on page 124).
2. Appointed to the Board on 1 August 2022. The 2023 figures reflect their remuneration for the period from 1 August 2022. The LTIP figures relates to the LTIP award 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.
3. Retired from the Board on 24 July 2023.
4. Retired from the Board on 1 September 2023.
5. Retired from the Board on 1 August 2022.
6. Appointed to the Board on 1 August 2022.
7. Appointed to the Board on 24 July 2023.

As reported last year, the Executive Directors had pay awards in the year effective from 1 May 2023 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 2023	% increase
Chris Aldersley	£532,975	7%
Mark Bottomley	£532,975	7%
Jim Brisby	£532,975	7%
Adam Couch	£806,250	7%

As disclosed in last year's Chair's annual statement on page 110, Executive Directors were awarded a salary 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 had been particularly acute).

Benefits principally comprise health and life insurance, personal tax advice, pension advice and company car allowance.

Executive Director pension contributions are set at 10 per cent which is consistent with the rate of pension contribution available to the wider workforce.

The number of Directors who were active members of the money purchase pension scheme in the year was two (2023: 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.

Annual bonus arrangement (audited)

The bonus scheme in operation for FY24 was based on the achievement of adjusted Group profit before tax targets which were set with regard to the Company's budget, historical performance and market outlook for the year. There are three bonus profit targets triggering awards of 20 per cent, 50 per cent and 100 per cent of the maximum award (representing 165 per cent of the relevant Executive Directors base salary) with a straight-line, pro-rata award for profits falling between the targets.

The performance in the year, before charging bonus awards made to the Executive Directors was £181.1 million. This resulted in a bonus award representing 165 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 and therefore no discretion was applied.

	Threshold	Target to stretch	Maximum	Actual*
Group profit targets	£143.2m	£150.0m	£161.9m	£181.1m
Bonus payable (% of maximum)	20%	50%	100%	100%

* Adjusted Group profit before tax targets are stated before deduction of bonuses paid to Executive Directors, associated employers NI and non-trading items.

This award is reflected in the single figure remuneration table above.

LTIP award vesting in respect of the 53 weeks ended 30 March 2024 (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 2021 LTIP awards that will vest in August 2024 are as follows:

- After taking into account the changes to the EPS targets described in the Committee's statement last year on pages 108 and 109, 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 (25 per cent) 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 25 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.

ANNUAL REPORT ON DIRECTORS' REMUNERATION
CONTINUED

The comparison companies used are: Associated British Foods plc, A.G. Barr plc, Britvic plc, Carrs Group 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 30 March 2024 relates to awards made in August 2021 with a performance criteria based on the three years ended 30 March 2024 that will vest in August 2024 calculated at the average price for the three months ended on 30 March 2024 of 3,986 pence. Over the three-year performance period the EPS element of the award, based on the criteria set above, gave an outperformance of 1.72 per cent over the threshold adjusted average annual growth (referenced above) and vesting at 46.4 per cent of the maximum. Performance in relation to TSR measured over a three-month averaging period has been strong with the Company being ranked in the 91st percentile of its comparator Group and, consequently, 100 per cent of the TSR element of the award has vested this year. The total award of 73.2 per cent of maximum (146.4 per cent of salary) is reflected in the table on page 122, 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 30 March 2024 and is appropriate and therefore no discretion was applied.

	Date of grant	Options granted	Vesting performance	Shares awarded	Average share price	Value of shares
Chris Aldersley*	1 August 2021	23,700	73.2%	17,353	3,986	£691,691
Mark Bottomley	1 August 2021	23,700	73.2%	17,353	3,986	£691,691
Jim Brisby	1 August 2021	23,700	73.2%	17,353	3,986	£691,691
Adam Couch	1 August 2021	35,850	73.2%	26,249	3,986	£1,046,285

* 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 2021 LTIP awards with a performance period ended 30 March 2024, were granted on 1 August 2021 when the share price was 4,050 pence. The three-month average share price ended on 30 March 2024 was 3,986 pence. This equated to a decrease in value for each Executive Director of 64 pence per share due to vest in August 2024. The proportion of the value attributable to share price growth is therefore -1.6 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 25 March 2023 for share price on vesting date (audited)

The value of the LTIP for the 52 weeks ended 25 March 2023 relates to awards, made in 2020, with a performance criteria based on the three years ended 25 March 2023 that vested in July 2023, updated for the actual vesting share price of 3,230 pence. The EPS element of the award achieved 83.7 per cent of its performance target and 38 per cent was achieved under the TSR measure giving an overall award of 60.9 per cent of maximum and this is reflected in the 2023 column of the table on page 122 and in the table below.

The 2020 LTIP awards with performance period ended 25 March 2023, were granted on 1 July 2020 when the share price was 3,664 pence. Based on the vesting share price, this equated to an decrease in value of 434 pence per share.

	Date of grant	Options vested	Value of award as at 25 March 2023 based on an average price of 3,099p	Value of award when vested in July at the market price of 3,230p
Chris Aldersley*	1 July 2020	13,662	£94,086	£98,063
Mark Bottomley	1 July 2020	15,154	£469,622	£489,474
Jim Brisby	1 July 2020	15,154	£469,622	£489,474
Adam Couch	1 July 2020	22,944	£711,035	£741,091

* 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.

LTIP awards granted during the year ended 30 March 2024 (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 2023	200% of salary	32,800	3,250	£1,066,000	25%	28 March 2026
Mark Bottomley	1 July 2023	200% of salary	32,800	3,250	£1,066,000	25%	28 March 2026
Jim Brisby	1 July 2023	200% of salary	32,800	3,250	£1,066,000	25%	28 March 2026
Adam Couch	1 July 2023	200% of salary	49,620	3,250	£1,612,650	25%	28 March 2026

* 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.

Each person has also been granted a tax qualifying option over 615 shares at an exercise price of 3,250p 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 30 March 2024 are as follows:

EPS as at 28 March 2026 (42.5% of award)	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%
TSR performance (42.5% of award)	**Vesting percentage**
Median	25%
Between median and upper decile	Straight-line vesting
Upper decile	100%
Emissions reduction (tonnes CO_2e)* (5% of award)	**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 (m^3/sales tonnes) (5% of award)**	**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) (5% of award)	**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 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.

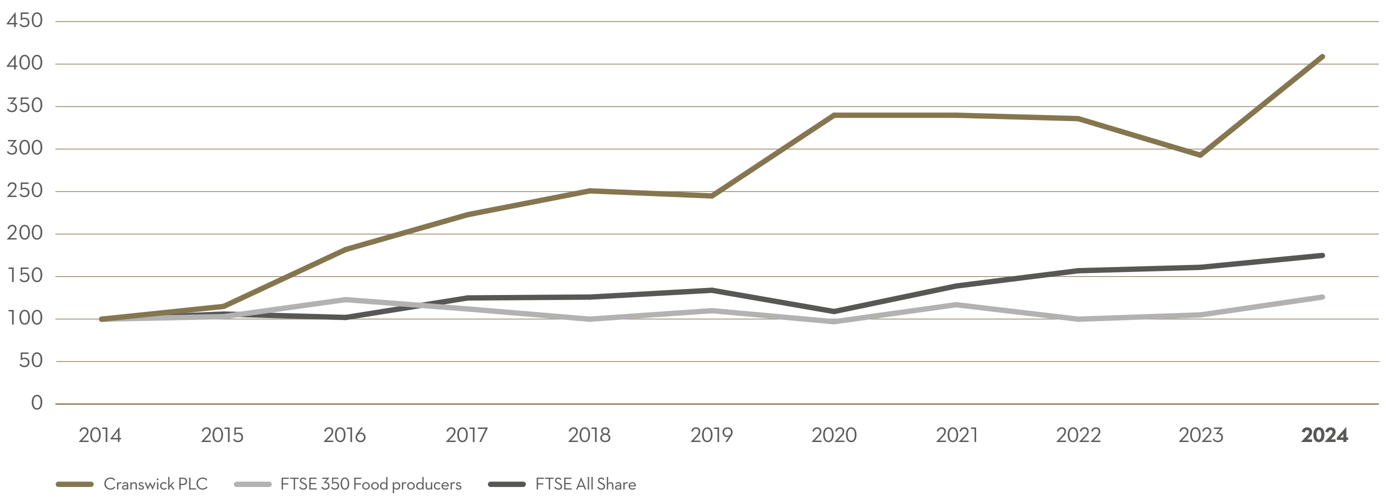
ANNUAL REPORT ON DIRECTORS' REMUNERATION
CONTINUED

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 2023/24 by Adam Couch had an exercise price of 2,565 pence and a market value of 3,338 pence respectively, the awards exercised by Chris Aldersley had an exercise price of 2,565 pence and a market value of 3,242 pence respectively, the awards exercised by Mark Bottomley had an exercise price of 2,800 pence and a market value of 4,066 pence respectively and the awards exercised by Jim Brisby had an exercise price of 2,239 pence and a market value of 3,904 pence respectively. The notional gains are shown in the 2024 column of the table on page 122.

Payments to past Directors and payments for loss of office (audited)
There have been no payments made to past Directors or payments for loss of office during the year.

Performance graph – total shareholder return (unaudited)
The graph below shows the percentage change (from a base of 100 in March 2014) 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 ten years, with the bonus awards in those years and the LTIP vesting awards set against a percentage of the maximum available.

£'000	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Base salary	562	588	599	616	635	651	669	720	751	802
Benefits	29	29	31	32	33	34	32	33	36	41
Pension	112	118	120	123	127	130	134	134	134	85
Bonus	843	882	898	925	240	979	1,004	604	580	1,323
LTIP	825	1,148	1,341	1,793	840	1,118	1,200	1,482	741	1,046
SAYE	–	38	–	–	–	49	–	17	–	2
CEO total remuneration	2,371	2,803	2,989	3,489	1,875	2,961	3,039	2,990	2,242	3,299
Bonus award against maximum opportunity	100%	100%	100%	100%	25%	100%	100%	51%	47%	100%
LTIP vesting against maximum opportunity	87%	100%	100%	100%	81%	99%	77%	100%	61%	73%

Adam Couch was the CEO throughout the ten year period referenced above.

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, the year ended 25 March 2023 and the year ended 30 March 2024, and the average percentage change in the same remuneration over the same period in respect of the employees of the Cranswick plc 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 30 March 2024, Alan Williams was appointed to the Board, and accordingly has been excluded from the analysis.

		Average employee[1]	Chris Aldersley[2]	Mark Bottomley	Jim Brisby	Adam Couch	Mark Reckitt[3]	Pam Powell[4]	Tim Smith[5]	Liz Barber	Yetunde Hofmann
Salary/fees	2023/24	+4.4%	+6.9%	+6.9%	+6.9%	+6.8%	-68.2%	-55.6%	–	+6.3%	+75.7%
	2022/23	+19.1%	N/A	+4.2%	+4.2%	+4.3%	+4.8%	+16.7%	+31.6%	+28.6%	N/A
	2021/22	+0.3%	N/A	+7.7%	+7.7%	+7.6%	+6.8%	+5.9%	+222.0%	–	N/A
	2020/21	+6.6%	N/A	+2.8%	+2.8%	+2.8%	–	–	–	N/A	N/A
Benefits	2023/24	+4.8%	+6.1%	+6.1%	+6.3%	+13.9%	N/A	N/A	N/A	N/A	N/A
	2022/23	+1.7%	N/A	0.0%	0.0%	+9.1%	N/A	N/A	N/A	N/A	N/A
	2021/22	-11.6%	N/A	+6.5%	+3.2%	+3.1%	N/A	N/A	N/A	N/A	N/A
	2020/21	-2.3%	N/A	-3.7%	-0.7%	-5.7%	N/A	N/A	N/A	N/A	N/A
Bonus	2023/24	+23.4%	+128.5%	+128.5%	+128.5%	+128.1%	N/A	N/A	N/A	N/A	N/A
	2022/23	+35.3%	N/A	-4.0%	-4.0%	-4.0%	N/A	N/A	N/A	N/A	N/A
	2021/22	-18.1%	N/A	-39.9%	-39.9%	-39.9%	N/A	N/A	N/A	N/A	N/A
	2020/21	+12.1%	N/A	+2.8%	+2.8%	+2.6%	N/A	N/A	N/A	N/A	N/A

1. Includes the impact of pay awards, growth in employee numbers and restructuring of plc support functions.
2. Appointed to the Board on 1 August 2022, in order for the numbers to be compatible the 2023 value has been annualised.
3. Retired from the Board as a Director on 24 July 2023.
4. Retired from the Board as a Director on 1 September 2023.
5. 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	79:1	69:1	55:1
2024	Option A	109:1	95:1	79:1

2024	Chief Executive	25th percentile	Median	75th percentile
Salary	802	24	29	33
Total Remuneration	3,299	30	35	42

* 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 25 March 2023 is the total single figure remuneration figure as disclosed on page 122, which has been adjusted to reflect the actual LTIP vesting (further information on page 124). This adjustment has increased the CEO pay ratios for the year ended 25 March 2023 as follows: 25th percentile 77:1 to 79:1; median 68:1 to 69:1; and 75th percentile 54:1 to 55:1.

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 30 March 2024. 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 £35,000. 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.

ANNUAL REPORT ON DIRECTORS' REMUNERATION
CONTINUED

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 2024 and the preceding financial year. There have been no share buybacks during 2024 and 2023.

Pay against distributions £'m	2024	2023	Change %
Remuneration paid to all employees*	388.4	335.9	+15.6%
Total dividends paid and share buybacks in the year	43.9	40.7	+7.9%

* Includes the impact of pay awards, growth in employee numbers and corporate activity.

Outstanding share awards (audited)

The interests of the Executive Directors in the Deferred Bonus Plan, LTIP and SAYE schemes were as follows:

Long-term Incentive Plan (audited)

	Year of award	At 25 March 2023 Number	Granted in the year Number	Exercised in the year Number	Lapsed in the year Number	At 30 March 2024 Number	Exercise price p	Market price at grant p
Chris Aldersley***	2020	22,450	–	(13,662)	(8,788)	–	nil	3,664
	2021	23,700	–	–	–	23,700	nil	4,050
	*2022	31,900	–	–	–	31,900	nil	3,034
	**2023	–	32,800	–	–	32,800	nil	3,246
Mark Bottomley	2020	24,900	–	(15,154)	(9,746)	–	nil	3,664
	2021	23,700	–	–	–	23,700	nil	4,050
	*2022	31,900	–	–	–	31,900	nil	3,034
	**2023	–	32,800	–	–	32,800	nil	3,246
Jim Brisby	2020	24,900	–	(15,154)	(9,746)	–	nil	3,664
	2021	23,700	–	–	–	23,700	nil	4,050
	*2022	31,900	–	–	–	31,900	nil	3,034
	**2023	–	32,800	–	–	32,800	nil	3,246
Adam Couch	2020	37,700	–	(22,944)	(14,756)	–	nil	3,664
	2021	35,850	–	–	–	35,850	nil	4,050
	*2022	48,250	–	–	–	48,250	nil	3,034
	**2023	–	49,620	–	–	49,620	nil	3,246

* 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.

** Each of the Executive Directors, was also granted a tax qualifying option over 615 ordinary shares at an exercise price of £32.50 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 prior to 1 August 2022 were made whilst employed by the Group in a Senior Executive position as Chief Operating Officer prior to being appointed a Director.

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 124 and 125 in respect of 2023 and as detailed in the Directors' Remuneration Report for the preceding years on the following pages of the relevant report: 2022 page 114, 2021 page 105 and 2020 page 88.

The LTIP, issued in 2021, which vests in August 2024, will achieve 46.4 per cent of the EPS target and 100 per cent of the TSR target giving a share vesting of 73.2 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*	13,662	30 June 2023	nil	3,230	441,283
Mark Bottomley	15,154	30 June 2023	nil	3,230	489,474
Jim Brisby	15,154	30 June 2023	nil	3,230	489,474
Adam Couch	22,944	30 June 2023	nil	3,230	741,091

* 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 25 March 2023 Number	Granted in the year Number	Exercised in the year Number	Lapsed in the year Number	At 30 March 2024 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	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
	2023	–	505	–	–	505	3,127	1 Mar 2029 – 1 Sept 2029
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
	2023	–	177	–	–	177	3,127	1 Mar 2029 – 1 Sept 2029

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

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

	Number	Date exercised	Exercise price p	Market price p	Gain on exercise £
Chris Aldersley	584	25 August 2023	2,565	3,242	3,954
Mark Bottomley	321	14 March 2024	2,800	4,066	4,064
Jim Brisby	669	1 March 2024	2,239	3,904	11,139
Adam Couch	205	1 June 2023	2,565	3,338	1,585

Deferred Bonus Plan (audited)

The following Executive Director exercised deferred bonus share options during the year:

	Year of award	Number of nil cost options	Date of Exercise
Chris Aldersley	2023	2,619	29 November 2023*

Deferred bonus shares are subject to a two-year retention period and will lapse in certain circumstances on the cessation of employment.

* During the year, the Board of Directors (with the approval of Remuneration Committee) agreed to the early exercise of the nil cost options (and dividend equivalents) in consideration for Chris Aldersley undertaking to the Company to retain 1,388 ordinary shares of 10p each (representing the after-tax number of shares subject to the Deferred Bonus Plan) from his existing holding of shares in the Company for the balance of the two-year deferral period relating to the nil-cost options granted under the Deferred Bonus Plan.

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' current holdings and value are all in excess of the 200 per cent target and are shown below.

Directors' interests (audited)

	LTIP (Unvested, subject to performance)*	LTIP (Vested unexercised)**	SAYE (Non-performance related)	Number of shares held as at 30 March 2024	Value of shares held as a % of base salary	Target %
Chris Aldersley***	64,700	17,353	1,135	36,687	268%	200
Mark Bottomley	64,700	17,353	360	133,125	973%	200
Jim Brisby	64,700	17,353	1,040	143,630	1,050%	200
Adam Couch	97,870	26,249	1,115	233,439	1,128%	200
Tim Smith	–	–	–	5,000	–	–
Liz Barber	–	–	–	1,000	–	–
Alan Williams	–	–	–	2,000	–	–

* Not including tax qualifying options granted to each of the Executive Directors.

** LTIP awards are due to vest in August 2024 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.

ANNUAL REPORT ON DIRECTORS' REMUNERATION
CONTINUED

The share price at 30 March 2024 of 4,096 pence was used in calculating the percentage figures shown above. 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 30 March 2024 to 21 May 2024.

Remuneration for the year ending 29 March 2025 (unaudited)

Salaries and pension
Our approach to Executive Directors' salaries and pension for 2024/25 is described in the Committee Chair's Statement on pages 105 to 109.

Bonus
In accordance with the proposed 2024 Remuneration policy, a bonus opportunity of 200 per cent of salary for the Chief Executive and 180 per cent of salary for the other Executive Directors will be awarded. 90 per cent of the bonus in the case of the Chief Executive and 91.7 per cent of the bonus for the other Executive Directors 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 remaining part of the bonus opportunity will be based against quantifiable and objective strategic/individual targets. The Committee have ensured that the stretch in bonus targets is commensurate with the proposed increase in bonus opportunity.

The actual 2025 targets are not disclosed as they are considered to be commercially sensitive. The targets will be declared retrospectively in the 2025 Annual Report & Accounts, provided they are not considered commercially sensitive at that time. There will be three bonus profit targets triggering awards of 20 per cent, 50 per cent and 100 per cent of the maximum award (representing 200 per cent of base salary for the Chief Executive and 180 per cent of base salaries for the other Executive Directors) with a straight-line pro-rata award for profits falling between the targets. All Executive Directors have met their shareholding guideline therefore mandatory bonus deferral does not apply.

Core LTIP
Core LTIP awards, equivalent to 200 per cent of basic salary, will be made in August 2024 and vesting will be after a three-year performance period. 42.5 per cent of the award will be based on a ROCE performance measure, 42.5 per cent on an EPS performance measure, and 15 per cent on sustainability measures.

Details of the performance targets for the Core LTIP awards to be granted are as follows:

EPS as at 30 March 2027	Vesting percentage
259.9 pence per ordinary share	25%
Growth between 259.9 pence and 301.2 pence per ordinary share	Straight-line vesting
301.2 pence per ordinary share	100%
ROCE as at 30 March 2027	**Vesting percentage**
16.0 per cent	25%
Between 16.0 per cent and 18.0 per cent	Straight-line vesting
18.0 per cent	100%
Emissions reduction (tonnes CO_2e*)	**Vesting percentage**
16.8 per cent	25%
Between 16.8 per cent and 22.4 per cent	Straight-line vesting
22.4 per cent	100%
Water Intensity reduction (m^3/sales tonnes)**	**Vesting percentage**
15.6 per cent	25%
Between 15.6 per cent and 20.8 per cent	Straight-line vesting
20.8 per cent	100%
Energy Intensity reduction (kWh/sales tonnes)	**Vesting percentage**
18.1 per cent	25%
Between 18.1 per cent and 24.1 per cent	Straight-line vesting
24.1 per cent	100%

* Emissions are total Scope 1 and Scope 2 emissions (location based).
** Water intensity excludes farms.

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.

Exceptional Performance Long-term Incentive Award

Subject to Shareholder approval, an Exceptional Performance Long-term Incentive Award, equivalent to 100 per cent of basic salary in relation to the Chief Executive Officer and 50 per cent of salary in relation to the other Executive Directors, will be made in August 2024 and vesting will be after a three-year performance period based on a TSR measure.

Details of the performance target for the Exceptional Performance Long-term Incentive Award to be granted are as follows:

TSR	Vesting percentage
75th percentile	0%
Between 75th percentile and 90th percentile	Straight-line vesting
90th percentile	100%

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 2023/24 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 £86,160 for the year ended 30 March 2024. 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 2023 Remuneration Committee Report was passed on a poll at the Company's last AGM held on 24 July 2023. The votes cast in respect of the resolution were:

Remuneration Committee Report	Number	%
For	39,798,119	89.96
Against	4,440,977	10.04
Withheld	12,505	–

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.

Liz Barber
Interim Chair of the Remuneration Committee

21 May 2024

DIRECTORS' REPORT

The Directors' Report required under the Companies Act 2006 comprises this Directors' Report (pages 132 to 136), the Corporate Governance Report (pages 76 to 131), the Sustainability Report set out in the Strategic Report (pages 30 to 37) and the Statement of Directors Responsibilities (page 137). The management report required under Disclosure Guidance and Transparency Rule 4.1.8R comprises the Strategic Report (pages 2 to 74) 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 29 July 2024. A notice convening the AGM can be found in the separate Notice of Annual General Meeting accompanying this Annual Report and 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 and Accounts, and covers the Directors' authority to allot shares, the partial disapplication of pre-emption rights and the authority for the Company to buy its own shares.

Results and dividends

The profit from continuing operations for the financial year, after taxation amounts to £113.1 million (2023: £111.4 million). The Directors have declared dividends as follows:

	2024	2023
Interim dividend per share paid on 26 January 2024	**22.7p**	20.6p
Final dividend per share proposed	**67.3p**	58.8p
Total dividend	**£48.5m**	£41.0m

Subject to approval at the AGM, the final dividend will be paid in cash on 30 August 2024 to members on the register at the close of business on 19 July 2024. The shares will go ex-dividend on 18 July 2024. The proposed final dividend for 2024 together with the interim paid in January 2024 amount to 90.0 pence per share which is 13.4 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 audited consolidated financial statements together with the biographies of all Directors serving at the date of this Annual Report are shown on pages 78 and 79.

Directors' interests in the Company's shares

The interests of the Directors of the Company and their connected persons at 30 March 2024 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 129. Details of Directors' interests in shares are provided in the Directors' Remuneration Report on page 129.

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.

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 178. During the year, the share capital increased by 305,215 shares. The increase comprised 302,549 of shares issued relating to share options exercised during the year and 2,666 shares issued relating to deferred bonuses.

Details of share option schemes are summarised in Note 24 to the audited consolidated financial statements. The information in Note 24 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 and 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 30 March 2024:

	At 30 March 2024		
	Number of shares	% of issued share capital	Nature of holding
BlackRock Inc	3,452,401	6.39	Direct & Indirect
The Vanguard Group, Inc.	2,663,335	4.93	Direct & Indirect
Franklin Resources	2,527,374	4.68	Direct & Indirect
Invesco Perpetual	2,472,377	4.58	Direct & Indirect
abrdn plc	2,401,113	4.44	Direct & Indirect
J P Morgan Chase & Co	2,276,082	4.21	Direct & Indirect
Royal London Mutual Assurance Society	2,112,664	3.91	Direct & Indirect
Schroders	1,798,061	3.33	Direct
Wellington Mgt Company	1,624,970	3.01	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 30 March 2024.

DIRECTORS' REPORT
CONTINUED

There have been no notifications of any significant changes, or percentage movements, to these shareholdings as at 21 May 2024.

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 25 March 2023 and 53 weeks ended 30 March 2024. The Group's capital structure is as follows:

	2024 £'m	2023 £'m
Net debt/(funds) (Note 26)	**99.4**	101.4
Cranswick plc Shareholders' equity	**911.5**	842.9
Capital employed	**1,010.9**	944.3

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 2023 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 £1,791,000 (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 £1,791,000 (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 Company's share option plans. This authority is due to lapse at the 2024 AGM. At the 2024 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 16 of the Notice of Annual General Meeting.

Disapplication of pre-emption rights

The Directors were empowered at the 2023 AGM to make non-pre-emptive issues for cash up to a maximum aggregate nominal amount of £537,000 (being approximately 10 per cent of the issued share capital prior to that AGM) and up to a further nominal amount equal to 20 per cent of such issue if used only for the purposes of making a follow-on offer which the Directors determine to be of a kind contemplated by the Pre Emption Group's Statement of Principles (as updated in November 2022). This power is also due to lapse at the 2024 AGM and Shareholders will be asked to grant a similar power (Resolution 17 of the Notice of Annual General Meeting).

In addition, as supported by the Pre-Emption Group's Statement of Principles, as updated in November 2022, the Directors were empowered at the 2023 AGM to allot shares for cash or sell shares out of treasury up to a further nominal amount of £537,000, representing approximately 10 per cent of the issued ordinary share capital as at June 2023 (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 and up to a further nominal amount equal to 20 per cent of any allotments or sales if used only for the purposes of making a follow-on offer which the Directors determine to be of a kind contemplated by the Statement of Principles. 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 2024 AGM and Shareholders will be asked to grant a similar power (Resolution 18 of the Notice of Annual General Meeting).

Own share purchases

The Directors were also authorised at the 2023 AGM under a Special Resolution to make market purchases of the Company's own ordinary shares up to a maximum aggregate number of 5,373,000 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 2024 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 24 January 2025 or the conclusion of the 2024 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

During the year, the Cranswick Employee Benefit Trust (the 'Trust'), which was set up in May 2020, began purchasing Cranswick plc shares. Shares held in trust are recorded at cost and deducted from equity.

The Shares held in trust reserve represents the cost of shares in Cranswick plc purchased in the market and held by the Trust to satisfy share awards under the Group's Long-Term Incentive Plan and Save As You Earn share option plan.

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;
- the Company is party to an agreement with Pets at Home Limited ('Pets at Home') for the supply of pet food products from its facility at Lincoln, which upon a change of control of the Company is terminable by Pets at Home 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 £152.5 million and is analysed as follows:

Direct tax	
Corporation tax	£41.4m
Employer's National Insurance	£31.9m
Business rates	£3.9m
Apprenticeship levy	£1.8m

Indirect tax	
Income tax	£51.9m
Employee's National Insurance	£21.6m

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 reduced its borrowings over the past 12 months with the net debt decreasing to £99.4 million (2023: £101.4m). At 30 March 2024 gearing was 10.9 per cent (2023: 12.0 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. The Group 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 30 March 2024 was £222.0 million (2023: £208.0 million).

Note 21 (Financial Instruments) to the audited consolidated 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 £29.0 million (2023: £10.8 million). 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 30 March 2024 (2023: £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 51 to 54 of the Strategic Report and page 82 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 74. Disclosures relating to the Group's human rights and anti-bribery policies are contained on page 74. The Group's non-financial information statement is set out on page 74. Details of employee involvement in Company performance through share scheme participation can be found on page 180. 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 page 47. These are deemed to form part of this Directors' Report.

DIRECTORS' REPORT
CONTINUED

A summary of how the Company has engaged with suppliers, customers and other third parties can be found on pages 55 to 59. 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 47 to 50. 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 62 and 63. These are deemed to form part of this Directors' Report.

Employment policies
The Group's employment policies can be found on www.cranswick.co.uk. A description of actions the Group has taken to encourage greater employee involvement in the business are set out on pages 82 to 83. 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 30. 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 2 to 74. The report sets out the business model (pages 6 to 8), 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 68 to 72). 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 123 to 125.

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 73.
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 auditors 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 100.

The Directors' Report was approved by a duly authorised Committee of the Board on 21 May 2024 and is signed by order of the Board by:

Steven Glover
Company Secretary

21 May 2024

Company number: 1074383

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and 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 and 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 Board of Directors section on pages 78 and 79 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 2 to 74 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:

- so far as the director is aware, there is no relevant audit information of which the group's and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditors are aware of that information.

On behalf of the Board

Tim J Smith CBE
Chairman

Mark Bottomley
Chief Financial Officer

21 May 2024

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 30 March 2024 and of the group's profit and the group's cash flows for the 53 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 30 March 2024; 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, comprising material accounting policy information and other explanatory information.

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 in the period under audit.

Our audit approach

Overview

Audit scope

- The group is organised into 30 reporting units, all within the UK. The group financial statements are a consolidation of these reporting units and the consolidation journals.
- Of the 30 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. We also audited material consolidation journals.
- This covered 76.3 per cent of the group's revenue and 73.4 per cent of the group's Adjusted profit before tax. These coverages are based on absolute values.
- Specific audit procedures over biological assets were performed for a further 4 reporting units due to their contribution towards the overall biological assets financial statement line item.
- On the remaining 18 reporting units which were not subject to audit of their complete financial information, we performed analytical procedures to respond to any potential risks of material misstatement to the group financial statements.

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: £8.8 million (2023: £7.0 million) based on 5% of adjusted profit before tax.
- Overall company materiality: £2.6 million (2023: £2.4 million) based on 1% of total assets capped due to group materiality allocation.
- Performance materiality: £6.6 million (2023: £5.3 million) (group) and £2.0 million (2023: £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.

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.

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 page 152 (Judgements and key sources of estimation uncertainty), 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 £2.2 million (2023: credit of £7.6 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; • 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; and • We have considered the appropriateness of the correlation between historic market prices for sucklers and weaners and the UK Standard Pig Price used for finisher 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). The company has investments in subsidiary undertakings of £155.5 million (2023: £152.1 million) and amounts owed by group undertakings of £169.0 million (2023: £161.9 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. • We have reviewed the disclosures included within note 2 and note 9 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 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 30 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 reporting units 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 4 reporting units due to their contribution towards the overall biological assets financial statement line item.

The 12 reporting units where we performed an audit of their complete financial information, and work performed centrally by the group team, accounted for 76.3 per cent of the group's revenue and 73.4 per cent of the group's Adjusted profit before tax. These coverages are based on absolute values.

The work was performed by a component audit team on 4 of the 12 reporting units. All other work was completed by the group audit team. All reporting units 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 18 reporting units which were not subject to an audit of their complete financial information, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CRANSWICK PLC

CONTINUED

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.

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 and 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 period ended 30 March 2024.

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	£8.8 million (2023: £7.0 million).	£2.6 million (2023: £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 £1.2 million to £8.0 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% (2023: 75%) of overall materiality, amounting to £6.6 million (2023: £5.3 million) for the group financial statements and £2.0 million (2023: £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 £0.4 million (group audit) (2023: £0.3 million) and £0.2 million (company audit) (2023: £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 challenging 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. 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 30 March 2024 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CRANSWICK PLC
CONTINUED

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. 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 7 years, covering the years ended 31 March 2018 to 30 March 2024.

Other matter
The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R - 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

H. Macnamara

Hazel Macnamara (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

21 May 2024

GROUP INCOME STATEMENT

FOR THE 53 WEEKS ENDED 30 MARCH 2024

	Notes	2024 £'m	2023 £'m
Revenue	3	**2,599.3**	2,323.0
Adjusted Group operating profit		**185.1**	146.5
Net IAS 41 valuation movement on biological assets	14	**2.2**	7.6
Amortisation of intangible assets	10	**(5.0)**	(5.2)
Impairment of intangible assets	10	**(15.4)**	(3.0)
Group operating profit	4	**166.9**	145.9
Finance costs	6	**(8.9)**	(6.4)
Share of net profit of joint venture	13	**0.4**	–
Profit before tax		**158.4**	139.5
Taxation	7	**(45.3)**	(28.1)
Profit for the year		**113.1**	111.4
Earnings per share			
On profit for the period:			
Basic	9	**210.4p**	208.3p
Diluted	9	**209.7p**	207.8p

An analysis of costs within Group operating profit is presented in Note 4.

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE 53 WEEKS ENDED 30 MARCH 2024

	Notes	2024 £'m	2023 £'m
Profit for the year		**113.1**	111.4
Other comprehensive (expense)/income			
Other comprehensive (expense)/income to be reclassified to profit or loss in subsequent periods:			
Cash flow hedges			
(Losses)/gains arising in the year	19	**(0.1)**	0.1
Reclassification adjustments for (losses)/gains included in the income statement	19	**(0.1)**	0.3
Income tax effect	7	**0.1**	(0.1)
Net other comprehensive (expense)/income to be reclassified to profit or loss in subsequent periods		**(0.1)**	0.3
Other comprehensive expense not to be reclassified to profit or loss in subsequent periods:			
Actuarial losses on defined benefit pension scheme	25	**–**	(12.5)
Income tax effect	7	**–**	2.8
Net other comprehensive expense not to be reclassified to profit or loss in subsequent periods		**–**	(9.7)
Other comprehensive expense		**(0.1)**	(9.4)
Total comprehensive income		**113.0**	102.0

GROUP BALANCE SHEET

AT 30 MARCH 2024

	Notes	2024 £'m	2023 Restated* £'m	27 March 2022 Restated* £'m
Non-current assets				
Financial asset investment	13	**0.1**	–	–
Investment in joint venture	13	**0.8**	–	–
Intangible assets	10	**213.5**	223.2	231.3
Defined benefit pension scheme surplus	25	**0.2**	0.2	8.3
Property, plant and equipment	11	**518.9**	464.1	434.8
Right-of-use assets	12	**92.4**	76.3	65.5
Biological assets	14	**6.4**	6.3	2.7
Total non-current assets		**832.3**	770.1	742.6
Current assets				
Biological assets	14	**83.7**	72.8	50.7
Inventories	15	**113.7**	113.0	105.2
Trade and other receivables	16	**325.3**	288.5	244.4
Other financial assets	17	**–**	0.1	–
Income tax receivable		**2.0**	–	–
Cash and short-term deposits	26	**27.0**	20.3	0.2
Total current assets		**551.7**	494.7	400.5
Total assets		**1,384.0**	1,264.8	1,143.1
Current liabilities				
Trade and other payables	18	**(310.0)**	(268.5)	(238.7)
Other financial liabilities	19	**(2.3)**	(0.1)	(3.1)
Lease liabilities	12	**(17.3)**	(14.4)	(13.8)
Provisions	20	**(1.8)**	(0.8)	(1.8)
Income tax payable		**–**	(4.3)	(2.4)
Total current liabilities		**(331.4)**	(288.1)	(259.8)
Non-current liabilities				
Other payables	18	**(0.9)**	(0.4)	(0.6)
Other financial liabilities	19	**(27.1)**	(43.2)	(36.4)
Lease liabilities	12	**(82.1)**	(66.8)	(56.0)
Deferred tax liabilities	7	**(28.4)**	(20.7)	(19.7)
Provisions	20	**(2.6)**	(2.7)	(1.7)
Total non-current liabilities		**(141.1)**	(133.8)	(114.4)
Total liabilities		**(472.5)**	(421.9)	(374.2)
Net assets		**911.5**	842.9	768.9
Equity				
Called-up share capital	22	**5.4**	5.4	5.3
Share premium account		**128.3**	123.9	115.9
Share-based payments	24	**11.8**	9.5	10.9
Shares held in trust	23	**(15.6)**	–	–
Hedging reserve		**(0.1)**	–	(0.3)
Retained earnings		**781.7**	704.1	637.1
Total equity attributable to owners of the Parent		**911.5**	842.9	768.9

* See note 2 for details regarding the restatement as a result of a change in accounting policy.

The financial statements on pages 146 to 185 were approved by the Board of Directors on 21 May 2024 and signed on its behalf by

Tim J Smith CBE
Chairman

Mark Bottomley
Chief Financial Officer

21 May 2024

GROUP STATEMENT OF CASH FLOWS

FOR THE 53 WEEKS ENDED 30 MARCH 2024

	Notes	2024 £'m	2023 £'m
Operating activities			
Profit for the year		**113.1**	111.4
Adjustments to reconcile Group profit for the year to net cash inflows from operating activities:			
Income tax expense	7	**45.3**	28.1
Net finance costs	6	**8.9**	6.4
Loss/(gain) on sale of property, plant and equipment		**1.0**	(0.5)
Loss on disposal of right-of-use asset		**0.2**	–
Depreciation of property, plant and equipment	11	**65.5**	54.1
Depreciation of right-of-use assets	12	**16.2**	14.7
Amortisation of intangible assets	10	**5.0**	5.2
Impairment of intangible assets	10	**15.4**	3.0
Share-based payments		**8.8**	4.7
Difference between pension contributions paid and amounts recognised in the income statement		**–**	(4.4)
Share of net profit of joint venture		**(0.4)**	–
Release of Government grants		**(0.4)**	(0.2)
Net IAS 41 valuation movement on biological assets	14	**(2.2)**	(7.6)
Increase in biological assets		**(1.3)**	(18.1)
Decrease/(increase) in inventories		**0.3**	(7.7)
Increase in trade and other receivables		**(33.8)**	(44.8)
Increase in trade and other payables		**28.2**	29.1
Cash generated from operations		**269.8**	173.4
Tax paid		**(41.4)**	(20.4)
Net cash from operating activities		**228.4**	153.0
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	13	**(23.5)**	0.1
Payment of property, plant and equipment acquired on acquisition	13	**(9.1)**	–
Purchase of financial asset investment	13	**(0.1)**	–
Purchase of property, plant and equipment		**(91.4)**	(85.1)
Proceeds from sale of property, plant and equipment		**0.8**	1.2
Net cash used in investing activities		**(123.3)**	(83.8)
Cash flows from financing activities			
Interest paid		**(5.0)**	(3.8)
Proceeds from issue of share capital		**4.4**	3.7
Own shares purchased	23	**(15.6)**	–
Issue costs of long-term borrowings		**–**	(0.4)
(Repayment of)/proceeds from borrowings		**(14.0)**	4.0
Repayment of borrowings acquired	13	**(6.5)**	–
Dividends paid	8	**(43.9)**	(36.3)
Payment of lease capital		**(14.2)**	(13.8)
Payment of lease interest		**(3.6)**	(2.5)
Net cash used in financing activities		**(98.4)**	(49.1)
Net increase in cash and cash equivalents	26	**6.7**	20.1
Cash and cash equivalents at beginning of year	26	**20.3**	0.2
Cash and cash equivalents at end of year	26	**27.0**	20.3

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE 53 WEEKS ENDED 30 MARCH 2024

	Share capital Note[a] £'m	Share premium Note[b] £'m	Share-based payments Note[c] £'m	Shares held in trust Note[d] £'m	Hedging reserve Note[e] £'m	Retained earnings £'m	Total equity £'m
At 26 March 2022 as originally presented	5.3	115.9	44.3	–	(0.3)	603.7	768.9
Change in accounting policy	–	–	(33.4)	–	–	33.4	–
Total equity at the beginning of the financial year (restated*)	5.3	115.9	10.9	–	(0.3)	637.1	768.9
Profit for the year	–	–	–	–	–	111.4	111.4
Other comprehensive expense	–	–	–	–	0.3	(9.7)	(9.4)
Total comprehensive income	–	–	–	–	0.3	101.7	102.0
Share-based payments	–	–	4.7	–	–	–	4.7
Exercise, lapse or forfeit of share-based payments (restated*)	–	–	(6.1)	–	–	6.1	–
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 (restated*)	5.4	123.9	9.5	–	–	704.1	842.9
At 25 March 2023 as originally presented	5.4	123.9	49.0	–	–	664.6	842.9
Change in accounting policy	–	–	(39.5)	–	–	39.5	–
Total equity at the beginning of the financial year (restated*)	5.4	123.9	9.5	–	–	704.1	842.9
Profit for the year	–	–	–	–	–	113.1	113.1
Other comprehensive expense	–	–	–	–	(0.1)	–	(0.1)
Total comprehensive income	–	–	–	–	(0.1)	113.1	113.0
Share-based payments	–	–	8.8	–	–	–	8.8
Shares acquired by Employee Benefit Trust	–	–	–	(15.6)	–	–	(15.6)
Exercise, lapse or forfeit of share-based payments	–	–	(6.5)	–	–	6.5	–
Share options exercised	–	4.4	–	–	–	–	4.4
Dividends	–	–	–	–	–	(43.9)	(43.9)
Deferred tax related to changes in equity	–	–	–	–	–	1.4	1.4
Current tax related to changes in equity	–	–	–	–	–	0.5	0.5
At 30 March 2024	**5.4**	**128.3**	**11.8**	**(15.6)**	**(0.1)**	**781.7**	**911.5**

* See note 2 for details regarding the restatement as a result of a change in accounting policy.

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 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. The value of shares that have exercised, lapsed or forfeit is credited to Retained earnings.

(d) Shares held in trust
The shares held in trust are intended to be granted to the beneficiaries of the Group's SAYE and Long-Term Incentive Plan (LTIP) when the relevant conditions of the SAYE and LTIP are satisfied, with a transfer between the Shares held in trust reserve and Retained earnings.

(e) 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 53 weeks ended 30 March 2024 were authorised for issue by the Board of Directors on 21 May 2024 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 53 week period ended 30 March 2024. Comparatives are for the 52 week period ended 25 March 2023. The Balance Sheets for 2024, 2023 and 2022 have been prepared as at 30 March 2024, 25 March 2023 and 27 March 2022 respectively. The 2023 and 2022 Balance Sheets have been restated following a change in accounting policy. For more details, please see below.

These Financial Statements are presented in Pounds Sterling because that is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the foreign currency policy set out below.

A summary of the principal accounting policies is presented 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 consider 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 73. 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.

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 53 week period ended 30 March 2024. 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:

NOTES TO THE ACCOUNTS
CONTINUED

2. Accounting Policies (continued)

Significant estimates and assumptions:

Share-based payments	Note 24 – 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 25 – pension scheme actuarial assumptions. The valuation of the defined benefit pension scheme is determined using assumptions including mortality, discount rates and inflation.
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. For value-in-use models, the sensitivity of the assumptions applied in the model, including the estimated risk-adjusted future pre-tax cash flows, which are derived from Board approved budgets, and the pre-tax discount rate applied, which represents the Group's pre-tax weighted average cost of capital (WACC), carries most of the estimation uncertainty. Refer to Note 10 for the sensitivity analysis of key assumptions on the value-in-use calculations and impairment outcomes.
Biological assets	Note 14 – growth rate assumptions used in the fair value model. *Pigs* The key estimate in determining the fair value of pigs is market prices. Quoted (unadjusted) prices in an active market are no longer available for sucklers and weaners. The Group's valuation model for sucklers and weaners is therefore a function of the UK Standard Pig Price (SPP) for finished pigs since historic data suggests that prices for sucklers, weaners and finished pigs were strongly correlated. The derived prices for sucklers and weaners are then adjusted to reflect the growth of the pigs through a straight-line interpolation based on age, to provide a value for the pigs at a particular stage of growth. As suckler and weaner prices are no longer observable in the market, management concludes these prices fall within Level 3 of the fair value hierarchy. Refer to Note 21 for key assumptions about unobservable inputs, their relationship to fair value and sensitivity analysis. The Group's valuation model for finished pigs 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 finished pigs at a particular stage of growth. As the estimated weaner price used in the straight-line interpolation for finished pigs is no longer observable in the market, management concludes these prices fall within Level 3 of the fair value hierarchy. *Poultry* Estimates in determining the fair value of poultry relate to market prices. 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. Estimates relating to biological assets are not expected to have a material impact on the next 12 months.

Significant judgements:

Share-based payments	Note 24 – 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.
Goodwill	Note 10 - intangible assets The level at which goodwill is tested for impairment involves judgement. Management assess the nature of the individual businesses as well as the internal information presented to the Board to determine the level at which goodwill is monitored for the purpose of goodwill impairment testing. Changes to this assessment could impact the value-in-use calculation, affecting the conclusion of whether assets' carrying amounts are recoverable. Following a review completed earlier in the year, the goodwill impairment assessment for the Fresh Pork and Livestock CGUs is completed on a combined basis consistent to how it is monitored by the management. The resulting change does not impact management's assessment of goodwill impairment considerations in the current period or prior years.
Pensions	Note 25 – pension scheme actuarial assumptions. 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 or recovery of 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 30 – 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 and 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 cash flows 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.

Accounting standards or interpretations which have been adopted in the year
From 26 March 2023, the following standards and amendments are effective in the Group's consolidated Financial Statements:

- IFRS 17 'Insurance Contracts';
- Amendments to IAS 8 'Accounting policies, Changes in Accounting Estimates and Errors', distinguishing changes in accounting estimates from changes in accounting policies;
- Amendments to IAS 1 'Presentation of Financial Statements', disclosure of accounting policies and materiality judgements;
- Amendments to IAS 12 'Income taxes', 'International Tax Reform – Pillar Two Model Rules'.

There has been no material impact on the consolidated Financial Statements from any amendments effective during the year.

Amendments to IAS 12 'Income Taxes': on 7 May 2021, the IASB issued amendments to IAS 12 'Income Taxes' relating to deferred tax on assets and liabilities arising from a single transaction. The amendments require companies to recognise deferred tax on transactions that on initial recognition give rise to equal amounts of taxable and deductible temporary differences. This amendment has been adopted by the Group from 26 March 2023 and has resulted in an increase in the deferred tax asset and liability by the same amount. The prior year comparative figures have been amended in line with IAS 12 'Income Taxes'.

Accounting standards or interpretations issued but not yet effective
Apart from IFRS 18 'Presentation and Disclosure in Financial Statements', there were no accounting standards or interpretations issued which have an effective date after the date of these consolidated financial statements that the Group reasonably expects to have an impact on disclosures, financial position or performance.

Change in accounting policy
The Group changed its accounting policy for share-based payments such that the value of shares that have exercised, lapsed or forfeit is now credited to Retained earnings as opposed to remaining within the Share-based payment reserve.

The change in accounting policy had no impact upon the Group Income Statement, Group Statement of Comprehensive Income, Group Statement of Cash Flows, net assets of the Group, or the Group distributable reserves. The change in accounting policy enables the readers of the financial statements to identify the cumulative value of share-based payments that are still to be exercised, lapse or forfeit.

The impact of the change in accounting policy is detailed in the Group Statement of Changes in Equity.

There is no change to basic and diluted earnings per share arising from the change in accounting policy.

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.

NOTES TO THE ACCOUNTS
CONTINUED

2. Accounting Policies (continued)

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, and the impact of the 53rd week of trading.
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 30).

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 tax assets and liabilities within the same tax jurisdiction are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and where there is an intention to settle these balances on a net basis.

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 Group 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 to the Shareholders 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. The identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values. 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.

Joint ventures
The Group's interest in joint ventures is accounted for using the equity method. Under this method the Group's share of the profit or loss of joint ventures is included in the Group Income Statement and the Group share of joint ventures net assets is included in the Group Balance Sheet, less dividends received.

2. Accounting Policies (continued)

Purchase of shares held in trust
The Shares held in trust reserve relates to ordinary shares in Cranswick plc which are held in an Employee Benefit Trust set up in May 2020.
The shares held in trust are intended to be granted to the beneficiaries of the Group's SAYE and Long-Term Incentive Plan (LTIP) when the relevant conditions of the SAYE and LTIP are satisfied, with a transfer between the Shares held in trust reserve and Retained earnings.

Intangible assets
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.

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 for goodwill by assessing the recoverable amount of the cash-generating unit (CGU) to which the goodwill relates. Where the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Previously recognised impairment losses of goodwill are not reversed subsequently. 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.

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

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

Useful economic lives are principally as follows:

Freehold buildings	20–50 years
Plant, equipment and vehicles	3–11 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 within 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 properties, 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.

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.

NOTES TO THE ACCOUNTS
CONTINUED

2. Accounting Policies (continued)

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
Business Investment Scheme payments as well as Government grants from the Rural Payments Agency, Regional Growth Fund, Rural Development Programme for England in respect of property, plant and equipment and slurry acidification 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.

Cost to sell include incremental selling costs, comprising of transport and administrative costs.

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.

Farming costs associated with biological assets, such as feeding, labour costs and veterinary services are expensed as incurred. The cost of purchase of pigs and poultry are capitalised as part of biological assets.

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 Cash flow 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.

2. Accounting Policies (continued)

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 fair value of plan assets less the defined benefit obligation at the balance sheet date, 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.

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.

The value of shares that have exercised, lapsed or forfeit in the year is credited back to Retained earnings.

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.

NOTES TO THE ACCOUNTS
CONTINUED

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. The acquisition of Elsham Linc Limited is included within the Fresh Pork product category, and the acquisition of Froch Foods Holdings Limited is included within the Gourmet Product category. The 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.

	2024			2023		
£'m	**Food**	**Other**	**Total**	Food	Other	Total
Revenue	**2,573.9**	**25.4**	**2,599.3**	2,296.4	26.6	2,323.0
Adjusted operating profit/(loss)	**192.5**	**(7.4)**	**185.1**	146.3	0.2	146.5
Finance costs	**(8.9)**	**–**	**(8.9)**	(6.3)	(0.1)	(6.4)
Share of net profit of joint venture	**0.4**	**–**	**0.4**	–	–	–
Adjusted profit/(loss) before tax	**184.0**	**(7.4)**	**176.6**	140.0	0.1	140.1
Assets	**1,355.0**	**29.0**	**1,384.0**	1,248.4	16.4	1,264.8
Liabilities	**(446.2)**	**(26.3)**	**(472.5)**	(410.6)	(11.3)	(421.9)
Net assets	**908.8**	**2.7**	**911.5**	837.8	5.1	842.9
Depreciation	**79.0**	**2.7**	**81.7**	67.5	1.3	68.8
Property, plant and equipment and right-of-use asset additions	**120.0**	**6.0**	**126.0**	105.4	3.5	108.9

Geographical segments

The following table sets out revenues by destination, regardless of where the goods were produced:

	2024 £'m	2023 £'m
UK	**2,543.7**	2,236.2
Continental Europe	**24.9**	36.7
Rest of world	**30.7**	50.1
	2,599.3	2,323.0

In addition to the non-UK sales disclosed above, the Group also made sales to export markets through UK-based meat trading agents totalling £59.5 million (2023: £73.2 million). Including these sales, total sales to export markets were £115.1 million for the year (2023: £160.0 million).

The Group's non-current assets were all located within the UK during both 2024 and 2023.

Customer concentration
The Group has three customers (2023: three) which individually account for ten or more per cent of the Group's total revenue. These customers account for 21 per cent, 16 per cent and 10 per cent respectively. In the prior year, these same three customers accounted for 21 per cent, 16 per cent and 11 per cent respectively.

4. Group Operating Profit

Group operating costs comprise:

	2024 £'m	2023 £'m
Cost of sales excluding net IAS 41 valuation movement on biological assets	**2,224.6**	2,022.1
Net IAS 41 valuation movement on biological assets*	**(2.2)**	(7.6)
Cost of sales	**2,222.4**	2,014.5
Gross profit	**376.9**	308.5
Selling and distribution costs	**100.0**	94.8
Administrative expenses excluding amortisation and impairment of intangible assets	**95.3**	69.5
Impairment of intangible assets	**15.4**	3.0
Amortisation of intangible assets	**5.0**	5.2
Administrative expenses	**115.7**	77.7
Other operating income	**(5.7)**	(9.9)
Total operating costs	**2,432.4**	2,177.1

- 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 are credits of £5.7 million for insurance claims received in the period (2023: £9.9 million). The net impact of these claims is not material.

Group operating profit is stated after charging/(crediting):

	2024 £'m	2023 £'m
Depreciation of property, plant and equipment	**65.5**	54.1
Depreciation of right-of-use assets	**16.2**	14.7
Amortisation of intangible assets	**5.0**	5.2
Impairment of intangible assets	**15.4**	3.0
Release of Government grants	**(0.4)**	(0.2)
Short-term, low-value lease payments	**1.9**	1.2
Net foreign currency differences	**(0.5)**	(0.6)
Cost of inventories recognised as an expense	**1,339.3**	1,249.0
Increase/(decrease) in provision for inventories	**1.2**	(1.5)
Increase/(decrease) in provision for impairment of receivables	**0.2**	(0.3)
Research and development expenditure	**29.0**	10.8

Auditors' remuneration		
Fees payable to the Company's auditors in respect of the audit		
Audit of these financial statements	**1.0**	1.0
Local statutory audit of the Company	**0.1**	0.1
Total audit remuneration	**1.1**	1.1
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 100.

NOTES TO THE ACCOUNTS
CONTINUED

5. Employees

	2024 £'m	2023 £'m
Staff costs:		
Wages and salaries	**388.4**	335.9
Social security costs	**35.8**	30.9
Other pension costs	**9.7**	8.6
	433.9	375.4

Included within wages and salaries is a total expense for share-based payments of £8.8 million (2023: £4.7 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:

	2024 Number	2023 Number
Production	**9,720**	9,194
Selling and distribution	**490**	586
Administration	**828**	642
	11,038	10,422

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 105 to 131.

	2024 £'m	2023 £'m
Directors' remuneration	**7.2**	4.7
Aggregate gains made by Directors on exercise of share options	**2.8**	1.7
Number of Directors receiving pension contributions under money purchase schemes	**1**	2

Details of Directors' remuneration can be found in the Remuneration Committee Report on page 122. The total Directors' remuneration of £7.2 million (2023: £4.7 million) comprises salary and fees £2.9 million (2023: £2.6 million), benefits £0.1 million (2023: £0.1 million), bonus £3.9 million (2023: £1.6 million) and pension £0.3 million (2023: £0.4 million). The difference between pension contributions noted above and pension contributions on page 122 is cash paid in lieu of pension.

6. Finance Costs

	2024 £'m	2023 £'m
Finance costs:		
Bank interest paid and similar charges	**5.3**	4.0
Total interest expense for financial liabilities not at fair value through profit or loss	**5.3**	4.0
Net finance income on defined benefit pension surplus (Note 25)	**–**	(0.1)
Lease interest	**3.6**	2.5
Total finance costs	**8.9**	6.4

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:

	2024 £'m	2023 £'m
Current income tax:		
UK corporation tax on profit for the year	**37.8**	20.2
Adjustments in respect of prior years	**0.7**	5.6
Total current tax	**38.5**	25.8
Deferred tax:		
Origination and reversal of temporary differences	**7.5**	5.1
Deferred tax rate change	**–**	2.4
Adjustments in respect of prior years	**(0.7)**	(5.2)
Total deferred tax	**6.8**	2.3
Tax on profit	**45.3**	28.1

Tax relating to items charged or credited to other comprehensive income or directly to equity:

	2024 £'m	2023 £'m
Recognised in Group statement of comprehensive income		
Deferred tax on revaluation of cash flow hedges	**(0.1)**	0.1
Deferred tax on actuarial gains/(losses)on defined benefit pension scheme	**0.1**	(2.3)
Corporation tax credit on actuarial losses on defined benefit pension scheme	**(0.1)**	(0.5)
	(0.1)	(2.7)
Recognised in Group statement of changes in equity		
Deferred tax (credit)/charge on share-based payments	**(1.4)**	0.9
Corporation tax credit on share options exercised	**(0.5)**	(0.8)
	(1.9)	0.1
Total tax credit recognised directly in equity	**(2.0)**	(2.6)

b) Factors affecting tax charge for the year
The tax assessed for the year is higher (2023: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2024 £'m	2023 £'m
Profit before tax	**158.4**	139.5
Profit multiplied by standard rate of corporation tax in the UK of 25 per cent (2023: 19 per cent)	**39.6**	26.5
Effect of:		
Expenses which are not deductible for tax purposes	**1.9**	0.8
Goodwill impairment	**3.8**	–
Deferred tax rate change	**–**	2.4
Non-taxable income	**–**	(0.3)
Super deduction	**–**	(2.0)
Adjustment in respect of prior years	**–**	0.4
Share-based payments	**–**	0.3
Total tax charge for the year	**45.3**	28.1

NOTES TO THE ACCOUNTS
CONTINUED

7. Taxation (continued)

c) Deferred tax
The deferred tax included in the Group balance sheet is as follows:

	2024 £'m	Restated 2023* £'m
Deferred tax liability in the balance sheet		
Accelerated capital allowances	**29.2**	19.5
Business combinations	**3.6**	3.8
Losses	**(0.6)**	(0.5)
Biological assets	**(0.1)**	(1.2)
Right-of-use asset	**18.9**	15.9
Right-of-use liability	**(19.9)**	(16.6)
Other temporary differences	**0.2**	0.4
Share-based payments	**(5.2)**	(2.7)
Deferred tax on defined benefit pension scheme	**(0.2)**	(0.4)
Customer relationships intangibles	**2.5**	2.5
Deferred tax liability	**28.4**	20.7

* Comparative figures reflect the amendments to IAS 12 'Income Taxes', see note 2 for more information.

	2024 £'m	2023 £'m
Deferred tax liability in the balance sheet		
At 25 March 2023	**20.7**	19.7
Recognised in income statement	**7.5**	7.5
Prior year adjustment recognised in income statement	**(0.7)**	(5.2)
Acquired on acquisitions in the year	**2.3**	–
Recognised in statement of comprehensive income	**–**	(2.2)
Recognised in statement of changes in equity	**(1.4)**	0.9
At 30 March 2024	**28.4**	20.7

The deferred tax included in the income statement is as follows:

	2024 £'m	2023 £'m
Deferred tax in the income statement		
Accelerated capital allowances	**8.2**	2.3
Business combinations	**(0.1)**	(0.1)
Losses	**0.9**	(0.2)
Biological assets	**0.6**	1.9
Right-of-use asset	**2.9**	2.0
Right-of-use liability	**(3.3)**	(2.2)
Other temporary differences	**0.1**	–
Share-based payments	**(1.2)**	0.3
Deferred tax on defined benefit pension scheme	**–**	(0.1)
Customer relationships intangibles	**(1.3)**	(1.6)
Deferred tax charge	**6.8**	2.3

The deferred tax liability is not expected to be settled within the next 12 months.

d) The Global Anti-Base Erosion Rules ('Pillar Two')
Pillar Two legislation has been enacted in some of the jurisdictions in which the Group operates. The legislation will be effective for the Group's financial year beginning 26 March 2023. Taxation balances are adjusted for a change in tax law if the change has been enacted or substantively enacted by the balance sheet date. However, the IASB issued narrow-scope amendments to IAS 12 'Income Taxes' Pillar Two which provide a temporary exception, which can be applied immediately, from the requirement to recognise and disclose deferred taxes arising from the Pillar Two model rules. The Group has applied this exception.

7. Taxation (continued)

The Group has performed an assessment of its potential exposure to Pillar Two income taxes. This assessment is based on the most recent information available regarding the financial performance of the constituent entities in the Group. Based on the assessment performed, the Pillar Two effective rates in all jurisdictions in which the Group operates are above 15 per cent and management is not currently aware of any circumstances under which this might change. Therefore, the Group does not expect a potential exposure to Pillar Two top-up taxes.

8. Equity Dividends

	2024 £'m	2023 £'m
Declared and paid during the year:		
Final dividend for 2023 – 58.8p per share (2022: 55.6p)	**31.7**	29.7
Interim dividend for 2024 – 22.7p per share (2023: 20.6p)	**12.2**	11.0
Dividends paid	**43.9**	40.7
Proposed for approval of Shareholders at the Annual General Meeting on 29 July 2024:		
Final dividend for 2024 – 67.3p per share (2023: 58.8p)	**36.3**	30.0

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 £113.1 million (2023: £111.4 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, and shares held by the Employee Benefit Trust.

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

	2024 Thousands	2023 Thousands
Basic weighted average number of shares	**53,776**	53,461
Dilutive potential ordinary shares – share options	**187**	129
	53,963	53,590

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 30).

10. Intangible Assets

	Goodwill £'m	Trademark £'m	Customer relationships £'m	Total £'m
Cost				
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
Acquired on acquisitions	5.7	–	5.0	10.7
At 30 March 2024	218.7	5.7	38.5	262.9
Amortisation				
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
Amortisation	–	1.0	4.0	5.0
Impairment**	15.1	–	0.3	15.4
At 30 March 2024	15.1	3.4	30.9	49.4
Net book value				
At 26 March 2022	213.8	4.4	13.1	231.3
At 25 March 2023	213.0	3.3	6.9	223.2
At 30 March 2024	**203.6**	**2.3**	**7.6**	**213.5**

NOTES TO THE ACCOUNTS
CONTINUED

10. Intangible Assets (continued)

Intangible assets related to trademarks and customer relationships are amortised over a remaining term of one to five years.

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	2024 £'m	2023 £'m
Fresh Pork	**21.8**	21.8
Livestock*	**23.3**	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
Other	**6.3**	3.7
	203.6	213.0

* Following a review completed earlier in the year, the goodwill impairment assessment for the Fresh Pork and Livestock CGUs is completed on a combined basis consistent to how it is monitored by the management. The resulting change does not impact management's assessment of goodwill impairment considerations in the current period or prior years.

** The carrying amount of the Cranswick Pet Products CGU has been reduced to its recoverable amount through recognition of an impairment loss against goodwill. This loss is presented separately in the Group Income Statement.

Significant estimate: key assumptions used in value-in-use calculations
Impairment tests on the carrying amounts of goodwill are performed annually by analysing the carrying amount allocated to each CGU against its value-in-use. 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, except where specific expansion plans are in place.

Terminal growth rates of two per cent (2023: two per cent) are applied to subsequent cash flows, reflecting management's best view based on market and operational experience of the expected long-term growth in the market.

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, ammonia plant and effluent treatment 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.

A pre-tax discount rate of 12.0 per cent (2023: 11.9 per cent) has been applied in determining the recoverable amounts of all CGUs, except for Cranswick Pet Products, representing management's estimate of the Group's risk adjusted pre-tax weighted average cost of capital (WACC).

Impairment assessment
The losses incurred by Cranswick Pet Products in FY24 served as a potential indicator for goodwill and intangible asset impairment, prompting the completion of the impairment assessment in January 2024. A pre-tax discount rate of 11.8 per cent has been applied to Cranswick Pet Products CGU in determining the recoverable amount. Impairment modelling indicated that the discounted present value of future pre-tax cash flows attributable to Cranswick Pet Products did not support the carrying value of the goodwill asset, resulting in a full £15.1 million impairment charge.

Management concluded that the fair value less cost of disposal was not materially different to the value-in-use model. Therefore, considering all relevant factors, a value-in-use model has been used to assess the impairment of goodwill. The value-in-use model considers the specific operational and strategic factors affecting the business, without the need to rely on uncertain market conditions.

Two additional intangible assets were recognised on acquisition, customer relationships and trade names. Both assets were separately tested for impairment given the change in business model and a greater focus on new customer relationships. The recalculated customer relationships value of £3.0 million, indicates that £0.3 million of impairment is required to the fair value of £3.3 million.

Sensitivity analysis
The goodwill impairment calculation is most sensitive to the following assumptions:

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

FINANCIAL STATEMENTS

10. Intangible Assets (continued)

Operating costs
Operating costs relate to direct costs and overheads. Management forecasts these costs based on the expected sales volume, structure of the business and inflation.

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.

The Group has applied sensitivities to assess whether any reasonably possible changes in assumptions could cause an impairment that would be material to these consolidated financial statements.

The recoverable amount of each CGU would equal its carrying amount if the key assumptions were to change by the following percentage:

Cash Generating Units	Budgeted gross margin (£'m)	Other operating costs (£'m)	Pre-tax discount rate (%)
Fresh pork and livestock	(14%)	15%	20%
Cooked meats	(4%)	4%	5%
Continental Fine Foods	(5%)	6%	4%
Premium Cooked Poultry	(12%)	12%	12%
Fresh Chicken	(10%)	10%	11%
Other	(11%)	10%	21%

The Directors and management have considered and assessed possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of any of the above listed CGUs to exceed its recoverable amount. 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 27 March 2022	239.1	418.5	57.9	715.5
Additions	11.3	34.1	38.1	83.5
Acquired 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
Additions	6.6	35.8	49.0	91.4
Acquired on acquisitions	22.7	8.0	–	30.7
Transfers between categories	7.4	22.1	(29.5)	–
Disposals	(0.6)	(21.1)	–	(21.7)
At 30 March 2024	308.4	531.6	46.5	886.5
Depreciation				
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
Charge for the year	11.0	54.5	–	65.5
Relating to disposals	(0.6)	(19.3)	–	(19.9)
At 30 March 2024	60.9	306.7	–	367.6
Net book amounts				
At 26 March 2022	195.4	181.5	57.9	434.8
At 25 March 2023	221.8	215.3	27.0	464.1
At 30 March 2024	**247.5**	**224.9**	**46.5**	**518.9**

NOTES TO THE ACCOUNTS
CONTINUED

11. Property, Plant and Equipment (continued)
Included in freehold land and buildings is land with a cost of £35.4 million (2023: £27.9 million), which is not depreciated.

Cost includes £1.9 million (2023: £1.6 million) in respect of capitalised interest. Interest of £0.3 million was capitalised during the year (2023: £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 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
Acquired on acquisitions	1.4	–	1.4
Additions	26.9	7.7	34.6
Disposals	(11.8)	(2.8)	(14.6)
At 30 March 2024	124.0	13.7	137.7
Depreciation			
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
Charge for the year	13.3	2.9	16.2
Relating to disposals	(8.1)	(2.8)	(10.9)
At 30 March 2024	39.9	5.4	45.3
Net book amounts			
At 26 March 2022	60.9	4.6	65.5
At 25 March 2023	72.8	3.5	76.3
At 30 March 2024	**84.1**	**8.3**	**92.4**

	2024 £'m	2023 £'m
Lease liabilities:		
Current	**17.3**	14.4
Non-current	**82.1**	66.8
	99.4	81.2

Amounts recognised in the income statement
The income statement shows the following amounts relating to leases:

	2024 £'m	2023 £'m
Depreciation charge on right-of-use assets:		
Land and buildings	**13.3**	12.2
Plant, equipment and vehicles	**2.9**	2.5
	16.2	14.7
Interest expense (included in finance costs)	**3.6**	2.5

13. Acquisitions
i) Froch Foods Limited
On 19 January 2024, the Group acquired 100 per cent of the share capital of a holding entity Froch Foods Holdings Limited and its subsidiary Froch Foods Limited, an added value processor of predominantly pork and poultry related products, together with associated leasehold buildings, for a total cash consideration of £9.8 million.

The acquisition is complementary to the Group's existing bacon and cooked meats production capabilities.

The acquisition has been accounted for as a business combination using the acquisition method of accounting in accordance with IFRS 3 Business Combinations and consequently the assets acquired, and liabilities assumed, have been recorded by the Group at fair value, with an excess purchase price over the fair value of the identifiable asset and liabilities being recognised as goodwill.

The following table sets out the fair values of the identifiable assets and liabilities acquired by the Group.

	Provisional fair value £'m
Net assets acquired:	
Property, plant and equipment	8.0
Right-of-use assets	1.4
Customer relationships	5.0
Trade and other receivables	0.7
Bank and cash balances	1.6
Bank loans	(1.7)
Trade and other payables	(4.1)
Lease liabilities	(1.4)
Provisions	(0.6)
Deferred tax liability	(1.7)
	7.2
Goodwill arising on acquisition	2.6
Total consideration	9.8
Satisfied by:	
Initial cash consideration	9.4
Deferred consideration	0.4
	9.8
Net cash outflow arising on acquisition:	
Cash consideration paid	9.4
Cash and cash equivalents acquired	(1.6)
	7.8

The fair values on acquisition are provisional and will be concluded within twelve months of the acquisition date.

The fair value of trade and other receivables acquired is the same as the gross contractual amounts. All of the trade and other receivables acquired are expected to be collected in full.

Following management's assessment, the Group recognised a customer relationship intangible asset of £5.0 million. No further intangible assets were identified.

Included in the £2.6 million of goodwill recognised above are certain intangible assets that cannot be individually separated from the acquiree and reliably measured due to their nature. These items include the expected value of synergies and an assembled workforce.

Transaction costs in relation to the acquisition of £0.3 million have been expensed within administrative expenses.

From the date of acquisition to 30 March 2024, the external revenue of Froch Foods Limited was £1.3 million and the business contributed net profit after tax of £0.1 million to the Group. Had the acquisition taken place at the beginning of the financial year, Group revenue would have been £2,604.9 million, and Group profit after tax would have been £114.6 million.

In addition to the net cash outflow on acquisition of £7.8 million, the Group immediately paid a further £5.5 million consisting of a £1.7 million bank loan and £3.8 million other payables settled on acquisition.

NOTES TO THE ACCOUNTS
CONTINUED

13. Acquisitions (continued)

ii) Elsham Linc Limited
On 4 August 2023, the Group acquired 100 per cent of the issued share capital of Elsham Linc Limited, a commercial pig farming enterprise operating from numerous sites predominately across North Lincolnshire and the Humber, for a net cash consideration of £14.7 million.

Included within the assets acquired is Elsham Linc Limited's 50 per cent share of the Mere Pigs joint venture, a commercial pig farming business. Beechgrove Farms Limited, the other party to the joint venture, holds the remaining 50 per cent interest in Mere Pigs.

The acquisition is in line with the Group's focus on increasing self-sufficiency in British pigs.

The acquisition has been accounted for as a business combination using the acquisition method of accounting in accordance with IFRS 3 Business Combinations and consequently the assets acquired, and liabilities assumed, have been recorded by the Group at fair value, with an excess purchase price over the fair value of the identifiable asset and liabilities being recognised as goodwill.

The following table sets out the provisional fair values of the identifiable assets and liabilities acquired by the Group in relation to Elsham Linc Limited:

	Fair value £'m
Net assets acquired:	
Property, plant and equipment	22.7
Investment in joint venture	0.4
Biological assets	7.5
Inventories	1.0
Trade and other receivables	2.3
Bank and cash balances	(3.1)
Bank loans	(4.8)
Trade and other payables	(16.9)
Deferred tax liability	(0.6)
	8.5
Goodwill arising on acquisition	3.1
Total consideration	11.6
Satisfied by:	
Initial cash consideration	10.5
Deferred consideration	1.1
	11.6
Net cash outflow arising on acquisition:	
Cash consideration paid	11.6
Cash and cash equivalents acquired	3.1
	14.7

The deferred consideration of £1.1 million was settled within the year. No further amounts payable are recognised at the year end.

The fair value of trade and other receivables acquired is the same as the gross contractual amounts. All of the trade and other receivables acquired are expected to be collected in full.

Following management's assessment, no customer relationship intangibles have been recognised and there are no trademarks linked to Elsham Linc Limited.

Included in the £3.1 million of goodwill recognised above are certain intangible assets that cannot be individually separated from the acquiree and reliably measured due to their nature. These items include the expected value of synergies and an assembled workforce.

Transaction costs in relation to the acquisition of £0.3 million have been expensed within administrative expenses.

From the date of acquisition to 30 March 2024, the external revenue of Elsham Linc Limited was £4.7 million and the business contributed net profit after tax of £1.5 million to the Group. The share of profit in the joint venture from the date of acquisition was £0.4 million. Had the acquisition taken place at the beginning of the financial year, Group revenue would have been £2,611.5 million, and Group profit after tax would have been £113.7 million.

In addition to the cash consideration paid of £11.6 million, the Group immediately paid a further £21.2 million consisting of a £3.1 million bank overdraft, £4.8 million bank loan, £9.1 million for property, plant and equipment acquired (which is included within trade and other payables of the identifiable liabilities of Elsham Linc Limited) and £4.2 million other payables settled on acquisition.

13. Acquisitions (continued)

iii) Financial asset investment – BIA Analytical Ltd
On 22 September 2023, the Group acquired 2.77 per cent of the ordinary share capital of BIA Analytical Ltd, a lab-based authenticity testing business, for £0.1 million. BIA Analytical is registered in Northern Ireland, company number NI657772.

iv) 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 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 cash flows. During the year, deferred contingent consideration of £1.0 million was paid. The remaining value has been reassessed at the end of the reporting period based on latest Board approved cash flows, resulting in £1.7 million recognised as at the year end.

The Sale and Purchase agreement for Froch Foods Holdings Limited included deferred consideration payable in cash to the previous owners based on the finalisation of completion accounts. The amount payable is estimated at £0.4 million, and will be paid within the year.

v) Pig herd acquisition
In the year the Group purchased a pig herd, along with some plant and machinery for £3.1 million, as part of a wider agreement to lease and operate, on a long-term basis, a fully integrated pig and arable farming enterprise in North Yorkshire. In accordance to IFRS 3 Business Combinations, this has been accounted for as an asset acquisition.

vi) 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.

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 26 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 25 March 2023	68.6	10.5	79.1
Increases due to purchases	29.7	17.6	47.3
Increases due to acquisition	7.5	–	7.5
Decrease attributable to harvest	(298.5)	(196.8)	(495.3)
Decrease attributable to sales	(6.8)	(1.5)	(8.3)
Changes in fair value less estimated costs to sell	278.6	181.2	459.8
At 30 March 2024	**79.1**	**11.0**	**90.1**

	2024 £'m	2023 £'m
Non-current biological assets:		
Pigs	**5.7**	6.0
Chickens	**0.7**	0.3
	6.4	6.3
Current biological assets:		
Pigs	**73.4**	62.6
Chickens	**10.3**	10.2
	83.7	72.8

	2024 £'m	2023 £'m
Net IAS 41 valuation movement on biological assets*		
Changes in fair value of biological assets	**459.8**	410.8
Biological assets transferred to cost of sales	**(457.6)**	(403.2)
	2.2	7.6

* 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 and Level 3 of the fair value hierarchy.

Quoted (unadjusted) prices in an active market are no longer available for sucklers and weaners. The Group's valuation model for sucklers and weaners is therefore a function of the UK Standard Pig Price (SPP) for finished pigs since historic data suggests that prices for sucklers, weaners and finished pigs were strongly correlated. The derived prices for sucklers and weaners are then adjusted to reflect the growth of the pigs through a straight line interpolation based on age, to provide a value for the pigs at a particular stage of growth. As suckler and weaner prices are no longer observable in the market, management concludes these prices fall within Level 3 of the fair value hierarchy.

The Group's valuation model for finished pigs utilises quoted (unadjusted) prices in an active market: the UK Standard Pig Price (SPP). The prices are then adjusted to reflect the growth of the animals through straight-line interpolation between weaner to finished pig to provide a value for the pigs at a particular stage of growth. As the weaner price used in the straight-line interpolation for finished pigs is no longer observable in the market, management concludes these prices fall within Level 3 of the fair value hierarchy.

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. The valuation of breeder chickens is based on recent transactions for similar assets and therefore it is also classified as Level 2 in the fair value hierarchy.

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.

The main assumptions used in relation to the valuation are growth and mortality rates of chickens and a market price for sucklers and weaners.

14. Biological Assets (continued)

Additional information:

	2024 Number	2023 Number
Quantities at year end:		
Breeding sows (Bearer biological assets)	**71,237**	62,515
Boars	**1,315**	1,132
Pigs (Consumable biological assets)	**755,051**	655,212
Breeder chickens (Bearer biological assets)	**441,050**	365,814
Broiler chickens (Consumable biological assets)	**6,007,274**	5,332,477
Number of pigs produced in the year	**1,570,358**	1,248,357
Number of chickens produced in the year	**61,985,710**	59,367,848

15. Inventories

	2024 £'m	2023 £'m
Raw materials and work in progress	**70.7**	73.5
Finished goods and goods for resale	**43.0**	39.5
	113.7	113.0

Inventories are shown net of any provision for slow-moving or obsolete inventory. As at 30 March 2024 the provision against inventory was £6.4 million (2023: £5.2 million).

16. Trade and Other Receivables

	2024 £'m	2023 £'m
Financial assets:		
Trade receivables	**295.0**	265.5
Other receivables	**15.7**	12.0
	310.7	277.5
Non-financial assets:		
Prepayments	**14.6**	11.0
	325.3	288.5

The above financial assets are carried at amortised cost. As at 30 March 2024 and 25 March 2023, 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
2024	**295.0**	**255.4**	**37.2**	**1.3**	**1.1**
2023	265.5	221.2	35.7	3.6	5.0

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 0.08 per cent and in the prior year range from 0.0 per cent to 1.08 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 30 March 2024, the provision for impairment of trade receivables was £2.7 million (2023: £2.5 million), of which £2.0 million (2023: £2.3 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 27 March 2022	2.8
Provided in year	0.2
Released	(0.5)
Utilised	–
At 25 March 2023	2.5
Provided in year	0.7
Released	(0.4)
Utilised	(0.1)
At 30 March 2024	**2.7**

There are no bad debt provisions against other receivables.

17. Other financial Assets

	2024 £'m	2023 £'m
Current:		
Forward currency contracts	**–**	0.1
	–	0.1

18. Trade and Other Payables

	2024 £'m	2023 £'m
Current:		
Trade payables	**180.0**	167.6
Tax and social security	**11.1**	5.4
Other creditors	**19.8**	16.2
Commercial accruals*	**18.5**	12.8
Other accruals	**80.2**	66.3
Deferred income – Government grants	**0.4**	0.2
	310.0	268.5
Non-current:		
Deferred income – Government grants	**0.9**	0.4

* See breakdown on page 171.

Included within trade and other payables acquired at Elsham Linc Limited is a Government grant of £1.1 million from the Rural Payments Agency, received for slurry acidification. Government grants previously received relate to Regional Growth Fund, Rural Development Programme for England and Business Investment Scheme payments. The amounts previously received have been used to fund fixed asset investment with the objective of creating and safeguarding jobs at the Group's facilities.

FINANCIAL STATEMENTS

18. Trade and Other Payables (continued)

Commercial accruals consist of:

	Volume rebates and similar allowances £'m	Advertising and marketing contributions £'m	Total £'m
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
Charged to income statement	22.3	6.9	29.2
Paid	(16.8)	(6.7)	(23.5)
At 30 March 2024	**15.9**	**2.6**	**18.5**

19. Other financial Liabilities

	2024 £'m	2023 £'m
Current:		
Forward currency contracts	**0.2**	0.1
Deferred and contingent consideration (Note 13)	**2.1**	–
	2.3	0.1
Non-current:		
Contingent consideration (Note 13)	**–**	2.7
Amounts outstanding under revolving credit facility	**28.0**	42.0
Unamortised issue costs	**(0.9)**	(1.5)
	27.1	43.2

	2024 £'m	2023 £'m
Movement on hedging instruments:		
(Losses)/gains arising in the year	**(0.1)**	0.1
Reclassification adjustment for (losses)/gains included in the income statement	**(0.1)**	0.3
	(0.2)	0.4

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. The base margin of the facility is linked to the total Scope 1 and Scope 2 emissions (location-based), energy intensity, and water intensity excluding farms metrics, which are subject to a limited assurance review by PwC.

NOTES TO THE ACCOUNTS
CONTINUED

19. Financial Liabilities (continued)

£nil (2023: £nil) of the overdraft facility was utilised at 30 March 2024. Interest on the overdraft is payable at a margin over base rate. £28.0 million (2023: £42.0 million) of the revolving credit facility was utilised as at 30 March 2024. Interest on the revolving credit facility is payable at a margin over the sterling overnight index rate (SONIA).

The arrangement fees of £2.2 million (2023: £2.2 million) are being amortised over the period of the facility.

The maturity profile of bank loans is as follows:

	2024 £'m	2023 £'m
In one year or less	**–**	–
Between one year and two years	**–**	–
Between two years and five years	**28.0**	42.0
	28.0	42.0
Unamortised issue costs	**(0.9)**	(1.5)
	27.1	40.5

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 56.6x at 30 March 2024. Adjusted leverage (which is required to be less than 3x covered) is calculated as net debt divided by Adjusted EBITDA and was 0.0x at 30 March 2024. Both covenants are calculated excluding IFRS 16 Leases.

The bank facility for the prior 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.

20. Provisions

	Lease provisions £'m	Other provisions £'m	Total provisions £'m
At 25 March 2023	2.7	0.8	3.5
On acquisition	0.6	–	0.6
Created	0.9	–	0.9
Utilised	(0.6)	–	(0.6)
Released	–	–	–
At 30 March 2024	**3.6**	**0.8**	**4.4**

Analysed as:

	2024 £'m	2023 £'m
Current liabilities	**1.8**	0.8
Non-current liabilities	**2.6**	2.7
	4.4	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 135 in the Directors' Report.

Biological assets
To provide an indication about the range of the inputs used in determining fair value, the Group has classified its non-financial assets and liabilities into the three levels prescribed under the accounting standards:

	Level 1 £'m	Level 2 £'m	Level 3 £'m	Total £'m
At 30 March 2024				
Breeding sows (Bearer biological assets)	–	12.2	–	12.2
Boars	–	0.2	–	0.2
Finished pigs (Consumable biological assets)	–	–	49.9	49.9
Sucklers and weaners (Consumable biological assets)	–	–	16.9	16.9
Breeder chickens (Bearer biological assets)	–	2.2	–	2.2
Broiler chickens (Consumable biological assets)	–	8.2	–	8.2
Total biological assets	**–**	**22.8**	**66.8**	**89.6**

	Level 1 £'m	Level 2 £'m	Level 3 £'m	Total £'m
At 25 March 2023				
Breeding sows (Bearer biological assets)	–	13.0	–	13.0
Boars	–	0.1	–	0.1
Finished pigs (Consumable biological assets)	–	39.7	–	39.7
Sucklers and weaners (Consumable biological assets)	–	15.7	–	15.7
Breeder chickens (Bearer biological assets)	–	1.6	–	1.6
Broiler chickens (Consumable biological assets)	–	8.2	–	8.2
Total biological assets	–	78.3	–	78.3

For pigs, in the year, there has been a change in available external data from AHDB in respect of suckler and weaner pig prices. As a result, management have used historic data and applied a correlation with the current UK standard pig price. There is no change in underlying methodology applied, however as these suckler and weaner prices are no longer observable in the market, management considers that this causes the valuation to move into Level 3 of the fair value hierarchy. Having considered the sensitivities in key inputs to suckler and weaner valuations, management considers that reasonable sensitivities would not result in a material impact on the fair value.

The Group's valuation model for finished pigs utilises quoted (unadjusted) prices in an active market: the UK Standard Pig Price (SPP). The prices are then adjusted to reflect the growth of the animals through straight-line interpolation between weaner to finished pig to provide a value for the pigs at a particular stage of growth. As the weaner price used in the straight-line interpolation for finished pigs is no longer observable in the market, management concludes these prices fall within Level 3 of the fair value hierarchy.

Reconciliation of carrying amounts of fair value level 3 livestock:

	£'m
At 25 March 2023	55.4
Increase due to purchases	21.4
Increase due to acquisition	6.0
Decrease attributable to harvest	(292.1)
Decreases attributable to sales	(6.8)
Changes in fair value less estimated costs to sell	282.9
At 30 March 2024	**66.8**

The gains or (losses) recognised in relation to the sucklers, weaners and finished pigs are as follows:

	2024 £'m	2023 £'m
Net total gains or (losses) for the period recognised in profit or loss under 'Change in fair value of biological assets'	**6.4**	(0.9)
Net change in unrealised gains or (losses) for the period recognised in profit or loss attributable to weaners, sucklers and finished pigs held at the end of the reporting period	**6.7**	(1.2)

The following table summarises the quantitative information about the significant unobservable inputs used in the fair value measurements of the weaners, sucklers and finishers.

NOTES TO THE ACCOUNTS
CONTINUED

21. Financial Instruments (continued)

Description	Fair value 2024 £'m	Fair value 2023 £'m	Unobservable inputs	Range of inputs 2024 £'m	Range of inputs 2023 £'m	Relationship of unobservable inputs to fair value
Sucklers and weaners	**16.9**	15.7	Suckler price	**51.98 - 55.40**	39.31 - 52.60	The higher the market price, the higher the fair value
			Weaner price	**56.70 - 64.69**	56.61 - 61.93	
Finished pigs	**49.9**	39.7	Finisher price	**182.83 - 215.19**	139.85 - 198.54	

If the sensitivities in the table above moved by 10 per cent, the fair value of the sucklers and weaners as well as finished pigs would move by £2.8 million. There is no material impact on the Group.

Valuation processes
The valuation approach of the Group's biological assets as well as the final results are discussed at the Group's Audit Committee alongside any key judgements made during year end and interim reporting. This also entails a discussion and analysis of any changes in Level 2 and Level 3 fair values. The main Level 3 inputs used by the Group are derived by applying a correlation with the current UK Standard Pig Price.

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 30 March 2024 and their weighted average interest rates is set out below.

As at 30 March 2024

	Weighted average effective interest rate %	Total £'m	At floating interest rates £'m	Fixed interest 1 year or less £'m	Fixed interest 1–2 years £'m	Fixed interest 2–3 years £'m
Financial liabilities:						
Revolving credit facility	6.0%	(28.0)	(28.0)	–	–	–
Financial assets:						
Cash at bank	0.0%	27.0	27.0	–	–	–
		(1.0)	**(1.0)**	**–**	**–**	**–**

As at 25 March 2023

	Weighted average effective interest rate %	Total £'m	At floating interest rates £'m	Fixed interest 1 year or less £'m	Fixed interest 1–2 years £'m	Fixed interest 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)	–	–	–

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

Currency profile
The Group's financial assets at 30 March 2024 include Sterling denominated cash balances of £20.5 million (2023: £10.5 million), Euro £6.2 million (2023: £9.5 million), and US Dollar £0.3 million (2023: £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.

Currency sensitivity analysis has not been included below as the foreign currency risk is not considered to be material to the Group.

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.

21. Financial Instruments (continued)

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 during 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.

	2024 Book value £'m	2024 Fair value £'m	2023 Book value £'m	2023 Fair value £'m
Forward currency contracts liability (Note 17 and Note 19)	**0.2**	**0.2**	–	–
Contingent consideration (Note 13 and Note 19)	**1.7**	**1.7**	2.7	2.7

The book value of trade and other receivables, trade and other payables, cash balances, loans receivable, overdrafts and amounts outstanding under revolving credit facility 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:

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	€41.6m	31 Mar 2024 – 01 Dec 2024	1.14 – 1.17	(0.2)
US Dollars	$3.0m	16 April 2024 – 24 May 2024	1.26 – 1.27	–

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
2024		
Sterling	**+100**	(0.8)
	-100	0.8
2023		
Sterling	+100	(1.0)
	-100	1.0

Liquidity risk
The tables below summarise the maturity profile of the Group's financial liabilities at 30 March 2024 and 25 March 2023 based on contractual undiscounted payments:

As at 30 March 2024

	Less than 1 year £'m	1 to 2 years £'m	2 to 5 years £'m	Over 5 years £'m	Total £'m
Revolving credit facility	–	–	28.0	–	28.0
Deferred and contingent consideration	2.1	–	–	–	2.1
Trade and other payables	310.0	0.6	0.3	–	310.9
Derivative financial instruments	0.2	–	–	–	0.2
Lease liabilities	19.5	18.0	42.5	34.7	114.7
	331.8	18.6	70.8	34.7	455.9

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

The impact of liquidity risk on the Group is discussed in detail in the Directors' Report on page 130.

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 134 of the Directors' Report. An analysis of the changes in net debt can be found in Note 26.

22. Called-up Share Capital

Allotted, called-up and fully paid – Ordinary shares of 10 pence each:

	2024 Number	2023 Number	**2024 £'m**	2023 £'m
At beginning of year	**53,702,395**	53,178,624	**5.4**	5.3
On exercise of share options	**302,549**	382,925	**–**	0.1
Deferred Bonus Plan	**2,666**	–	**–**	–
Scrip dividends	**–**	140,846	**–**	–
At end of year	**54,007,610**	53,702,395	**5.4**	5.4

22. Called-up Share Capital (continued)

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, 302,549 ordinary shares were issued to employees exercising SAYE and LTIP options at prices between nil and 2,800.0 pence.

Ordinary share capital of £165,246 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	9,887	2,239p	March 2022 – October 2024
Savings related	26,725	2,534p	March 2023 – October 2025
Savings related	91,237	2,800p	March 2024 – October 2026
Savings related	186,000	2,899p	March 2025 – October 2027
Savings related	299,551	2,498p	March 2026 – October 2028
Savings related	280,523	3,127p	March 2027 – October 2029
LTIP	758,538	Nil	June 2024 – July 2033

23. Shares held in trust

During the 53 weeks ended 30 March 2024, the Cranswick Employee Benefit Trust (the 'Trust'), which was set up in May 2020, began purchasing Cranswick plc shares. Shares held in trust are recorded at cost and deducted from equity.

The Shares held in trust reserve represents the cost of shares in Cranswick plc purchased in the market and held by the Trust to satisfy share awards under the Group's Long-Term Incentive Plan and SAYE scheme.

The number of ordinary shares held by the Trust at 30 March 2024 was 400,250 which represents 0.74 per cent of total called-up share capital. No shares held in trust in Cranswick plc were cancelled during the periods presented.

24. 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 £8.8 million (2023: £4.7 million).

The Group changed its accounting policy for Share-based payments such that the value of shares that have exercised, lapsed or forfeit is now credited to Retained earnings as opposed to remaining within the Share Based Payment Reserve, for more details refer to Note 2. The total value of shares that have exercised, lapsed or forfeit in the year was £6.5 million (2023: £6.1 million).

Long-Term Incentive Plan (LTIP)
During the course of the year, 286,295 options at nil cost were granted to Directors and Senior Executives, the share price at that time was £32.46. Details of the performance criteria relating to the LTIP scheme can be found in the Remuneration Committee Report on page 106. The maximum term of LTIP options is ten years.

	2024 Number	**2024 WAEP (£)**	2023 Number	2023 WAEP (£)
Outstanding as at beginning of year	**695,658**	**–**	659,908	–
Granted during the year (i)	**286,295**	**–**	268,622	–
Lapsed during the year	**(84,867)**	**–**	(2,453)	–
Exercised during the year (ii)	**(138,548)**	**–**	(230,419)	–
Outstanding as at end of year (iii)	**758,538**	**–**	695,658	–
Exercisable at end of year	**11,749**	**–**	24,382	–

(i) The weighted average fair value of options granted during the year was £21.00 (2023: £21.04). The share options granted during the year were at £nil per share. The share price at the date of grant was £32.46 (2023: £30.34).

(ii) The weighted average share price at the date of exercise for the options exercised was £32.96 (2023: £30.76).

(iii) For the share options outstanding as at 30 March 2024, the weighted average remaining contractual life is 8.36 years (2023: 8.31 years).

The exercise price for all options outstanding at the end of the year was £nil.

NOTES TO THE ACCOUNTS
CONTINUED

24. Share-based Payments (continued)

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:

	2024 Number	2024 WAEP (£)	2023 Number	2023 WAEP (£)
Outstanding as at beginning of year	**898,138**	**26.58**	880,349	27.04
Granted during the year (i)	**288,842**	**31.27**	364,489	24.98
Lapsed during the year	**(127,815)**	**26.79**	(190,225)	27.89
Exercised during the year (ii)	**(165,242)**	**26.50**	(156,475)	23.82
Outstanding as at end of year (iii)	**893,923**	**28.08**	898,138	26.58
Exercisable at end of year	**75,991**	**27.27**	61,817	25.33

(i) The share options granted during the year were at £31.27 (2023: £24.98), representing a 20 per cent discount on the price at the relevant date. The share price at the date of grant was £38.08 (2023: £30.78).

(ii) The weighted average share price at the date of exercise for the options exercised was £37.21 (2023: £31.53).

(iii) For the share options outstanding as at 30 March 2024, the weighted average remaining contractual life is 2.51 years (2023: 2.62 years).

The weighted average fair value of options granted during the year was £10.03 (2023: £8.66). The range of exercise prices for options outstanding at the end of the year was £24.98–£31.27 (2023: £22.39–£28.99).

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, emissions, water intensity and energy intensity elements and Chaffe option pricing model for the holding period. The following table lists the inputs to the model used for the years ended 30 March 2024 and 25 March 2023:

	2024 LTIP	2024 SAYE	2023 LTIP	2023 SAYE
Dividend yield	**2.35%**	**2.14%**	2.49%	2.48%
Expected share price volatility	**22.65% – 22.93%**	**22.25% – 25.35%**	22.70% – 26.99%	25.44% – 26.91%
Risk-free interest rate	**4.67% – 5.05%**	**3.32% – 3.53%**	1.55% – 1.63%	3.50% – 3.63%
Expected life of option	**3 years**	**3.42 – 5.42 years**	3 years	3.42 – 5.42 years
Exercise prices	**£nil**	**£31.27**	£nil	£24.98

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.

25. 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.

FINANCIAL STATEMENTS

25. Pension Schemes (continued)

a) Change in benefit obligation	2024 £'m	2023 £'m
Benefit obligation at the beginning of the year	**22.1**	30.1
Interest cost	**1.0**	0.9
Remeasurement (gains)/losses:		
Actuarial gains arising from changes in financial assumptions	**(1.8)**	(9.4)
Actuarial losses arising from changes in demographic assumptions	**–**	0.2
Other experience items	**0.2**	1.5
Benefits paid from plan	**(0.7)**	(1.2)
Benefit obligation at the end of the year	**20.8**	22.1

b) Change in plan assets	2024 £'m	2023 £'m
Fair value of plan assets at the beginning of the year	**22.3**	38.4
Interest income	**1.0**	1.0
Return on plan assets	**(1.6)**	(17.3)
Recognition of loss at inception date of buy-in policy	**–**	(2.9)
Employer contributions	**–**	4.3
Benefits paid from plan	**(0.7)**	(1.2)
Fair value of plan assets at the end of the year	**21.0**	22.3

c) Amounts recognised in the balance sheet	2024 £'m	2023 £'m
Present value of funded obligations	**(20.8)**	(22.1)
Fair value of plan assets	**21.0**	22.3
Net asset recorded in the balance sheet	**0.2**	0.2

d) Components of pension cost	2024 £'m	2023 £'m
Amounts recognised in the income statement:		
Interest cost	**1.0**	0.9
Interest income	**(1.0)**	(1.0)
Total pension income recognised in the income statement	**–**	(0.1)
Actual return on assets		
Actual return on plan assets	**(0.6)**	(16.3)
Amounts recognised in the Group statement of comprehensive income		
Actuarial (losses)/gains immediately recognised	**–**	(12.5)

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

e) Principal actuarial assumptions	2024	2023
Discount rate	**4.85%**	4.65%
Rate of price inflation	**3.15%**	3.05%
Revaluation of deferred pensions:		
Benefits accrued prior to 1 January 1998	**5.00%**	5.00%
Benefits accrued after 1 January 1998	**3.15%**	3.05%
Rate of compensation increase:		
Benefits accrued prior to 1 January 1997	**3.00%**	3.00%
Benefits accrued after 1 January 1997	**3.15%**	3.05%

Future expected lifetime of pensioner at age 65:	2024	2023
Current pensioners:		
Male	**20.9**	20.9
Female	**23.8**	23.8
Future pensioners:		
Male	**22.2**	22.2
Female	**25.2**	25.2

NOTES TO THE ACCOUNTS
CONTINUED

25. Pension Schemes (continued)

The mortality rates used have been taken from Base tables S3PA (2023: S3PA) 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. (2023: Male: post retirement 115% 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).

At 30 March 2024, the average duration of the scheme liabilities was 17 years (2023: 19 years). For deferred pensions the average duration was 20 years (2023: 23 years) and for pensions in payment the average duration was 10 years (2023: 11 years).

A 0.1 per cent increase/decrease in the discount rate would give rise to a £351,000 decrease/£357,000 increase (2023: £416,000 decrease/ £424,000 increase) in the scheme liabilities at 30 March 2024.

A 0.1 per cent increase/decrease in the inflation assumption would give rise to a £154,000 increase/£153,000 decrease (2023: £180,000 increase/£179,000 decrease) in the scheme liabilities at 30 March 2024.

A one year increase/decrease in the life expectancy assumption would give rise to a £713,000 increase/£650,000 decrease (2023: £673,000 increase/£697,000 decrease) in the scheme liabilities at 30 March 2024.

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.

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.

The split of the fund's liability by category of membership is as follows:

	2024 £'m	2023 £'m
Deferred pensioners	**12.3**	13.2
Pensions in payment	**8.5**	8.9
	20.8	22.1

f) Plan assets	**2024 Fair value of plan assets £'m**	2023 Fair value of plan assets £'m
Annuities	**1.8**	1.9
Cash	**0.5**	0.5
Buy-in policy	**18.7**	19.9
Total	**21.0**	22.3

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. 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 29 March 2025.

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.

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 £1.8 million (2023: £0.8 million). Contributions during the year totalled £9.0 million (2023: £8.6 million).

26. Additional Cash Flow Information

Analysis of changes in net debt:

	At 26 March 2023 £'m	Acquired on acquisition £'m	Cash flow £'m	Other non-cash changes £'m	**At 30 March 2024 £'m**
Cash and cash equivalents	20.3	(1.5)	8.2	–	**27.0**
Bank loans	–	(6.5)	6.5	–	**–**
Revolving credit facility	(40.5)	–	14.0	(0.6)	**(27.1)**
Lease liabilities	(81.2)	–	17.8	(35.9)	**(99.3)**
Net debt	(101.4)	(8.0)	46.5	(36.5)	**(99.4)**

Net debt is defined as cash and cash equivalents and loans receivable less interest-bearing liabilities net of unamortised issue costs.

	At 27 March 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)

27. 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 £28.0 million as at 30 March 2024 (2023: £42.0 million).

28. Commitments

(a) The Directors have contracted for future capital expenditure for property, plant and equipment totalling £37.6 million (2023: £25.0 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:

	2024 £'m	2023 £'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

29. 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:

	2024 £'m	2023 £'m
Short-term employee benefits	**8.2**	5.9
Share-based payments	**3.6**	1.3
	11.8	7.2

During the year the Group made purchases of £2.2 million from its joint venture and made sales of £1.1 million to its joint venture. As at 30 March 2024, the Group owed £0.2 million to, and was owed £0.1 million by its joint venture.

NOTES TO THE ACCOUNTS
CONTINUED

30. 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. Free cash conversion reflects free cash flow adjusted for non-growth capital expenditure, the net IAS 41 valuation movement on biological assets, lease capital and lease interest paid; as a percentage of adjusted profit. 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

	2024 £'m	2023 £'m	Change
Revenue	**2,599.3**	2,323.0	+11.9%
Cranswick Mediterranean Foods Limited	**(1.6)**	–	
Elsham Linc Limited	**(4.7)**	–	
Froch Foods Limited	**(1.2)**	–	
Like-for-like revenue	**2,591.7**	2,323.0	+11.6%

Adjusted gross profit

	2024 £'m	2023 £'m	Change
Gross profit	**376.9**	308.5	+22.2%
Net IAS 41 valuation movement	**(2.2)**	(7.6)	
Adjusted gross profit	**374.7**	300.9	+24.5%

Adjusted Group operating profit and adjusted EBITDA

	2024 £'m	2023 £'m	Change
Group operating profit	**166.9**	145.9	+14.4%
Net IAS41 valuation movement	**(2.2)**	(7.6)	
Amortisation of intangible assets	**5.0**	5.2	
Impairment of intangible assets	**15.4**	3.0	
Adjusted Group operating profit	**185.1**	146.5	+26.3%
Depreciation of property, plant and equipment	**65.5**	54.1	
Depreciation of right-of-use assets	**16.2**	14.7	
Adjusted EBITDA	**266.8**	215.3	+23.9%

Adjusted profit before tax

	2024 £'m	2023 £'m	Change
Profit before tax	**158.4**	139.5	+13.5%
Net IAS41 valuation movement	**(2.2)**	(7.6)	
Amortisation of intangible assets	**5.0**	5.2	
Impairment of intangible assets	**15.4**	3.0	
Adjusted profit before tax	**176.6**	140.1	+26.1%

30. Alternative Performance Measures (continued)

Adjusted earnings per share

	2024 £'m	2024 Basic pence	2024 Diluted pence	2023 £'m	2023 Basic pence	2023 Diluted pence
On profit for the year	**113.1**	**210.4**	**209.7**	111.4	208.3	207.8
Amortisation of intangible assets	**5.0**	**9.4**	**9.3**	5.2	9.6	9.6
Tax on amortisation of intangible assets	**(1.3)**	**(2.3)**	**(2.3)**	(1.0)	(1.8)	(1.8)
Net IAS 41 valuation movement	**(2.2)**	**(4.2)**	**(4.1)**	(7.6)	(14.2)	(14.2)
Tax on net IAS 41 valuation movement	**0.6**	**1.0**	**1.0**	1.9	3.6	3.6
Impairment of goodwill	**15.1**	**28.0**	**27.9**	–	–	–
Impairment of acquired intangible assets	**0.3**	**0.6**	**0.6**	3.0	5.6	5.6
Tax on impairment of acquired intangible assets	**(0.1)**	**(0.1)**	**(0.1)**	(0.6)	(1.1)	(1.1)
On adjusted profit for the year	**130.5**	**242.8**	**242.0**	112.3	210.0	209.5

Free cash flow

	2024 £'m	2023 £'m	Change
Net cash from operating activities	**228.4**	153.0	+49.3%
Net interest paid	**(5.0)**	(3.8)	
Free cash flow	**223.4**	149.2	+49.7%

Free cash conversion

	2024 £'m	2023 £'m	Change
Free cash flow	**223.4**	149.2	+49.7%
Non-growth capital expenditure	**(22.1)**	(36.4)	
Net IAS 41 valuation movement	**2.2**	7.6	
Lease capital paid	**(14.2)**	(13.8)	
Lease interest paid	**(3.6)**	(2.5)	
	185.7	104.1	
Adjusted profit for the year	**130.5**	112.3	
Free cash conversion	**142.3%**	92.7%	+4,960 bps

Return on capital employed

	2024 £'m	2023 £'m	Change
Average opening and closing net assets	**877.2**	805.6	
Average opening and closing net debt	**100.4**	103.7	
Average opening and closing pension surplus	**(0.2)**	(4.2)	
Average opening and closing deferred tax	**24.6**	20.1	
	1,002.0	925.2	
Adjusted Group operating profit	**185.1**	146.5	
Return on capital employed	**18.5%**	15.8%	+264 bps

COMPANY BALANCE SHEET

AT 30 MARCH 2024

	Notes	2024 £'m	2023 Restated* £'m	27 March 2022 Restated* £'m
Non-current assets				
Property, plant and equipment	7	**0.3**	0.6	0.7
Investments in subsidiary undertakings	9	**155.5**	152.1	179.3
Trade and other receivables	10	**162.7**	160.8	112.8
Right-of-use assets	8	**0.4**	0.4	0.5
Deferred tax assets	6	**1.1**	0.4	1.1
Total non-current assets		**320.0**	314.3	294.4
Current assets				
Trade and other receivables	10	**9.7**	4.1	5.8
Cash and short-term deposits		**1.2**	11.5	–
Total current assets		**10.9**	15.6	5.8
Total assets		**330.9**	329.9	300.2
Current liabilities				
Trade and other payables	11	**(62.3)**	(60.5)	(56.0)
Financial liabilities	12	**–**	–	(0.4)
Lease liabilities	8	**(0.1)**	(0.1)	(0.1)
Provisions	13	**–**	–	(0.1)
Income tax payable		**(12.7)**	(3.8)	(7.4)
Total current liabilities		**(75.1)**	(64.4)	(64.0)
Non-current liabilities				
Financial liabilities	12	**(27.1)**	(40.5)	(36.4)
Lease liabilities	8	**(0.3)**	(0.4)	(0.5)
Provisions	13	**(0.8)**	(0.8)	(0.7)
Total non-current liabilities		**(28.2)**	(41.7)	(37.6)
Total liabilities		**(103.3)**	(106.1)	(101.6)
Net assets		**227.6**	223.8	198.6
Equity				
Called-up share capital	15	**5.4**	5.4	5.3
Share premium account		**128.3**	123.9	115.9
Shares held in trust	16	**(15.6)**	–	–
General reserve		**–**	4.0	4.0
Merger reserve		**1.8**	1.8	1.8
Share-based payments	17	**11.8**	9.5	10.9
Retained earnings		**95.9**	79.2	60.7
Total equity		**227.6**	223.8	198.6

* See note 2 for details regarding the restatement as a result of a change in accounting policy.

The Company's profit for the 53 weeks ended 30 March 2024 was £49.7 million (2023: £53.0 million).

The financial statements on pages 186 to 195 were approved by the Board of Directors on 21 May 2024 and signed on its behalf by

Tim J Smith CBE
Chairman

Mark Bottomley
Chief Financial Officer

21 May 2024

COMPANY STATEMENT OF CHANGES IN EQUITY

AT 30 MARCH 2024

	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	Shares held in trust Note[f] £'m	Retained earnings £'m	Total equity £'m
At 26 March 2022 as originally presented	5.3	115.9	4.0	1.8	44.3	–	27.3	198.6
Change in accounting policy	–	–	–	–	(33.4)	–	33.4	–
Total equity at the beginning of the financial year (restated*)	5.3	115.9	4.0	1.8	10.9	–	60.7	198.6
Profit for the year, being total comprehensive income	–	–	–	–	–	–	53.0	53.0
Share-based payments	–	–	–	–	4.7	–	–	4.7
Exercise, lapse or forfeit of share-based payments (restated*)	–	–	–	–	(6.1)	–	6.1	–
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 (restated*)	5.4	123.9	4.0	1.8	9.5	–	79.2	223.8
At 25 March 2023 as originally presented	5.4	123.9	4.0	1.8	49.0	–	39.7	223.8
Change in accounting policy	–	–	–	–	(39.5)	–	39.5	–
Total equity at the beginning of the financial year (restated*)	5.4	123.9	4.0	1.8	9.5	–	79.2	223.8
Profit for the year, being total comprehensive income	–	–	–	–	–	–	49.7	49.7
Share-based payments	–	–	–	–	8.8	–	–	8.8
Shares acquired by Employee Benefit Trust	–	–	–	–	–	(15.6)	–	(15.6)
Exercise, lapse or forfeit of share-based payments	–	–	–	–	(6.5)	–	6.5	–
Share options exercised	–	4.4	–	–	–	–	–	4.4
Transfer of reserves	–	–	(4.0)	–	–	–	4.0	–
Dividends	–	–	–	–	–	–	(43.9)	(43.9)
Deferred tax related to changes in equity	–	–	–	–	–	–	0.3	0.3
Current tax related to changes in equity	–	–	–	–	–	–	0.1	0.1
At 30 March 2024	**5.4**	**128.3**	**–**	**1.8**	**11.8**	**(15.6)**	**95.9**	**227.6**

* See note 2 for details regarding the restatement as a result of a change in accounting policy.

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. During the year, the General reserve was transferred into Retained earnings.

(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. The value of shares that have exercised, lapsed or forfeit is credited to Retained earnings.

(f) Shares held in trust
The shares held in trust are intended to be granted to the beneficiaries of the Group's SAYE and Long-Term Incentive Plan (LTIP) when the relevant conditions of the SAYE and LTIP are satisfied, with a transfer between the Shares held in trust reserve and Retained earnings.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. Authorisation of Financial Statements

The Company financial statements of Cranswick plc (the 'Company') for the 53 weeks ended 30 March 2024 were authorised for issue by the Board of Directors on 21 May 2024 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. In the prior year, the Company 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 53 week period ended 30 March 2024. Comparatives are for the 52 week period ended 25 March 2023. The Balance Sheets for 2024, 2023 and 2022 have been prepared as at 30 March 2024, 25 March 2023 and 27 March 2022 respectively. The 2023 and 2022 Balance Sheets have been restated following a change in accounting policy. For more details, please see below.

A summary of the principal accounting policies is presented below.

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 an impairment indicator exists, 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 of disposal and its value-in-use ('VIU'). VIU is the present value of expected future cash flows from the investment. The assumptions used in the model 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). Management do not deem these assumptions to be sensitive.

2. Accounting Policies (continued)

Other estimates and judgements have been applied by management in producing the Annual Report and Accounts including, but not limited to, depreciation and amortisation rates. However, these are not considered to have a significant risk of material adjustment.

Change in accounting policy

The Company changed its accounting policy for share-based payments such that the value of shares that have exercised, lapsed or forfeit is now credited to Retained earnings as opposed to remaining within the Share-based payment reserve.

The change in accounting policy had no impact upon the company's profit, total comprehensive income, cash flows, net assets, or distributable reserves. The change in accounting policy enables readers of the financial statements to identify the cumulative value of share-based payments that are still to be exercised, lapse or forfeit.

The impact of the change in accounting policy is detailed in the Company Statement of Changes in Equity.

Adjustments to the prior year disclosure

During the current financial year, the disclosure of financial statement line items presented in the prior year have been restated to more appropriately reflect their nature. There was no change to the reported financial performance, net assets or total cash flows of the company for any of the restatements as at 25 March 2023 or 27 March 2022. The restatements of the 25 March 2023 and 27 March 2022 numbers can be summarised as follows:

Previously amounts owed by subsidiary undertakings were classified as current under the legal form. During the year, this has been reclassified to non-current to better reflect the expected repayment, and to present amounts owed to the same entity on a gross basis. The 25 March 2023 current trade and other receivables decreased by £160.2 million, non-current trade and other receivables increased by £160.8 million, and current trade and other payables increased by £0.6 million. The 27 March 2022 current trade and other receivables decreased by £110.8 million, non-current trade and other receivables increased by £112.8 million, and current trade and other payables increased by £2.0 million.

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 tax assets and liabilities within the same tax jurisdiction are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and where there is an intention to settle these balances on a net basis.

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.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
CONTINUED

2. Accounting Policies (continued)

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.

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

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

Useful economic lives are principally as follows:

Freehold buildings	20–50 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.

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.

2. Accounting Policies (continued)

Purchase of shares held in trust

The Shares held in trust reserve relates to ordinary shares in Cranswick plc which are held in an Employee Benefit Trust set up in May 2020. The shares held in trust are intended to be granted to the beneficiaries of the Group's SAYE and Long-Term Incentive Plan (LTIP) when the relevant conditions of the SAYE and LTIP are satisfied, with a transfer between the Shares held in trust reserve and Retained earnings.

3. Employees

	2024 £'m	2023 £'m
Staff costs:		
Wages and salaries	**16.6**	10.1
Social security costs	**2.3**	1.4
Other pension costs	**0.3**	0.1
	19.2	11.6

The average monthly number of employees during the year was:

	2024	2023
Administration	**83**	76
	83	76

Remuneration paid to the Directors is disclosed in the Remuneration report on pages 105 to 131 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 £49.7 million (2023: £53.0m). 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

	2024 £'m	2023 £'m
Declared and paid during the year:		
Final dividend for 2023 – 58.8p per share (2022: 55.6p)	**31.7**	29.7
Interim dividend for 2024 – 22.7p per share (2023: 20.6p)	**12.2**	11.0
Dividends paid	**43.9**	40.7
Proposed for approval of Shareholders at the Annual General Meeting on 29 July 2024		
Final dividend for 2024 – 67.3p per share (2023: 58.8p)	**36.3**	30.0

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:

	2024 £'m	2023 £'m
Recognised in company statement of changes in equity		
Deferred tax (credit)/charge in share based payments	**(0.3)**	0.3
Corporation tax credit on share options exercised	**(0.1)**	(0.4)
Total tax credit recognised directly in equity	**(0.4)**	(0.1)

NOTES TO THE COMPANY FINANCIAL STATEMENTS
CONTINUED

6. Taxation (continued)

b) Deferred tax
The deferred tax included in the Company balance sheet is as follows:

	2024 £'m	2023 £'m
Deferred tax asset in the balance sheet		
Other temporary differences	–	0.1
Share-based payments	1.1	0.3
Deferred tax asset	1.1	0.4

7. Property, Plant and Equipment

	Freehold land and buildings £'m	Plant, equipment and vehicles £'m	Total £'m
Cost			
At 25 March 2023	0.5	0.4	0.9
Disposals	(0.3)	–	(0.3)
At 30 March 2024	0.2	0.4	0.6
Depreciation			
At 25 March 2023	–	0.3	0.3
Charge for the year	–	–	–
At 30 March 2024	–	0.3	0.3
Net book amounts			
At 25 March 2023	0.5	0.1	0.6
At 30 March 2024	**0.2**	**0.1**	**0.3**

Included in freehold land and buildings is land with a cost of £0.2 million (2023: £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 25 March 2023 and at 30 March 2024	0.7
Depreciation	
At 25 March 2023	0.3
Charge for the year	–
At 30 March 2024	0.3
Net book amounts	
At 25 March 2023	0.4
At 30 March 2024	**0.4**

	2024 £'m	2023 £'m
Lease liabilities:		
Current	0.1	0.1
Non-current	0.3	0.4
	0.4	0.5

9. Investments

	Subsidiary undertakings £'m
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
Capital contribution relating to share options	4.4
Return of capital by subsidiaries	(1.0)
At 30 March 2024	**155.5**

The subsidiary undertakings as at 30 March 2024 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)
- 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)
- 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)
- Roma (No.1) Limited (formally Roma (No.1) plc)*, registered number 01908346
- Continental Fine Foods Limited*, registered number 02096132
- 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 Trustees Limited* registered number 04340385
- Cranswick Tuck Marketing Limited*, registered number 01942648
- 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)
- Cranswick Mill Limited (formally 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)
- 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 (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 (100 per cent owned by Katsouris Brothers Limited)
- Elsham Linc Limited*, registered number 05525289 (100 per cent owned by Cranswick Country Foods plc), acquired on 4 August 2023
- Froch Foods Holdings Limited*, registered number 14748703 (100 per cent owned by Cranswick Country Foods plc), acquired on 19 January 2024
- Froch Foods Limited*, registered number 13667244 (100 per cent owned by Froch Foods Holdings Limited), acquired on 19 January 2024
- Warwick One Limited, registered number SC189028 (registered in Scotland, registered office 21 Jenny Moores Road, St. Boswells, Melrose, Roxburghshire, TD6 0AN), dissolved 14 November 2023
- Mulberry House Foods Limited, registered number 06414311 (100 per cent owned by Cranswick Country Foods plc), dissolved 21 November 2023
- Weeton Foods Limited, registered number 06414382 (100 per cent owned by Cranswick Country Foods plc), dissolved 21 November 2023
- Potterdale Foods Limited, registered number 05600670 (100 per cent owned by Cranswick Country Foods plc), dissolved 21 November 2023

NOTES TO THE COMPANY FINANCIAL STATEMENTS
CONTINUED

9. Investments (continued)

- Cranswick Country Foods (Norfolk) Pension Trustees Limited, registered number 05969955 (100 per cent owned by Cranswick Country Foods (Norfolk) Limited), dissolved 27 February 2024
- Brookfield Foods Limited, registered number 02617865, dissolved 21 November 2023
- North Wales Foods Limited, registered number 03685950, dissolved 21 November 2023
- Cranswick Mill Limited, registered number 01941133, dissolved 21 November 2023
- Charter Pork Cuts Limited, registered number 02269959, dissolved 21 November 2023
- Crown Milling Limited, registered number 03203641 (100 per cent owned by CCL Holdings Limited), dissolved 21 November 2023
- Delico Limited, registered number 03423315, dissolved 21 November 2023
- 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), dissolved 24 November 2023
- Cypresa Products Limited, registered number 01704511 (100 per cent owned by Katsouris Brothers Limited), dissolved 21 November 2023

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 30 March 2024, 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.

The joint venture undertaking as at 30 March 2024 was:

- Mere Pigs (50 per cent held by Elsham Linc Limited), acquired 4 August 2023

The financial asset investment as at 30 March 2024 was:

- BIA Analytical Ltd, registered number NI857772 (2.77 per cent held by Cranswick Country Foods plc), acquired 22 September 2023

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

	2024 £'m	2023 Restated* £'m
Current:		
Financial assets:		
Trade receivables	–	0.6
Amounts owed by subsidiary undertakings	6.3	1.1
Other receivables	1.3	0.7
	7.6	2.4
Non-financial assets:		
Prepayments	2.1	1.7
	9.7	4.1
Non-current:		
Amounts owed by subsidiary undertakings	162.7	160.8

* See note 2 for details regarding the restatement.

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

	2024 £'m	2023 Restated* £'m
Current:		
Trade payables	2.1	2.3
Amounts owed to subsidiary undertakings	39.4	39.3
Tax and social security	3.1	10.1
Other creditors	12.7	6.2
Other accruals	5.0	2.6
	62.3	60.5

* See note 2 for details regarding the restatement.

Amounts owed to subsidiary undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

12. Financial Liabilities

	2024 £'m	2023 £'m
Non-current:		
Amounts outstanding under revolving credit facility	28.0	42.0
Unamortised issue costs	(0.9)	(1.5)
	27.1	40.5

All financial liabilities are carried at amortised cost.

Banking facility
Details in respect of Company banking facility is presented in Note 19 of the Group Financial Statements.

13. Provisions

	Lease provisions £'m
At 27 March 2022 and at 25 March 2023	0.8
Created	–
Utilised	–
Movement on discount	–
At 30 March 2024	**0.8**

Analysed as:

	2024 £'m	2023 £'m
Current liabilities	–	–
Non-current liabilities	0.8	0.8
	0.8	0.8

Lease provisions are held against dilapidation obligations on leased properties. These provisions are expected to be utilised over the next two 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 £28.0 million as at 30 March 2024 (2023: £42.0 million).

15. Called-up Share Capital

Details in respect of called-up share capital are presented in Note 22 of the Group Financial Statements.

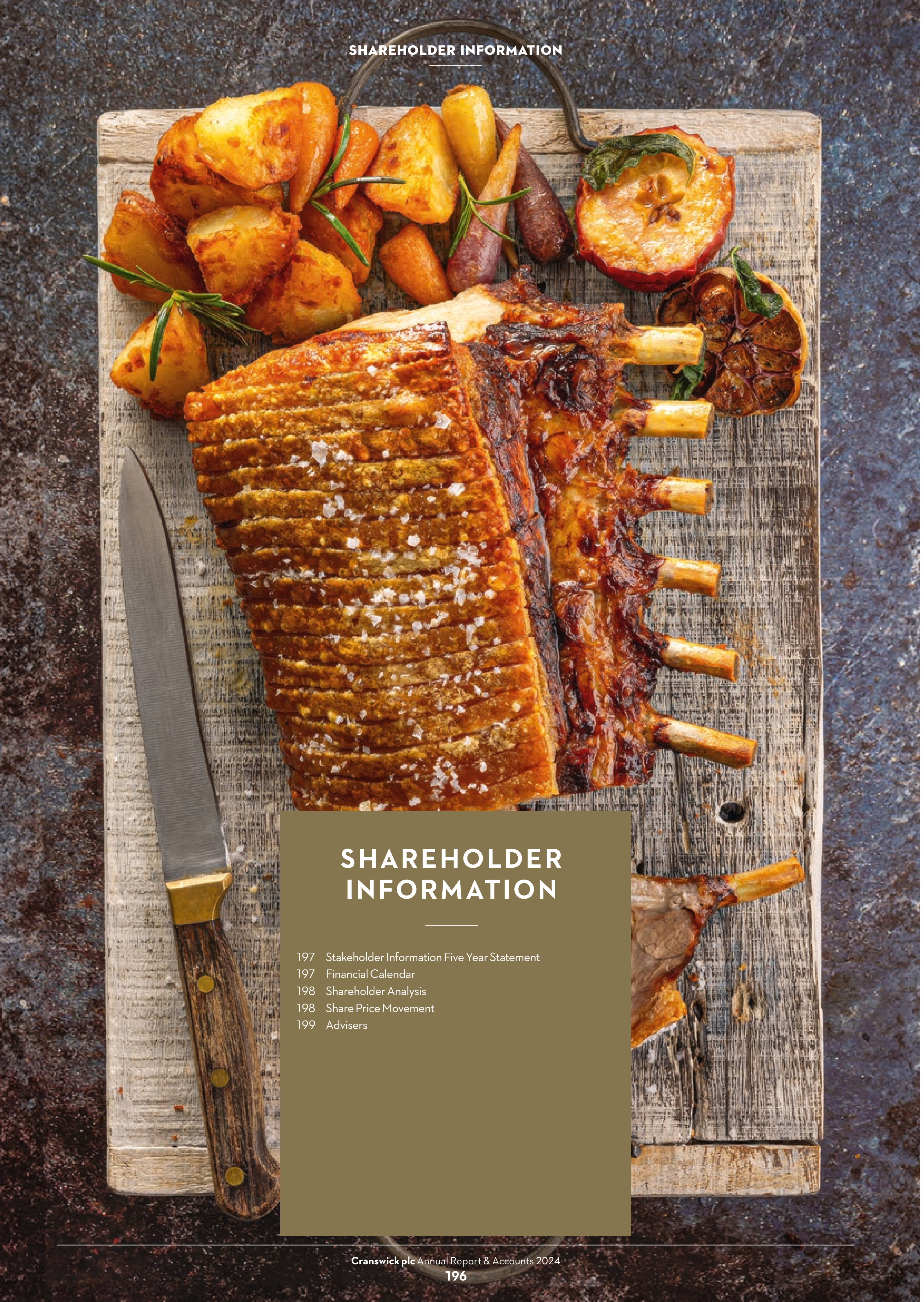
16. Shares held in trust

Details in respect of shares held in trust are presented in Note 23 of the Group Financial Statements.

17. 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 24 of the Group Financial Statements.

The Group changed its accounting policy for share-based payments such that the value of shares that have exercised, lapsed or forfeit is now credited to Retained earnings as opposed to remaining within the Share-based payment reserve, for more details refer to Note 2. The total value of shares that have exercised, lapsed or forfeit in the year was £6.5 million (2023: £6.1 million).



SHAREHOLDER INFORMATION

STAKEHOLDER INFORMATION FIVE YEAR STATEMENT

	2024 £'m	2023 £'m	2022 £'m	2021 £'m	2020 £'m
Revenue	**2,599.3**	2,323.0	2,008.5	1,898.4	1,667.2
Profit before tax	**158.4**	139.5	129.9	114.8	104.0
Adjusted profit before tax*	**176.6**	140.1	136.9	129.7	102.3
Earnings per share	**210.4p**	208.3p	195.7p	176.4p	159.1p
Adjusted earnings per share*	**242.8p**	210.0p	205.4p	199.3p	156.4p
Dividends per share	**90.0p**	79.4p	75.6p	70.0p	60.4p
Capital expenditure	**91.4**	85.1	93.7	71.9	97.5
Net (debt)/funds	**(99.4)**	(101.4)	(106.0)	(92.4)	(146.9)
Net assets	**911.5**	842.9	768.9	686.1	614.5

* Adjusted profit before tax and earnings per share exclude certain non-cash items including the net IAS 41 valuation movement on biological assets, amortisation and impairment of acquired intangible assets, and profit on sale of a business. 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 26 to the accounts.

FINANCIAL CALENDAR

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

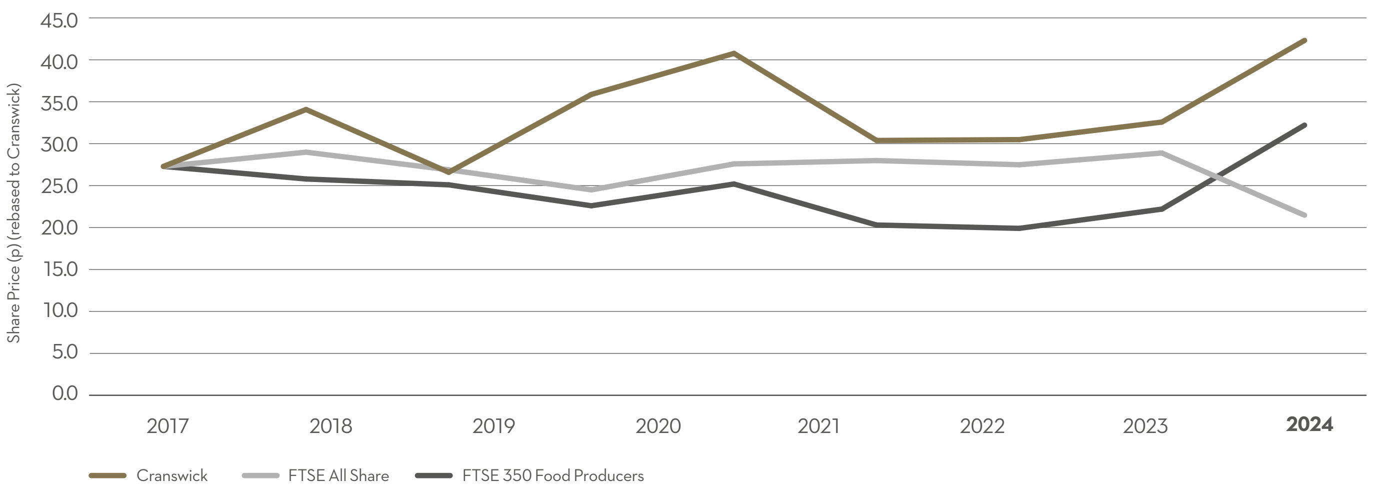
SHAREHOLDER ANALYSIS
AT 3 MAY 2024

	Number of holdings	Number of shares
Classification		
Private Shareholders	1,413	2,690,985
Corporate bodies and nominees	561	51,352,385
	1,974	**54,043,370**
Size of holding (shares)		
1–1,000	1,228	373,180
1,001–5,000	341	785,470
5,001–10,000	84	601,352
10,001–50,000	160	3,881,250
50,001–100,000	50	3,529,035
Above 100,000	111	44,873,083
	1,974	**54,043,370**
Share price		
Share price at 25 March 2023		3,014p
Share price at 30 March 2024		4,096p
Low in the year		2,956p
High in the year		4,210p

SHARE PRICE MOVEMENT

Cranswick's share price movement over the six year period to May 2024 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 4 May 2018 (2,369p), is shown below:

Share Price (p)



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 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

NOTES

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CRANSWICK
Great British Taste

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